# Report and consolidated financial statements at June 30, 2025

GRUPPO BCC
ICCREA

# *Report and consolidated financial statements at June 30, 2025 of the Iccrea Cooperative Banking Group*

***ICCREA BANCA S.P.A.***
*Istituto Centrale del Credito Cooperativo*
*Parent company of the Iccrea Cooperative Banking Group*
*Registered office and Headquarters: via Lucrezia Romana 41/47 - 00178 Rome, Italy*
*Share Capital: €1,401,045,452.35 fully paid up*
*VAT reg. no. and tax id no. 04774801007 - REA of Rome no. 801787*
*Participating entity in the Group VAT mechanism of the Iccrea Cooperative Banking Group, VAT reg. no. 15240741007*
*Entered in the Register of Banking Groups*
*Entered in the Register of Banks at no. 5251*
*ABI code no. (08000)*

BCC BANCA ICCREA

## CONTENTS

# INTERIM REPORT AND CONSOLIDATED FINANCIAL STATEMENTS OF THE ICCREA COOPERATIVE BANKING GROUP

# CONSOLIDATED REPORT ON OPERATIONS

June 30, 2025

# CORPORATE BOARDS

Elected at the Ordinary Shareholders' Meeting of May 15, 2025 for the 2025-2027 term

## BOARD OF DIRECTORS

| | |
|---|---|
| MAINO Giuseppe | *Chairman* |
| FIORDELISI Teresa | *Senior Deputy Chairman* |
| CARRI Francesco | *Deputy Chairman* |
| BENABDALLAH Nadia | |
| CAPPIELLO Laura* (2) (4) | |
| ELEFANTI Marco* (2) (3) ( | |
| GAMBI Giuseppe (3) (5) | |
| LONGHI Maurizio | |
| MANZO Amedeo (1) | |
| OTTOBONI Roberto | |
| PETRINI Paola (2) (5) | |
| PIVA Flavio | |
| RIMOLDI Enrica* (1) (4) (5) | |
| STRA Pierpaolo | |
| ZONI Laura* (1) (3) (4) | |

* Independent directors

(1) Member of the Risks Committee

(2) Member of the Appointments Committee

(3) Member of the Remuneration Committee

(4) Member of the Affiliated Bank Controls & Interventions Committee

(5) Member of the Environmental Social Governance Committee

## EXECUTIVE COMMITTEE

| | |
|---|---|
| LONGHI Maurizio | *Chairman* |
| BENABDALLAH Nadia | |
| OTTONI Roberto | |
| PIVA Flavio | |
| STRA Pierpaolo | |

## BOARD OF AUDITORS

| | |
|---|---|
| ZANARDI Barbara | *Chairman* |
| ANDRIOLO Riccardo | *Standing Auditor* |
| CAPUANO Claudia | *Standing Auditor* |
| ROCCHETTI Vittorio | *Alternate Auditor* |
| CIGNOLINI Michela | *Alternate Auditor* |

## SENIOR MANAGEMENT

| | |
|---|---|
| PASTORE Mauro | *General Manager* |
| ROMITO Francesco | *Senior Deputy General Manager* |
| GALBIATI Pietro | *Deputy General Manager* |

## FINANCIAL REPORTING OFFICER

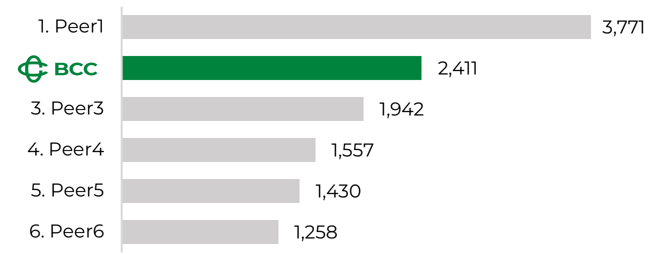
DI PRINZIO Marianna

# 1. EXECUTIVE SUMMARY

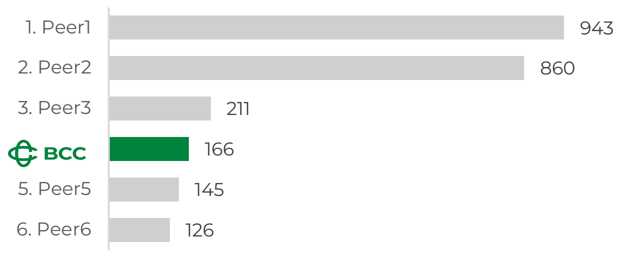
## KEY FIGURES AND MARKET POSITIONING

- 2,411 — Branches
- 22,424 — Employees
- 903k* — Shareholders
- 16.8 €/bln — Own funds
- 99.8** €/bln — Loans to customers
- 126.1 €/bln — Direct funding from customers

### SECOND LARGEST BANKING GROUP BY NUMBER OF BRANCHES IN ITALY (€/bln)***




### FOURTH LARGEST BANKING GROUP BY TOTAL ASSETS (€/bln)***

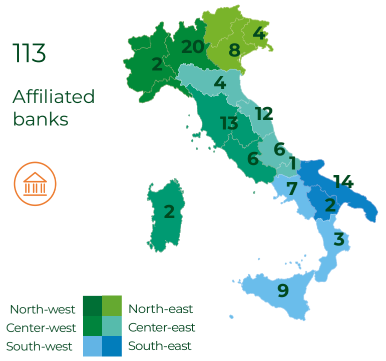


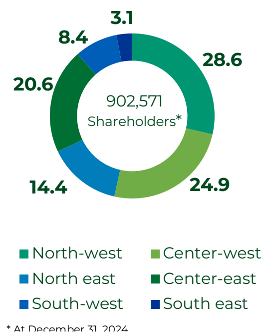

* At December 31, 2024

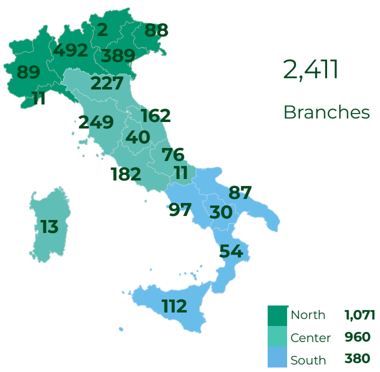
** Gross loans to customers

*** Source infoproviders: figures at June 30, 2025

## GEOGRAPHICAL DISTRIBUTION OF THE GROUP RETAIL BANKS

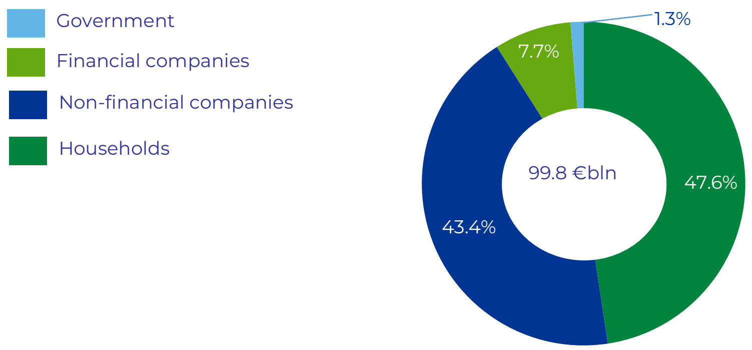



## BREAKDOWN OF CUSTOMER BASE

Type of counterparty



## MAIN PERFORMANCE INDICATORS[1] AT JUNE 30, 2025, DECEMBER 31, 2024 AND JUNE 30, 2024

| (amounts in thousands of euros) | 30/06/2025 | 31/12/2024 | 30/06/2024 |
|---|---|---|---|
| **STRUCTURAL RATIOS** | | | |
| Net loans to customers measured at amortized cost /total assets | 58.5% | 56.8% | 56.0% |
| Direct funding from customers/total liabilities | 76.1% | 75.6% | 74.3% |
| Equity (including profit/loss) /total liabilities | 10.1% | 9.6% | 8.9% |
| Loan to deposit ratio | 69.3% | 68.2% | 67.6% |
| Net loans to ordinary customers measured at amortized cost /direct funding from ordinary customers [2] | 76.9% | 73.3% | 71.8% |
| **PROFITABILITY RATIOS** | | | |
| ROE (Net profit)/ net equity including profit for the period) | 6.3% | 12.8% | 7.2% |
| ROTE [Net profit/net tangible equity (equity including profit – intangible assets] | 6.3% | 12.9% | 7.2% |
| ROA (Net profit/total assets) | 0.6% | 1.2% | 0.6% |
| Cost/income ratio | 55.0% | 52.2% | 52.7% |
| Personnel expenses/gross income | 36.7% | 35.6% | 33.8% |
| Net interest income/gross income | 70.5% | 73.7% | 73.7% |
| Net fee and commission income /gross income | 25.0% | 23.7% | 22.8% |
| Net interest income/Number of employees at end-period | 89.8 | 194.6 | 98.2 |
| Net fee and commission income/Number of employees at end-period | 31.8 | 62.6 | 30.4 |
| Gross income/Number of employees at end-period | 127.4 | 263.9 | 133.3 |
| **RISK RATIOS** | | | |
| Gross impaired loans/gross loans measured at amortized cost [3] | 2.9% | 3.0% | 3.6% |
| Gross impaired loans to customers/gross loans to customers measured at amortized cost[4] | 2.9% | 3.0% | 3.7% |
| Net impaired loans to customers/net loans to customers measured at amortized cost [5] | 0.8% | 0.8% | 1.0% |
| Net Stage 2 loans to customers measured at amortized cost/net performing loans to customers measured at amortized cost | 7.8% | 9.3% | 8.9% |
| Net bad loans/net loans to customers measured at amortized cost | 0.1% | 0.1% | 0.1% |
| Net UTP loans/net loans to customers measured at amortized cost | 0.5% | 0.5% | 0.7% |
| Net writedowns/(writebacks) for credit risk/net loans to customers measured at amortized cost | 0.1% | 0.4% | 0.2% |
| Writedowns of impaired loans/gross loans to customers measured at amortized cost | 74.3% | 73.8% | 72.8% |
| Writedowns of bad loans/gross bad loans | 87.9% | 88.5% | 87.7% |
| Writedowns of UTP loans/gross UTP loans | 72.2% | 71.5% | 70.1% |
| Texas ratio | 20.3% | 21.5% | 29.7% |
| **CAPITAL RATIOS - phased-in** | | | |
| Common Equity Tier 1 ratio | 25.3% | 23.3% | 22.7% |
| Tier 1 ratio | 25.4% | 23.3% | 22.7% |
| Total capital ratio | 25.8% | 23.8% | 23.8% |
| Total own funds | 16,787,499 | 15,818,914 | 15,213,951 |
| *of which: Tier 1 capital after filters and deductions* | *16,488,478* | *15,451,065* | *14,516,494* |
| Risk-weighted assets (RWA) | 65,026,686 | 66,488,882 | 63,882,227 |
| **CAPITAL RATIOS - fully loaded** | | | |
| Common Equity Tier 1 ratio | 24.7% | 23.3% | 22.7% |
| Tier 1 ratio | 24.7% | 23.3% | 22.7% |
| Total capital ratio | 25.1% | 23.8% | 23.8% |

[1] For an explanation of how the alternative performance indicators are calculated, please see Annex 2 – Alternative Performance Indicators.

[2] Lending to and funding from customers calculated net of exposures vis-à-vis CC&G.

[3] Calculated based on the EBA definition including exposures to banks.

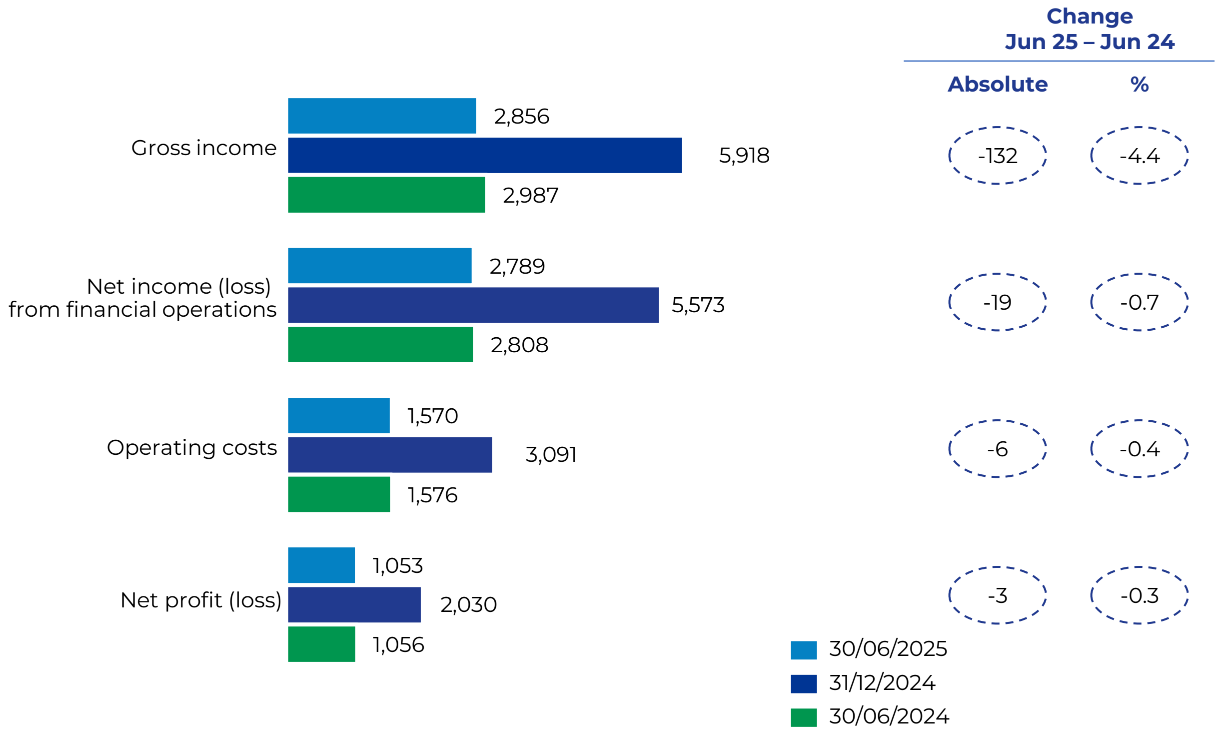
[4] Excluding operations with institutional counterparties, at June 30, 2025, the ratio is 3.1%, unchanged compared to December 31, 2024. At June 30, 2024, the ratio was 3.9%.

[5] Excluding operations with institutional counterparties, at June 30, 2025, the ratio is 0.8%, unchanged compared to December 31, 2024. At June 30, 2024, the ratio was 1.1%.

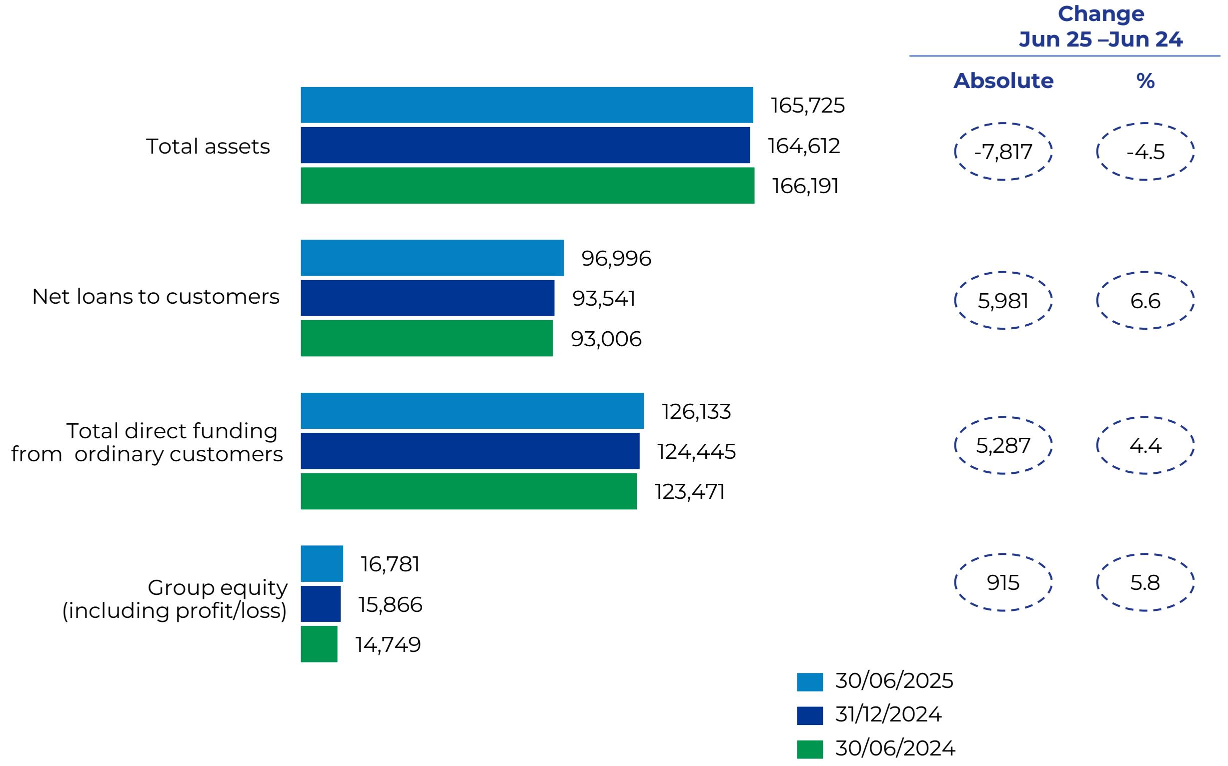
| **LEVARAGE RATIO** | **30/06/2025** | **31/12/2024** | **30/06/2024** |
|---|---|---|---|
| Phased-in Tier 1/Total assets | 9.4% | 9.0% | 8.4% |
| Fully loaded Tier 1/Total assets | 9.4% | 9.0% | 8.4% |

| **LIQUIDITY RATIOS** | | | |
|---|---|---|---|
| LCR | 287.9% | 281.3% | 263.2% |
| NSFR | 159.9% | 158.2% | 160.5% |
| Encumbered asset ratio | 16.0% | 18.9% | 18.1% |

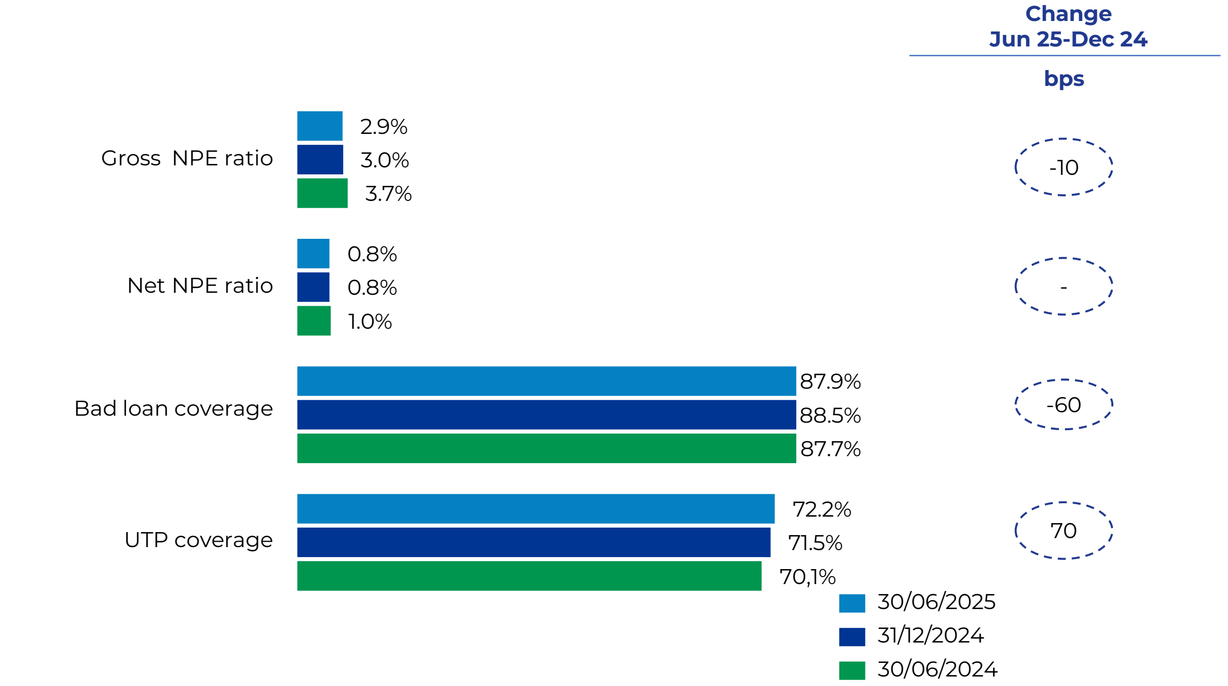
| **INCOME STATEMENT, BALANCE SHEET, OPERATIONAL AND STRUCTURAL DATA** | **30/06/2025** | **31/12/2024** | **30/06/2024** |
|---|---|---|---|
| Profit/(loss) for the period | 1,053,439 | 2,030,145 | 1,055,962 |
| Profit/(loss) attributable to the Group | 1,053,013 | 2,030,587 | 1,055,962 |
| Gross income | 2,855,751 | 5,917,525 | 2,987,251 |
| Operating expenses | 1,569,575 | 3,091,468 | 1,575,754 |
| Net loans to customers measured at amortized cost | 96,996,174 | 93,541,310 | 93,005,885 |
| *of which: Net bad loans* | *107,171* | *97,266* | *128,833* |
| *of which: Net UTP loans* | *478,029* | *496,735* | *651,844* |
| Net non-performing loans | 753,398 | 760,747 | 970,588 |
| Total direct funding from ordinary customers | 126,133,329 | 124,444,969 | 123,470,492 |
| Equity pertaining to the Group (including profit/loss) | 16,780,591 | 15,865,908 | 14,748,754 |
| Intangible assets | 202,854 | 200,283 | 152,383 |
| Total consolidated assets | 165,725,374 | 164,611,913 | 166,191,248 |
| Number of branches | 2,411 | 2,415 | 2,415 |
| Number of Group banks | 117 | 118 | 119 |
| Number of affiliated mutual banks | 113 | 114 | 115 |
| Number of employees at end-period | 22,424 | 22,424 | 22,416 |



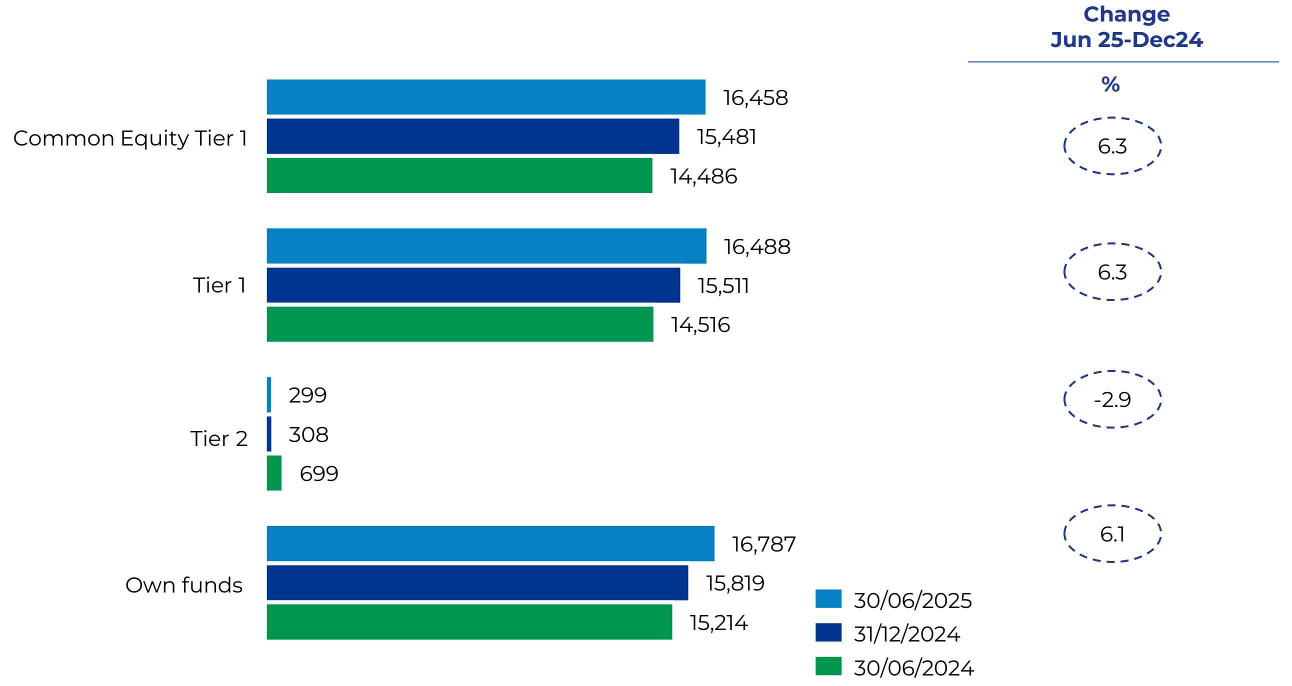

## Key balance-sheet figures (millions of euros)



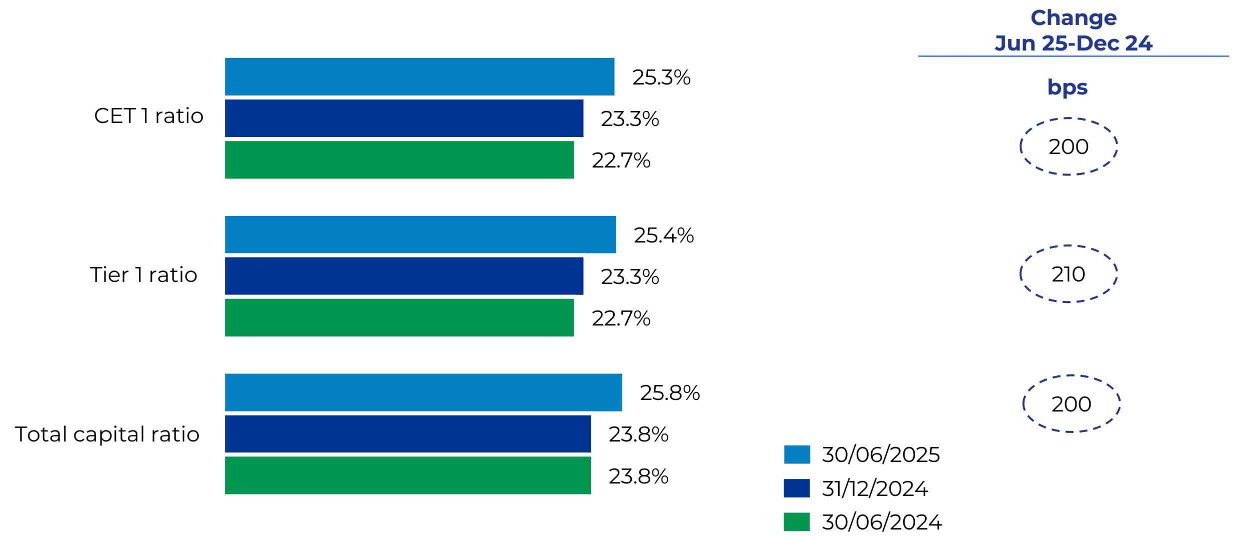

## Key risk indicators (%)



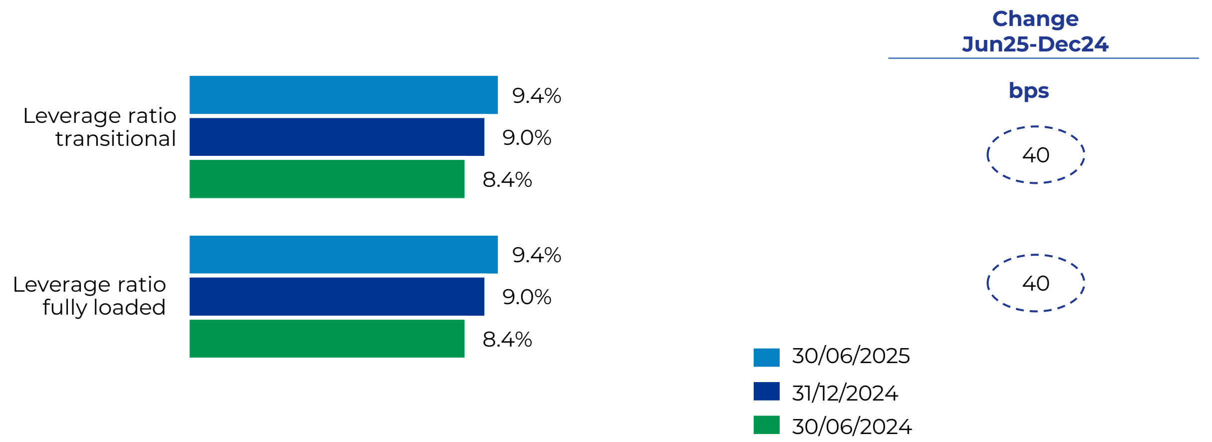
## **Composition of capital** (millions of euros)



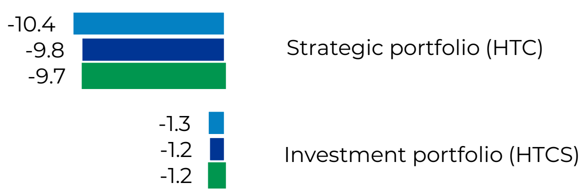

## **Capital ratios** (%)



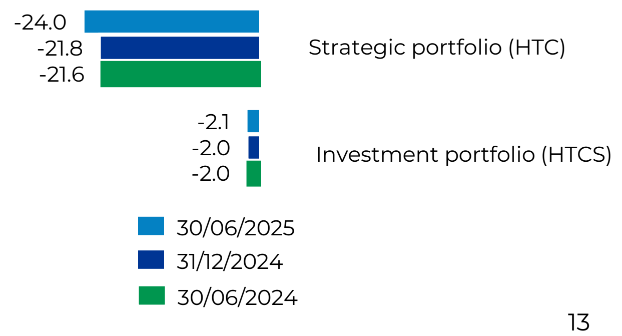

## **Leverage ratio** (%)




## **Sensitivity interest rate risk**
(millions of euros)




## **Sensitivity credit risk**
(millions of euros)



## 2. THE ECONOMIC ENVIRONMENT

### The international and Italian macroeconomic environment and developments in banking and the financial markets

Since the beginning of 2025, the economic policy of the new US administration caused a slowdown of disinflation in the US, fueling uncertainty about the global growth prospects and promoting a progressive polarization of the global economy. American inflation is affected both by measures taken to counter immigration – which tend to reduce the labor supply and can therefore foster conditions for more substantial wage increases – and the increase in tariffs on imported products. Higher tariffs can be passed on throughout the value chain, thereby increasing consumer prices and, in the short term, inflation (which in the United States has not yet reached the 2% target set by the central bank). The risk of a resurgence in inflation led the Fed to stop the cutting interest rates phase, but this was not enough to avoid a progressive weakening of the US dollar, which is being weighed down by uncertainty as to the solidity of the US economy and its growth prospects. In exporting countries, higher US tariffs depress competitiveness, all other things being equal, and can reduce exports to the US market (which accounts for about 20% of the global trade and is, therefore, an important outlet market for the domestic production of many countries).

So far, fears of a slowdown in the **US economy** have not subsided. In the first half of 2025, GDP growth appeared strongly influenced by uncertainty on the trade policy and progress in reducing inflation was minimal; July data revealed a less robust labor market. Overall, in the first half of 2025, GDP grew by 2%, compared to the annual average of 2.8% in 2024. To avoid higher tariffs on imported goods, American companies brought forward purchases of finished and intermediate goods, especially of Chinese origin, in the first quarter. The strong growth in imports (+8.4% over the previous quarter) contributed to the stagnation of real GDP (-0.1% compared to the fourth quarter of 2024), despite the high increase in inventories (0.6 percentage point contribution to GDP growth). The growth in other components of expenditure decelerated compared to late 2024, including household consumption, although this maintained a growth trend of just over 2.5%. In the second quarter, the exceptional trends of early 2025 reversed. As expected, imports fell (-8.5% compared to the first quarter), favoring growth in GDP (0.8%), despite the negative contribution of inventories (-0.6 percentage point of GDP growth). Exports remained weak, and growth in private consumption was essentially stable. Wage growth above inflation and a propensity to save below pre-crisis averages contributed to keeping the growth in private consumption above that of GDP (2.6% on average in the first half of the year). Consumer price inflation, measured by the CPI, was 2.7% in July (2.6% on average in the first seven months of 2025), while rent inflation did not fall below 4%. The weakness of the real estate market is also reflected in property investment, which decreased quarter-on-quarter in both the first and second quarters of 2025. Expectations of growth in economic activity were also clouded by the downward revision of employment data released in July.

China and Europe are not immune to US trade policy, despite the different approach in negotiations with the US.

**China** reacted firmly to the sharp increases in tariffs by the United States, by raising its own tariffs applied to imports from the United States just as drastically and limiting exports of rare earths to the United States. After the first quarter 2025 when exports were supported by the advance purchases of US companies, exports to the US fell significantly in the second quarter, while exports mainly to Asian countries increased. At the same time, the United States increased imports from Vietnam and Taiwan, showing a reorganization of global supply chains. Weakness persists on the domestic demand side. The crisis in the real estate sector has left deep wounds despite the support of economic policy. After an exuberant start in the year, total investment slowed again, weighed down by the real estate sector.

In trade negotiations with the US, **Europe** has adopted a more cooperative stance than China, but has not been able to avoid higher tariffs on products exported to the US. In July 2025, an agreement was reached to apply 15% tariffs on European products exported to the US (with exceptions for steel and aluminum, for which 50% tariffs have been set for all countries), but negotiations continue. The entry into force of the agreement is subject to the implementation of less stringent criteria and lower tariffs on European imports from the US for certain industrial and food products, and the European Commission does not rule out the possibility of obtaining more favorable conditions for exports of pharmaceutical products. While compared to the threats of tariff increases announced on April 2 ("Liberation Day") the final agreement contains better conditions for European exporters, the uncertainty that still characterizes the agreement, the ratification by European states and the ruling of the American Supreme Court on the legitimacy of the measures taken by the President contribute to only marginally mitigating the lack of confidence of European businesses.

These developments are compounded by concerns about the health of the German economy. The optimism fueled by the spending announcements of the new German government in early summer was undone by the statistical revision of the national accounts for the years 2021 to 2024 and the more pronounced weakness of GDP outlook in the second quarter of 2025. With a significant change of pace from German traditionally cautious spending, **Germany** announced a €500 billion infrastructure plan, financed by debt over a 12-year period, and called for an exemption from European fiscal rules to increase defense spending, thereby giving a further boost to growth. However, GDP in the second quarter slipped again (-0.3% on the previous quarter), undermining average annual growth at levels below half a percentage point. The difficulties of the German economy are mainly based on the weakness of exports, which are being held back by the change in the international political landscape. Uncertainty has also affected consumers, together with the erosion of purchasing power which recovered only after the collective bargaining agreement round began in 2023, contributing to containing growth in private consumption.

**Looking ahead.** The tightening of US trade policy has, therefore, put a spoke in the wheels of the fragile recovery of economic activity in the euro area (driven by the decrease in inflation and the consequent recovery in consumer purchasing power) but has not spared the economies of the US and the rest of the world. Data available for the first half of the year and for the summer months confirm a slowdown in global economic activity in 2025 and points to a further slowdown in 2026, when higher US tariffs compared to 2024 will be in place throughout the year. However, European growth prospects do not only suffer the impact of US trade policy, since the region has significant trade with both the US and China and seems to be stuck between a rock and a hard place. While China is trying to draw as many countries as possible into its sphere of influence but does not share the fundamental principles of freedom of thought/action with Europe, the US seems to have decided to play alone, even against traditional Western allies. It is therefore increasingly difficult for Europe to maintain a balance between these two important trading partners without losing autonomy and sovereignty in taxation and regulation, and risking of being left behind in the global scene.

## The Italian economy

At the beginning of 2025, the prevailing belief was that the Italian economy was entering a period of stabilization, with inflation under control, more favorable lending conditions, and investment policies supporting growth. As the months progressed, however, the scenario proved to be much more uncertain, with quarter-on-quarter GDP growth declining from 0.3% in the first quarter to a negative 0.1% in the second, although maintaining a year-on-year growth of 0.4%. Estimated GDP growth for the whole of 2025 stands at a moderate, fragile 0.5%.

Final consumption in the second quarter remained flat and provided no support to growth. The core of spending, represented by services, is flat, while non-durable goods increased by only 0.1%. The only clearly positive signal comes from durable goods (0.5%), but this is not cause for optimism, as growth reflects the downward revision of first quarter data. Conversely, semi-durable goods posted a decline (-0.6%). Overall, this result is in line with expectations and confirms that consumer spending remains highly cautious.

Capital expenditure, which is the real engine of domestic demand, follows a different trend. Overall, capex grew by 1% over the previous quarter, with widespread expansion in all sectors. Investment in plant, machinery and equipment increased by 2.1%, thanks in part to a rebound in transportation capex compared to the previous quarter (2.5%). Construction is growing in both the non-residential and residential segments, by 0.7% and 0.6%, respectively. This trend is consistent with the implementation of NRRP projects and with a restart of private capital expenditure. However, the development of investment in property is surprising. After sharp contractions in each quarter of 2024 due to the loss of the 110% Superbonus, investment has regained strength and returned to growth. Finally, investment in intellectual property is also slightly increasing.

In the second quarter, following the strong expansion of the previous quarter, exports fell by 1.7%, while imports grew by 0.4%. The increasing trade tariffs and, above all, the uncertainty as to what the actual increases will be are factors that negatively affect not only Italian exports, of which about 10% are directed to the US, but also the investment decisions of companies.

Despite this weak growth scenario, the Italian labor market maintains a robust profile. In the second quarter, GDP showed signs of stagnation. At the same time, the unemployment rate fell to 6%. However, this development is accompanied by persistent weakness in real wages, which has contributed to containing the cost of labor. The growth of employment among over 50 workers reflects the progressive aging of the workforce and the consequent need for companies to strengthen their workforce in view of upcoming retirements.

On the public finance side, the path necessarily remains cautious. After years of extraordinary expansion, deficit correction requires containing discretionary fiscal impulses: there is limited scope for generalized expansionary measures, and the implementation of the PNRR remains the main lever for supporting demand and potential growth. This is where a significant part of the growth of the coming quarters will be played out: the more the progress of projects and spending capacity accelerate, the more the public investment multiplier will be able to compensate for the weakness of consumption and the volatility of foreign trade.

With regard to the second half of 2025, we expect a still-weak economy, one in which NRRP-related capex will remain the only stimulus to economic growth.

### Performance of the financial markets in the first half of 2025

Both the ECB and the Fed had lowered policy rates by a total of 100bp in 2024. The ECB brought the rate on the deposit facility up to 3% and the main refinancing rate to 3.15% (following the realignment of spreads between policy rates provided for by the new operational framework), while the Fed funds rate at the end of 2024 stood within the range of 4.25-4.50%. In 2025, the ECB kept its easing stance, with four more interest rate cuts between January and June that brought the deposit facility rate to 2% and the main refinancing rate to 2.15%. However, the first signs of greater caution in rate cuts had already emerged at the March meeting, and, with inflation reaching the 2% target, the possibility of another cut was scaled back in July. The Fed, on the other hand, had already shown greater caution in continuing the reduction process at the end of 2024 following the new rise in inflation and expectations of greater uncertainty. In 2025, the Fed kept rates unchanged until July, considering the risk of price pressures from trade policies still too high. However, the July decision was not unanimous and, due in part to the growing risks to employment, the likelihood of an initial cut after the summer increased.

In the first months of 2025, long-term rates in the US and the EMU showed significant diverging developments. The ten-year treasury yield fell by almost 40bp through the end of March, reflecting growing uncertainties on the slowdown in US economic growth. In the same period, the rates of EMU countries rose – with the Bund up by more than 30bp to around 2.7%, approaching 2.9% in early March – driven by the announcement of the "ReArm EU" European plan and the infrastructure capex plan proposed by the new German government, driving expectation of a possible boost to growth and inflation in the euro area. After the turbulence of April – between the announcement by of reciprocal tariffs at the beginning of the month ("Liberation day") the US and of a three-month delay a week later – ten-year rates started rising again in May. The events and risks related to US debt have, in fact, led to an increase in the Term premium, which was more stable in June, if not slightly lower. After rising to 4.50%, the treasury rate stood at just over 4.20% at the end of June (-34 bp compared to the end of 2024). The Bund also rose, to around 2.60% at the end of June, about 25 bp higher than the beginning of 2025.

During the first part of 2025, the decrease in spreads between EMU countries and the German Bund continued, with the Italian BTP-to-Bund spread at the end of March falling to just above 100 bp and the French OAT-to-Bund spread returning to around 70 bp, after tensions related to the formation of the new French government. Spreads then rose at the beginning of April reflecting tensions from the "Liberation day" announcements. Since the announcement of the "pause" on tariffs, the BTP-Bund spread has resumed its decline – with some upturns in June due to the increase in geopolitical tensions in the Middle East – reflecting the decline in uncertainty/increased liquidity for the Italian bond market. Italian securities also benefited from rating agencies decisions: S&P's rating of Italian debt raised from BBB to BBB+ (with a stable outlook) in April, while Moody's raised the outlook from stable to positive in May (confirming a BBB- rating, the lowest among the agencies) citing political stability and an improvement in the budgetary outlook. The BTP-Bund spread at the end of June was around 90 bp for the ten-year note, compared to 116 bp at the beginning of the year. In the second half of the year, the spread between Italian and French securities also decreased, particularly in mid-July due to the risk of a new political crisis. As a result, yields on French securities increased and the spread between the 5-year BTP and OAT at the end of July was zero for the first time in twenty years (with the spread for the 10-year note at around 20bp).

After double-digit growth at the end of 2024–around 20% for both the US and Italian indices – and a favorable start in 2025, the stock markets have been penalized by the escalation of trade tensions since February. The first announcements of US tariffs on certain countries and on steel and aluminum generally, combined with the prospects of responses by other countries, fueled uncertainty in global markets. The US stock index closed the first three months of the year with a loss of 4.5%, in line with the idea that tariffs tend to harm the country that imposes them in the first place. Over the same period, EMU indices rose (by almost 8%), supported by expectations of a more resilient economy thanks to new capex plans in defense and infrastructure. With the additional tariffs announced by Trump at the beginning of April ("Liberation day"), the stock markets entered a phase of heavy turbulence, with significant losses in all countries – of up to more than 10 percentage points in just a few days – and with the volatility index (VIX) exceeding 50%, a level seen during COVID. The markets then began a strong recovery on April 9, when Trump decided to "pause" the reciprocal tariffs for 90 days and the start of negotiations contributed to a de-escalation of trade tensions globally. However, developments in share prices became more volatile after mid-May, when Trump rekindled tensions over tariffs – threatening to impose additional tariffs of 50% on EU products and then doubling tariffs on steel and aluminum imports to 50% – and a new geopolitical crisis in the Middle East after Israel's attack on Iran sparked additional fears. These risk factors fueled the volatility on the equity markets, which nevertheless showed overall growth throughout the entire second quarter and also compared to the beginning of the year, with an approximate 6% increase in the first half of 2025 for the US index, a 10% increase for the EMU index, and sharply stronger performance for the Italian stock index (+17%).

### Monetary policy measures adopted by the ECB in 2025

In line with market expectations, the ECB Governing Council proceeded with a series of cuts in key interest rates in the first half of 2025:

- at the meeting of January 30, 2025, the three key interest rates were cut by 25 basis points. As a result, the interest rates on deposits with the European Central Bank, main refinancing operations, and the marginal lending facility fell to 2.75%, 2.90%, and 3.15%, respectively;
- at the meeting of March 6, along with a further reduction of 25 basis points, the interest rates on deposits with the European Central Bank, the main refinancing operations, and the marginal lending facility were brought to 2.50%, 2.65%, and 2.90%, respectively;
- at the meeting of April 17, a new cut of 25 basis points was made. The interest rates on deposits with the central bank, main refinancing operations, and the marginal lending facility were brought to 2.25%, 2.40%, and 2.65%, respectively;
- at the meeting of June 5, a new cut of 25 basis points was decided. The interest rates on deposits with the central bank, main refinancing operations, and the marginal lending facility fell to 2.00%, 2.15%, and 2.40%, respectively, the ECB revised its inflation forecasts for 2025 and 2026 downwards (reflecting lower energy prices and a stronger euro) and its growth forecasts for 2026 slightly downwards. According to the ECB, trade uncertainty will hold back investment and exports in the short term, but growth should benefit from public investment in defense and infrastructure in the medium term. The Central Bank warned that an escalation of trade tensions could lead to lower inflation and growth than in the baseline scenario, while their resolution could have the opposite effect.

On July 24, the Governing Council left the three key rates unchanged, in line with expectations, stating that inflation is now at the 2% target rate and that the economy has so far held up well, thanks in part to the effects of previous rate cuts. At a press conference, Lagarde gave no guidance for the future, but reiterated that the ECB is in a "good position" to wait and assess the evolution of commercial and geopolitical risks.

### Developments in the Italian credit system

In 2025, **bank lending to both households and businesses** resumed growth after a period of prolonged weakness. In June 2025, total lending increased by 1%,[6] supported by the gradual decline in interest rates and the improvement in macroeconomic conditions. This recovery is driven in particular by loans to households, which increased by nearly 2% thanks to the strengthening of the mortgage segment (+2.6% in June 2025, in line with positive signals from the real estate market) and ongoing lively developments in consumer credit (+4.2% in June 2025). After more than two years of decline, the trend in business lending has returned to slightly positive territory (+0.3% in June), although growth is still conditioned by a weak investment cycle and the use of self-financing and the bond market, especially for larger companies. In the second half of 2025, these trends are expected to continue, which would lead to loans to households maintaining the current growth rates throughout the year, supported by the further recovery in purchasing power and more favorable lending conditions. Business lending is expected to

[6] Adjusted for settlements and securitizations

grow only marginally, hampered by international uncertainty and the slow recovery in investment, while benefiting in part from support linked to the implementation of the NRRP. Over the next two years, credit expansion is expected to consolidate. Lending to households will grow by an average of about 1.7% per year, thanks to stronger disposable income and a greater propensity to spend. Developments for businesses will be more contained, but with a gradual improvement compared to 2025 (+0.6% annual average). Investments in plant and equipment, will benefit from the NRRP until 2026 and from the first effects of the German stimulus plan thereafter, boosting credit demand. Conversely, the construction sector will remain weak, continuing to be penalized by the end of fiscal incentives linked to the Superbonus.

The latest economic data for 2025 confirm the outlook of a solid banking system, with only slight signs of increasing riskiness. In the first three months of 2025, the **credit deterioration rate** is about 1.3% (annualized), declining in all economic sectors and still very low levels historically. This decline was particularly significant in the business and producer household segment. Over the same period, the default rate remained stable overall at the end of 2024, with the exception of the business segment, for which we have seen a slight increase in the default rate on a per unit basis. For the whole of 2025, a scenario of contained and manageable risk is confirmed, consistent with a moderately positive macroeconomic framework.

On the **funding** side, the reduction and reallocation of liquidity accumulated by consumers came to an end in 2025. The June data show an increase in total deposits (+2.1% year-on-year), driven in particular by the growth in current accounts (+3%), while other deposits remained substantially unchanged compared to the same period of the previous year. This trend reflects the gradual decline in interest rates, beginning in the second half of 2024, which reduced the opportunity cost of holding liquid assets and interrupted the recomposition of portfolios towards locked-in instruments and government bonds observed in the previous two years. By the end of 2025, direct bank funding is expected to remain substantially stable (+0.5%), supported by the stability of current accounts (+0.3%) and the growth of bonds (+4%), against a decline in time deposits (-3%), which will be penalized by less attractive returns for customers.

The **profitability of the Italian banking sector** is confirmed to be decreasing in 2025 compared to the exceptionally high levels of the previous two years, reflecting the decline in **net interest income** linked to the contraction of the banking spread and the low growth in intermediated volumes. After the strong expansion of 2024, **net commission income** is increasing at a more moderate pace, mainly supported by the distribution of asset management products and payment services. Loan loss provisions are expected to grow in the current year (+11% compared to 2024), in line with a context of greater uncertainty, while operating costs are expected to decrease. Banks' capital position remains solid. The **CET1 ratio** remains at historically high values, due to retained earnings and the positive change in FVOCI reserves, which more than offset the impact of first-time application of Basel 4 (CRR3).

### EU measures

Actions implemented by EU institutions in 2025 were on two levels: providing the **tools to strengthen European defense and continuing on the REPowerEU Roadmap on energy.**

In the area of **defense**, the **ReArmEurope/Readiness 2030** plan was launched on March 4, 2025, to encourage an increase in military spending in the EU. The plan aims to mobilize €800 billion over 4 years. Of this, €650 billion would be funded at the national level, €150 billion is to be raised on capital markets by the European Commission through the Security Action For Europe (SAFE) instrument, adopted in May, and disbursed in the form of loans to the Member States requesting them. For expenditure made from national budgets, fiscal space is granted up to an increase equal to 1.5 percentage points of GDP over four years by requesting the activation of the national safeguard clause provided for by the Stability and Growth Pact, which allows Member States not to consider such expenditure for the purposes of fiscal constraints. The Commission also plans to redirect a portion of the funds earmarked for other purposes (e.g. cohesion programs) towards investments in defense, as well as to increase the involvement of the European Investment Bank and facilitate private investments in the sector.

In the area of energy, support for the green transition and actions to reduce energy dependence on third countries are aimed at phasing out imports from Russia of gas, oil, and other raw materials, which is to be implemented by:

- blocking all imports of Russian pipelines and liquefied natural gas by the end of 2027;
- taking action against "shadow" ships (used by Russia to transport oil while circumventing sanctions) and blocking Russian oil imports by the end of 2027;

- limiting the import of uranium, enriched uranium, and other nuclear materials from Russia.

Within this context, Member state must provide the Commission with national diversification plans by March 1, 2026, including detailed measures and precise steps for the gradual elimination of Russian gas and oil imports.

The **Clean Industrial Deal** was presented at the end of February 2025, to further support the competitiveness and resilience of European industry and accelerate decarbonization. The plan includes measures to boost every stage of production, with a focus on energy-intensive industries (e.g. steel, metals and chemicals, which urgently need support to decarbonize, switch to clean energy, and tackle high costs, unfair global competition, and complex regulations) and the clean-tech sector, which is central to future competitiveness and necessary for industrial transformation, circularity, and decarbonization. The plan also aims to promote circularity, to make the most of the EU's limited resources and reduce excessive dependence on third-country raw material suppliers.

The Clean Industrial Deal will mobilize more than €100 billion from European funds and ETS revenues to support European clean production. In addition, the InvestEU Regulation will be amended to increase the amount of guarantees supporting investments. This in turn will mobilize up to €50 billion for the deployment of clean technologies, clean mobility, and waste reduction. A circular economy law is to be adopted in 2026 with the aim of reaching 24% circular materials by 2030. The plan also includes the promotion of long-term financial instruments suitable for stabilizing the price of energy, thereby mitigating the effects of excessive market fluctuations. These instruments include contracts for differences between operators and regulatory authorities and bilateral long-term Power Purchasing Agreements. Finally, to address the skills shortage, the Erasmus+ program is to be strengthened, with funding of up to €90 million.

Within this context, on June 25, 2025, the European Commission adopted the **Clean Industrial Deal State Aid Framework** (CISAF),[7] a new framework for state aid that replaces the previous "Temporary Crisis and Transition Framework for State Aid Measures to Support the Economy Following Russia's Aggression against Ukraine", adopted on March 9, 2023, and last amended on May 2, 2024.[8] The new framework applies from June 25, 2025, to December 31, 2030, and regulates various types of aid, including: (i) measures to accelerate the rollout of renewable energy; (ii) support for energy-intensive industries; (iii) incentives for the decarbonization of industry; (iv) aid for European clean-tech production capacity; and (v) tools to reduce the risk of private investments in the green sector.[9] The new rules largely reflect the provisions of the Temporary Framework that they have replaced, while extending the time horizon to five years.

In addition to the general regulatory framework on state aid, the Commission has made **specific recommendations for Member States** on the configuration of tax incentives, with particular reference to those aimed at promoting investment in technologies of low environmental impact. These measures should be characterized by simplicity of application, accessibility, and predictability for economic operators. In this view, mechanisms such as accelerated depreciation – up to the possibility of full and immediate deduction of costs incurred – as well as refundable and cumulative tax credits have been suggested.[10]

The plan also includes the promotion of long-term financial instruments suitable for stabilizing the price of energy, thereby mitigating the effects of excessive market fluctuations. These instruments include contracts for differences between operators and regulatory authorities and bilateral long-term Power Purchasing Agreements.

## Main measures taken in Italy to support the economy and bank lending

In 2025, no new fiscal policy measures were approved with respect to the 2025 budget in December 2024. As part of the budget, the expansionary impulse has been calculated at 0.4 percentage points of GDP, confirming the significant downsizing of the measures defined in the period of great expansion, mainly related to spending for the 110% Superbonus. Within this downsizing, support for household income has been safeguarded.

The main intervention is to have made the two tax relief measures already active in 2024 structural, namely the reduction of the tax wedge for employees with incomes up to €40 thousand (approximately €12 billion) and the transition to three Irpef tax rates (approximately €4 billion), introducing limitations on deductions for incomes above €75 thousand. In addition, resources are allocated for state employees (contract renewals, ancillary benefits,

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[7] Communication from the European Commission, Framework for State aid measures in support of the Clean Industrial Deal, C(2025) 7600 final.
[8] For a description of the measures allowed in the first half of 2025, see the previous financial reporting document.
[9] The list of support measures included in the framework is available here: Overview of support possibilities under the Clean Industrial Deal State aid Framework.
[10] These are mechanisms already widely used in the Italian legal system, which include Transition 4.0 and 5.0.

international missions, recruitment into the armed forces); measures for the needy are refinanced, and a “birth” allowance of €1,000 has been introduced. Finally, the special regime of the First-Home Guarantee Fund (introduced on May 25, 2021, by the “Support 2” Decree Law) was extended until December 2027, with coverage up to a maximum of 80% of the principal amount for certain categories and circumstances.

A number of guarantee instruments remain in place to support businesses. For SMEs, the transitional implementation of the Guarantee Fund has been confirmed and extended until the end of 2025, with the exception of the percentage of guarantee on financial transactions granted for the financing of SME liquidity needs, which is reduced to 50% without any differentiation based on the category assigned through the Fund’s evaluation model. Conversely, the 80% coverage on all financing transactions concerning investment programs and for start-ups remains unchanged. The budget also calls for an increase from €80,000 to €100,000 of the maximum amount of eligibility for “low amount” transactions in cases where the guarantee request is submitted as reinsurance by authorized guarantors. Finally, the budget takes action to overcome a critical issue in the definition of a “small mid-cap” company, including companies that do not meet the definition of SME but have fewer than 250 employees. Also note that SACE 2024 Guarantee dedicated to infrastructural and industrial investments (the latter relating to energy transition processes and the circular economy, sustainable mobility, and the industrial, technological and digital innovation of businesses) is active until 2029.

In terms of tax measures, the 2025 budget introduces a “preferential tax rate” only for 2025. The measure provides for a reduction in the rate from 24% to 20% on business income earned in 2025 if certain conditions are met, namely: setting aside 80% of profits; investing at least 30% of the earnings set aside (or 24% of 2023 profits, if higher) by 2026, and for a minimum of €20,000, in innovative capital goods (Transition 4.0 and 5.0); not making use of *Cassa Integrazione* benefits in 2024 or 2025; not reducing the number of employees in 2025; and hiring at least 1% more permanent workers in 2025. The tax credit for investments in the “Special Economic Zone for the South” has also been extended. Conversely, the withholding relief for employment in disadvantaged areas has been lessened compared to the past. As a net effect, spending on tax incentives for businesses is expected to be reduced by more than €1 billion in 2024. In addition, decisions on the deferred tax assets (DTAs) of banks, and changes on insurance stamp duties will have a limiting effect on businesses.

The 2026 budget will be defined in the autumn. A strong performance of revenue could open up budgetary room to finance new relief measures and spending increases, and many ideas have been announced of possible interventions on personal income tax (e.g. applying a flat rate on overtime and productivity bonuses) and pensions and health care. The new budget document is to be drafted by October 15, and will include the main figures for the new measures, triggering the debate on the 2026 budget, which is to be approved by December 31.

Progress in achieving the objectives of the **NRRP** and disbursement of the related installments continued according to schedule. On June 30, 2025, request for payment of the eighth installment was sent to the European Commission, while, on August 8, Italy received the disbursement of the seventh installment of €18.3 billion, bringing the total to €140.4 billion (72.2% of the amount allocated).

The 2025 Budget Law introduced innovations for the Transition 5.0 Plan (Mission 7), given the lower-than-expected participation and considering the importance it plays in supporting the digital and energy transformation process for businesses. These are mainly more generous tax credit rates than in the past, simplification of procedures and possible cumulation with other benefits. Nonetheless, participation remain low. Of the €6.24 billion available for tax credits, the funds used for completed projects came to only €256 million as of September 5 (4.1%), while €1.65 billion (26.4%) has been set aside for projects not yet completed. Therefore, a few months after the end of the measure’s operational period, 69.5% of the funding has not yet been allocated. In the most recent announcements, another change to the measure is being evaluated, to be possibly introduced in the next Budget Law, calling for a merger of the 4.0 and 5.0 tax credits, to be financed with national resources, so as to overcome the overly rigid conditions that led to the failure of measure 5.0 financed by the NRRP.

## 3. THE ICCREA COOPERATIVE BANKING GROUP: DISTINGUISHING CHARACTERISTICS, GEOGRAPHICAL DISTRIBUTION, STRUCTURAL ARRANGEMENTS, SPECIFIC NATURE OF THE AFFILIATED MUTUTAL BANKS AND THEIR MISSION

The Iccrea Cooperative Banking Group has its legal foundation in the Cohesion Contract (pursuant to Article 37-bis of the Consolidated Banking Act) between the Parent Company, Iccrea Banca (the central body), and the affiliated mutual banks (affiliated banks), through which the latter have granted the Parent Company powers of management and coordination, exercised on a proportionate basis and as a function of the relative health of the affiliated banks, with the aim of preserving the stability of the Group and its members and promoting the cooperative spirit and mutualistic function of the mutual banks and the Group.

The Cohesion Contract calls for the joint and several guarantee of all obligations assumed by the Parent Company and by the affiliated banks in observance of the principles of prudence applicable to banking groups and to the individual affiliated banks as a further necessary factor. This cross-guarantee is governed by contract with the effect of qualifying the liabilities of the Parent Company and of the affiliated banks as joint and several obligations of all those who accept the agreement. The guarantee also calls for intercompany financial support mechanisms under which the members of the group provide mutual support to ensure solvency and liquidity and avoid, where necessary, undergoing the resolution procedures of Legislative Decree 180/2015 or the compulsory liquidation procedures of Article 80 et seq. of the Consolidated Banking Act.

Any necessary support (capital or liquidity) provided to the affiliated banks in order to ensure the solvency and liquidity of the individual participants in the scheme are carried out by the Parent Company, drawing on the financial resources made available by the participants under the provisions of the Guarantee Agreement. Support actions may include: i) capitalization measures making use of the Ex Ante Share of the readily available funds (RAFs); and ii) liquidity support measures, using the Ex Post Quota of the RAFs.

The RAFs are composed of an amount established ex ante and an amount that can be called up by the Parent Company when needed (the Ex Post Quota). The guarantee obligation assumed by each participating entity is commensurate with their risk-weighted assets and kept within the limits of any capital in excess of their individual capital requirements, without prejudice to compliance with said requirements.

In view of the foregoing, the Iccrea Cooperative Banking Group is a group of entities affiliated with a central body pursuant to Article 10 of Regulation (EU) no. 575/2013 (the CRR), with the simultaneous presence of a mutual guarantee system.

At least once a year, the Parent Company conducts stress tests of the participants in the scheme, aimed at determining the readily available funds and consequently adjusting the shares of the affiliated banks based on the greater or lesser amount already provided. The outcome of these stress tests is used to quantify the total amount of readily available funds and, consequently, the guarantee obligations of the affiliated banks. It also serves to calibrate the thresholds of the early warning system.

The Ex Ante resources of the Scheme are invested in liquid and collectible assets, subject to the limits and requirements set out in the associated investment policy. The financial resources that make up the Ex Ante portion of the RAFs are invested in instruments that can be readily liquidated, with a low level of risk and sufficient diversification to pursue the objective of capital conservation and the prompt availability of the financial means required to carry out guarantee interventions.

Capitalization interventions implemented are allocated on a pro-rata basis to each participant. The intervention shares attributed to each participant shall be:

- recognized by the participant as an indirect loan in the form of an instrument eligible for computation in the issuer's own funds;
- deducted, from a prudential point of view, from the component of own funds consistent with the type of intervention implemented for the mutual bank involved.

### Structure of the Banking Group

As summarized in the following chart, at June 30, 2025, the Group is structured as follows:

- the Parent Company, Iccrea Banca SpA, which plays a management and coordination role for the Group and for interacting with regulatory and supervisory authorities;

- the companies subject to the management and coordination of the Parent Company, which include:
  - the affiliated banks, participating in the Group in virtue of the Cohesion Contract signed with the Parent Company;
  - subsidiaries held, directly or indirectly, by the Parent Company in accordance with points 1 and 2 of Article 2359 of the Italian Civil Code, over which the Parent Company exercises management, coordination and control powers (by convention, these companies are said to fall within the “direct scope” of management and coordination);
  - companies controlled by affiliated banks, separately or jointly, by way of equity investments, over which the Parent Company directly or indirectly exercises management, coordination and control authority in light of their instrumental roles within the ICBG (by convention, these companies are said to fall within the “indirect scope” of management and control);
  - other subsidiaries of the Parent Company, held directly or through the affiliated banks, over which Iccrea Banca does not exercise specific management, coordination, or control authority.

### Organizational structure of the Group

BCC BANCA ICCREA

**15**

**Direct scope**

**Entities controlled directly or indirectly** by the Parent Company through an interest in the equity of the investee, pursuant to points 1 and 2 of Article 2359 of the Italian Civil Code.

**113**

**Affiliated Banks**

The **mutual banks participating** in the Iccrea Cooperative Banking Group under the provisions of the Cohesion Contract with the Parent Company

BCC

**1**

**Indirect scope**

**Entities controlled by the affiliated banks**, including jointly, through an interest in the equity of the investee, over which the Parent Company exercises direct or indirect management, coordination and control authority

**11**

**Other subsidiaries**

**Other entities controlled by the Parent Company**, including through the affiliated banks, over which the Iccrea Banca does not exercise specific management, coordination and control authority

**SCOPE OF MANAGEMENT AND COORDINATION**

The organizational structure of the Parent Company, Iccrea Banca, is based on the operating model and the strategic-operational activities required by the relevant legislation and the Cohesion Contract, which can be summarized in the macro-areas of: (i) management, coordination, policy and control; (ii) provision of services to affiliated banks and direct scope companies; and (iii) performing the activities of the Parent Company.

The Parent Company's organization features a hierarchical structure. The first-level units report either to the Board of Directors (in the case of corporate control functions) or to the General Manager and mainly include organizational units that perform complementary/synergistic activities with related functional and operational traits and/or that belong to the same technical or operational area, thereby ensuring performance of the duties necessary in order to carry out the activities of the Parent Company and coordinate the decisions and operations of the units below them.

The Parent Company's organizational structure envisages:

- second- and third-level corporate control functions, reporting directly to the Board of Directors, structured into the following organizational areas: Chief Audit Executive (CAE) area, Chief Risk Officer (CRO) area, Chief Compliance Officer (CCO) area, comprising the associated Data Protection Officer function, and the Chief AML Officer (CAMLO) area. Each function has its own territorial structure through which it performs the control activities on behalf of the affiliated banks on an outsourcing basis. The corporate control functions are completely centralized and operate on an outsourcing basis for all Group companies (affiliated banks and companies within the direct scope for which a corporate control function is envisaged). For further details, please see the more detailed description in the section on the Internal Control System.
- Organizational units/areas reporting to top management:
    - Chief Financial Officer area (CFO area), internally structured into: Project Coordination and Cross-functional Activities; Administration and Budget; Tax; Planning and Management Control; Group Finance; Investor Relations; Relations with Supervisory Authorities; Mutual banks Governance; Data Governance and Group Registry;
    - Lending and Investee area, internally structured into: Chief Lending Officer Area; Subsidiaries, M&A and Special Projects; Institutional Insurance Management; General Counsel; Group Sustainability & ESG Strategy; Credit Asset Management;
    - Chief Operating Officer area (COO area), internally structured into: Back Office; Transformation & Outsourcing; Real Estate; Cost Strategy; Operations Strategy; Management, Human resources. Development and Change Management and Organization; Industrial Relations, Compensation, Staff Planning;

- Chief Business Officer area (CBO area), internally structured into: Marketing, Business Intelligence and Project Coordination structures; Digital Innovation & Multichannel Division; Planning, Pricing & Control; Private and POE Division; Enterprise Division; Market local Areas;
- Chief Information Officer area (CIO area), internally structured into the ICT Governance and Security and Business Continuity structures. The CIO Area is functionally connected to the Group company dedicated to information systems.
- Institutional Communications unit;
- TM Staff unit.

In January 2025, the organizational structure was modified with the aim of further strengthening our ability to respond to the challenges of the industry, enhancing managerial resources and internal skills.

Most significant changes include:

- the review of the mission of CFO Area, in order to include under its responsibility the Group-wide oversight of processes for defining and monitoring sustainability strategies and the integration of ESG factors into corporate processes, as well as the related internal and external reporting activities;
- the establishment of a new unit within the COO Area, called AI Strategy and Process Innovation, which is responsible for ensuring the governance of all AI-related issues in terms of techniques, reengineering and automation of operational processes;
- in the Chief Business Officer Area, the establishment of a Group unit within the Commercial Planning and Coordination hub, with a view to strengthening the Product Oversight Governance (hereinafter "POG") in respect of non-financial banking and insurance products.

## Distinctive features of the mutual banks

Under Italian law, mutual credit activities enjoy dual constitutional recognition. As part of the wider cooperative movement, it is protected by Article 45, which recognizes "the social function of cooperation of a mutual and non-speculative nature", while in its function of intermediation of savings and credit, it falls within the particular duty that Article 47 assigns to the Italian state to encourage and safeguard savings in all its forms and to regulate, coordinate and control the exercise of credit activities.

In addition to a business model based on this relationship, the difference between the mutual banks and their more traditional brethren is explicated in the Consolidated Banking Act (Articles 33 et seq. of the Consolidated Banking Act, with significant amendments introduced with the Reform Law 49/2016, which introduced the rules governing cooperative banking groups).

More specifically, primary legislation (Articles 33-37 of the Consolidated Banking Act, as amended by the legislation governing cooperative banking groups) requires the following of mutual banks: (i) that they be established as limited-liability, joint-stock cooperatives (*società cooperativa per azioni a responsabilità limitata*); (ii) that they have no fewer than 500 shareholders; (iii) that their shareholders be residents of or have operations, on an ongoing basis, in the community in which the bank operates; (iv) that every shareholder have one vote, regardless of the number of shares held; (v) that no shareholder may own shares with a total nominal value of greater than €100,000; and (vi) at least 70% of annual net profits be allocated to the legal reserve (3% of annual net profits is allocated to mutualistic funds for the promotion and development of cooperation efforts).

The vocation of service to local communities is also expressed in secondary legislation issued by the Bank of Italy (Bank of Italy Circular no. 285, Part III, Chapter 5), which, in implementation of Article 35(2) of the Consolidated Banking Act, states that no less than 95% of all business shall be conducted within the bank's territory, and at least 50% of this business shall be in favor of shareholders, such that the funding of the bank shall, in essence, go to supporting and financing the economic growth of the traditional area of operations. The aforementioned rules for the preservation of mutuality and localism were confirmed by the reform of the sector, whose objective – as underscored by the Bank of Italy - was solely to "remove the regulatory and operational constraints typical of entities established as cooperatives - which could have hindered rapid recapitalization, including through access to the capital market, in case of need - and the related diseconomies associated with the small size of such entities" (Circular no. 285, Part Three, Chapter 5, Section 1, sub-section 1).

In line with their nature as mutual banks, the affiliated banks pursue the objective of maximizing their social utility in the conduct of their business.

## The branch network and strategic positioning of the Group retail banks

At June 30, 2025 the Group had 113 affiliated mutual banks [11] distributed in almost all regions of the country, with the exception of Valle d'Aosta, Trentino Alto Adige, Liguria and Umbria (although the Group does have branches in the latter three regions).

The Group has 2,411 branches, more than 56% of branches are located in the Italian regions of Lombardy, Veneto, Tuscany and Emilia-Romagna for a nationwide branch market share of 12.5%.

In the first half of the year, the affiliated bank branch network saw the closure of 17 branches, offset by the opening of new branches in locations with greater potential for business development and market penetration. The result of these changes was a net decrease of 4 branches compared with December 2024.

## Number of branches per region and associated market share

The Group has at least one branch in 1,675 of the 4,479 Italian municipalities served by banks (37.4% of the total). In 391 of these municipalities (23.3% of the total) the Group's branches are the only banking presence, consistent with the mutual banks' community-centric mission. Lombardy is the region in which the Group is present in the most municipalities (388), while Marche boasts the largest share of municipalities with a banking presence with a Group branch (66.9%).

| Region | Municipalities with banking services | with ICBG branch | (%) | in which ICBG is only bank | (%) |
|---|---|---|---|---|---|
| Abruzzo | 118 | 56 | 47.5% | 13 | 23.2% |
| Basilicata | 64 | 29 | 45.3% | 11 | 37.9% |
| Calabria | 105 | 50 | 47.6% | 24 | 48.0% |
| Campania | 244 | 84 | 34.4% | 35 | 41.7% |
| Emilia-Romagna | 303 | 120 | 39.6% | 10 | 8.3% |
| Friuli-Venezia Giulia | 147 | 62 | 42.2% | 12 | 19.4% |
| Lazio | 182 | 92 | 50.5% | 16 | 17.4% |
| Liguria | 99 | 11 | 11.1% | - | - |
| Lombardy | 951 | 388 | 40.8% | 111 | 28.6% |
| Marche | 145 | 97 | 66.9% | 27 | 27.8% |
| Molise | 23 | 10 | 43.5% | 5 | 50.0% |
| Piedmont | 413 | 63 | 15.3% | 13 | 20.6% |
| Puglia | 189 | 69 | 36.5% | 4 | 5.8% |
| Sardinia | 243 | 12 | 4.9% | - | 0.0% |
| Sicily | 241 | 98 | 40.7% | 35 | 35.7% |
| Tuscany | 244 | 140 | 57.4% | 6 | 4.3% |
| Trentino-Alto Adige/Südtirol | 242 | 2 | 0.8% | - | - |
| Umbria | 59 | 24 | 40.7% | 3 | 12.5% |
| Veneto | 19 | - | - | - | - |
| Valle d'Aosta/Vallée d'Aoste | 448 | 268 | 59.8% | 66 | 24.7% |
| **Total** | **4,479** | **1,675** | **37.4%** | **391** | **23.3%** |

*Source: based on Bank of Italy data as at June 30, 2025*

[11] During the first half of 2025, the number of affiliated mutual banks declined from 114 to 113 reflecting the merger of Cassa Rurale di Treviglio into Banca di Credito Cooperativo di Carate Brianza, which led to the creation of Banca di Credito Cooperativo di Carate Brianza e Treviglio.

## Strategic positioning of the Group commercial distribution

At March 31, 2025, the Group banks have a total market share of lending to resident customers (performing loans to consumer households and firms, net of repurchase agreements and Monetary Financial Institutions) of 6.4%, with a value of about €79 billion, broken down similarly between loans to consumer households (48%) and firms (52%).

By region, the Group has its largest market share, about 15%, of loans to customers in the Marche, followed by Friuli-Venezia Giulia, Basilicata, Abruzzo and Veneto with around 10%.

| Region | Market share of lending to households and firms | Market share of lending to consumer households | Market share of lending to firms | Market share of customer deposits (consumer households and firms) |
|---|---|---|---|---|
| Abruzzo | 10.7% | 9.5% | 12.0% | 9.4% |
| Basilicata | 10.9% | 6.5% | 15.9% | 6.7% |
| Calabria | 6.4% | 4.0% | 10.5% | 4.8% |
| Campania | 3.2% | 1.8% | 4.9% | 2.9% |
| Emilia Romagna | 7.6% | 9.4% | 6.3% | 7.2% |
| Friuli-Venezia Giulia | 11.4% | 13.1% | 9.6% | 10.1% |
| Lazio | 6.8% | 8.1% | 5.5% | 5.6% |
| Liguria | 1.7% | 1.3% | 2.1% | 1.3% |
| Lombardy | 5.3% | 5.4% | 5.2% | 6.3% |
| Marche | 15.6% | 14.9% | 16.2% | 15.3% |
| Molise | 6.1% | 4.4% | 8.4% | 3.0% |
| Piedmont | 4.3% | 3.8% | 4.7% | 4.2% |
| Puglia | 5.3% | 3.9% | 7.5% | 4.6% |
| Sardinia | 2.4% | 0.9% | 4.7% | 2.0% |
| Sicily | 3.9% | 2.6% | 6.1% | 4.6% |
| Tuscany | 9.3% | 9.0% | 9.6% | 10.9% |
| Trentino-Alto Adige | 0.6% | 0.2% | 0.8% | 0.4% |
| Umbria | 4.6% | 3.7% | 5.4% | 5.3% |
| Valle d'Aosta/Vallée d'Aoste | 0.4% | 0.4% | 0.5% | 0.2% |
| Veneto | 10.5% | 11.5% | 9.7% | 10.9% |
| **ITALY** | **6.4%** | **6.4%** | **6.4%** | **6.4%** |

*Source: based on supervisory and Bank of Italy data as at March 31, 2025. Loans to customers and customer deposits have been allocated on the basis of customer residence.*

With regard to deposits by resident customers, market share is at 6.4%, equal to an amount of about €104.7 billion, of which €66.7 billion attributable to consumer households. Customer deposits (consumer households and firms) are also led by Marche, in which the Group has a 15.3% market share, followed by Tuscany, Veneto and Friuli-Venezia Giulia.

## Group personnel

Total Iccrea Cooperative Banking Group personnel at June 30, 2025 numbered 22,424 (21,959.5 FTE[12]), broken down as follows:

| Scope | Number of employees at June 2025 | FTE June 2025 |
|---|---|---|
| Mutual bank employees | 18,666 | 18,238.1 |
| Iccrea Banca and direct scope companies | 3,757 | 3,720.4 |
| Other companies | 1 | 1.0 |
| **Total** | **22,424** | **21,959.5** |

The headcount is unchanged compared with December 2024, with 858 new hirings and 858 terminations in the first half of 2025 (221 of these involving intragroup transfers).

[12] Full Time Equivalent (considers the effective % of part-time work).

The composition of the workforce by category and gender at June 30, 2025, is reported in the following table:

| Position | Men | Women | Total |
|---|---|---|---|
| Senior management | 345 | 39 | 384 |
| Middle management | 4,977 | 2,029 | 7,006 |
| Office staff | 7,187 | 7,847 | 15,034 |
| **Total** | **12,509** | **9,915** | **22,424** |
| of which: | | | |
| On open-ended contracts | 12,264 | 9,691 | 21,955 |
| On fixed-term contracts | 245 | 224 | 469 |
| of which: | | | |
| Full time contracts | 12,346 | 8,229 | 20,575 |
| Part time contracts | 163 | 1,686 | 1,849 |

In the first half of 2025, two corporate transactions were concluded resulting in 128 terminations: the sale of the IT infrastructure segment of BCC Sistemi Informatici to the company AFAST, controlled by Accenture, involving a total 94 employees and the acquisition of BCC POS by the company Numia SpA involving a total 34 employees.

The composition of the workforce by category, age and gender at June 30, 2025, is reported in the following table:

| Position | Age group | Men | Women | Total |
|---|---|---|---|---|
| Senior management | Between 30 and 50 | 39 | 4 | 43 |
| Senior management | Over 50 | 306 | 35 | 341 |
| **Total** | | **345** | **39** | **384** |
| Middle management | Under 30 | 6 | | 6 |
| Middle management | Between 30 and 50 | 1,745 | 831 | 2,576 |
| Middle management | Over 50 | 3,226 | 1,198 | 4,424 |
| **Total** | | **4,977** | **2,029** | **7,006** |
| Professional area | Under 30 | 742 | 824 | 1,566 |
| Professional area | Between 30 and 50 | 3,923 | 4,672 | 8,595 |
| Professional area | Over 50 | 2,522 | 2,351 | 4,873 |
| **Total** | | **7,187** | **7,847** | **15,034** |
| **TOTAL** | | **12,509** | **9,915** | **22,424** |

## Industrial relations

During the first half of 2025, ongoing work within the Commission for Equal Opportunities, Inclusion and ESG Issues resulted in several proposals regarding work-life balance. These proposals were adopted by the Parent Company and the Group's Trade Union Delegation on February 27, 2025 with the Agreement for “the adoption of measures to reconcile work and life times". This agreement establishes specific social benefits, such as the integration of parental leave, the contribution for severely disabled workers and the solidarity time bank and represents a further element of enrichment of the provisions of the Group supplementary collective bargaining agreement.

On June 30, the Verification Report on the performance bonus (VPA) for the 2025 disbursement (2024 accrual) was signed, to be distributed to the employees of the mutual banks, Parent Company and direct scope companies together with the extension of the same regulation for the year 2026. The rules of the Joint Committee on welfare, well-being and work-life balance were also confirmed.

In application of the provision for the reduction of working hours included in the latest renewal of the national collective bargaining agreement starting from July 1, 2025, on June 17, 2025 a meeting between the Parent Company and the direct scope companies decided the operational application of the half-hour reduction, at the end of Friday working day.

In the first quarter of the year, the transfer of employees from Banca di Pisa e Fornacette to Banco Fiorentino and BCC di Pescia e Cascina was completed, as a result of the partial and non-proportional demerger of BCC di Pisa e Fornacette into Banco Fiorentino and BCC Pescia e Cascina. In April, the trade union agreement on the merger of BCC Treviglio into BCC Carate Brianza was finalized, with the establishment from June 9, 2025 of one of the Group's largest banks (65 branches and 580 employees).

## Planned/activated terminations

In the first half of 2025, 11 agreements for the consensual individual termination of employment with incentives for early retirement were formalized. The termination agreements have facilitated the exit of resources, generally without need for replacement.

Both in direct scope companies and in the mutual banks (24), follow-up meetings were held on the trade union agreements signed in December 2024 for access to the extraordinary benefits of the Industry Solidarity Fund. In the first quarter, an agreement was formalized for access to the Solidarity Fund with simultaneous generational turnover involving a further mutual bank.

## Remuneration and incentive policies

In compliance with the applicable "Provisions governing remuneration and incentive policies and practices in banks and banking groups" of the Bank of Italy, the Parent Company has adopted a Group policy on remuneration and incentive systems consistent with the characteristics of the Group and all its components, taking due account of the cooperative nature that distinguishes it and the mutualistic purposes of the affiliated banks, in order to achieve the uniform and proportionate application of the applicable provisions.

The policies adopted take account of sustainability issues, which have been given substance in a series of ESG objectives and indicators incorporated in the incentive system of the Parent Company and the companies within the direct scope and, where applicable, the incentive systems of the affiliated banks.

With these policies, Group companies and banks seek to:

- ensure the coherence of the values of the mutual banking industry, a corporate culture based on strong roots in local territories, the overall corporate governance and control structure of the Group;
- promote the pursuit of long-term financial and non-financial strategies, objectives and results (including sustainability) in line with the general framework of governance and risk management policies and with the established liquidity and capitalization requirements;
- ensure a constant balance between the fixed and variable components of remuneration to enable compliance with capital requirements and limit excessive risk taking;
- ensure the adoption of ex-ante and ex-post risk correction mechanisms (malus and claw back systems) with a view to penalizing improper or fraudulent behavior by staff in respect of customers, the Bank and/or the Group;
- guarantee the gender neutrality of personnel and, therefore, ensure that personnel receive equal remuneration for performing the same activities, including equal conditions for recognition and payment of such remuneration.

The annual Group Remuneration and Incentive Policies report was approved by the Ordinary Shareholders' Meeting of the Parent Company – acting on a proposal of the Board of Directors - on May 15, 2025 and is available on the Parent Company's website.

The Group's asset management company, BCC Risparmio&Previdenza, prepares its own Remuneration and Incentive Policies report, in compliance with specific sector regulations, in accordance with the Group Remuneration and Incentive Policy.

With regard to the affiliated banks, in order to ensure the uniformity of application of the principles on which the Group's Remuneration and Incentive Policies report is founded, a standard has been prepared that those banks were able to use in support of their adoption of remuneration policies and incentive models consistent with the Group policies and in compliance with the applicable regulations and the principle of proportionality. In this respect, the Affiliated mutual banks take into account derogations permitted by the Supervisory regulations and apply the rules on remuneration on the basis of the individual balance sheet assets calculated as the average of the four previous years, regardless of the consolidated size of the Group. Therefore, each Bank has declared in its Remuneration and Incentive Policies report whether it belongs to the category "banks of smaller size or operational complexity" or "other than those of smaller size or operational complexity".

## 4. DEVELOPMENTS IN GROUP OPERATIONS

The following provides an overview of the main balance sheet and income statement figures of the Iccrea Cooperative Banking Group as at June 30, 2025. To enable a more immediate understanding of the Group's balance sheet and income statement, the following tables are presented in more summary form than those provided for in Circular no. 262/05 of the Bank of Italy.

### Balance sheet

### Consolidated assets

| €/thousands | 30/06/2025 | 31/12/2024 |
|---|---|---|
| Cash and cash equivalents | 1,090,065 | 3,316,821 |
| Financial assets measured at fair value through profit or loss | 1,567,899 | 1,493,523 |
| Financial assets measured at fair value through other comprehensive income | 7,004,425 | 6,914,461 |
| Financial assets measured at amortized cost | 147,304,910 | 143,283,468 |
| a) due from banks | 2,331,722 | 1,911,716 |
| b) loans to customers | 96,996,174 | 93,541,310 |
| c) securities | 47,977,014 | 47,830,442 |
| Hedging derivatives and value adjustments of macro-hedged financial assets | 228,942 | 197,435 |
| Equity investments | 303,961 | 300,366 |
| Property, plant and equipment | 2,349,673 | 2,292,185 |
| Intangible assets | 202,854 | 200,283 |
| Tax assets | 963,133 | 1,012,497 |
| Non-current assets and disposal groups held for sale | 14,658 | 109,553 |
| Other assets | 4,694,853 | 5,491,320 |
| **Total assets** | **165,725,374** | **164,611,913** |

The consolidated assets of the Iccrea Cooperative Banking Group totaled €165.7 billion, up €1.1 billion on December 31, 2024.

Financial assets measured at fair value through profit or loss, in the amount of €1.6 billion, include financial assets held for trading in the amount of €121 million (which mainly includes derivatives and securities held for trading), financial assets designated as at fair value in the amount of €319 million (represented by instruments in which liquidity from the Guarantee Scheme is invested), and other financial assets mandatorily measured at fair value in the amount of €1.1 billion (mainly in units of collective investment undertakings - CIUs, policies and postal bonds).

| €/thousands | L1 | L2 | L3 | Total 30/06/2025 |
|---|---|---|---|---|
| Financial assets held for trading | 64,835 | 55,722 | 220 | 120,777 |
| Debt securities | 60,382 | 272 | 2 | 60,656 |
| Equity securities | 3,225 | - | 2 | 3,227 |
| Units in collective investment undertakings | 747 | 421 | 96 | 1,264 |
| Financing | | | | - |
| Financial derivatives | 481 | 55,029 | 121 | 55,630 |
| Financial assets designated as at fair value | 317,937 | - | 917 | 318,854 |
| Debt securities | 317,937 | - | | 317,937 |
| Financing | | | 917 | 917 |
| Financial assets mandatorily measured at fair value | 42,472 | 722,105 | 363,692 | 1,128,268 |
| Debt securities | 16,202 | 11,885 | 3,005 | 31,092 |
| Equity securities | 20,480 | 35,172 | 10 | 55,663 |
| Units in collective investment undertakings | 5,790 | 81,806 | 342,638 | 430,234 |
| Financing | | 593,241 | 18,039 | 611,280 |
| **Financial assets measured at fair value through profit or loss** | **425,243** | **777,827** | **364,829** | **1,567,899** |

The portfolio of financial assets measured at fair value through other comprehensive income amounted to €7 billion, unchanged from December 31, 2024 - and is mainly represented by government securities held in accordance with the HTCS business model. The aggregate also includes minority interests in the amount of €507 million, which are measured at fair value through other comprehensive income without recycling to profit or loss.

| €/thousands | Total 30/06/2025 | Total 31/12/2024 |
|---|---|---|
| Debt securities | 6,497,070 | 6,413,006 |
| Equity securities | 507,355 | 501,455 |
| **Financial assets measured at fair value through other comprehensive income** | **7,004,425** | **6,914,461** |

Financial assets measured at amortized cost amounted to €147.3 billion, of which about 67% is in loans with the remainder in debt securities. These assets can be broken down in their relative level of risk as shown below.

| €/thousands | Gross value | | Total writedowns | | Net value |
|---|---|---|---|---|---|
| | Stage 1 and 2 | Stage 3 | Stage 1 and 2 | Stage 3 | 30/06/2025 |
| Financing | 99,240,575 | 2,927,296 | (666,077) | (2,173,898) | 99,327,896 |
| Loans to banks[13] | 2,335,717 | - | (3,995) | - | 2,331,722 |
| Loans to customers[13] | 96,904,858 | 2,927,296 | (662,082) | (2,173,898) | 96,996,174 |
| Debt securities | 47,967,529 | 144,005 | (129,784) | (4,736) | 47,977,014 |
| **Total financial assets measured at amortized cost** | **147,208,104** | **3,071,305** | **(795,861)** | **(2,178,638)** | **147,304,910** |

More specifically, net loans to customers totaled about €97 billion, €96.2 billion of which performing and about €0.8 billion related to impaired positions. Of this total, about 77% was in medium and long-term financing (both loans and leases).

| €/thousands | 30/06/2025 | % share | 31/12/2024 | % share |
|---|---|---|---|---|
| Current accounts | 6,707,689 | 6.9% | 6,580,147 | 7.0% |
| Repurchase agreements | 4,683,660 | 4.8% | 1,230,915 | 1.3% |
| Medium/long-term loans | 71,015,021 | 73.2% | 70,245,056 | 75.1% |
| Credit cards, personal loans and salary-backed loans | 3,051,771 | 3.1% | 2,797,132 | 3.0% |
| Lease financing | 3,350,230 | 3.5% | 3,441,276 | 3.7% |
| Factoring | 669,517 | 0.7% | 907,280 | 1.0% |
| Other lending | 7,518,285 | 7.8% | 8,339,504 | 8.9% |
| **Financial assets measured at amortized cost – Loans to customers** | **96,996,174** | **100.0%** | **93,541,310** | **100.0%** |

Gross impaired loans, which have continued to decrease in recent years thanks to robust de-risking efforts came to about €2.9 billion, or 2.9% of total gross lending (2.9% considering only loans to customers).[14]

Net impaired loans amounted to about €753 million, 0.8% of net lending (0.8% considering only loans to customers)[15]. The ratios of net bad loans and net unlikely-to-pay positions to total net lending came to 0.1% and 0.5% respectively (0.1% and 0.5% considering only loans to customers).

[13] Source: based on consolidated Finrep data

[14] Excluding transactions with institutional counterparties (mainly repurchase agreements and deposits with the Cassa Compensazione e Garanzia for a total of €5.2 billion) the Finer gross NPE ratio came to 3.1%.

[15] Excluding transactions with institutional counterparties (mainly repurchase agreements and deposits with the Cassa Compensazione e Garanzia for a total of €5.2 billion) the net NPE ratio came to 0.8%.

As shown in the table below, efforts to improve the Group's risk profile can also be seen in the more prudent assessment policies, which have resulted in an increase in the coverage of NPEs to 74.3%, an increase on the end of the previous year.

| Type of exposure €/thousands | Gross exposure | Writedowns | Net exposure | Coverage 30/06/2025 | Coverage 31/12/2024 |
|---|---|---|---|---|---|
| Bad loans | 886,456 | 779,286 | 107,171 | 87.9% | 88.5% |
| Unlikely-to-pay positions | 1,720,249 | 1,242,220 | 478,029 | 72.2% | 71.5% |
| Impaired past-due positions | 320,591 | 152,393 | 168,198 | 47.5% | 48.3% |
| **Impaired exposures to customers at year end** | **2,927,296** | **2,173,898** | **753,398** | **74.3%** | **73.8%** |

As shown in the table below,[16] the specific business model of the affiliated banks, which account for the largest component of assets and of total loans to customers, is reflected, above all, in the type of counterparty. Total loans disbursed, a gross amount of €99.8 billion, have mainly gone to producer and consumer households (47.6%), which have always been the core customer base of mutual banks and feature a lower NPE ratio than for the corporate segment.

| Type of counterparty | Gross value | Ratio to total loans and advances | Performing loans and advances | | Non-performing loans and advances | |
|---|---|---|---|---|---|---|
| | | | Ratio to total | Ratio to total performing | Ratio to total | Ratio to total NPE |
| Financial companies | 7,676,889 | 7.7% | 99.7% | 7.9% | 0.3% | 0.7% |
| Non-financial companies | 43,344,525 | 43.4% | 95.8% | 42.9% | 4.2% | 61.8% |
| of which: SMEs | 27,476,718 | 27.5% | 96.9% | 27.5% | 3.1% | 29.0% |
| of which: secured by non-residential real estate as collateral | 13,288,806 | 13.3% | 95.0% | 13.0% | 5.0% | 22.6% |
| Households | 47,542,570 | 47.6% | 97.7% | 47.9% | 2.3% | 37.4% |
| of which: secured by residential real estate as collateral | 36,793,540 | 36.9% | 98.2% | 37.3% | 1.8% | 23.2% |
| of which: consumer credit | 3,132,820 | 3.1% | 97.9% | 3.2% | 2.1% | 2.2% |
| Government entities | 1,268,170 | 1.3% | 99.9% | 1.3% | 0.1% | 0.0% |
| **Total loans to customers** | **99,832,154** | **100.0%** | **97.1%** | **100.0%** | **2.9%** | **100.0%** |

With regard to financial assets measured at amortized cost, amounts due from banks amounted to approximately €2.3 billion and include over €2 billion in respect of the reserve requirement with central banks, an increase of €0.4 billion on the end of the previous year.

| €/thousands | Stage 1 and 2 | Stage 3 | Total 30/06/2025 | % share | Total 31/12/2024 | % share |
|---|---|---|---|---|---|---|
| Due from central banks – reserve requirement | 2,033,014 | | 2,033,014 | 87.2% | 1,625,061 | 85.0% |
| Loans to banks - financing | 298,709 | - | 298,709 | 12.8% | 286,656 | 15.0% |
| **Financial assets measured at amortized cost – Loans to banks** | **2,331,722** | **-** | **2,331,722** | **100.0%** | **1,911,716** | **100.0%** |

Finally, debt securities measured at amortized cost (held under the HTC business model), largely represented by Italian government securities, totaled almost €48 billion, slightly up on December 31, 2024.

Equity investments (a total €304 million) mainly represent interests in associates, the most significant of which are the investments in Numia Group SpA (€147.7 million), BCC Vita (€85.8 million), Pitagora SpA (€17.8 million) and BCC Assicurazioni (€11.7 million).

Property, plant and equipment, totaling €2.3 billion, mainly include property used in operations (€1.9 billion) as well as properties contributed to consolidated real estate investment funds in the amount of €0.3 billion.

[16] Source: Finrep

Intangible assets (€202.9 million) mainly include software and user licenses (€169.4 million), goodwill recognized on initial consolidation of a number of controlling interests (€15.6 million) and, to a lesser extent, goodwill recognized among assets of the affiliated banks for the acquisition of bank branches (€2.8 million).

Among assets: (i) tax assets totaling about €963 million including current taxes of about €256 million and deferred tax assets of about €707 million, the latter including about €391 million referring to Law 214/2011; (ii) other assets of about €4.7 billion, which among other things include tax credits of about €2.9 billion.

## Consolidated liabilities

| €/thousands | 30/06/2025 | 31/12/2024 |
|---|---|---|
| Financial liabilities measured at amortized cost | 142,515,610 | 143,756,450 |
| a) due to banks | 2,590,496 | 6,554,016 |
| b) due to customers | 124,833,181 | 123,234,220 |
| c) securities issued | 15,091,934 | 13,968,214 |
| Financial liabilities held for trading | 51,359 | 63,920 |
| Financial liabilities designated as at fair value | 33,735 | - |
| Hedging derivatives and value adjustments of macro-hedged financial liabilities (+/-) | 270,501 | 244,789 |
| Tax liabilities | 83,316 | 83,193 |
| Liabilities associated with assets held for sale | - | 30,922 |
| Other liabilities | 5,089,729 | 3,699,491 |
| Post-employment benefits | 185,939 | 197,279 |
| Provisions for risks and charges | 702,332 | 658,125 |
| Equity | 15,739,840 | 13,847,157 |
| Profit/(loss) for the period | 1,053,013 | 2,030,587 |
| **Total liabilities and equity** | **165,725,374** | **164,611,913** |

Total consolidated liabilities and equity amounted to over €165.7 billion, up about €1.1 billion on December 31, 2024.

More specifically, financial liabilities measured at amortized cost include direct funding from ordinary customers (securities issued, amounts due to customers, the latter net of institutional funding of €13.8 billion) totaling €126.1 billion, an increase on the end of 2024 attributable to an increase in current accounts and time deposits (+€0.4 billion) and new issues of securities (+€1.1 billion).

| €/thousands | 30/06/2025 | 31/12/2024 |
|---|---|---|
| Due to customers | 111,041,396 | 110,476,755 |
| Current accounts and demand deposits | 103,533,621 | 103,294,029 |
| Time deposits | 6,313,211 | 6,135,365 |
| Other amounts due | 1,194,564 | 1,047,361 |
| Outstanding securities | 15,091,933 | 13,968,214 |
| Bonds | 8,333,740 | 7,316,465 |
| Other securities | 6,758,194 | 6,651,749 |
| **Financial liabilities measured at amortized cost – Direct funding from ordinary customers** | **126,133,329** | **124,444,969** |

The remainder of financial liabilities measured at amortized cost comprises funding from institutional customers (€16.4 billion) and includes: (i) €12.2 billion in repurchase agreements almost entirely with the Cassa Compensazione e Garanzia; (ii) €2.6 billion in amounts due to banks, of which €0.5 billion in in ordinary monetary policy operations with central banks (down €4.2 billion following the repayment of financing during the period) and €2.1 billion in other amounts due to non-Group banks.

| €/thousands | 30/06/2025 | 31/12/2024 |
|---|---|---|
| Loans to customers | 13,791,785 | 12,757,465 |
| Repos | 12,228,184 | 10,647,133 |
| Other | 1,563,600 | 2,110,332 |
| Due to banks | 2,590,496 | 6,554,016 |
| Due to central banks | 500,149 | 4,701,855 |
| Due to banks | 2,090,347 | 1,852,161 |
| Current accounts and demand deposits | 869,507 | 869,637 |
| Time deposits | 10,571 | 13,188 |
| Loans and repurchase agreements | 1,206,557 | 965,502 |
| Other | 3,712 | 3,834 |
| **Financial liabilities measured at amortized cost – Funding from institutional customers** | **16,382,281** | **19,311,481** |

Other main liabilities include: (i) financial liabilities held for trading, in the amount of €51.4 million, which include the negative fair value of trading derivatives; (ii) tax liabilities totaling €83.3 million, including €43.3 million in deferred tax liabilities on temporarily non-taxable revenues; (iii) other liabilities of about €5.1 billion; (iv) post-employment benefits for the Group totaling €185.9 million and (v) provisions for risks and charges of €702.3 million, which include provisions for credit risk in the amount of about €259 million against commitments to disburse funds and financial guarantees issued.

## Consolidated equity

Consolidated equity totaled €16.8 billion. Share capital includes the capital of the Parent Company, amounting to €1.4 billion, and the capital of the mutual banks, which, together with the Parent Company, constitute a single consolidating entity. Treasury shares mainly represent the capital of Iccrea Banca held by the affiliated banks consolidated in application of Article 1072 of Law 145/2018.

Reserves totaled €14.4 billion and mainly include legal reserves of €14.9 billion – accumulated as a result of robust use of self-funding by the affiliated banks in relation to the aforementioned obligation for the capitalization of at least 70% of earnings – and a negative IFRS 9 FTA reserve of €1.6 billion.

| €/thousands | 30/06/2025 | 31/12/2024 |
|---|---|---|
| Share capital | 2,288,339 | 2,292,445 |
| Equity instruments | 30,139 | 30,139 |
| Share premium reserve | 155,114 | 154,624 |
| Treasury shares | (1,390,242) | (1,387,018) |
| Valuation reserves | 244,885 | 201,291 |
| Reserves | 14,399,343 | 12,543,839 |
| Profit for the period | 1,053,013 | 2,030,587 |
| **Equity attributable to shareholders of the Parent Company** | **16,780,591** | **15,865,907** |
| Non-controlling interests (+/-) | 12,261 | 11,837 |
| **Total equity** | **16,792,852** | **15,877,745** |

## Income statement

### Consolidated income statement

| €/thousands | 30/06/2025 | 30/06/2024 |
|---|---|---|
| **Net interest income** | **2,013,484** | **2,200,744** |
| **Net fee and commission income** | **713,344** | **680,970** |
| Dividends, net gain/(loss) on trading activities, net gain/(loss) on hedging and net gain/(loss) on assets and liabilities at FVTPL | 67,172 | 53,102 |
| Net gain (loss) on disposals | 61,751 | 52,435 |
| **Gross income** | **2,855,751** | **2,987,251** |
| Net writedowns/writebacks for credit risk | (66,261) | (173,930) |
| *- Financial assets measured at amortized cost – Loans to customers* | *(40,026)* | *(172,635)* |
| Gains/losses from contract modifications without cancellations | (768) | (4,936) |
| **Net income/(loss) from financial operations** | **2,788,722** | **2,808,385** |
| Administrative expenses | (1,629,490) | (1,613,086) |
| a) personnel expenses | (1,048,728) | (1,010,078) |
| b) other administrative expenses | (580,762) | (603,008) |
| Depreciation, amortization and provisions | (111,861) | (141,089) |
| *- of which provisions for guarantees issued* | *7,927* | *6,129* |
| Other operating income/expense | 171,777 | 178,421 |
| **Operating expenses** | **(1,569,575)** | **(1,575,754)** |
| Profit/(loss) from equity investments | 7,206 | 6,620 |
| Net gain/(loss) from fair value measurement of property, plant and equipment and intangible assets | (4,233) | 64 |
| Profit/(loss) from disposal of investments | (270) | (415) |
| **Profit/(loss) before tax on continuing operations** | **1,221,850** | **1,238,900** |
| Income tax expense from continuing operations | (211,376) | (212,480) |
| Profit/(loss) after tax on discontinued operations | 42,965 | 29,542 |
| **Profit/(loss) for the period** | **1,053,439** | **1,055,962** |
| Net profit/(loss) attributable to non-controlling interests | 426 | - |
| **Net profit/(loss) attributable to shareholders of the Parent Company** | **1,053,013** | **1,055,962** |

The Group ended the first half of 2025 with net profit of more than €1 billion, essentially in line with the first half of 2024.

More specifically, net interest income came to more than €2 billion, the net result of interest income of €2.8 billion (including €2 billion on loans to customers and €0.8 billion on debt securities) and interest expense of about €0.8 billion (mainly related to amounts due to customers and outstanding securities recognized among financial liabilities measured at amortized cost).

The change in net interest income in the first half of 2025 mainly reflected: (i) a decrease in interest income on loans to customers (-€409 million) and on debt securities (-€40 million) attributable to the decrease in interest rates; (ii) a decrease in interest expense on customer funding of about €201 million, also mainly attributable to the rate developments; (iii) an increase in interest expense on securities issued of about €19 million and (iv) the decrease in interest expense on amounts due to central banks of about €228 million, reflecting the repayment of financing.

## Interest and similar income

| €/thousands | Debt securities | Loans | Other transactions | 30/06/2025 | 30/06/2024 |
|---|---|---|---|---|---|
| Financial assets measured at fair value through profit or loss | 7,871 | 1,947 | - | 9,818 | 10,531 |
| Financial assets measured at fair value through other comprehensive income | 88,580 | - | - | 88,580 | 91,070 |
| Financial assets measured at amortized cost | 663,818 | 1,960,008 | - | 2,623,826 | 3,122,888 |
| *- of which due from banks* | *30,219* | *20,785* | *X* | *51,004* | *107,104* |
| *- of which loans to customers* | 633,599 | *1,939,224* | *X* | *2,572,822* | *3,015,784* |
| Hedge derivatives | - | - | 49,001 | 49,001 | 128,245 |
| Other assets | - | - | 106,361 | 106,361 | 122,621 |
| Financial liabilities | - | - | 740 | 740 | 195 |
| **Interest and similar income** | **760,268** | **1,961,956** | **156,102** | **2,878,326** | **3,475,551** |

## Interest and similar expense

| €/thousands | Payables | Securities | Other transactions | 30/06/2025 | 30/06/2024 |
|---|---|---|---|---|---|
| Financial liabilities measured at amortized cost | (635,860) | (222,327) | - | (858,187) | (1,264,106) |
| *- of which due to central banks* | *(31,831)* | *X* | *X* | *(31,831)* | *(259,578)* |
| *- of which due to banks* | *(34,240)* | *X* | *X* | *(34,240)* | *(30,460)* |
| *- of which due to customers* | *(569,788)* | *X* | *X* | *(569,788)* | *(770,828)* |
| *- of which securities issued* | *X* | *(222,327)* | *X* | *(222,327)* | *(203,240)* |
| Financial liabilities held for trading | - | - | (3,995) | (3,995) | 0 |
| Financial liabilities designated as at fair value | - | - | - | - | - |
| Other liabilities and provisions | - | - | (642) | (642) | (1,863) |
| Hedge derivatives | - | - | 722 | 722 | (3,028) |
| Financial assets | - | - | (2,740) | (2,740) | (5,809) |
| **Interest and similar expense** | **(635,860)** | **(222,327)** | **(6,655)** | **(864,843)** | **(1,274,807)** |

Net fee and commission income amounted to €713 million in the first half of 2025, slightly up (+€32 million) on the same period of 2024, and include fee and commission income of about €854 million (mainly relating to commissions for collection and payment services, the management of current accounts and distribution of third-party services) net of fee and commission expense of €141 million.

## Fee and commission income

| €/thousands | 30/06/2025 | 30/06/2024 |
|---|---|---|
| Guarantees issued | 12,904 | 12,616 |
| Management, intermediation and advisory services | 91,694 | 83,213 |
| Management of current accounts | 276,378 | 277,694 |
| Other collection and payment services | 262,835 | 256,971 |
| Distribution of third-party services | 166,609 | 146,056 |
| Other services | 44,078 | 44,451 |
| **Fee and commission income** | **854,498** | **821,001** |

### Fee and commission expense

| €/thousands | 30/06/2025 | 30/06/2024 |
|---|---|---|
| Guarantees received | (1,900) | (1,259) |
| Management and intermediation services | (6,547) | (5,906) |
| Collection and payment services | (120,075) | (119,118) |
| Other services | (12,632) | (13,748) |
| **Fee and commission expense** | **(141,154)** | **(140,031)** |

The net gain on disposals came to €62 million mainly reflecting the assignment of loans by Group banks in the amount of €11.6 million (down from €34.4 million in the same period of 2024) and the sale of debt securities classified at amortized cost and assets measured at fair value through other comprehensive income (totaling a net €50.1 million, down €31.9 million on the same period of 2024).

At June 30, 2025 net writedowns for credit risk amounted to €66.3 million, down on the same period of 2024, also reflecting the robust monitoring of impaired positions implemented by the Group since its establishment, with a coverage ratio of 74.3%.

Operating expenses amounted to about €1.6 billion, essentially unchanged on the same period of 2024, the net effect of: (i) a slight increase in personnel expenses (€39 million), also reflecting the renewal of the national collective bargaining agreement in 2024, (ii) a decrease of €22 million in other administrative expenses, mainly related to the reduction in contributions to the Deposit Guarantee Fund, (iii) a decrease in provisions for risk and charges of €26 million.

Profit from equity investments amounted to €7.2 million and mainly includes the financial effect of the equity measurement of investments in associates.

The net profit from discontinued operations amounted to €43 million, essentially including: (i) the gain on the sale, during the period, of 100% of BCC POS (+€54.7 million) whose assets and liabilities at December 31, 2024 were classified as held for sale, (ii) the net loss (-€13.2 million) of the Infrastructure segment of BCC Sistemi Informatici, the sale of which was finalized on April 1, 2025 and (iii) the net profit of €1.5 million of BCC POS before its exit from the Group. At June 30, 2024 the item included the gain on the sale of 51% of the insurance companies BCC Vita and BCC Assicurazioni.

## CONSOLIDATED OWN FUNDS AND CAPITAL ADEQUACY

### Own funds

The following table provides a breakdown of own funds at June 30, 2025, which amounted to about €16.79 billion.

### Capital and capital ratios

| €/thousands | 30/06/2025 | 31/12/2024 |
|---|---|---|
| Share capital | 2,288,339 | 2,292,445 |
| Share premium reserve | 155,114 | 154,624 |
| Treasury shares and repurchase commitments | (1,415,425) | (1,408,426) |
| Reserves | 14,652,956 | 12,797,294 |
| Profit/(Loss) for the period | 969,035 | 1,834,161 |
| Other comprehensive income | (8,728) | (52,164) |
| Transitional provisions – IFRS 9 | 12,090 | 59,628 |
| Goodwill (net of related tax effects) | (21,475) | (21,485) |
| Intangible assets (net of related tax effects) | (118,228) | (128,514) |
| Other deductions | (23,281) | (19,778) |
| Prudential filters | (32,059) | (27,230) |
| **Common Equity Tier 1 (CET 1)** | **16,458,339** | **15,480,554** |
| Additional Tier 1 (AT1) | 30,139 | 30,139 |
| **Tier 1 (T1)** | **16,488,478** | **15,510,693** |
| Eligible subordinated loans | 299,020 | 308,221 |
| **Tier 2 (T2)** | **299,020** | **308,221** |
| **Total Own Funds (TC)** | **16,787,499** | **15,818,914** |

In light of the special accounting rules applicable[17] and the obligation under Article 38 of the Consolidated Banking Act for the affiliated banks to allocate at least 70% of annual earnings to reserves, own funds mainly include reserves (€14.6 billion) in addition to share capital (mainly composed of the shareholder contributions of the affiliated banks and the associated share premiums). Group capital in the amount of about €2.3 billion decreases to about €873 million after elimination of the capital of the Parent Company held by the affiliated banks (reported under treasury shares).

CET1 at June 30, 2025 represents about 98% of total capital and increases with respect to December 2024 by a total of about €978 million (+5.8%), reflecting the algebraic sum of developments in a number of its main components, and specifically: (i) calculated net profit for the period – as per authorization of the ECB received on August 8, 2025 – totaling €969 million; (ii) the decrease in the effect of the transitional provisions, now attributable only to the OCI prudential filter (-€47 million on December 2024) since the IFRS 9 phase–in ended in 2024; (iii) a decrease in the negative balance of the FVOCI reserve, equal to -€8.7 million (+€43 million compared with December 2024).

Compared to December 2024, please note the deduction for SREP 2025 purposes of the Pillar 2 shortfall due to calendar provisioning at December 31, 2024 in respect of NPE under the Stock and Addendum scopes. Deducted in March 2025 for a total €15.8 million, the amount was reduced in June 2025 to €10.3 million due to the additional coverage on the exposures within the scope.

Additional Tier 1 capital did not change, while the marginal change in Tier 2 is mainly attributable to the repayment of the Iccrea Banca bond as well as the supervisory amortization on loans issued by the mutual banks before the Group's establishment and subscribed by third parties.

[17] Under Article 38, point 2 bis of Legislative Decree 136 of August 18, 2015, concerning bank financial statements, which establishes that in the case of the cooperative banking groups referred to in Article 37-bis of Legislative Decree 385 of September 1, 1993, the Parent Company and the mutual banks affiliated with it under the provisions of the Cohesion Contract represent a single consolidating entity".

## Capital adequacy

### Prudential requirements for 2025

Following the preliminary discussions undertaken in the second half of 2024, the supervisory authorities, with a notice received on December 10, 2024, informed the Parent Company of the results of the SREP decision, which establishes **the prudential requirements to be met at the consolidated level with effect from January 1, 2025** (consisting of own funds requirements and qualitative requirements). With this decision, which replaces the previous SREP decision, the supervisory authorities established the following own funds requirements to be met for 2025:

- an additional Pillar 2 own funds requirement (P2R) of 2.52% (of which 2 bps for the NPE P2R which is e subject to reduction within the year upon the occurrence of certain conditions), of which a minimum of 56.25% to be held in the form of primary Tier 1 capital (Common Equity Tier 1, CET1) and 75% in the form of Tier 1 capital;
- a Pillar 2 capital guidance (P2G) equal to 1.25%, consisting entirely of CET1, held in addition to the Overall Capital Requirement (OCR).

As with the previous decisions, the SREP decision did not impose own funds requirements to be met on an individual basis by the Group's affiliated banks.

On April 26, 2024 the Bank of Italy announced the decision to apply to all authorized banks in Italy a Systemic Risk Buffer (SyRB)[18] to 1% of the risk-weighted exposures for credit and counterparty risk to residents in Italy. As expected, the banks have reached the target rate of 1% as of June 30, 2025, establishing a buffer equal to 0.5% of the relevant exposures by December 31, 2024 and the remaining 0.5% by June 30, 2025.

On November 22, 2024 the Parent Company received the decision from the Bank of Italy which confirms the designation of the Iccrea Cooperative Banking Group as an Other Systemically Important Institution (O-SII) authorized in Italy for 2025. Following the analyses performed for the purposes of calibrating the O-SII buffer, the Bank of Italy for the first time assigned the Group an O-SII requirement of 0.25% for 2025.

Given the above, for 2025 the Iccrea Cooperative Banking Group is therefore required to comply with:

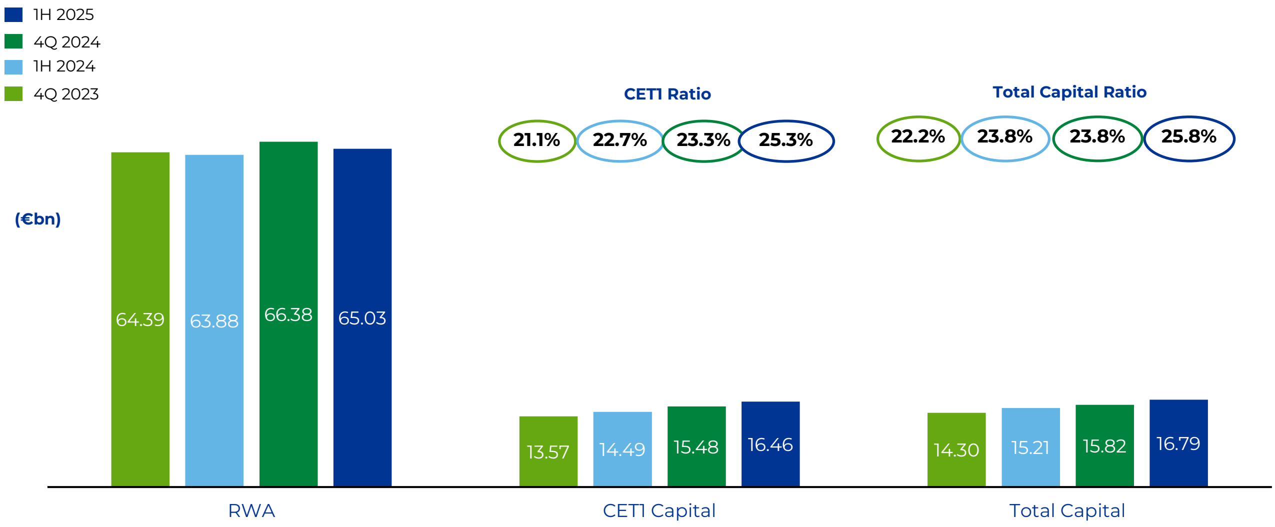
- a Total SREP Capital Requirement (TSCR) of 10.52%;
- an Overall Capital Requirement (OCR) of 14.10%;
- Target requirements (including P2G) equal to 15.35%.[19]

With the dynamics in own funds noted above, RWAs decreased by 2% compared with the end of 2024 (€65.03 billion, compared with €66.38 billion at December 2024).

The CET1 ratio at June 30, 2025 came to 25.3%, while the TCR ratio came to 25.8% (from 23.3% and 23.8% at December 2024, respectively).

[18] This applies at both consolidated and individual level.
[19] The OCR requirement coefficient and the (OCR and P2G) requirement include the SyRB and the Group-specific Countercyclical Capital Buffer, (CCyB), estimated on the RWA developments at December 2024.

The new prudential rules regarding credit, counterparty, and operational risk introduced by Regulation (EU) 2024/1623 (CRR 3) were implemented during the first half of 2025. The changes, which were primarily aimed at increasing the risk sensitivity of capital requirements, generally contributed to the reduction of the Group's RWAs.




## Minimum Requirement of Eligible Liabilities (MREL)

With regard to Pillar II capital adequacy, Directive 2014/59/EU on bank recovery and resolution (Bank Recovery and Resolution Directive - BRRD - as amended) introduced the "MREL" (Minimum Requirement of Eligible Liabilities), representing the minimum requirement for own funds and eligible liabilities with a view to ensuring the proper functioning of the bail-in mechanism and guaranteeing the continuity of critical economic functions during and after a possible crisis.

In March 2025, Iccrea Banca, as the Group Resolution Entity, received the decision of the Single Resolution Board on the determination of the minimum requirement of own funds and eligible liabilities (MREL - Minimum Requirement of Eligible Liabilities), including the subordination requirement, defined in terms of total risk exposure (RWAs) and a metric of the total leverage exposure (LRE) to be achieved on a consolidated basis by the Resolution Group.

The final mandatory level of the MREL on a consolidated basis (with which the Parent Company is compliant), to be met by January 1, 2026, is equal to 26.03% of RWAs (including the combined buffer requirement of 3.59% of RWAs at June 30, 2025) and 6.33% of the LRE. The intermediate subordination requirement, to be met on a consolidated basis starting from January 1, 2022, is equal to 21.66% of RWAs (including the combined buffer requirement of 3.59% of RWAs at June 30, 2025) and 6.35% of the LRE.

With regard to the subordination requirement on a consolidated basis (with which the Parent Company is compliant), the final mandatory target, to be met by January 1, 2026, is equal to 18.52% of RWAs (including the combined buffer requirement of 3.59% of RWAs at June 30, 2025) and 6.33% of the LRE. The intermediate subordination requirement, to be met on a consolidated basis starting from January 1, 2022, is equal to 17.09% of RWAs (including the combined buffer requirement of 3.59% of RWAs at June 30, 2025) and 6.35% of the LRE.

In order to comply with these requirements, the general-hybrid approach adopted by the Single Resolution Board requires consideration of the following elements:

- own funds at Group level calculated in accordance with the provisions of the CRR Regulation (EU) no. 575/2013 as updated;
- liabilities eligible for the MREL and the subordination requirement issued by the Parent Company (as the Group Resolution Entity) with a residual maturity greater than one year.

At June 30, 2025, the Group had:

- a surplus of about €5,723 million in terms of RWAs (+8.77% of consolidated RWAs) and a surplus of about €8,681 million in terms of the LRE (+4.93% of the consolidated LRE) with respect to the mandatory intermediate MREL on a consolidated basis;
- a surplus of about €5,684 million in terms of RWAs (+8.71% of consolidated RWAs) and a surplus of about €5,658 million in terms of the LRE (+3.21% of the consolidated LRE) with respect to the mandatory intermediate subordination requirement on a consolidated basis.

## 5. THE GROUP'S STRATEGIC LINES OF BUSINESS

### CONSOLIDATED BANKS AND OTHER COMPANIES

The Group product and service delivery model is based on an organizational structure (defined internally for operational purposes) that is divided into the following strategic lines of business, chosen on the basis of factors that management considers in making its operational and strategic decisions and consistent with the disclosure requirements of IFRS 8. A specific segment has been retained for the mutual banks based on their unique qualities, in line with the sector regulations that distinguish and preserve the nature of cooperative banking.

The following tables show the main operational areas and the result of the individual business areas in which the Group operates.

| €/thousands | CORPORATE | INSTITUTIONAL | RETAIL | MUTUAL BANKS | INTERSEGMENT TRANSACTIONS | TOTAL |
|---|---|---|---|---|---|---|
| Financial assets | 306,931 | 16,116,699 | 50,409 | 46,348,803 | (5,447,175) | 57,375,667 |
| Due from banks | 46,146 | 17,847,703 | 1,903 | 11,183,185 | (26,747,215) | 2,331,722 |
| Due from customers | 4,414,281 | 11,613,431 | 2,223,680 | 81,850,018 | (3,105,236) | 96,996,174 |
| Funding from banks | 4,013,307 | 21,670,493 | 2,143,969 | 13,548,387 | (38,785,660) | 2,590,496 |
| Funding from customers | 312,010 | 14,647,285 | 759 | 110,010,958 | (137,831) | 124,833,181 |
| Securities and other financial liabilities | 29,569 | 9,183,321 | 2,334 | 10,281,957 | (4,049,652) | 15,447,528 |

| €/thousands | CORPORATE | INSTITUTIONAL | RETAIL | MUTUAL BANKS | INTERSEGMENT TRANSACTIONS | TOTAL |
|---|---|---|---|---|---|---|
| Net interest income | 50,777 | 95,059 | 33,967 | 1,810,299 | 23,382 | 2,013,484 |
| Net fee and commission income | 4,793 | 42,811 | 51,198 | 634,933 | (20,391) | 713,344 |
| Other financial expense and income | 3,068 | 116,700 | 83 | 75,556 | (66,483) | 128,923 |
| **Gross income** | **58,638** | **254,569** | **85,248** | **2,520,788** | **(63,492)** | **2,855,751** |
| Net value adjustments | 3,550 | 10,035 | (3,277) | (77,337) | 0 | (67,029) |
| **Net gains/(losses) from financial operations** | **62,188** | **264,604** | **81,971** | **2,443,451** | **(63,492)** | **2,788,722** |
| Operating expenses | (36,932) | (101,120) | (34,893) | (1,400,876) | 4,246 | (1,569,574) |
| Other costs and revenues | - | (2,361) | - | (960) | 6,024 | 2,703 |
| **Profit/(loss) before tax on continuing operations** | **25,256** | **161,123** | **47,078** | **1,041,616** | **(53,222)** | **1,221,851** |
| Income tax expense from continuing operations | (8,102) | (29,715) | (14,852) | (157,414) | (1,293) | (211,376) |
| **Profit/(loss) after tax on continuing operations** | **17,154** | **131,408** | **32,226** | **884,202** | **(54,515)** | **1,010,474** |
| Profit/(loss) on discontinued operations after tax | | 42,965 | | | | 42,965 |
| **Profit/(loss) for the period** | **17,154** | **174,372** | **32,226** | **884,202** | **(54,515)** | **1,053,439** |
| **Profit/(loss) attributable to non-controlling interests** | **-** | **426** | **-** | **-** | **-** | **426** |
| **Profit/(loss) attributable to shareholders of the Parent Company** | **17,154** | **173,946** | **32,226** | **884,202** | **(54,515)** | **1,053,013** |

## INSTITUTIONAL BUSINESS AREA

This area includes the companies that provide products and services directly to the affiliated banks and their customers. The wide range of solutions available includes financial services, payment systems, securities administration, credit collection services, Web services, facility management, real estate services, and IT and back-office services, as well as logistical, administrative and infrastructure support.

The main Group companies engaged in this area are Iccrea Banca – which as Parent Company carries out the management, coordination and control activities provided for under applicable law and the Cohesion Contract - BCC Sistemi Informatici, BCC Sinergia and other minor companies.

| | INSTITUTIONAL | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| €/thousands | Iccrea Banca | | BCC Sistemi Informatici | | BCC SINERGIA | | Other (*) | |
| | 30/06/2025 | 31/12/2024 | 30/06/2025 | 31/12/2024 | 30/06/2025 | 31/12/2024 | 30/06/2025 | 31/12/2024 |
| Cash and cash equivalents | 442,102 | 3,406,816 | 768 | 524 | 44,543 | 42,051 | 19,066 | 16,469 |
| Financial assets measured at fair value through profit or loss | 1,767,121 | 1,644,108 | - | - | - | - | - | - |
| Financial assets measured at fair value through other comprehensive income | 1,089,383 | 1,220,887 | 8 | 8 | 3 | 3 | - | - |
| Financial assets measured at amortized cost | 43,168,723 | 40,914,461 | - | - | 6,380 | 3,166 | - | - |
| a) due from banks | 17,841,418 | 18,408,558 | - | - | 6,285 | 3,071 | - | - |
| b) loans to customers | 11,858,059 | 8,968,108 | - | - | 95 | 95 | - | - |
| c) securities | 13,469,246 | 13,537,796 | - | - | - | - | - | - |
| Hedging derivatives and value adjustments of macro-hedged financial assets | 62,641 | 93,082 | - | - | - | - | - | - |
| Equity investments | 1,336,954 | 1,326,954 | - | - | - | - | - | - |
| Property, plant and equipment | 90,867 | 90,248 | 97,212 | 15,743 | 17,451 | 18,098 | 24,258 | 15,695 |
| Intangible assets | 461 | 8 | 172,483 | 167,752 | 310 | 372 | 65 | 231 |
| Tax assets | 38,098 | 39,691 | 6,981 | 6,700 | 2,611 | 3,869 | 2,660 | 2,702 |
| Non-current assets and disposal groups held for sale | - | 2,000 | - | 34,817 | - | - | - | - |
| Other assets | 624,313 | 632,144 | 264,399 | 120,318 | 54,634 | 57,241 | 27,314 | 10,788 |
| **Total assets** | **48,620,663** | **49,370,398** | **541,850** | **345,863** | **125,931** | **124,799** | **73,363** | **45,885** |

| | INSTITUTIONAL | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| €/thousands | Iccrea Banca | | BCC Sistemi Informatici | | BCC SINERGIA | | Other (*) | |
| | 30/06/2025 | 31/12/2024 | 30/06/2025 | 31/12/2024 | 30/06/2025 | 31/12/2024 | 30/06/2025 | 31/12/2024 |
| Financial liabilities measured at amortized cost | 43,886,052 | 45,073,293 | 308,562 | 90,930 | 39,850 | 43,129 | 15,855 | 13,134 |
| a) due to banks | 21,662,843 | 25,657,921 | 211,234 | 78,735 | 26,421 | 29,488 | 15,855 | 13,134 |
| b) due to customers | 14,554,502 | 12,963,954 | 97,328 | 12,195 | 13,429 | 13,640 | - | - |
| c) securities issued | 7,668,708 | 6,451,419 | - | - | - | - | - | - |
| Financial liabilities held for trading | 965,176 | 847,759 | - | - | - | - | - | - |
| Financial liabilities designated as at fair value | 424,293 | 385,075 | - | - | - | - | - | - |
| Hedging derivatives and value adjustments of macro-hedged financial liabilities (+/-) | 125,144 | 109,785 | - | - | - | - | - | - |
| Liabilities associated with disposal groups held for sale | - | - | - | 307 | 248 | - | 138 | 145 |
| Tax liabilities | 20,502 | 5,985 | 445 | 21,573 | - | - | 27 | 21 |
| Other liabilities | 507,162 | 460,163 | 95,575 | 99,705 | 49,116 | 44,709 | 9,202 | 7,536 |
| Post-employment benefits | 10,083 | 11,666 | 1,887 | 2,065 | 3,546 | 3,338 | 772 | 774 |
| Provisions for risks and charges | 154,723 | 149,906 | 12,773 | 12,917 | 7,074 | 10,577 | 1,228 | 1,228 |
| Equity | 2,327,186 | 2,248,017 | 118,348 | 122,789 | 19,914 | 12,151 | 43,591 | 22,644 |
| Profit/(loss) for the period (+/-) | 200,342 | 78,749 | 4,261 | (4,423) | 6,184 | 10,895 | 2,549 | 402 |
| **Total liabilities and equity** | **48,620,663** | **49,370,398** | **541,850** | **345,863** | **125,931** | **124,799** | **73,363** | **45,885** |

(*) "Other" includes BCC Servizi Assicurativi, BCC Gestione Crediti, BCC Beni Immobili.

| €/thousands | INSTITUTIONAL | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Iccrea Banca | | BCC Sistemi Informatici | | BCC SINERGIA SpA | | Other (*) | |
| | 30/06/2025 | 30/06/2024 | 30/06/2025 | 30/06/2024 | 30/06/2025 | 30/06/2024 | 30/06/2025 | 30/06/2024 |
| Net interest income | 97,147 | 92,831 | (2,507) | 417 | 485 | 313 | (109) | 134 |
| Net fee and commission income | 38,828 | 33,277 | (1) | (1) | (13) | (13) | 7,158 | 3,950 |
| Dividends | 78,785 | 59,939 | | | | | - | - |
| Net gain/(loss) on trading | 21,921 | 9,695 | 53 | - | | | - | - |
| Net gain/(loss) on hedging | (30) | 1,660 | | | | | - | - |
| Net gain/(loss) on disposals | 14,105 | 11,092 | | | | | - | - |
| Net gain/(loss) on financial assets and liabilities at FVTPL | 1,822 | (2,070) | | | | | - | - |
| **Gross income** | **252,577** | **206,424** | **(2,455)** | **416** | **472** | **299** | **7,049** | **4,083** |
| Net writedowns/writebacks for credit risk | 10,035 | (12,596) | | | | | - | - |
| **Net gains/(losses) from financial operations** | **262,611** | **193,827** | **(2,455)** | **416** | **472** | **299** | **7,049** | **4,083** |
| Administrative expenses | (249,939) | (231,415) | (132,122) | (131,106) | (68,980) | (68,051) | (9,619) | (10,315) |
| a) personnel expenses | (121,841) | (115,536) | (22,617) | (25,765) | (32,898) | (29,598) | (5,046) | (5,305) |
| b) other administrative expenses | (128,098) | (115,879) | (109,505) | (105,342) | (36,082) | (38,453) | (4,573) | (5,010) |
| Depreciation, amortization and provisions | (8,782) | (23,611) | (27,362) | (24,283) | (2,569) | (3,639) | (2,246) | (3,021) |
| Other operating expenses/income | 124,706 | 122,648 | 185,563 | 158,473 | 79,643 | 76,960 | 8,591 | 15,197 |
| **Operating expenses** | **(134,015)** | **(132,377)** | **26,078** | **3,084** | **8,095** | **5,270** | **(3,273)** | **1,861** |
| Profit/(loss) from equity investments | 93,127 | 43,122 | | | | | - | - |
| Profit/(loss) from disposal of investments | | | - | - | - | (1) | - | - |
| Net gain/(loss) from FV measurement of property, plant and equipment and intangible assets | | | | | | | - | - |
| Impairment of goodwill | | | | | | | - | - |
| **Profit/(loss) before tax on continuing operations** | **221,723** | **104,572** | **23,623** | **3,499** | **8,567** | **5,568** | **3,776** | **5,945** |
| Income tax expense from continuing operations | (21,381) | (19,119) | (6,142) | (1,127) | (2,383) | (1,829) | (1,227) | (1,749) |
| Profit/(loss) on discontinued operations after tax | - | - | (13,220) | - | - | 9,863 | - | - |
| **Profit/(loss) for the period** | **200,342** | **85,454** | **4,261** | **2,372** | **6,184** | **13,603** | **2,549** | **4,196** |

(*) "Other" includes BCC Servizi Assicurativi, BCC Gestione Crediti, BCC Beni Immobili

### Iccrea Banca SpA

Within the Group, Iccrea Banca performs the duties and responsibilities in respect of the affiliated banks relating to strategic and operational oversight, coordination and control and interacts with supervisory and regulatory authorities. The traditional role of the second-level bank, which, in supporting the operations of the affiliated banks, provides products, services and advisory services to help them meet the needs of their shareholders, customers, households and the development of local communities, is supplemented by the addition of duties connected with the responsibilities of our role and performing the activities need to ensure the consistency of the Group's strategic policy, operational governance, risk management, pursuit of industrial and operational synergies to achieve ever-improving levels of operational efficiency and effectiveness, and the development of production and distribution models.

### Financial services

In the financial services area, the Parent Company supports the affiliated banks with a variety of activities associated with investment services, including trading in equities and bonds, accessing over-the-counter (OTC) markets for unlisted securities, order execution and transmission services both for transactions connected with the management of the proprietary portfolio and for the provision of investment services to their retail and/or professional customers. In this context, i) it provides guidance and investment strategies (also developed during the year within a Finance Steering Committee held on a monthly basis with the participation of the affiliated banks), ii) assumes the role of central counterparty in the liquidity management system; iii) performs capital and money-market activities and hedging, iv) monitors and analyses the ALM position of the affiliated banks in order to predict its development and, if necessary, identify ways and solutions to rebalance the positions, v) offers a delegated risk management service to enhance the efficiency of the arrangements and techniques adopted to manage the risk profiles associated with the finance book of the affiliated banks.

With specific regard to liquidity management, in the first half of 2025, consistent with the Group strategy, the collateralized funding operations with the ECB progressively focused on reducing the use of auctions. The use by the Group banks in respect of the Parent Company decreased to about €0.597 billion at June 30, 2025 (€0.240 billion MRO and €0.357 billion LTRO). At the same time, the Parent Company reduced the Group's participation in the central bank operations to €0.5 billion MRO at June 30, 2025.

Collateralized funding activity on the market was mainly conducted through repos on government securities channeled through the central counterparty Cassa Compensazione e Garanzia. At June 30, 2025, the stock of repos on the market was equal to about €12.7 billion, compared with reverse repos of about €4.4 billion (for a net balance of about €8.3 billion).

The Group Treasury managed an average balance at the Bank of Italy of about €1.1 billion, having regular recourse to the deposit facility at the Bank of Italy (with an average balance of about €1.2 billion in the period.

With regard to deposits and investment accounts held by the mutual banks with the Parent Company, fixed-term deposits amounted to about €4.4 billion at June 30, 2025, while rolling deposits with maturity beyond one year amounted to about €3.3 billion, broken down as follows: the tiering account had a balance of about €2.6 billion while the monetary deposit account amounted to about €742 million. New investment accounts with short-term rolling maturities ("short-tiering" accounts), on the other hand, amounted to a total of about €717 million, of which: €514 million in respect the account with three-month rolling maturity, €148 million in respect of the account with two-month rolling maturity and €55 million in respect of the account with one-month rolling maturity.

With regard to the main events impacting liquidity management, the expected monetary easing of the ECB brought the deposit facility to 2% in June 2025, leading the market to price in a further cut by the end of 2025. In this environment, the Treasury continued to optimize the cost of funding along the curve, conducting repo transactions in addition to ordinary short-term funding operations, including transactions with maturities greater than one year, in order to manage liquidity indicators and transactions requested by the mutual banks.

Activity with the MEF in the unsecured segment, where the Group is the authorized counterparty to receive liquidity at short-term maturities on the money market, was gradually reduced, with outstanding funding at June 30, 2025 equal to zero.

With regard to forex operations, at June 30, 2025, 41,555 contracts had been negotiated, with a total volume of about €5.5 billion. More specifically, about €3.8 billion were transacted on behalf of the mutual banks (about €1.8 billion in swap transactions, €1.9 billion in spot transactions and about €60 million in outright transactions). Proprietary trading involved transactions totaling €1.7 billion, of which about €570 million in the form of spot transactions, €1.1

billion in fxswap and the remainder in outright transactions.

Bond market funding operations for MREL purposes included the issue of the first Senior Preferred "Green" bond of Iccrea Banca aimed at institutional investors on January 30, 2025. The issue has a five-year maturity (January 30, 2030) and a total nominal amount of €500 million. In terms of investor types, 39% was allocated to funds, 39% to banks, 14% to insurance companies and pension funds, 5% to hedge funds and 3% to others. The geographical breakdown shows a high participation of international investors, with 49% allocated outside Italy (with 21% in Germany, Austria and Switzerland, 9% in the United Kingdom and Ireland, 9% in France, 4% in Belgium, the Netherlands and Luxembourg and 4% in Spain and Portugal). The transaction - which is part of the process of meeting MREL requirements - was carried out under the €5 billion EMTN program and the 2024 Green, Social and Sustainability Bond Framework, in line with the Green and Social Bond Principles issued by ICMA (International Capital Market Association) and supports Iccrea Banca's commitment to ESG, as outlined in the 2024-2026 Sustainability Plan. The proceeds will be used to refinance green loans within the Green Buildings project category.

Covered bond issues are detailed in the following section "The covered bond program", in the discussion of significant events in the period.

At June 30, 2025, the amount of outstanding bonds of Iccrea Banca totaled €7.60 billion, with a weighted average residual life of 4.36 years, broken down as follows:

- senior preferred securities of €2.99 billion with a weighted average residual life of 2.90 years;
- senior not preferred of €0.05 billion with a weighted average residual life of 1.70 years;
- subordinated Tier 2 of €0.30 billion with a weighted average residual life of 6.55 years;
- covered bond of €4.22 billion with a weighted average residual life of 5.27 years;
- certificates of €0.04 billion with a weighted average residual life of 4.25 years.

With regard to other structural funding operations, after the close of the period, the EIB disbursed the 1st tranche (about €34 million) of the €100-million medium/long-term loan granted as part of the "Italian Regions EU Blending Programme" initiative, whose funds are to be used, through the Affiliated Banks based in Tuscany, to finance eligible initiatives promoted by SMEs and mid-cap enterprises.

With regard to Italian government securities, within market making operations on the Vorvel platform, the first half of 2025 saw the listing of 143 securities with a total volume handled of about €5.4 billion, an increase of 18% on the same period of the previous year. Trading continued on the MOT market of Borsa Italiana, with total volumes handled of about €4.9 billion, up 42% on the same period of 2024. Trading on the MTS, BondVision and Bloomberg platforms reserved for institutional investors came to €31.7 billion. As part of market making operations for eurobonds, 363 eurobonds were listed on the Vorvel market, 250 on the EuroTLX market and 172 on ExtraMOT and MOT. Total volumes traded on these markets came to about €1.3 billion, up 48% on the same period of 2024.

Execution activities on national and foreign financial markets on behalf of the affiliated banks in the first half of 2025 were characterized by unchanged overall volumes compared with the previous year. With a total transacted value of €10.6 billion, in the period, the Italian equity sector recorded a volume of €2.7 billion, an increase of about 16% on the first half of 2024. Foreign equities recorded volumes of €341 million, an increase of 7.5% on the first half of 2024. Operations in the bond segment posted a transacted volume of €4.7 billion, a slight increase of 1.88%.

The Group mutual banks carried out derivatives transactions in the nominal amount of about €2.6 billion in the first six months of 2025. More specifically, derivatives transactions to hedge the interest rate risk of their mortgage portfolios came to a nominal amount of about €978 million, a significant increase on the same period of the previous year. Derivatives transaction to hedge the interest rate of the variable rate mortgage portfolios came to a nominal amount of about €400 million.

In managing their securities portfolio, the mutual banks transacted interest rate and inflation risk hedges in the notional amount of around €638 million and cash flow hedges on CCTs in the notional amount of about €460 million. During the period mutual banks conducted unwinding operations (the early termination of outstanding swaps) with a nominal value of about €130 million.

As regards transactions in derivatives with BCC Leasing, new and unwinding transactions were closed with a total notional amount of about €169.5 million.

Transactions on the proprietary financial portfolios focused primarily on the banking book, and trading book operations remained modest, although growing compared to the same period of 2024.

At June 30, 2025 the size of the financial portfolio on the Parent Company's banking book was about €11.8 billion, a marginal increase of +3.5% on the same period of 2024. The portfolio is diversified as follows: €9.7 billion (82.5% of the total) is represented by Italian sovereign bonds; €0.8 billion (7.1% of the total) by "financial" bonds; €1.02 billion (8.8% of the total) by European sovereign bonds; €0.12 billion (1.1% of the total) by supranational bonds; €0.04 billion by corporate bonds (0.4% of the total); and the remainder is invested in equities and funds. Overall, the financial portfolio consists of 91.2% variable-rate items (originally floater securities, or swapped fixed-rate or inflationary securities), 2.3% inflation-linked items and 6.6% fixed-rate items (with an average duration of 3.2 years).

The HTC business model covers 93% of the financial portfolio, whose securities have an average residual duration of 6.8 years, classified on the basis of the fair value policy as 96.7% L1, 1.5% L2 and 1.8% L3. At June 30, 2025, the remaining 7% of the financial portfolio allocated to the HTCS category included securities with an average residual maturity of 3.86 years, classified as 96% L1 and 4% L3.

The financial portfolio also gradually accumulated a position in ESG financial instruments, which at June 30, 2025, amounted to about €0.8 billion, or 6.3% of the overall total of the portfolio under management.

With regard to the management and mitigation of the financial risks of the portfolios, new hedging and unwinding operations were conducted with a total notional amount of about €2.5 billion.

The trading book in the first half of 2025 registered bond trading activities (cash and listed derivatives and OTC options) totaling €6.5 billion, with an average daily VAR of €106 thousand, down 27% on the same period of 2024.

Compared with the same period of 2024, these operations increased in volume by 195%.

In equities segment, in the first half of 2025 the value of securities traded was €23.4 million, a slight decrease from €27.5 million in the same period of 2024; while the value of transactions in equity derivatives was equal to €95 million (of which €77.5 million on listed options and €17.5 million in futures) down from €248 million in the first half of 2024.

The average daily VAR was €27 thousand, down 60% on the same period of 2024.

Trading volumes recorded a decrease of 57% on the same period of 2024.

The trading portfolio in OTC derivatives on interest rates and inflation rates saw transactions in contracts with a total notional amount of about €418 million, up by 22% compared with the same period of 2024, with an average daily VAR of about €40.5 thousand, down 32% compared with the same period of 2024.

### Lending to firms

Our lending activities include the services offered to corporate clients of the affiliated mutual banks (including through the companies within the direct scope that operate in specific specialist areas, such as leasing and factoring). These services include the structuring of financing to support productive investments and provide working capital. In addition to specific lending activities, our product range also comprises advisory services to support international trade and internationalization for firms, as well as advisory services for incentive programs and the management of interest rate risk.

Among the specialist skills enhancing the Group's offering, our lease and industrial lending operations are flanked by structured finance and business advisory activities in support of M&A operations, notably for generational transition transactions, and investments for the environmental transition, both in the renewable energy sector and in the circular economy), the management of European Union funds to support territorial cohesion and tourism objectives, as well as in the public-private partnership sector, where direct support for the construction of local infrastructure such as nursing homes, schools and sports facilities continues.

The agro-industry sector continues to benefit from the impulse of the "Supply Chain and District Contracts" initiative, a strategic measure for the development of the sector, which sees Iccrea Banca active both as a lending bank (under a contract with the CDP) and as an authorized bank (under a contract with the Ministry of Agricultural Policies, Food Sovereignty and Forests); although it is expected that regulatory changes will limit the role of the authorized bank on new contracts that will be awarded funds on a scrolling-ranking basis, financing activity on existing contracts and on any new projects remains strong.

Iccrea's activity continues to be focused on specialist areas for which dedicated funding by CDP and EIB are also available at competitive conditions. The use of CDP Ambiente funding totaled €164.5 million, although some projects are still in the disbursement phase and with an outstanding amount of approximately €126.5 million; the remaining resources are currently committed against a list of projects amounting to over €85.5 million which will lead to the complete exhaustion of the plafond.

Regarding the Sustainable Tourism fund of the EIB, Iccrea Banca signed transactions totaling €26.5 million, with additional resources allocated against a pipeline of over €50 million, for a total amount of over €70 million. These results add to the approximately €180 million in investments financed through CDP's Tourism Fund.

Over the past two years, the Parent Company supported more than 80 initiatives in the tourism sector, financing redevelopment projects for accommodation facilities in both art cities and tourist destinations throughout the country in partnership with local mutual banks. Similarly, project finance initiatives have been supported in the renewable energy sector to create new renewable energy production facilities.

In the Foreign sector, financing to support exports of capital goods, investments abroad (carried out both directly and through foreign subsidiaries of Italian companies) and international trade increased by 72%.

Transactions backed by SACE guarantees, which as from April 1, 2025 are governed by the new Growth Light convention replacing Futuro and Green agreements, came to €61.5 million, up 50% from €41.1 million at June 30, 2024).

Commissions for internationalization advisory services declined due to the launch of new incentive measures by Simest, which are being promoted by the Iccrea Banking Group.

Growth was also registered in international "transactional activities" compared with the first half of 2024 (with a 11% increase in documentary credits and international guarantees while cross-border payments remained stable), despite the slowdown in the expansion of international trade and global geopolitical tensions.

Another sector experiencing significant activity was incentive programs, which were enriched and strengthened with new initiatives to enhance our support of business customers in navigating the measures introduced with the NRRP and to support decarbonization projects.

As regards the main traditional incentive measures, 1,127 new applications were approved as part of the "Nuova Sabatini" mechanism in the first half of 2025 (+ 14.4% compared to the first half of 2024), corresponding to approximately €295 million in investments (+42.5%) which led to the earmarking of approximately €30 million contributions from the Ministry of Business and Made in Italy, of which €7.3 million were confirmed by financing decree as of June 30, 2025.

As regards Industry contracts, given the time limit set by the 2014-2020 Development and Cohesion Fund programming (extended to 2025) requiring companies that have received the incentives under the 4th Call to conclude and report project expenses no later than June 30, 2025, the disbursement requests of 42 beneficiaries were approved, in addition to 39 project variants. The portfolio under management (4th and 5th Calls) is confirmed with 39 Industry contracts, with a total involvement of over 580 beneficiary firms with investments of over €1 billion.

Regarding the MCC service, the use of the Guarantee Fund by the mutual banks on behalf of their customers is essentially stable. The advisory service managed 6,000 guarantee applications (+9.25%) for a total loan value of €1.1 billion (+10%), of which about €743 million guaranteed by MCC.

As regards the incentive measures related to the Tourism Revolving Fund (FRI-Tourism fund, financed with NRRP funds), Iccrea Banca and the mutual banks continued to provide qualified consulting services on the instrument. The Ministry of Business and Made in Italy confirmed the provision of €2.3 million for the first half of 2025 in bank loans from Iccrea Banca/mutual banks (in addition to €3.3 million for 2024), accompanied by subsidized CDP loans for the same amount, to support investments of about €5.5 million.

### Payment systems

Iccrea Banca has a constant high level of commitment in the analysis, development and management of collection and payment solutions available to the Group's banks to ensure the necessary alignment with developments in EU and international regulations.

The first half of 2025 registered higher transaction volumes than in 2024 (+5%), confirming the overall growth trend in the sector, partly reflecting the substitution of cash with electronic transactions. Segments posting double-digit growth rates included digital payment services (ordinary and instantaneous SEPA credit transfers, direct debit and PagoPA transactions), which more than offset the contraction registered by traditional paper-based products (checks, cashier's checks, bills, Riba, MAV).

The main payments initiatives undertaken in the first half of 2025 included projects for:

- enhancing the efficiency of integrated cash cycle management by adopting the market-leading management application for the benefit of the mutual banks and their customers;
- ensuring compliance with the requirements set by European regulations governing instantaneous credit transfers, by preparing the new Verification of Payee service which will be made available to all customers from 5 October;
- participation, together with 4 other market operators, in the testing of a new online banking Request to Pay service for viewing, paying and archiving PagoPA notices;
- the design of the digital euro.

### BCC SISTEMI INFORMATICI SpA

The Group's information technology company, overseeing IT infrastructure, applications, system architecture and security. The first half of 2025 saw the launch of initiatives in the context of the AFAST/Accenture partnership aimed at strengthening and accelerating the application and technological transformation process undertaken by the Group's ICT some time ago and in particular the implementation from April 1, 2025 of a new service delivery model, through the transfer of the infrastructure segment and the simultaneous signing of an 8-year service contract.

The major projects undertaken in the period include (i) work to support the coordination and control activity by the Parent Company; (ii) the evolution of system architecture (e.g., Channels, Credit, Finance, Collections and Payments, Anti-Money Laundering and Conditions); (iii) the launch and continuation of strategic initiatives (e.g., Finance Turnaround, New Mortgage Platform, Cloud Adoption, Digital Developments, Data Platform, Registry, Current Accounts, Settlements); (iv) the strengthening of security areas and extension of control over peripheral systems (e.g., Strengthening system access protection, Management of Group Other Local Devices).

### Balance sheet

The company's assets are characterized by the relevance of property, plant and equipment and intangible assets, totaling €269.7 million, represented by the software applications owned or licensed for use that make up the main IT system used by the mutual banks, the Parent Company and direct scope companies as well as the components of the data processing center infrastructure. Other assets, equal to €264.4 million, include prepaid expenses for €191.4 million, tax credits referred to in the "Cure Italy" and "Save Italy" decrees in the amount of €30.9 million, credits from the sale of a business branch in the amount of €24.1 million, trade receivables for €17 million and other receivables for €1 million. Tax assets and cash and cash equivalents amounted to €7 and €0.8 million respectively.

Liabilities include financial liabilities in the amount of €308.5 million, of which €211.2 million in respect of amounts due to banks and €97.3 million in finance lease liabilities. Other liabilities, equal to €95.5 million, include, among others, payables to suppliers of goods and services, the Parent Company and other direct scope companies (€78.7 million); provisions for risks and charges amount to €12.8 million and are mainly attributable to the provision of €11.9 million made in 2024 following the specific early retirement initiative activated through access to the extraordinary benefits of the fund for the support of employment and earnings of mutual bank staff. Net equity of €122.6 million reflects the result for the period and has not undergone any further changes compared to December 2024; other tax liabilities and the provision for severance pay came to €0.5 million and €1.8 million respectively.

### Income statement

The company closed the period with a profit of €4.3 million.

Administrative expenses amounted to €132 million, an increase of €16 million over the previous period. Personnel expenses (€22.6 million) decreased by €3.1 million, reflecting the decrease in headcount following the disposal of the infrastructure segment, effective April 1, 2025, mostly offset by the salary adjustment due to the renewal of the national collective bargaining agreement signed during the second half of 2024. Other administrative expenses (€109.5 million) increased by €4.2 million, reflecting the increase in ICT expenses associated with the management of new applications developed in projects closed at June 30, as well as the new outsourcing contract for infrastructure management services activated starting from the second quarter of the current year following the aforementioned sale of the business unit.

Other operating expenses/income, equal to €185.6 million, increased on the same period of the previous year (+€27.1 million). Revenues from sales and services, which essentially account for the value of the item, grew by €27.4 million reflecting an increase in the provision of services connected with current activities (+€28.5 million) net of the decline in turnover relating to projects (-€1.1 million).

The net value of assets held for sale included in the income statement items is €13.2 million.

### BCC SINERGIA SpA

Profit for the period came to €6.18 million.

Ordinary operations increased by 48.93% (+€2.03 million) reflecting a slight decrease in total revenue, equal to €78.81 million (-€1.22 million, -1.53%), more than offset by a the decrease in operating costs of about €68.85 million, (-1.93% compared with June 2024). In particular, the decline in operating revenues is attributable to the transfer of the E-money branch to Numia SpA, finalized on May 1, 2024, the transfer of the Personnel Administration branch to the Parent Company, finalized on September 1, 2024 and the disposal of the Card Contact Center service as from January 1, 2025, which led to an overall decrease in revenues of approximately €5 million. This reduction was mainly offset by an increase in other Back Office Banking Services of approximately €4 million. Depreciation, amortization and provisions decreased by 16.98%, mainly reflecting a decrease in the component concerning intangible assets.

During the reporting period, the acquisition of the Back Office business unit belonging to Banca Centro's "Credit and Guarantee Administration" structure was finalized, with the aim of consolidating the operational centralization of services. The transaction was finalized on January 30, 2025, and will be effective February 1, 2025.

As part of the Operations Strategy project, with the aim of creating a single back office hub within the Group, in the first half of the year Sinergia approved the acquisition of the back office branch of BCC delle Terre Venete. This transaction was finalized on July 23, 2025, and will be effective August 31, 2025.

## RETAIL BUSINESS AREA

| €/thousands | RETAIL | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Mutual banks | | BCC CreditoConsumo | | BCC R&P | | Banca Sviluppo | |
| | 30/06/2025 | 31/12/2024 | 30/06/2025 | 31/12/2024 | 30/06/2025 | 31/12/2024 | 30/06/2025 | 31/12/2024 |
| Cash and cash equivalents | 8,599,505 | 9,265,102 | 25,836 | 36,800 | 51,301 | 48,402 | 12,055 | 10,671 |
| Financial assets measured at fair value through profit or loss | 1,359,503 | 1,339,843 | - | - | 10,548 | 10,489 | 30 | 38 |
| Financial assets measured at fair value through other comprehensive income | 7,358,916 | 7,169,976 | - | - | 3 | 3 | 654 | 750 |
| Financial assets measured at amortized cost | 129,973,494 | 128,197,354 | 2,107,706 | 1,853,014 | 68,246 | 53,368 | 88,806 | 95,637 |
| a) due from banks | 11,188,494 | 10,410,129 | 47 | 53 | 553 | 22 | 1,304 | 1,304 |
| b) loans to customers | 81,850,018 | 81,101,895 | 2,107,659 | 1,852,961 | 67,693 | 53,346 | 48,328 | 52,446 |
| c) securities | 36,934,982 | 36,685,329 | - | - | - | - | 39,174 | 41,887 |
| Hedging derivatives and value adjustments of macro-hedged financial assets | 177,276 | 125,326 | - | - | - | - | - | - |
| Equity investments | 2,969 | 2,917 | - | - | - | - | 22,069 | - |
| Property, plant and equipment | 1,797,683 | 1,801,151 | 115 | 2 | 3,630 | 3,728 | 267 | - |
| Intangible assets | 6,310 | 7,327 | 1,121 | 1,392 | 6,471 | 6,639 | - | - |
| Tax assets | 732,260 | 772,879 | 2,853 | 3,498 | 562 | 1,175 | 38,903 | 38,954 |
| Non-current assets and disposal groups held for sale | 14,428 | 11,280 | - | - | - | - | 16,862 | 25,885 |
| Other assets | 3,930,030 | 4,878,473 | 126,288 | 127,476 | 38,534 | 40,384 | 14,267 | 15,551 |
| **Total assets** | **153,952,374** | **153,571,627** | **2,263,921** | **2,022,182** | **179,296** | **164,187** | **193,913** | **187,487** |

| €/thousands | RETAIL | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Mutual banks | | BCC CreditoConsumo | | BCC R&P | | Banca Sviluppo | |
| | 30/06/2025 | 31/12/2024 | 30/06/2025 | 31/12/2024 | 30/06/2025 | 31/12/2024 | 30/06/2025 | 31/12/2024 |
| Financial liabilities measured at amortized cost | 133,684,219 | 134,866,626 | 2,025,820 | 1,790,063 | 65,200 | 70,138 | 56,042 | 60,578 |
| a) due to banks | 13,560,121 | 14,575,841 | 2,025,090 | 1,789,567 | 65,188 | 70,120 | 53,691 | 57,955 |
| b) due to customers | 110,010,958 | 110,096,122 | 729 | 496 | 12 | 18 | 17 | 19 |
| c) securities issued | 10,113,141 | 10,194,663 | - | - | - | - | 2,334 | 2,603 |
| Financial liabilities held for trading | 122 | 283 | - | - | - | - | - | - |
| Financial liabilities designated as at fair value | - | - | - | - | - | - | - | - |
| Hedging derivatives and value adjustments of macro-hedged financial liabilities | 172,716 | 191,748 | - | - | - | - | - | - |
| Tax liabilities | 60,850 | 75,518 | 168 | 197 | 360 | 640 | 4 | 38 |
| Liabilities associated with disposal groups held for sale | - | - | - | - | - | - | - | 3,596 |
| Other liabilities | 3,758,372 | 2,897,217 | 26,392 | 38,531 | 55,018 | 23,404 | 20,974 | 4,183 |
| Post-employment benefits | 167,629 | 177,273 | 285 | 280 | 137 | 221 | - | - |
| Provisions for risks and charges | 563,127 | 518,999 | 296 | 351 | 1,062 | 1,052 | 2,469 | 3,340 |
| Equity | 14,660,171 | 12,940,426 | 192,769 | 152,719 | 42,979 | 42,951 | 115,689 | 119,028 |
| Profit/(loss) for the period (+/-) | 885,168 | 1,903,538 | 18,191 | 40,041 | 14,540 | 25,782 | (1,265) | (3,274) |
| **Total liabilities and equity** | **153,952,374** | **153,571,627** | **2,263,921** | **2,022,182** | **179,296** | **164,187** | **193,913** | **187,487** |

| €/thousands | RETAIL | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Mutual banks | | BCC CreditoConsumo | | BCC R&P | | Banca Sviluppo | |
| | 30/06/2025 | 30/06/2024 | 30/06/2025 | 30/06/2024 | 30/06/2025 | 30/06/2024 | 30/06/2025 | 30/06/2024 |
| Net interest income | 1,810,251 | 1,996,646 | 32,432 | 32,749 | 998 | 1,427 | 444 | 396 |
| Net fee and commission income | 634,933 | 612,896 | 7,677 | 5,995 | 40,537 | 36,454 | (1) | 6 |
| Dividends | 9,571 | 10,159 | - | - | 189 | 94 | - | - |
| Net gain/(loss) on trading activities | 11,308 | 15,591 | - | - | - | | - | - |
| Net gain/(loss) on hedging | (424) | (1,614) | - | - | - | | - | - |
| Net gain/(loss) on disposals or repurchases | 47,639 | 41,291 | - | - | - | | - | - |
| Net gain/(loss) on assets and liabilities at FVTPL | 7,026 | 10,324 | - | | (98) | (40) | (9) | (43) |
| **Gross income** | **2,520,303** | **2,685,294** | **40,109** | **38,745** | **41,627** | **37,935** | **434** | **359** |
| Net writedowns/writebacks for credit risk | (77,337) | (179,449) | (1,658) | 2,194 | - | - | (1,619) | 63 |
| **Net gains/(losses) from financial operations** | **2,442,967** | **2,505,845** | **38,451** | **40,939** | **41,627** | **37,935** | **(1,185)** | **423** |
| Administrative expenses | (1,482,043) | (1,450,145) | (12,843) | (11,794) | (20,620) | (20,174) | (1,087) | (1,473) |
| *a) personnel expenses* | (848,409) | (817,183) | (3,430) | (3,066) | (3,597) | (3,459) | (320) | (377) |
| *b) other administrative expenses* | (633,635) | (632,962) | (9,413) | (8,729) | (17,023) | (16,716) | (767) | (1,096) |
| Depreciation, amortization and provisions | (69,578) | (86,345) | (274) | (167) | (1,860) | (1,824) | (66) | 3 |
| Other operating expenses/income | 151,509 | 173,093 | 1,701 | 1,674 | 1,798 | 1,019 | 470 | 189 |
| **Operating expenses** | **(1,400,112)** | **(1,363,397)** | **(11,416)** | **(10,288)** | **(20,682)** | **(20,980)** | **(682)** | **(1,280)** |
| Profit/(loss) from equity investments | - | - | - | - | - | - | | - |
| Profit/(loss) from disposal of investments | (272) | (410) | - | - | - | - | - | - |
| Net gain/(loss) from FV measurement of property, plant and equipment and intangible assets | - | - | - | - | - | - | | |
| Impairment of goodwill | - | - | - | - | - | - | - | - |
| **Profit/(loss) before tax on continuing operations** | **1,042,582** | **1,142,038** | **27,035** | **30,651** | **20,945** | **16,955** | **(1,867)** | **(858)** |
| Income tax expense from continuing operations | (157,414) | (177,922) | (8,844) | (10,078) | (6,405) | (5,167) | 602 | 67 |
| Profit/(loss) on discontinued operations after tax | - | - | | | | | | |
| **Profit/(loss) for the period** | **885,168** | **964,116** | **18,191** | **20,573** | **14,540** | **11,788** | **(1,265)** | **(790)** |

### AFFILIATED BANKS

The segment includes the affiliated mutual banks that represent the largest portion of the Group's consolidated assets.

The structure of the mutual banks' balance sheets reflects the nature of local banking, characterized by a high level of funding from customers stemming from the historic ties that the mutual banks have with their local areas, with a prevalence of loans to households and small firms as well as the investment of excess liquidity primarily in government securities.

What follows is a brief description of the main balance sheet and income statement items of the 113 mutual banks belonging to the Iccrea Cooperative Banking Group as at June 30, 2025, presented in aggregate form and gross of intercompany items.

#### Balance sheet

Total assets at June 30, 2025 amounted to about €154 billion, up €0.4 billion on December 31, 2024.

Financial assets measured at amortized cost increased by €1.8 billion to about €130 billion and consist of:

- loans to customers totaling €81.9 billion (+0.7 billion on the end of 2024), mainly represented by mortgage loans to customers (€68.1 billion), current accounts (€6.6 billion), other financing (€6 billion) and transactions involving credit cards, personal loans and loans repaid by automatic deductions from wages (€0.9 billion);
- amounts due from banks of €11.2 billion, up €0.8 billion on 2024. The item consists of fixed-term deposits (€10.5 billion) and other financing (€0.7 billion);
- debt securities amounting to about €36.9 billion, essentially in line with December 2024, represented by securities with customers (about €35.8 billion) and securities issued by banks (€1.1 billion).

The characteristics of the mutual banks' business model is reflected primarily by the type of customers served. As shown by the table below,[20] Total loans to mutual bank customers were made largely to consumer and producer households, accounting for 53.2% of total lending.

The aggregate NPE ratio stood at 3.1%, while the coverage ratio for impaired loans was 75.6% (74.8% at December 31, 2024).

| Counterparties | Gross value | Ratio to total loans and advances | Performing loans and advances | | Non-performing loans and advances | | |
|---|---|---|---|---|---|---|---|
| | | | Ratio to total receivables | Ratio to total performing | Ratio to total receivables | Ratio to total NPE | Coverage NPE |
| Financial companies | 1,592,379 | 1.9% | 99.5% | 1.9% | 0.5% | 0.3% | 84.1% |
| Non-financial companies | 36,848,868 | 43.7% | 95.8% | 43.1% | 4.2% | 60.1% | 78.3% |
| of which: small and medium-sized enterprises | 24,290,596 | 28.8% | 97.0% | 28.8% | 3.0% | 27.8% | 73.6% |
| of which: secured by non-residential real estate as collateral | 10,393,711 | 12.3% | 95.1% | 12.1% | 4.9% | 19.8% | 79.4% |
| Households | 44,868,684 | 53.2% | 97.7% | 53.6% | 2.3% | 39.6% | 71.6% |
| of which: secured by residential real estate as collateral | 36,727,530 | 43.5% | 98.2% | 44.1% | 1.8% | 25.9% | 68.9% |
| of which: consumer credit | 981,158 | 1.2% | 97.8% | 1.2% | 2.2% | 0.8% | 74.7% |
| Government entities | 1,085,693 | 1.3% | 99.9% | 1.3% | 0.1% | 0.0% | 39.0% |
| **Total** | **84,395,623** | **100.0%** | **96.9%** | **100.0%** | **3.1%** | **100.0%** | **75.6%** |

Financial investments totaled about €42.6 billion[21] and consist almost entirely of government securities (especially those issued by the Italian State). Of these, 87% are measured at amortized cost (Hold-to-Collect business model - HTC) in line with the traditional business model that characterizes these banks, in order to take advantage of the coupon yield and at the same time to not expose its funds to risks associated with volatility.

The portfolio of financial assets measured at fair value through other comprehensive income, represented almost

[20] Source: Finrep
[21] The aggregate includes securities measured at amortized cost and financial assets measured at fair value through other comprehensive income and through profit or loss.

entirely by Italian government securities, amounted to about €7.4 billion, a slight increase compared with the end of 2024. Financial assets measured at fair value through profit or loss amounted to €1.4 billion and are almost entirely represented by financial assets mandatorily measured at fair value (which also include receivables in respect of the Parent Company for the Ex-Ante contribution to the Guarantee Scheme) and assets held for trading in the amount of €18 million.

Finally, other relevant items include property, plant and equipment - which amounted to about €1.8 billion and mainly includes land and buildings for use in operations (€1.7 billion) and other capital equipment - while intangible assets amounted to just about €6.3 million, of which €2.8 million in goodwill paid on the acquisition of bank branches before the formation of the ICBG.

Strong ties with the territory are also reflected in the composition of liabilities, with a large proportion of direct funding from customers, especially current accounts and demand deposits, and to a lesser extent bonds and certificates of deposit. Accordingly, liabilities largely consist of financial liabilities measured at amortized cost, which amounted to €133.7 billion. More specifically:

- amounts due to customers, essentially in line with the end of 2024, came to €110 billion and are represented mainly by current accounts and demand deposits (€102 billion), fixed-term deposits (€6.2 billion) and other financing (€1.2 billion);
- amounts due to banks came to €13.6 billion, mainly attributable to loans obtained through ordinary monetary policy operations and refinancing transactions with the Parent Company. The decrease of €1 billion is attributable to repayments during the period;
- securities issued, essentially in line with the end of 2024, came to €10.1 billion, of which €3.3 billion are represented by bonds and €6.8 billion by certificates of deposit.

The aggregate equity of the mutual banks amounted to €15.5 billion, up €0.7 billion compared with the end of 2024, and consists of over €1 billion of share capital, with the rest made up of reserves.

### Income statement

On aggregate, the mutual banks closed the first half of 2025 with a profit of €885 million, a slight decrease (€-79 million) on the same period of the previous year.

More specifically, gross income decreased by €165 million, to €2.5 billion, as a result of:

- a decrease in net interest income (-€186 million), due in large part to the decrease in interest income on loans to customers (-€314 million) and debt securities (-€34 million) reflecting the decrease in interest rates and lower interest expense on funding from banks (+€207 million);
- an increase of €22 million in net fee and commission income;
- an increase in the gains from disposal of about €6 million, mainly attributable to higher profits from the disposal of securities during the period.

During the period, writedowns for credit risk amounted to €77 million, a decrease compared with June 2024, also reflecting the robust monitoring of non-performing positions implemented by the Group since its establishment.

Operating expenses amounted to about €1.4 billion, substantially in line with the same period of previous year, the net effect of: (i) an increase of €31 million in personnel expenses, mainly connected to the renewal of the national collective bargaining agreement in 2024; (ii) a decrease of €17 million in provisions for risks and charges and (iii) a decrease of €22 million in other operating income.

## BCC CREDITOCONSUMO SpA

In the first half of 2025, the company continued to distribute consumer credit products to private customers in the form of personal loans and, through a distribution agreement with Pitagora SpA, salary/pension-backed loans. The company makes use of the branches of the mutual banks for the promotion and placement of these products. For personal loans, the company also employs a direct channel both through the Crediper.it website, with an form for submitting loan applications online, and through online comparison sites (Facile.it and Prestitionline.it). Salary/pension-backed loans are provided directly by the partner Pitagora.

### Balance sheet

Financial assets measured at amortized cost amounted to €2.11 billion and consisted almost entirely of exposures to customers for consumer credit products. In particular, personal loans amounted to €1.52 billion, and salary/pension-backed loans amounted to €586 million.

The table below provides a breakdown of gross loans to customers for consumer credit at June 30, 2025, by credit quality, including an indication of associated loan loss allowance and the coverage percentage.

| | Gross exposure | Loan loss allowance | Net exposure | % Coverage |
|---|---|---|---|---|
| **Performing exposures** | **2,113,056** | **15,617** | **2,097,439** | **0.74%** |
| Impaired past due | 12,027 | 5,968 | 6,058 | 49.62% |
| Unlikely to pay | 16,588 | 12,885 | 3,702 | 77.68% |
| Bad loans | 15,304 | 14,852 | 453 | 97.04% |
| **Non-performing exposures** | **43,918** | **33,705** | **10,213** | **76.75%** |
| **Total** | **2,156,974** | **49,322** | **2,107,652** | **2.29%** |

Other assets amounted to €126 million, mainly consisting of €100 million in receivables in respect of the self-securitization vehicle, for advance payments to the vehicle itself of installments collected on the assigned portfolio, €9.5 million in tax credits purchased by Iccrea Banca and BCC Sistemi Informatici, €5 million in receivables from Iccrea Banca connected with the tax consolidation mechanism and €6.5 million for receivables from partners of the Company.

Financial liabilities measured at amortized cost amount to €2.02 billion and are mainly represented by intercompany liabilities in respect of funding (€1.96 billion in medium/long-term financing and €61 million for use of current account overdraft).

Other liabilities amounted to €26.4 million and include €5.9 million in liabilities for fees and commissions due to the affiliated mutual banks, liabilities in respect of insurance companies for premiums to be paid of €1.1 million, liabilities in respect of Iccrea Banca connected with the tax consolidation mechanism in the amount of €6.5 million. The remaining €12.9 million mainly consist of liabilities with sundry suppliers (€9.7 million), liabilities in respect of tax authorities, mainly consisting of the provision for virtual stamp duty for 2025 (€0.6 million) and other liabilities (€2.6 consisting of amounts due to social security institutions, sundry amounts due to personnel and other liabilities.

### Income statement

Revenues are represented by interest and similar income in the amount of €57 million, fee and commission income from insurance operations and the placement of third-party “salary-backed loan” products in the amount of €18 million and €1.7 million in other operating income/expenses.

Costs include €24.5 million in interest expense on current accounts and loans, €10.3 million in fees and commissions payable to affiliated mutual banks, €1.7 million in value adjustments of assets measured at amortized cost, €3.4 million in personnel expenses, €9.4 million in other administrative expenses and €0.3 million in depreciation/amortization.

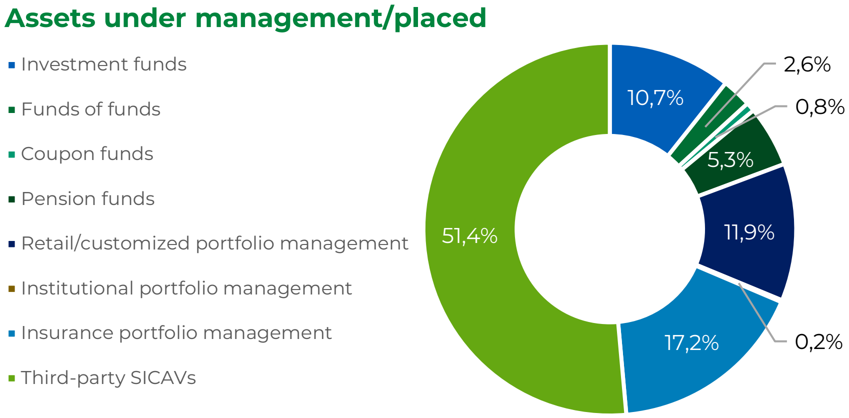
Income taxes for the period ended at June 30, 2025 totaled €8.8 million.

The company closed the first half of the year with a net profit of €18.2 million (€20.6 million at June 30, 2024).

## BCC RISPARMIO&PREVIDENZA SGRPA

At June 30, 2025 total assets managed or placed by BCC Risparmio & Previdenza amounted to €32.6 billion, an increase of €3.2 billion compared with the end of 2024, the result of net funding of €3.2 billion with a market effect practically equal to zero.

The chart below shows the weight of each investment product out of total assets under management as at June 30, 2025.




### Assets under management

Net funding from investment funds and funds of funds was a positive €374.9 million. Total assets under management at period end came to €4.3 billion and the number of supplementary pension contracts rose to 258,137, an increase of 6.6% on the end of 2024 (when the number of contracts was 242,061).

Net funding from coupon fund was a negative €42.2 million, closing the period with €254 million in assets under management.

With regard to supplementary pension funds, the company confirmed the positive trend in annual net funding, which amounted to €104.2 million, bringing assets under management to €1.7 billion and a total number of investors of 202,460 (+5.1% compared with the end of 2024).

With regard to retail, institutional and insurance portfolio management, net funding was also positive at a total of €1,173.8 million (of which €417.9 million in the retail segment, €755.7 million in the insurance segment, €0.3 million in the institutional segment). Total assets under management at period end came to about €9.6 billion. The placement of retail asset management products generated a total of 2,812 new accounts to reach a total of 62,978 accounts at June 30, 2025.

### Assets in placement

Total assets placed at the end of the period amounted to €16.8 billion with net funding of €1,567.5 million.

### Income statement

The period at June 30, 2025 closed with pre-tax profit of about €20.9 million (+23.5% compared with the same period of 2024) and net profit of about €14.5 million (+23.3% compared with the same period of 2024).

The results mainly reflect:

- net fee and commission income of €40.5 million, up about €4.1 million on the same period of 2024;
- net interest and other income of €1.1 million (€1.5 million in the same period of 2024);
- operating expenses of about €20.7 million (-1.4% on the same period of 2024) reflecting:

  - €3.6 million in personnel expenses, up 4% on the same period of 2024, partly due to the renewal of the national collective bargaining agreement (CCNL);
  - €17 million in other administrative expenses, up 1.8% on the same period of 2024, mainly due to variable costs connected to volumes;
- other net income of €1.8 million (+ €0.8 million on the same period of 2024).

### BANCA SVILUPPO SpA

As better discussed in the section on significant events of the period, Banca Sviluppo has completed its corporate purpose. As part of the rationalization of the Group's scope, activities for its merger into Iccrea Banca are under way and are expected to be finalized by the end of the current financial year. In the period, the banking activity was limited to the management of the residual mortgage portfolio still held by the bank.

### Income statement

The income statement at June 30, 2025 closed with a pre-tax loss of €1,87 million and a net loss of €1.26 million.

## CORPORATE BUSINESS AREA

| €/thousands | CORPORATE | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | BCC Leasing | | BCC Rent&Lease | | BCC Factoring | | BCC Financing | |
| | 30/06/2025 | 31/12/2024 | 30/06/2025 | 31/12/2024 | 30/06/2025 | 31/12/2024 | 30/06/2025 | 31/12/2024 |
| Cash and cash equivalents | 5,063 | 7,959 | 182 | 329 | 10,246 | 3,326 | 172,019 | 217,720 |
| Financial assets measured at fair value through profit or loss | 78,160 | 58,294 | - | - | - | - | 18,160 | 18,408 |
| Financial assets measured at fair value through other comprehensive income | 280 | 283 | - | - | 11 | 11 | 10,643 | 10,552 |
| Financial assets measured at amortized cost | 3,102,979 | 3,205,701 | 506,417 | 501,310 | 662,660 | 902,905 | 391,386 | 439,940 |
| a) due from banks | 11,581 | 12,748 | 623 | 833 | - | - | 34,357 | 34,064 |
| b) loans to customers | 3,067,916 | 3,166,475 | 505,794 | 500,476 | 662,660 | 902,905 | 180,834 | 207,650 |
| c) securities | 23,482 | 26,478 | - | - | - | - | 176,195 | 198,226 |
| Hedging derivatives and value adjustments of macro-hedged financial assets | - | - | - | - | - | - | - | - |
| Equity investments | - | - | - | - | - | - | - | - |
| Property, plant and equipment | 7,746 | 7,500 | 583 | 463 | - | - | 6,406 | 6,407 |
| Intangible assets | - | - | 535 | 543 | 330 | 439 | 4 | 17 |
| Tax assets | 103,484 | 104,495 | 1,667 | 1,663 | 2,450 | 2,704 | 31,302 | 32,868 |
| Non-current assets and disposal groups held for sale | 230 | 30,699 | - | - | - | - | - | 0 |
| Other assets | 41,282 | 39,252 | 10,662 | 10,531 | 6,932 | 23,967 | 25,281 | 8,697 |
| **Total assets** | **3,339,224** | **3,454,182** | **520,046** | **514,838** | **682,629** | **933,352** | **655,201** | **734,608** |

| €/thousands | CORPORATE | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | BCC Leasing | | BCC Rent&Lease | | BCC Factoring | | BCC Financing | |
| | 30/06/2025 | 31/12/2024 | 30/06/2025 | 31/12/2024 | 30/06/2025 | 31/12/2024 | 30/06/2025 | 31/12/2024 |
| Financial liabilities measured at amortized cost | 2,756,328 | 2,833,276 | 444,019 | 444,712 | 619,663 | 870,631 | 505,308 | 584,154 |
| a) due to banks | 2,732,771 | 2,813,222 | 441,062 | 441,981 | 615,555 | 857,061 | 223,918 | 310,492 |
| b) due to customers | 23,557 | 20,055 | 2,957 | 2,731 | 4,107 | 13,570 | 281,390 | 268,823 |
| c) securities issued | - | - | - | - | - | - | - | 4,840 |
| Financial liabilities held for trading | 29,001 | 35,862 | - | - | - | - | - | - |
| Financial liabilities designated as at fair value | - | - | - | - | - | - | - | - |
| Hedging derivatives and value adjustments of macro-hedged financial liabilities | - | - | - | - | - | - | 568 | 463 |
| Tax liabilities | - | - | - | 32 | - | - | 75 | 75 |
| Liabilities associated with assets held for sale | - | - | - | - | - | - | - | - |
| Other liabilities | 70,053 | 75,658 | 16,943 | 15,225 | 31,680 | 34,518 | 17,501 | 18,981 |
| Post-employment benefits | 843 | 886 | 150 | 162 | 427 | 407 | 182 | 208 |
| Provisions for risks and charges | 34,853 | 32,309 | 1,398 | 1,352 | 1,223 | 1,257 | 7,389 | 7,632 |
| Equity | 439,430 | 435,343 | 53,359 | 43,381 | 26,544 | 22,596 | 123,153 | 119,155 |
| Profit/(loss) for the period (+/-) | 8,717 | 40,848 | 4,177 | 9,974 | 3,093 | 3,943 | 1,027 | 3,940 |
| **Total liabilities** | **3,339,224** | **3,454,182** | **520,046** | **514,838** | **682,629** | **933,352** | **655,201** | **734,608** |

| €/thousands | CORPORATE | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | BCC Leasing | | BCC Rent&Lease | | BCC Factoring | | BCC Financing | |
| | 30/06/2025 | 30/06/2024 | 30/06/2025 | 30/06/2024 | 30/06/2025 | 30/06/2024 | 30/06/2025 | 30/06/2024 |
| Net interest income | 30,923 | 35,124 | 11,348 | 11,528 | 5,575 | 5,283 | 2,424 | 2,742 |
| Net fee and commission income | 512 | 715 | (286) | (283) | 2,243 | 2,093 | 2,633 | 2,807 |
| Dividends | 0 | - | | | - | - | 645 | 430 |
| Net gain/(loss) on trading activities | 1,037 | 790 | | | (38) | 6 | 1 | (33) |
| Net gain/(loss) on hedging | - | - | | | | | (3) | 2 |
| Net gain/(loss) on disposals or repurchases | - | 239 | - | - | | | 7 | 8 |
| Net gain/(loss) on financial assets and liabilities at FVTPL | 1,484 | 82 | | | | | (67) | (375) |
| **Gross income** | **33,956** | **36,950** | **11,062** | **11,245** | **7,780** | **7,382** | **5,640** | **5,581** |
| Net writedowns/writebacks for credit risk | 1,669 | 7,599 | (1,146) | 833 | 1,438 | 1,627 | 1,589 | 862 |
| **Net income/(loss) from financial operations** | **35,625** | **44,549** | **9,917** | **12,078** | **9,218** | **9,010** | **7,229** | **6,442** |
| Administrative expenses | (17,531) | (18,871) | (6,848) | (6,784) | (4,649) | (4,763) | (5,225) | (5,359) |
| a) personnel expenses | (6,643) | (6,496) | (1,986) | (1,859) | (2,215) | (2,139) | (2,701) | (2,607) |
| b) other administrative expenses | (10,888) | (12,375) | (4,862) | (4,925) | (2,433) | (2,624) | (2,524) | (2,752) |
| Depreciation, amortization and provisions | (3,196) | (3,075) | (126) | (652) | (132) | (49) | (882) | 1,190 |
| Other operating expenses/income | (1,926) | (214) | 3,334 | 3,355 | 41 | 161 | 207 | 270 |
| **Operating expenses** | **(22,653)** | **(22,160)** | **(3,640)** | **(4,082)** | **(4,739)** | **(4,651)** | **(5,900)** | **(3,899)** |
| Profit/(loss) from equity investments | - | - | | | | | | |
| Profit/(loss) from disposal of investments | | | | | | | - | - |
| Net gain/(loss) from FV measurement of property, plant, equipment and intangible assets | | | | | | | | |
| Goodwill impairment | | | | | | | | |
| **Profit/(loss) before tax on continuing operations** | **12,972** | **22,388** | **6,277** | **7,996** | **4,478** | **4,360** | **1,330** | **2,544** |
| Income tax expense from continuing operations | (4,255) | (7,880) | (2,101) | (2,664) | (1,386) | (1,503) | (303) | (586) |
| Profit/(loss) after tax on discontinued operations | | | | | | | | |
| **Net profit/(loss) for the period** | **8,717** | **14,509** | **4,177** | **5,333** | **3,093** | **2,856** | **1,027** | **1,957** |

## BCC LEASING SpA

Company operations are focused exclusively on finance leasing.

### Balance sheet

In the first half of 2025 new contacts amounted to a total €400 million, in line with the objectives of the Plan and increasing compared with the same period of 2024 (+6.5%). The positive performance was driven mainly by the growth of the capital-goods sector (+27.8% on June 30, 2024).

The finance lease market in which BCC Leasing operates (net of equipment leasing up to €50 thousands and light vehicle leasing) grew by 6.6% in value while remaining substantially stable in number of contracts (+0.8%), with equipment leasing recovering compared with 2024, but still below the 2022 and 2023 levels.

In this landscape, the bank confirms a strong presence in its core market, with an overall share of 5.2%, thanks to the consolidation of the market share in equipment leasing and the strengthening of autonomy in underwriting and direct channels. These elements have allowed to maintain a stable production base and improve credit quality through particularly prudent policies applied when approving new financing, allowing it to continue benefiting from a lower cost of risk while maintaining satisfactory profitability on the portfolio.

The following table provides a breakdown by type of new output in the period, with equipment leasing representing about 56.2% of new output.

| Product line | Lease volumes | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Jun 25 | | Jun 24 | | % Comp | | Annual change | |
| | Number | €/thousand | Number | €/thousand | % Num | % Val | % Num | % Val |
| Light commercial vehicle leasing | 122 | 10,668 | 226 | 13,176 | 7.8% | 2.7% | -46.0% | -19.0% |
| Heavy vehicle leasing | 504 | 79,333 | 483 | 67,138 | 32.2% | 19.8% | 4.3% | 18.2% |
| Equipment | 879 | 232,815 | 832 | 182,175 | 56.2% | 58.1% | 5.6% | 27.8% |
| Air and Nautical | 2 | 1,730 | 9 | 4,816 | 0.1% | 0.4% | -77.8% | -64.1% |
| Public | 1 | 14,878 | 3 | 28,338 | 0.1% | 3.7% | -66.7% | -47.5% |
| Property | 56 | 61,223 | 77 | 80,655 | 3.6% | 15.3% | -27.3% | -24.1% |
| **Total leasing** | **1,564** | **400,647** | **1,630** | **376,298** | **100%** | **100%** | **-4.0%** | **6.5%** |

Of the bank's lending portfolio at June 30, 2025, totaling €3 billion, 98.94% is represented by non-financial counterparties.

| €/thousands | 30/06/2025 | 31/12/2024 | % change |
|---|---|---|---|
| **1. Debt securities** | **23,482** | **26,478** | **-11.3%** |
| b) Other financial companies | 23,482 | 26,478 | -11.3% |
| **2. Financing to** | **3,067,915** | **3,166,475** | **-3.1%** |
| a) Government entities | 160,470 | 156,139 | 2.8% |
| b) Other financial companies | 9,414 | 10,484 | -10.2% |
| of which: insurance undertakings | 761 | 328 | 132.0% |
| c) Non-financial companies | 2,792,293 | 2,885,694 | -3.2% |
| d) Households | 105,738 | 114,158 | -7.4% |
| **Total** | **3,091,397** | **3,192,953** | **-3.2%** |

| €/thousands | 30/06/2025 | 31/12/2024 | % change |
|---|---|---|---|
| **Financing** | **3,067,916** | **3,166,475** | **-3.1%** |
| Lease financing | 2,916,719 | 3,008,357 | -3.0% |
| Other financing | 151,197 | 158,118 | -4.4% |
| **Debt securities** | **23,481** | **26,478** | **-11.3%** |
| Other debt securities | 23,481 | 26,478 | -11.3% |
| **Total** | **3,091,397** | **3,192,953** | **-3.2%** |

Coverage of impaired loans remained high in application of valuation policies and methodologies based on particularly prudent criteria applied to a gross portfolio of about €118 million (€120 million at December 31, 2024 and €210 million at December 31, 2023). The decrease in the stock of impaired loans results from the significant derisking actions implemented in the past years.

The gross and net NPE ratio at June 2025 stood at 3.65% (against a budgeted figure of 3.52% for the end of 2025,) and 1.25% respectively. The ratio of gross bad debts to gross exposures is equal to 1%.

The table below provides a comparison of the ratios on the non-performing portfolio compared with market ratios provided by Assilea as of March 31 (latest data available).

| Ratio | Market* | BCC Leasing 30/06/2025 |
|---|---|---|
| Average NPE portfolio coverage | 58.00% | 66.78% |
| Gross NPE ratio | 5.40% | 3.65% |
| Net NPE ratio | 2.40% | 1.25% |

*Assilea data at March 2025

## Income statement

The bank closed the first half of 2025 with a profit before tax of €13 million (€22 million at June 30, 2024), higher than the budgeted for the same period of €5.4 million. After taxes, net profit stood at €8.7 million (€14.5 million at June 30, 2024).

A breakdown of the main income statement components that contributed to the result for the period indicates:

- interest income of €30.9 million, a decrease of 12% on June 2024. The decrease is in line with the budgeted figure and reflects the decrease in both interest income (down 25%), and interest expense (down 32%), due to developments in interest rates. Net interest income for the period also reflects the ongoing decrease in income assets;
- the cost of risk (including net provisions for risks and charges in respect of commitments and guarantees) came to €0.2 million in writebacks, against total writebacks of €3.9 million in the same period of 2024. The average coverage percentage of the NPE portfolio slightly improved compared with December 2024 to about 66.8%. The contribution of the performing portfolio showed a sharp decline, with writebacks in 2025 equal to €2.5 million compared with more than €8.6 million in June 2024, reflecting the stabilization of the portfolio composition between stages 1 and 2 as well as its overall riskiness;
- administrative expenses amounting to €17.5 million, a decrease of about €1.3 million on June 30, 2024. Personnel expenses came to €6.6 million (€6.5 at June 30, 2024) and other administrative expenses came to €10.9 million (€12.3 million at June 30, 2024);
- other net provisions for risks and charges – other net provisions increased by a total €1.6 million (to €1.9 million compared with €0.3 million at June 30, 2024);
- other operating income and expense showed net expenses of €1.9 million, up compared with June 30, 2024 (€0.2 million), mainly reflecting non-recurring items.

## BCC RENT&LEASE SpA

The company operates in the small-ticket lease market. Developments in the first half of 2025 showed an increase of 11.5% in new business (10,069 contracts agreed with a total value of €140 million, compared with 9,920 and €126 million in 2024).

The following table provides a breakdown of operations in the period compared with the same period of 2024.

### Balance sheet

| | 30/06/2025 | | 30/06/2024 | | % change of | |
|---|---|---|---|---|---|---|
| | Number | Amount €/thousands | Number | Amount €/thousands | Number | Amount |
| **Equipment vendor** | | | | | | |
| Operating leases | 4,307 | 39,238 | 4,320 | 37,062 | -0.3% | 5.9% |
| Equipment leasing | 1,926 | 35,056 | 1,761 | 28,720 | 9.4% | 22.1% |
| Special-purpose financing | 2,856 | 31,057 | 3,005 | 31,986 | -5.0% | -2.9% |
| **Total vendor** | **9,089** | **105,351** | **9,086** | **97,768** | **0.0%** | **7.8%** |
| **Mutual banks** | | | | | | |
| Light commercial vehicle leasing | 548 | 20,962 | 483 | 18,927 | 13.5% | 10.8% |
| Equipment leasing | 295 | 6,882 | 261 | 5,555 | 13.0% | 23.9% |
| Heavy vehicle leasing | 61 | 4,379 | 13 | 841 | 369.2% | 420.9% |
| **Total mutual banks** | **904** | **32,224** | **757** | **25,323** | **19.4%** | **27.3%** |
| **Other** | | | | | | |
| Light commercial vehicle leasing – Agents | 67 | 2,844 | 67 | 2,551 | 0.0% | 11.5% |
| Heavy vehicle leasing – Agents | 9 | 457 | 10 | 544 | -10.0% | -16.0% |
| **Total other** | **76** | **3,300** | **77** | **3,095** | **-1.3%** | **6.6%** |
| **Total** | **10,069** | **140,875** | **9,920** | **126,185** | **1.5%** | **11.6%** |

Net lending came to €506 million, a slight increase (+1%) from €501 million at the end of 2024. Gross and net NPE ratio at the end of the period came to 3.6% and 1.2%, respectively. The average coverage was 67.8%.

### Income statement

Profit before tax for the period amounted to €6.2 million (€7.9 million in the same period of 2024). Net profit stood at €4.2 million (€5.3 million at June 2024).

Gross income totaled €11 million, a slight decrease on 2024, reflecting the increase in the average cost of funding, which was not fully offset by an increase in interest income. The cost of risk also increased.

## BCC FACTORING SPA

The interim results show a profit before tax of €4.5 billion (a net profit of over €3 billion), a figure that was heavily impacted by the growth in net interest income, increasing of over 5.5% compared with the same period of 2024.

Turnover rose by 8% compared with the same period of 2024, easily outpacing the market as a whole. Consequently, commission income posted an increase of 7%.

### Balance sheet

Turnover expanded by 8% compared with the previous year. Reflecting this development, the company's total assets, almost entirely represented by loans to customers, amounted to €683 million, down 27% from €933 million in 2024. The figure at June 30, 2025 is also greater than forecasts.

Credit quality slightly deteriorated, with gross impaired loans at 2.12%, (from 1.97% in the same period of 2024).

### Income statement

Gross income came to €7.38 million, an increase of €397 thousand compared with June 30, 2024, reflecting the already noted increase in net interest income.

Administrative expenses were below budget forecasts and increasing compared with the previous year. Personnel expenses rose slightly following new hiring.

The income statement benefitted from writebacks for generic credit risk on performing loans, reflecting a decrease of loans with large seasonal variations compared with December 31, 2024.

## BCC FINANCING SpA

BCC Financing SpA specializes in medium and long-term lending and is also responsible for the lending granted through subsidized financing instruments that the Autonomous Region of Friuli Venezia Giulia (in part under Revolving Funds) and other public entities have made available to businesses. New lending disbursed to businesses in the Friuli Venezia Giulia region in the first half of 2025 totaled €17.2 million (of which €10.5 million with subsidized regional funding).

### Balance sheet

At June 30, 2025, total assets came to €655 million, of which €181 million in loans to customers (down by about €27 million compared with the end of 2024), about €205 million in financial assets and the remainder in loans to banks and liquidity (€50 and €172 million, respectively) and tax assets (€31 million).

Net performing loans came to €180 million, down 12.73% on the end of 2024. Net impaired exposures decreased of 33%, to €1.3 million (from €1.9 million at December 31, 2024). As a result, the net NPE ratio came to 0.71%, down from 0.91% in the previous year while the gross ratio amounted to 6.9% (6.7% at the end of 2024).

Direct funding from customers came to €161 million, an increase of 2.8% from the end of 2024.

### Income statement

The income statement at June 30, 2025 reported a profit before tax of €1.3 million (€2.5 million at June 30, 2024) and a net profit of €1 million.

Gross income came to €5.64 million, in line with that at June 30, 2024 (€5.58 million), reflecting a contraction in net interest income mainly attributable to the developments in market rates and the decrease in interest-bearing assets, partially mitigated by the result of the evaluation of financial assets measured at fair value through profit or loss.

Net writebacks for credit risk, including those on commitments and guarantees issued, which comprise subsidized transactions with government funding, totaled €0.8 million (€2.2 million at June 30, 2024).

Administrative expenses decreased by 2.5%, to €2.5 million reflecting the net effect of the decrease in other administrative expenses (-8.3% compared to June 30, 2024) and of a slight increase (+€3.6%) in personnel expenses, connected with the adoption of the new national collective bargaining agreement.

## 6. DEVELOPMENTS IN PARENT COMPANY OPERATIONS AND THE MAIN ITEMS OF THE BALANCE SHEET AND INCOME STATEMENT

The following provides a summary description of the main items of the Parent Company's balance sheet and income statement at June 30, 2025. In order to permit a more immediate assessment of the items, the balance sheet and income statement schedules shown below are presented in a more summary format than those provided for by Circular 262/05 of the Bank of Italy.

### BALANCE SHEET

#### Assets

| €/thousands | 30/06/2025 | 31/12/2024 | Change | % change |
|---|---|---|---|---|
| Cash and cash equivalents | 442,102 | 3,406,816 | (2,964,714) | (87.0) |
| Financial assets measured at amortized cost – *Due from banks – Loans and securities* | 20,740,861 | 21,355,847 | (614,986) | (2.9) |
| Financial assets measured at amortized cost –*Due from customers – Loans* | 11,858,059 | 8,968,108 | 2,889,951 | 32.2 |
| Financial assets measured at amortized cost – *Due from customers – Securities* | 10,569,803 | 10,590,506 | (20,704) | (0.2) |
| Financial assets measured at fair value through profit or loss | 1,767,121 | 1,644,108 | 123,013 | 7.5 |
| Financial assets measured at fair value through other comprehensive income | 1,089,383 | 1,220,887 | (131,504) | (10.8) |
| Hedging derivatives | 63,425 | 93,878 | (30,453) | (32.4) |
| Equity investments | 1,336,954 | 1,328,954 | 8,000 | 0.6 |
| Other assets | 624,313 | 632,144 | (7,830) | (1.2) |
| **Total interest-bearing assets** | **48,492,021** | **49,241,247** | **(749,227)** | **(1.5)** |
| Other non-interest-bearing assets | 128,642 | 129,151 | (508) | (0.4) |
| **Total assets** | **48,620,663** | **49,370,398** | **(749,735)** | **(1.5)** |

At June 30, 2025 total assets amounted to €48.6 billion, down from €49.4 billion at the end of 2024, mainly reflecting the following developments:

- a decrease in cash and cash equivalents by €3.0 billion reflecting a contraction in: (i) overnight deposits with the ECB (-€2.1 billion); (ii) current accounts and demand deposits with the mutual banks (-€0.8 billion);
- an increase in loans measured at amortized cost by €2.3 billion on the end of 2024, resulting from:
  - a decrease in amounts due from banks (-€0.6 billion) primarily reflecting the combined impact of: (i) a decrease in intercompany lending (-€1.0 billion) granted against collateral in the form of refinanceable securities (pool collateral); (ii) an increase in reserve requirements (+€0.4 billion);
  - an increase in lending to customers (+€2.9 billion) essentially attributable to an increase in lending through repos with the Cassa Compensazione e Garanzia (+€3.5 billion) partly offset by a decrease in security deposits with the same Fund (-€0.6 billion).

The following table provides a breakdown of amounts due from banks, represented by:

- loans to the mutual banks in the amount of €15.2 billion, down -€0.9 billion on the end of 2024. These loans, secured by securities eligible for refinancing (pool collateral) came to about €8.2 billion, while loans connected with the Covered Bond program came to €4.3 billion;
- loans to other credit institutions in the amount of €5.5 billion, including €2.9 billion in intercompany lending (of which about €2.7 billion granted to BCC Leasing).

| €/thousands | 30/06/2025 | 31/12/2024 | Change | % change |
|---|---|---|---|---|
| Mutual banks | 15,245,509 | 16,097,897 | (852,388) | (5.3) |
| Other credit institutions | 5,495,352 | 5,257,950 | 237,402 | 4.5 |
| **Due from banks** | **20,740,861** | **21,355,847** | **(614,986)** | **(2.9)** |

The following table provides a breakdown of impaired positions.

| | 30/06/2025 | | | |
|---|---|---|---|---|
| €/thousands | Gross exposure | Impairment losses | Net exposure | % coverage |
| Bad loans | 12,638 | 11,287 | 1,351 | 89.3 |
| Unlikely to pay | 94,556 | 50,619 | 43,937 | 53.5 |
| Impaired past-due | 10,533 | 3,032 | 7,501 | 28.8 |
| **Total 30/06/2025** | **117,726** | **64,938** | **52,789** | **55.2** |
| **Total 31/12/2024** | **115,795** | **72,401** | **43,394** | **62.5** |
| **Change** | **1,931** | **(7,463)** | **9,395** | **(7.4)** |

- financial assets measured at FVTPL (broken down in the table below) - equal to €1.8 billion – increased by €0.1 billion compared with the end of 2024 reflecting: (i) an increase in the value of trading derivatives and securities held at the reporting date (+€145.0 million, with a similar development in trading derivatives in liabilities); (ii) a decrease in other financial assets mandatorily measured at fair value (-€16.3 million), due to redemptions in the period and a decrease in the value of units in CIUs (-€15.8 million);

| | 30/06/2025 | | | |
|---|---|---|---|---|
| €/thousands | Financial assets held for trading | Financial assets designated as at FV | Other financial assets mandatorily measured at FV | Total |
| Debt securities | 43,538 | 340,920 | 6,024 | 390,482 |
| Equity securities | 2,794 | - | 48,053 | 50,848 |
| Units of CIUs | 1,154 | - | 335,205 | 336,359 |
| Derivatives | 989,432 | - | - | 989,432 |
| **Total 30/06/2025** | **1,036,918** | **340,920** | **389,282** | **1,767,121** |
| **Total 31/12/2024** | **891,898** | **346,666** | **405,545** | **1,644,108** |
| **Change** | **145,021** | **(5,745)** | **(16,262)** | **123,013** |

- financial assets measured at fair value through other comprehensive income, held under the HTCS business model, came to €1.1 billion, a decrease of €131.5 million, reflecting the developments in debt securities (-€99.1 million) mainly with government entities as counterparties and equity securities (-€32.4 million) following the redemption by a number of mutual banks of AT1 bonds previously entered by the Parent company;
- equity investments increased by €8.0 million, mainly reflecting the combined effect of: (i) the subscription of shares pursuant to Art. 150-ter of the Consolidated Banking Act in the capacity of manager of the Guarantee Scheme in Banca di Pescia e Cascina (+€10.0 million); (ii) the disposal of 100% of the interest held in BCC POS (-€2.0 million) pursuant to the partnership agreements for the reorganization of the e-money segment of the Group.

## Liabilities

| €/thousands | 30/06/2025 | 31/12/2024 | Change | % change |
|---|---|---|---|---|
| Financial liabilities measured at amortized cost – *Due to banks* | 21,662,843 | 25,657,921 | (3,995,078) | (15.6) |
| Financial liabilities measured at amortized cost – *Due to customers* | 14,554,502 | 12,963,954 | 1,590,548 | 12.3 |
| Financial liabilities measured at amortized cost – *Securities issued* | 7,668,708 | 6,451,419 | 1,217,289 | 18.9 |
| Financial liabilities held for trading | 965,176 | 847,759 | 117,417 | 13.9 |
| Financial liabilities designated as at fair value | 424,293 | 385,075 | 39,218 | 10.2 |
| Hedging derivatives | 125,144 | 109,785 | 15,359 | 14.0 |
| Other liabilities | 507,162 | 460,163 | 47,000 | 10.2 |
| **Total interest-bearing liabilities** | **45,907,827** | **46,876,074** | **(968,246)** | **(2.1)** |
| Other non-interest-bearing liabilities | 185,308 | 167,558 | 17,750 | 10.6 |
| Equity | 2,327,186 | 2,248,017 | 79,168 | 3.5 |
| Profit for the period | 200,342 | 78,749 | 121,593 | 154.4 |
| **Total liabilities** | **48,620,663** | **49,370,398** | **(749,735)** | **(1.5)** |

The decrease in liabilities compared with the end of 2024 is mainly attributable to the decrease of €1 billion in interest-bearing funding, which was the net effect of the following developments:

- a decrease in amounts due to banks (-€4.0 billion) to €21.7 billion, reflecting the decrease in funding from central banks (-€4.2 billion), partly offset by the increase repurchase agreements (+€0.2 billion);
- an increase in amounts due to customers (+€1.6 billion), to €14.6 billion, reflecting an increase in repurchase agreements with the Cassa Compensazione e Garanzia;
- an increase in securities issued (+€1.2 billion) mainly reflecting new issues in the period (+€1.1 billion), connected to the covered bond program and, for the first time, the issue of a Green Bond Senior Preferred.

Amounts due to banks break down as follows:

- €19.1 billion in positions with the affiliated mutual banks, mainly in respect of demand and time deposits (€18.5 billion), of which €2.1 billion in mutual bank deposits to meet the reserve requirement, €4.1 billion in "tiered" deposits and €7.7 billion in amounts held on the daily settlement account;
- €2.6 billion in amounts due to other credit institutions, a decrease on the end of 2024 (-€4.0 billion), mainly reflecting the decrease in the marginal deposit with the ECB.

| €/thousands | 30/06/2025 | 31/12/2024 | Change | % change |
|---|---|---|---|---|
| Mutual banks | 19,075,791 | 19,068,145 | 7,646 | - |
| Other credit institutions | 2,587,052 | 6,589,776 | (4,002,724) | (60.7) |
| **Due to banks** | **21,662,843** | **25,657,921** | **(3,995,078)** | **(15.6)** |

Funding with customers amounted to €14.6 billion, an increase (+€1.6 billion) on December 31, 2024, mainly attributable to an increase in repurchase agreements with the Cassa Compensazione e Garanzia.

| €/thousands | 30/06/2025 | 31/12/2024 | Change | % change |
|---|---|---|---|---|
| Current accounts and deposits | 1,573,639 | 1,006,972 | 566,668 | 56.3 |
| Financing | 12,613,661 | 11,654,596 | 959,065 | 8.2 |
| Other payables | 367,202 | 302,386 | 64,816 | 21.4 |
| **Due to customers** | **14,554,502** | **12,963,954** | **1,590,548** | **12.3** |

## Equity

| €/thousands | 30/06/2025 | 31/12/2024 | Change | % change |
|---|---|---|---|---|
| Capital | 1,401,045 | 1,401,045 | - | - |
| Share premium reserve | 6,081 | 6,081 | - | - |
| Reserves | 862,864 | 784,115 | 78,749 | 10.0 |
| Equity instruments | - | - | - | - |
| (Treasury shares) | - | - | - | - |
| Valuation reserves | 57,195 | 56,776 | 419 | 0.7 |
| **Total** | **2,327,186** | **2,248,017** | **79,168** | **3.5** |

At June 30, 2025 the share capital of Iccrea Banca, represented by 27,125,759 ordinary shares with a par value of €51.65 each, was equal to €1.4 billion, unchanged from 2024. Shareholders' equity, excluding profit for the period, amounted to €2.3 billion, an increase of €79.2 million on December 31, 2024. The main changes reflect the allocation of 2024 profit (€78.7 million; of which €7.9 million to the legal reserve, €5.2 million to the capital redemption reserve and €65.7 million as retained earnings).

## Income statement

| €/thousands | 30/06/2025 | 30/06/2024 | Change | % change |
|---|---|---|---|---|
| **Net interest income** | **97,147** | **92,831** | **4,316** | **4.6** |
| Other gains/losses on financial transactions | 37,817 | 20,376 | 17,441 | 85.6 |
| Dividends | 78,785 | 59,939 | 18,845 | 31.4 |
| **Net fee and commission income** | **38,828** | **33,277** | **5,550** | **16.7** |
| **Gross income** | **252,577** | **206,424** | **46,153** | **22.4** |
| Personnel expenses | (121,841) | (115,536) | (6,305) | 5.5 |
| Other administrative expenses | (128,098) | (115,879) | (12,219) | 10.5 |
| Net adjustments of property, plant and equipment and intangible assets | (2,886) | (3,475) | 590 | (17.0) |
| Other operating expenses and income | 124,706 | 122,648 | 2,058 | 1.7 |
| **Total operating expenses** | **(128,119)** | **(112,242)** | **(15,877)** | **14.1** |
| **Gross operating profit** | **124,458** | **94,182** | **30,276** | **32.1** |
| Net provisions for risks and charges | (5,896) | (20,135) | 14,239 | (70.7) |
| Net losses/recoveries on impairment of loans and other financial transactions | 10,035 | (12,596) | 22,631 | (179.7) |
| **Total provisions and adjustments** | **4,138** | **(32,731)** | **36,870** | **(112.6)** |
| Profit/(loss) from equity investments | 93,127 | 43,122 | 50,005 | 116.0 |
| **Profit/(loss) before tax** | **221,723** | **104,572** | **117,151** | **112.0** |
| Income tax expense | (21,381) | (19,119) | (2,263) | 11.8 |
| **Profit/(loss) for the period** | **200,342** | **85,454** | **114,889** | **134.4** |

The first half of 2025 closed with a net profit of €200.3 million, compared with a net profit of €85.5 million in the first half of 2024. The main factors that contributed to the result for the period are attributable to:

- the increase – totaling €46.2 million – in gross income to €252.6 million, which resulted from the following factors:
    - an increase in net interest income (+€4.3 million). More specifically, the period saw: i) a decrease in the cost of funding with repos (+€68.4 million), unsecured funding with the MEF (+€20.9 million), balances on current accounts and other forms of funding (+€92.2 million). On the other hand, the period saw ii) an increase in cost of bond funding (-€17.6 million) associated with decreasing yields of securities net of the effect of associated hedging derivatives (-€40.5 million, almost all of which are inflation-linked Italian government securities), lending with reverse repos (-€57.9 million), medium/long-term loans (-€3.6 million), margins from other technical forms of lending, such as loans to mutual banks using pool collateral mechanisms and auctions (-€4.8 million), ECB overnight deposits (-€47.1 million), other forms of lending (-€5.2 million);
    - an increase in net fee and commission income (+€5.6 million) mainly reflecting the increase in placement fees (+€2.8 million) and fees on collection and payment services (+€3.1 million);

- the increase in other income/loss from financial operations which amounted to €37.8 million (as detailed in the table below) –showing a change of +€17.4 million reflecting (i) the contribution of trading operations, mainly in respect of the derivatives and securities segments (+€12.2 million); (ii) the performance recorded by securities in the FVTPL mandatory portfolio (+€3.9 million) and (iii) the increase in the net gains on disposals of HTCS portfolios (+2.3 million). The result of hedging activities was a negative €1.7 million.

| €/thousands | 30/06/2025 | 30/06/2024 | Change | % change |
|---|---|---|---|---|
| **Net gain (loss) on trading activities** | **21,921** | **9,695** | **12,226** | **126.1** |
| **Net gain (loss) on hedging activities** | **(30)** | **1,660** | **(1,690)** | **(101.8)** |
| **Net gain (loss) on the disposal or repurchase of:** | **14,105** | **11,092** | **3,013** | **27.2** |
| *a) financial assets measured at amortized cost* | *11,458* | *11,196* | *262* | *2.3* |
| *b) financial assets measured at fair value through other comprehensive income* | *2,701* | *361* | *2,340* | *648.1* |
| *c) financial liabilities* | *(55)* | *(465)* | *(410 )* | *(88.2)* |
| **Net gain (loss) of other financial assets and liabilities measured at fair value through profit or loss** | **1,822** | **(2,070)** | **(3,892 )** | **(188.0)** |
| *a) financial assets and liabilities measured at fair value* | *(1,815)* | *(3,326)* | *(1,511 )* | *(45.4)* |
| *b) other financial assets mandatorily measured at fair value* | *3,636* | *1,256* | *2,381* | *189.6* |
| **Total other income/(loss) from financial operations** | **37,817** | **20,376** | **17,441** | **85.6** |

- the increase in dividends received (+€18.8 million), to €78.8 million; of which €36.8 million from BCC Leasing, €25.8 million from BCC Risparmio & Previdenza, €3.5 million from BCC Sinergia and €10.6 million from the interest held in the Bank of Italy. In the previous period, the item included dividends from BCC Leasing, in the amount of €41.0 million, the Numia Group, in the amount of €6.3 million, and from the interest held in the Bank of Italy (unchanged);

- the increase of €15.9 million in operating expenses to €128.1 million reflecting:
  - an increase in personnel expenses (+€6.3 million), mainly connected to the renewal of the national collective bargaining agreement;
  - an increase in other administrative expenses, mainly connected with the increase in outsourcing and IT advisory services (+€12.6 million);
  - a decrease in net provision for risks and charges (-€14.2 million). In the previous period the item included charges connected with the recognition of the impact of the deferral of excess of tax credits (+14.8 million);
- a decrease in the cost of risk (detailed below) with the recognition of writebacks on on-balance-sheet and off-balance-sheet exposures of about €12.9 million, reflecting the writebacks on stage 1 and stage 2 exposures (€3.0 million) and non-performing stage 3 exposures (€9.9 million);

| €/thousands | 30/06/2025 | 30/06/2024 | Change | % change |
|---|---|---|---|---|
| **A. On-balance sheet exposures** | | | | |
| Stage 1 and 2 | 1,359 | (5,509) | (6,868 ) | (124.7) |
| Stage 3 | 8,676 | (7,087) | (15,763 ) | (222.4) |
| **B. Off-balance sheet exposures** | | | | |
| Stage 1 and 2 | 1,669 | (179) | (1,848) | (1,035.0) |
| Stage 3 | 1,218 | (1,713) | (2,931 ) | (171.1) |
| **Total** | **12,922** | **(14,488)** | **(27,409 )** | **(189.2)** |

- an increase in gains/loss on equity investments (+€50.0 million) to €93.1 million, reflecting recognition of the gains on the disposal of the 100% interest held in BCC POS (+€91.7 million) and the adjustment of the earn-out to Numia (+€1.4 million) as part of the partnership agreements for the reorganization of the Group e-money segment. In the previous period the item included the gains on the disposal of the 51% interest in BCC Vita and BCC Assicurazioni in the bancassurance sector.

## 7. SIGNIFICANT EVENTS DURING THE PERIOD

### 2025-2027 Group Business Plan

On March 26, 2025 the Board of Directors of Iccrea Banca approved the Group 2025-2027 Business Plan, which represents an update and extension of the horizon of the previous 2024-2026 Business Plan, with the aim of incorporating both the changed macroeconomic environment and the results achieved in 2024.

The extension of the business plan horizon to 2027 confirms the Group's strong local and mutual approach in support of local communities, respecting the values that inspire mutual banking, and our focus on:

- sustainable profitability and growth in the medium term, buoyed by diversifying sources of revenue and maintaining cost discipline, supported by a robust capital position and a solid, efficient liquidity position;
- asset quality in line with the average of the main banks in Italy;
- the further acceleration of the digitalization process, development of the IT sourcing model, and a focus on ESG issues.

More specifically, the Plan aims to continue to ensure sustainable growth and profitability in the medium term by way of our commitment to the following strategic themes:

- **support for the communities**: consolidating the creation of value for the benefit of all stakeholders, to be achieved by increasing operations in highly attractive markets and further developing our service offer and distribution model, with the goal of being increasingly leading players in supporting the challenges faced by households and SMEs, thereby affirming the value of the presence of the affiliated Banks in their communities;
- **revenue diversification**: supporting the development and provision of products and services, including through the development of partnerships, consolidating, in particular, the fiduciary role of the bank in household saving and business investment, the offering of advisory services, and the integration of organizational models, processes and supporting applications;
- **cost discipline**: ensuring the optimization of efficiency levels consistent with the business model, through the centralized oversight of production processes and supported by appropriate investments for development, and completion of the Cost Strategy program;
- **solid capital and liquidity position**: maintaining our solid capital position—and further, progressive strengthening, thanks to our continuing ability to create value—as well as high liquidity standards, supported in part by annual bond programs (Senior and Covered Bonds) issued on wholesale markets, conducted with a view to diversifying funding sources.

The Plan factors in growth in all components of Gross Banking Product, growth that is expected to be particularly significant in indirect funding. The environment of falling rates is reflected in the trend of net interest income, which is expected to contract by about 12% in 2025 and then stabilize over the time horizon of the plan. Net fee and commission income is expected to grow by 4.2% annually, amounting to approximately €1.6 billion by 2027, or approximately 29% of gross income. The cost of credit is expected to increase to levels higher than those seen in 2024. Operating costs are estimated to grow by 2.9% on average per year, factoring in the entry into force of renewed collective bargaining agreements and costs and investments for developments envisaged under the IT and Digital Transformation plans.

The Plan confirms, and increases compared to the targets set in the previous plan, the Group's efficiency levels and ability to create medium-term value, forecasting an average cost-to-income ratio for 2025-2027 of 61% and cumulative net profits over the period 2025-2027 of €4.2 billion, with an average ROE of 7.6% over the three-year period. Net profit is expected to contract by about 30% in the first year of the plan (€1.4 billion in 2025) and then stabilize over the time horizon of the plan.

This earnings trend produces a total capital ratio of 27.5% by 2027 (up by about 3.8 percentage points compared to 2024). The Group confirms its annual programs for the issuance of eligible securities for MREL purposes (€1.5 billion in senior preferred securities over the three-year period) to partially replace securities that are no longer eligible, which leads to having an MREL buffer constantly above 260 bps (corresponding to approximately €1.8 billion), which, together with covered bond issues of €3.2 billion over the three-year period, contributes to maintaining solid liquidity, both short-term (LCR approximately 250% by 2027) and structural (NSFR approximately 163% by 2027).

With regard to credit quality, the Plan aims to achieve full convergence of the quality of consolidated gross assets with the average of the main Italian banks, while significantly reducing the lack of continuity in the current positioning of affiliated banks, through our commitment to the following strategic themes:

- group derisking: implementation of actions capable of reducing the amount of impaired loans, taking into account new defaults, while confirming top coverage levels compared to the banking system and maintaining alignment in the quality of net assets;
- selection of new credit: managing the future riskiness of the portfolio by reinforcing lending strategies aimed at business growth in line with the risk objectives of the Group.

These actions will drive convergence of **the Group's gross NPL ratio** towards system averages, to an **expected 2.7% by 2027**, and a significant reduction in the lack of continuity in the positioning of the mutual banks. Coverage rates are to remain high despite the reduction in the aging of impaired positions.

The Group's digital strategy aims to increase the ability of mutual banks to create value through the introduction of technological solutions designed to improve production, distribution and relationship processes with both current and potential customers. This will be directed through the following strategic themes.

- Digital Transformation Plan: implementation of the three-year project roadmap to availability of the new families of digital products related to Online Accounts, Wealth Management, E-Money and Consumer Credit by 2027;
- Digital Adoption: further impetus to the digital transformation of the affiliated banks through joint work within the framework of the Digital Plan;
- implementation of the partnership program with Accenture, aimed at accelerating digital transformation in the fields of applications and infrastructure and related revision of the operating model, with investments over the plan period of approximately €300 million.

The Group, for some time, has embarked on a path of continuous improvement in sustainability, progressively integrating ESG into business processes. The 2025-2027 ESG Plan includes not only initiatives that were part of the previous plan, but also a commitment to the following strategic themes, as per the quantitative objectives detailed in Section 8 of the "Sustainability statement" included herein.

- decarbonization of the credit portfolio: implementing initiatives aimed at reducing "financed" emissions with reference to the sectors considered priorities on the basis of the Group's exposures, identified, initially, in Agriculture and in Home Loans;
- reduction of our own CO2 emissions: implementing initiatives aimed at reducing direct (Scope 1) and indirect (Scope 2) emissions;
- diversity, equity and inclusion: implementing initiatives aimed at enhancing inclusive leadership and raising employee awareness on issues of gender, ethnicity and diversity;
- definition of the social framework: proactively measuring and governing the social dimension of our communities, enhancing the differentiating aspects of mutual banking.

### Derisking program

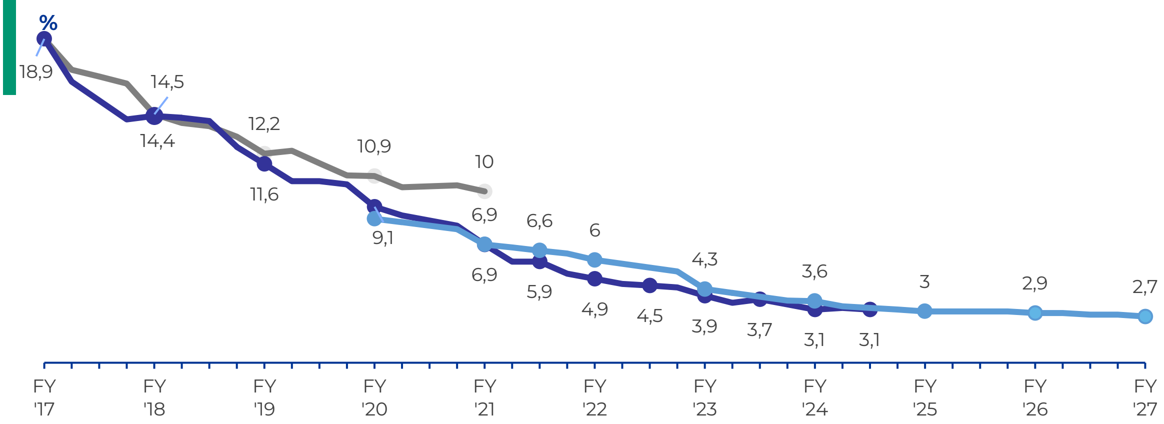
Thanks to a proactive management of impaired loans and the most vulnerable performing loans, together with the finalization of an assignment transaction, the gross NPE ratio stood at 3.1% in the first half of 2025, substantially in line with the target set in the Group 2025-2027 Business Plan. The net ratio - thanks to our prudent evaluation policies - stood at around 0.8%, among the best performance at national level and below the system average.
More specifically, in the first half of 2025, the **"Project Pausilypon"** assignment transaction, launched in the second half of 2024, was finalized.[22]
In January 2025, further positions were added to the portfolio being assigned, bringing the overall credit claim to about €59.7 million. The assignment was carried out as part of a securitization transaction pursuant to Law 130 of

[22] The transaction, approved in October 2024, was aimed at the disposal of a portfolio consisting of leasing receivables classified as "bad debts" and "unlikely to pay," together with the associated legal relationships (assets and liabilities) and the underlying assets (real estate and operating assets). The portfolio being sold—with a total credit claim of approximately €52.7 million at the transaction start date—had been classified as non-current assets held for sale in application of IFRS 5 as of December 31, 2024.

April 30, 1999.

During the first half of the year, the "Orchidea" divestment of a portfolio of impaired loans, primarily UTPs, was also finalized under the mandate of three mutual banks. The portfolio is primarily attributable to small and medium-sized enterprises (mainly medium- and long-term loans, largely secured by collateral) and to households (largely residential mortgages), with a portion of the loans secured by a Public Guarantee (MCC), for total credit claims of about €20 million.
The significant acceleration in the derisking path followed by the Group since its establishment – from almost 19% at the end of 2017 – is shown in the chart below[23].

**NPE Strategy – NPE Ratio**




With a view to achieving the risk targets set by the Group Business Plan by the end of 2025, the "Athena" transaction for the assignment of an NPE portfolio representing a credit claim of approximately €219 million was launched in March through a competitive procedure involving the main market players active in the NPE market. The operation involved 67 banks of the Group (65 mutual banks, Iccrea Banca and BCC Financing) and will be concluded in the second half of September. The estimated positive impact on the pro-forma Group NPE ratio at June 30, 2025 is about 20 basis points.

## The covered bond program

In the first half of 2025, as part of the Group's Covered Bond Program intended for institutional investors, bonds were issued for a total of €775 million. This figure was achieved by way of one issue of European Covered Bond (Premium) compliant with the new European directive and the respective national transposition rules and by the reopening of the series four and six Covered Bank Bond.

More specifically, in line with the Group's Funding Plan, in February 2025 the series four Covered Bank Bond, originally issued in March 2024, was reopened. This reopening was carried out for an amount of €100 million.

In April 2025, the issue for institutional investors was completed for an amount of €600 million and with a 5.5-year maturity. Rated Aa3 (Moody's), with a fixed rate coupon of 2.625% and maturing in November 2030, the issue had the following geographical breakdown: Italy (31%), Germany and Austria (27%), United Kingdom and Ireland (17%), Nordic countries (14%), Iberian countries (4%), France (3%), The Netherlands (3%) other (1%). In terms of types of investor, 44% was allocated to funds, 27% to banks, 25% to central banks and other government bodies and 4% to other investors. The funding raised with this issue met the needs of 17 affiliated banks.

In May 2025, the series six Covered Bank Bond, originally issued in June 2024 was reopened. This reopening was carried out for an amount of €75 million.

No new issues were carried out under the Covered Bond *Retained* Program.

[23] For years prior to 2019, when, in view of the establishment of the Group, the Parent Company coordinated important de-risking operations as co-arranger, especially through multi-originator securitizations backed by public guarantees (GACS), the data is based to a pro-forma reconstruction of the ratio.

### Reorganization of the Group’s retail segment – Electronic money

As part of the partnership agreements aimed at the overall reorganization of the Group's electronic money business, in August 2024 Iccrea Banca accepted a binding offer to purchase 100% of the interest held in BCC POS. The investment was thus classified under "non-current assets and disposal groups held for sale” in the bank’s separate financial statements as of December 31, 2024.

On February 28, 2025 the sale to Numia of 100% of the interest held in BCC POS was finalized for a consideration of €93.7 million, with a gross capital gain of €91.7 million.

The transaction allowed Numia to maximize commercial and offer synergies, in addition to the operational synergies, further strengthening the strategic partnership between Numia, Iccrea Banca, Banco BPM SpA and FSI SGR SpA.

### Reorganization of the Group’s Operations segment

As part of the Operations Strategy project to create a single back office hub within the Group taking into account the financial benefits already obtained from previous operations, the virtuous process of centralizing within BCC Sinergia back-office activities carried out by the affiliated banks continued in 2025. In particular, effective from February 1, 2025 the transfer of the business unit from Banca Centro – Credito Cooperativo Toscana - Umbria – Società Cooperativa to BCC Sinergia was finalized. A similar transaction was also approved involving Banca delle Terre Venete Credito Cooperativo with effect from September 1, 2025.

Furthermore, as part of the broader process of streamlining and rationalizing the activities performed by the Parent Company and the other companies within the direct scope, during 2025 the Boards of Directors of the Parent Company and of the other companies involved approved the demerger of the business unit “Back Office Finanza e Contact Center” from BCC Risparmio e Previdenza to BCC Sinergia, with effect from December 1, 2025 (to date, the authorization has been obtained from the supervisory authorities; we are waiting to complete the demerger deed, scheduled for September). The goal is to achieve economies of scale and scope as well as the progressive standardization of the processes and tools used within the Group for the management of mutual funds, pension funds, individual portfolios, and support for the customers of the mutual banks and the mutual banks.

### Reorganization of Banca Sviluppo

Following the sale of all the 109 branches to mutual banks, between 2016 and 2022, and the establishment of the Iccrea Cooperative Banking Group in March 2018, Banca Sviluppo has completed its corporate purpose.

With the strategic objective of rationalizing the Group’s scope:

- on December 16, 2023 the sale of all customer relationships of the Via Lucrezia Roma branch, with the exception of mortgage relationships and impaired positions, to the affiliated bank in Rome was completed. As a result, the remaining branch was also closed;
- at the end of December 2024 the merger of Banca Sviluppo into Iccrea Banca was approved, and is expected to be completed, following the authorization by the Supervisory Authorities issued on April 1, 2025, by the end of the current year;
- on April 23, 2025 the transfer of the properties of Banca Sviluppo to BCC Beni Immobili for a total value of €22.1 million was finalized.

### Evolution of the Group’s “ICT” segment

In line with the strategic development of the ICT segment to support the achievement of the Group’s full commercial potential, during 2024 a number of preparatory activities were carried out in order to evaluate potential new Group sourcing models. Specifically, joint discussions with leading European and international technology companies aimed at defining potential new partnerships, the Group selected Accenture as an industrial partner for the development of certain application and for infrastructure services.

The partnership agreement with Accenture, which is intended to improve the services provided to affiliated banks and other customers, provides for:

- in terms of applications, the development of digital platforms, core systems (including customer master data and current accounts), and the Group's information platform;
- in terms of infrastructure, the provision of the service by AFAST (Accenture group) also through the acquisition of the dedicated business unit of BCC SI, which took place on March 31, 2025 following regulatory and legal authorizations.

To strengthen the overall partnership, in November 2024 AFAST also acquired - through a dedicated capital increase - a 10% interest in BCC Sistemi Informatici.

### Rationalization of the Group's shareholding structure in CBI Scpa Società Benefit and capital increase

On March 26, 2025, the transaction aimed at centralizing in the Parent Company all the shareholdings held in CBI Scpa Società Benefit by the mutual banks, Banca Sviluppo and BCC Financing was finalized, for a total consideration of €1.6 million, increasing the interest held by Iccrea Banca in CBI Scpa Società Benefit to 8.05%.

As foreseen by the new Strategic Plan 2025-2028, in March 2025 the company's Shareholders' Meeting approved a capital increase of €24 million which was completed on May 19, 2025. Iccrea Banca joined the operation by subscribing new shares for a total €0.84 million, thus increasing its interest to 8.52%.

### Reorganization of BCC Financing

In line with the strategic objective of streamlining the Group scope, in June 2025 the agreement was finalized, subject to precedent conditions, for the transfer of the business unit specializing in the management of subsidized financing instruments, carried out on behalf of the Autonomous Region of Friuli Venezia Giulia, to FVG Plus SpA, a company indirectly owned by the Region itself through Friulia SpA.

The transfer is expected by the end of this year.

### IFRS 9 impairment model

On the close of the financial statements at June 30, 2025, the updates of the overlay component applied to the calculation of ECL were implemented, in order to add an additional degree of prudence in the light of the uncertainty of the macroeconomic environment. In this context, in addition to updates already implemented at the close of December 2024 (climate & environmental components and other specific sub-portfolios more exposed to unexpected events with respect to the macroeconomic context), exposures to customers operating in sectors potentially more impacted by the new tariff policy by the United States have also been included in the overlay scope.

### Exposures in senior securities from securitizations under the GACS mechanism

As part of the periodic monitoring of the Group's GACS securitizations, on the close of the financial statements at June 30, 2025, taking into account the cash flow developments associated with the underlying portfolio, the senior securities resulting from the GACS "BCC NPLs 2018" (GACS 1) securitization were allocated to stage 3. The securities were already subject to lifetime value loss quantification metrics at December 2024. Since the securities are eligible for a State guarantee, the allocation did not, in itself, have any impact on the income statement for the period.

Moreover, based on the monitoring indicators, the senior security of the GACS "BCC NPLs 2019" securitization (GACS 3) was allocated to stage 2 and subject to lifetime value loss quantification metrics (coverage of 7.7%).

### Mergers between mutual banks

During the first half of 2025 the following extraordinary operations were finalized:

- the partial non-proportional demerger of all the business assets of Banca di Pisa e Fornacette Credito Cooperativo with the acquisition of the resulting pools (each consisting of assets, liabilities and equity, customers and partners) by:
    - Banco Fiorentino - Mugello Impruneta Signa - Credito Cooperativo (unchanged) with legal effect from February 17, 2025;
    - Banca di Pescia e Cascina Credito Cooperativo (unchanged) with legal effect from February 24, 2025;
- the merger of Cassa Rurale - Banca di Credito Cooperativo di Treviglio into Banca di Credito Cooperativo di Carate Brianza - Società Cooperativa (now called: "Banca di Credito Cooperativo Carate Brianza e Treviglio - Società Cooperativa") with legal effect from June 9, 2025.

### Actions within the scope of the Guarantee Scheme

In the first half of 2025, drawing on the Ex Ante Quota resources of the RAFs of the Cross Guarantee Scheme, the Parent Company implemented a capital support intervention in favor of Banca di Pescia e Cascina Credito Cooperativo, with the subscription of Art. 150-ter shares issued pursuant to Legislative Decree 386/93, for a total nominal amount of €10 million. The intervention is included in measures provided for in the broader project of partial non-proportional demerger of the Banca di Pisa e Fornacette Credito Cooperativo.

### Mutual banks under administration

On the basis of the EWS assessment of the technical situation conducted as at March 31, 2025 (last EWS assessment available), only one affiliated bank is classified in risk classes from “E” to “G”, corresponding to an overall “critical” risk situation.

### Measures in the area of macroprudential policy and banking supervision

The initiatives launched by the European Commission to implement the strategic priorities of its new mandate are a factor that, although indirectly, is impacting the evolution of the regulation of the European banking sector in 2025. The **Competitiveness Compass for the EU,** published at the end of January, outlined three main necessities to boost the competitiveness of the European economy, building on the analysis of Mario Draghi's report: closing the innovation gap, accelerating the ecological transition and reducing Europe dependencies. To complement these three pillars, the Commission is taking initiatives aimed at simplifying regulatory and administrative burdens for businesses, removing barriers in the single market, enabling more efficient capital markets, promoting a better match between skills and labor market needs and ensuring better coordination between national and EU policies.

In respect of the objective of cutting red tape, the **Omnibus Simplification Package**, presented on February 26, 2025, proposed a simplification of EU sustainability reporting obligations, with effect also on the banking industry through the amendment of the Accounting Directive, the Corporate Sustainability Reporting Directive (CSRD) and he Corporate Sustainability Due Diligence Directive (CSDDD). The key points of this proposal include increasing from 250 to over 1,000 employees the size of companies subject to sustainability reporting obligations and the simplification of sustainability reporting standards for companies in the scope of CSRD. If the new thresholds are confirmed, the number of companies in the CSRD scope would be drastically reduced compared to the current legislation: from around 49,000 to less than 9,000, a population significantly smaller than the current one, but even smaller than that under the previous NFRD (Non-Financial Reporting Directive) scope, which involved approximately 11,600 companies. On this point, in a recent opinion published at the end of May the ECB expressed strong concerns, recommending the adoption of simplified but mandatory reporting standards also for small and medium-sized enterprises. The aim is to make sure that the reduction in the number of entities in the scope of the regulation does not lead to a significant loss of relevant environmental data (including greenhouse gas emissions), compromising comparability and consistency along the value chain. Yet, the legislative process is still ongoing, and only with the agreement between Parliament and the Council, expected in the coming months, the new scope of sustainability reporting will be more clearly defined. Meanwhile, the European Commission is taking further steps towards simplifying sustainability standards and has given EFRAG (the European Financial Reporting Advisory Group) a formal mandate to review the European Sustainability Reporting Standards (ESRS). The aim is to simplify the initial set of standards by significantly reducing mandatory data points (with a target of halving them), prioritizing quantitative over qualitative information, and clarifying the distinction between mandatory and optional requirements, as well as the methods of applying the materiality principle. The ESRS will be strengthened in terms of interoperability with international standards developed by the International Sustainability Standards Board (ISSB), in order to foster global consistency between different reporting frameworks. The mandate has a strict deadline: EFRAG must submit its technical opinion to the Commission by October 31, 2025 and a cost-benefit analysis by the end of the year. The Commission's objective is to adopt a delegated act containing the new simplified standards within six months of the entry into force of the Omnibus Directive, so as to make them applicable starting from the 2027 reporting period, with the possibility of early adoption from the 2026 financial year.

As part of its proposals to increase the efficiency of capital markets, the Commission has published the Action Plan for the **Savings and Investments Union**. This initiative, inspired by the Letta Report (April 2024), outlines the development of the "Capital Markets Union" with actions on both capital markets and the banking sector. The aim is to create a single European capital market to get European private savings flowing across the EU supporting the area's economic development. To implement this project, the Commission has already launched a series of initiatives, including the **EU Securitization Framework**: a set of regulatory proposals designed to revitalize the securitization market, considered crucial in channeling private savings into the real economy and to strengthen the financing capacity of the banking system. The proposal aims to simplify due diligence and transparency requirements for issuers and investors in securitization products, provides for lower capital requirements for banks, a reduction in the conditions for recognizing significant credit risk transfer, and easier access for securitized securities to eligibility for the purposes of the Liquidity Coverage Ratio (LCR). In July, the Commission also launched initiatives to revise the rules applicable to insurance companies, with the aim of reducing prudential requirements on securitization in this sector as well ("Draft Commission Delegated Regulation amending Delegated Regulation (EU) 2015/35 on Solvency II") and launched a public consultation on more favorable prudential treatment for equity investments by banks under legislative programs that provide financing (both public and private) to companies operating in specific economic sectors ("Targeted consultation on the treatment of equity exposures incurred under legislative programs in the Capital Requirements Regulation").

At the same time, the Commission is continuing the process of assessing emerging risks and vulnerabilities in the non-bank financial institutions (NBFIs) sector. A summary of the contributions received from the consultation launched last year to gather views from stakeholders (public authorities, industry associations, financial institutions) on the modification of the European macroprudential supervision tools was published in mid-March 2025. A highly sensitive issue, raised by the Commission in its consultation document, is the introduction of systemic stress tests. These exercises aim to strengthen the stability of the financial system by analyzing, under hypothetical stress scenarios, the interconnections and portfolio overlaps between banks and NBFIs and market reactions. According to prevailing opinion, this tool should focus on understanding contagion risks, not on identifying individual firms or imposing new prudential requirements. Furthermore, it will be necessary to ensure that supervisory data is shared between NBFI and banking supervisors, and maybe consider modifying the role of ESMA (European Securities and Markets Authority) to grant it the power to request data from NBFIs and to ensure a seamless application of macroprudential policies (in coordination with other European supervisors, namely the EBA and EIOPA). Implementing these measures will require changes in the European regulatory framework, and the Commission will need to prioritize specific interventions on NBFIs, ensuring a balance between the need to strengthen the stability of the European financial sector and the objective of avoiding overly complex regulation.

In parallel with these developments, **banking supervision** is also embarking on a simplification process. The ECB is, in fact, reviewing the Supervisory Review and Evaluation Process (SREP), carried out annually to assess the risk profile of significant banks, and will test a new framework in 2025 for calculating Pillar 2 requirements (the so-called P2R, or capital add-on that the ECB requires of each individual bank following the SREP process). The new approach, which will be fully implemented in the 2026 SREP cycle, provides for fewer procedural steps and a direct link between the most relevant risk areas and the required capital requirements. Banks should therefore be able to more easily interpret and react to the results of the Pillar 2 assessment. At the same time, the information obtained from the internal capital adequacy assessment process (ICAAP) will continue to be assessed by the supervisor in the P2R calculation and will qualitatively flow into the assessment of business models and internal governance.

On the subject of **prudential regulation**, the EBA is continuing the work for the development of secondary legislation connected with the CRR3-CRD6 framework (respectively EU Regulation 2024/1623 of 31 May 2024 and

EU Directive 2024/1619 of 31 May 2024). The work aims to clarify and detail the implementation of the prudential provisions through over 140 mandates (which include Regulatory Technical Standards (RTS), Implementing Technical Standards (ITS), guidelines and technical reports) which will have to be adopted, for the most part, within four years of the entry into force of the regulatory texts (i.e. by 2028). The regulatory products recently published by the EBA include, most notably, the draft amended Guidelines on the application of the definition of default, containing the Authority's opinion on retaining the 1% threshold for net present value loss beyond which debt restructuring automatically leads to default and on shortening the probation period (i.e. the trial period before a “forborne exposure” returns to “performing”).

In the area of prudential regulation, it should be noted that the European Commission has adopted a delegated act to put off by one year, starting from 2027, the application of the new Basel standards on market risks (the so-called Fundamental Review of the Trading Book, FRTB). This approach, motivated by delays in transposition accumulated by a number of the main global jurisdictions, reflects a more cautious regulatory approach, aimed at ensuring that European banks can operate on a level playing field internationally.

## 8. INTERNAL CAPITAL AND LIQUIDITY ADEQUACY ASSESSMENT PROCESS

The ICAAP and ILAAP processes have been implemented in all their respective phases - i.e. risk identification, risk measurement and assessment in both baseline and adverse scenarios, self-assessment, etc. – and providing for the assessment and certification of capital adequacy (Capital Adequacy Statement - CAS) and liquidity adequacy (Liquidity Adequacy Statement - LAS) of the Group.

The analyses conducted to assess adequacy were developed in line with system expectations for ICAAP/ILAAP packages for SREP 2025 ("ECB clarification on ICAAPs and ILAAPs and respective package submissions") transmitted by the ECB on February 2025 to all bank/banking groups subject to the Single Supervisory Mechanism (SSM)[24] and with the other specific requests/expectations communicated by the supervisory authorities.

The results of the analyses and assessments conducted were formalized in the Group "ICAAP and ILAAP package", submitted to the supervisory authorities at the end of March 2025.

At the consolidated level, the assessments conducted within the 2025 ICAAP in the various perspectives considered (regulatory/internal and economic) showed full compliance with overall capital adequacy requirements over the entire time horizon of the baseline scenario.

With regard to the regulatory/internal rules perspective:

- the CET1 ratio, Tier 1 ratio and Total Capital ratio are positioned above the thresholds established at the regulatory level and in the main risk governance processes (i.e. Risk Tolerance and Risk Capacity), with substantial capital buffers over the entire time horizon considered. In particular, the analyses show that at the end of 2027:
    - for the CET 1 ratio, the capital buffer over OCR+P2G stands at around €11.6 billion, while the capital buffer with respect to the Risk Tolerance threshold is equal to about €10.3 billion;
    - for the Tier 1 ratio, the capital buffer over OCR+P2G stands at around €10.2 billion, while the capital buffer with respect to the Risk Tolerance threshold is equal to about €9.3 billion;
    - for the Total Capital ratio, the capital buffer over OCR+P2G stands at around €8.7 billion, while the capital buffer with respect to the Risk Tolerance threshold is equal to about €8.2 billion;
- the leverage ratio is positioned stably above the thresholds envisaged at the regulatory and management levels, with sizeable buffers over the horizon considered. More specifically, the analyses performed showed that at the end of 2027, in the baseline scenario, the capital buffer over the minimum regulatory requirement stood at about €13.8 billion, while the capital buffer with respect to the Risk Tolerance threshold is equal to about €11.1 billion;
- the regulatory MREL indicators (MREL and MREL subordinated calculated on the basis of overall risk exposures and overall leverage exposures), are positioned - over the entire time horizon considered - above the targets set both in the Funding Plan 2025-2027 and the levels provided for in the main risk governance processes (i.e. Risk Tolerance and Risk Capacity).

With regard to the economic perspective, the key indicator (Risk Bearing Capacity)[25] shows that our capital determined on a going concern basis is amply sufficient to absorb potential unexpected losses on the Group's exposures. In particular,

- at the point in time date of December 31, 2024, the analyses conducted show that the indicator stands at 226%, giving a capital buffer of about €8.2 billion, to cover potential unexpected losses on the Group's exposures;
- over the lifetime of the plan (baseline scenario) the Group complies with capital requirements, with an estimated RTC ratio above the management threshold. Specifically, the ratio is equal to 271% in 2027, giving a capital buffer of about €11.6 billion, to cover potential unexpected losses on the Group's exposures.

The assessments conducted using the integrated approach between the various perspectives in adverse conditions showed full compliance with overall capital adequacy requirements at the consolidated level over the

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[24] ECB Explanatory Note on ICAAP and ILAAP and on the transmission of related files.

[25] The ratio between the amount of capital readily available to absorb unexpected losses while preserving business continuity (Total Capital) and the value of the Total Internal Capital estimated internally on all relevant measurable risks of both the first and second pillars aggregated through a "building block" approach. The relative value is compared with the management threshold of 100%.

entire time horizon. In particular, having the Group adopted sufficiently severe but plausible adverse scenarios that could determine a significant deterioration of the capital profile, with reference to the Regulatory/Internal Regulatory Perspective:

- the CET1 ratio, Tier 1 ratio and Total Capital ratio, in the time horizon considered, are at levels higher than the thresholds set both at regulatory level and in the main risk governance processes (i.e. Risk Tolerance and Risk Capacity). In particular, the analyses conducted show that at the end of 2027:
    - for the CET 1 ratio, the capital buffer over OCR+P2G stands at around €8.9 billion, while the capital buffer with respect to the Risk Tolerance threshold is equal to about €7.7 billion;
    - for the Tier 1 ratio, the capital buffer over OCR+P2G stands at around €7.5 billion, while the capital buffer with respect to the Risk Tolerance threshold is equal to about €6.7 billion;
    - for the Total Capital ratio, the capital buffer over OCR+P2G stands at around €6.0 billion, while the capital buffer with respect to the Risk Tolerance threshold is equal to about €5.5 billion;
- the leverage ratio indicator exceeds regulatory and management thresholds even in adverse scenario in 2027 giving a capital buffer over the minimum regulatory requirement equal to about €11.2 billion, while the capital buffer with respect to the Risk Tolerance threshold is equal to about €8.5 billion;
- the regulatory MREL and MREL subordinated indicators are positioned, over the entire 2025-2027 time horizon, above the targets set both in the Funding Plan and management thresholds even in adverse scenario.

With regard to the economic perspective, including in adverse conditions, the Group complies with capital requirements, with an estimated RTC ratio above the management threshold. Specifically, the ratio is equal to 213% in 2027 giving a capital buffer of about €8.4 billion to cover potential unexpected losses on the Group's exposures.

The assessments conducted for the ILAAP showed that for the entire time horizon the overall liquidity profile of the Group is adequate in the short and medium-long term, taking into consideration both normal operating conditions and adverse conditions. In particular, the estimated evolution of the LCR and NSFR indicators over the period of the plan did not reveal any critical issues in terms of the adequacy of the operational and structural liquidity profiles, as:

- in the baseline scenario, the LCR and NSFR indicators exceed the regulatory and management thresholds (i.e. Risk Tolerance and Risk Capacity) over the time horizon considered. More specifically, the analyses show that at the end of 2027 the LCR stands at 248% and the NSFR at 163%;
- in the stress scenario, given the adoption by the Group of sufficiently severe but plausible adverse scenarios, which could produce a significant deterioration in its liquidity position, the LCR exceeds the regulatory levels and maximum risk allowed over the time horizon considered, standing at 189% at the end of 2027; The NSFR exceeds the regulatory and management levels (i.e. Risk Tolerance and Risk Capacity) over the time horizon considered, standing at 148% at the end of 2027.

## 9. RISKS AND UNCERTAINTIES

The main threats in the current international environment are represented by developments in US trade policy towards a large-scale tariff war, the expansion of existing conflicts (Ukraine and the Gaza Strip), the concrete possibility of new escalations (Taiwan) and the consequent worsening of the overall uncertainty scenario. A further relevant factor is the European budget policy and, in particular, its concrete capacity to proceed, in a united manner, with the implementation of the Draghi and Letta agendas, incorporated into the "Competitiveness Compass".

Italy is more vulnerable than other countries to the negative effects of the new tariffs, with a likely negative impact on its growth, only partly offset by higher defense spending in Europe, increased infrastructure investments in Germany, and the effects of the RRNP.

During the first half of the year, the "steepening" of the risk-free rate curve in the euro area was characterized by a decrease in the short-term segment (up to 3Y) and an increase in the medium-long term segment, while a general contraction in the credit spreads of European government bonds, particularly Italian ones.

The systemic events that have affected risk-free rates have had an impact on interest rate risk. in this context, the Group has aimed at minimizing the risk of value losses in the banking book due to potential adverse changes in interest rates.

This economic environment has highlighted a deterioration in credit quality, which is slight but could continue and get worse, due to the uncertainties mentioned above. In this perspective, the Group has implemented methodological measures aimed at introducing additional prudential measures (so-called out-of-model overlay). The estimation of the overlay measure aims to incorporate higher levels of prudence in sub-portfolios which, in the event of further macroeconomic shocks, could prove more fragile in terms of creditworthiness.

With reference to climate and environmental risks, following the completion of the activities to adapt to the ECB's expectations in this area, a specific project was launched, aimed at enriching the governance of these risks with respect to the new EBA guidelines on ESG risk management.

On January 9, 2025, the European Banking Authority published its final Guidelines on the management of Environmental, Social and Governance (ESG) risks, which are expected to come into force in January 2026. This new regulation consolidates and expands the practices already introduced by Supervisory Authorities in respect of climate-related and environmental risks, underlining the importance of integrating ESG risks into strategic processes, corporate policies and systems for identifying, measuring, managing and monitoring corporate risks. To ensure compliance of the Group organization by the expected application date, a specific project has been launched to integrate the internal developments already implemented and ensure the adaptation of the our methodological systems and processes to the new provisions.

Efforts for updating the assessment of relevance of climate-related and environmental risks for traditional banking risks (CEMA) continued throughout the year. This exercise, conducted annually and formalized in a dedicated document, is submitted in its consolidated version to the Parent Company's corporate bodies and, for relevant individual component, to the Group companies. It is structured into the following steps:

- identification of the Climate & Environmental (C&E) risk taxonomy. The activity involved developing a C&E taxonomy and identifying the main drivers of transition and physical risk, both climate-related and environmental;
- identification of transmission channels and related time horizon, with the definition of transmission channels were defined based on the propagation of C&E risks and the related impact on the time horizon in the bank-relevant risks;
- assessment of the materiality of C&E risks, carrying out materiality assessments of the impact of all types of climate and environmental risk relevant to the Group on traditional risks.

In parallel, further development activities of the Group's Risk Management framework are underway to integrate C&E risk factors into traditional risk measurement and evaluation metrics and models. These activities aim to further strengthen and consolidate the methods for determining the impacts of these emerging risks on the various dimensions of analysis, considering both baseline and stressed scenarios, as well as different time horizons (short, medium and long term).

This work, structured on a gradual implementation horizon, aims to include environmental risk factors in overall risk management, as potential elements of impact on business sustainability, credit quality, profitability and reputational profile. Furthermore, the Group carefully considers risks related to business conduct and corporate governance, which could have legal and compliance implications, with an approach of collaboration between the various company functions to ensure a structured and coordinated analysis of the risks and opportunities associated with climate change. The goal is to include these factors into our risk identification, evaluation and monitoring processes, into credit strategies and into our commercial offering.

The Group is therefore strongly committed to assessing climate-related impacts in its strategic decision-making processes, with the goal of fully integrating them into risk management models. This strategy aims to ensure greater resilience and maintain a sustainable risk profile over the long term.

Despite the complex macroeconomic environment, the Group - which is facing this economic situation with more than adequate capital and a robust liquidity position - appears to be fully capable of ensuring the maintenance of its profitability, compliance with the balanced budget and regulatory constraints, as well as the more stringent limits that have been set internally.

The risks and uncertainties are also subject to constant observation through our framework of risk policies, the updating of these policies, and monitoring efforts aimed at verifying their implementation and adequacy. Moreover, the Group is paying close attention to the timely assessment and adoption of measures to contain the potential impact of the various risks and uncertainties on our operations and to the consequent adaptation of strategies as the current landscape evolves.

More detailed information on risks in general, and on financial risks (credit risk and market risk) and operational risks more specifically, is provided in the relevant sections of Part E of the notes to the financial statements.

As regards capital soundness, more information is provided in the section specifically dedicated to capital and capital adequacy. Additional details are also provided in conjunction with updates to the Disclosure to the Public under Third Pillar of Basel 3 at consolidated level, published by the Parent Company Iccrea Banca SpA on the Group's institutional website.

## 10. SUBSEQUENT EVENTS

### Mergers and corporate reorganization

The voluntary liquidation of Banca di Pisa e Fornacette Credito Cooperativo pursuant to art. 96 quinquies of Legislative Decree 385/1993 started on June 30, 2025 (with authorization from the Bank of Italy dated June 9, 2025).

On July 28, 2025, an application for authorization was submitted to the ECB for the merger of Banca di Credito Cooperativo di Nettuno – Società Cooperativa into Banca di Credito Cooperativo dei Colli Albani – Società Cooperativa. The merger is expected to take effect in the first quarter of 2026.

Activities also continued on the feasibility of a merger between BCC di Arborea, a Group bank, Confidi Sardegna and Unifidi Sardegna, in order to verify the legal, financial and economic feasibility of the transaction. The goal is to create a regional hub characterized by strong development prospects, extensive knowledge of the area and a significant capital to support local economies and continue to ensure high levels of customer satisfaction. A dedicated working group, within the management of the companies and the technical structures of Iccrea Banca, is working on the study and preparing the authorization request to be submitted to the Boards of Directors of the companies involved.

## 11. OTHER INFORMATION

### Treasury shares

At June 30, 2025 Iccrea Banca did not hold any treasury shares.

### Iccrea rating

Following the important and positive reviews of ratings in 2024, in the first half of 2025 the Group received a further improvement in its rating by one agency. More specifically, on April 18, 2025 S&P Global Ratings improved Iccrea Banca and the Group's rating of the medium/long-term debt from "BBB-" to "BBB", with a "stable" outlook. The rating of the short-term debt was also raised from "A-3" to "A-2";

The Group has therefore reinforced its investment grade rating from all the agencies, as follows:

- S&P Global Ratings: BBB/A-2 with stable outlook;
- DBRS Morningstar: BBB/R-2 (high) with stable trend ;
- Fitch Ratings: BBB-/F3 with positive outlook.

### Guarantee Scheme resources

At least annually, the Board of Directors of the Parent Company, in application of the provisions of Annex 3 of the Cohesion Contract and the Group Policy on the Cross-Guarantee Scheme, approves: i) the results of the stress test exercise conducted for the participating banks in order to determine the RAFs; and ii) the relative shares pertaining to the banks themselves.

The calculation of the RAFs for 2025 produced the following:

- Ex Ante Quota of €333.7 million;
- Ex Post Quota of €333.7 million.

The Parent Company invests the Ex Ante resources of the Scheme in liquid and collectible assets, subject to the limits and requirements set out in the associated investment policy approved by the Board of Directors of Iccrea Banca. The financial resources that make up the Ex Ante portion of the RAFs are invested in instruments that can be readily liquidated, with a low level of risk and sufficient diversification to pursue the objective of capital conservation and the prompt availability of the financial means required to carry out guarantee interventions.

At June 30, 2025 assets comprise i) about €10 million in liquid assets held at the central bank and Euroclear Bank SA, ii) about €343.8 million in securities (of which about €23 million in subordinated loans and about €3 million in Irredeemable AT1 instruments subscribed within capital support interventions), and iii) about €132 million in equity investments (of which €118.4 million in respect of the subscription of shares issued pursuant to Art. 150-ter of Legislative Decree 386/93 subscribed within capital support interventions).

During the first half of 2025, a single capital support intervention was carried out with the subscription of shares issued pursuant to Art. 150-ter of Legislative Decree 386/93 by Banca di Pescia e Cascina Credito Cooperativo in the total amount of about €10 million (recognized under item 70. Equity investments).

### Transactions with related parties

Group policy for the management of conflicts of interest and transactions with related parties governs the management of conflicts of interest in respect of transactions with related parties, decisions within the scope of application of Article 136 of the Consolidated Banking Act and Article 2391 of the Italian Civil Code, loans granted to company officers and their related parties pursuant to Article 88 of the CRD-V Directive, transactions whose counterparties are senior personnel and, where applicable, conflicts of interest connected with the application of the Early Warning System. The policy establishes the responsibilities of the companies subject to the management and coordination of the Parent Company, creating management arrangements consistent with the regulations established by the Bank of Italy while at the same time serving the Group's organizational and corporate structure.

With particular regard to transactions with connected parties, the policy underscores the obligation to comply with the limits on exposures to connected parties established in supervisory regulations for banks and lays down specific evaluation, decision-making and reporting procedures that involve, where necessary, the TCP committees set up within the companies of the banking group.

In addition, decision–making procedures have been tailored to the risk level of the transactions involved. Since the materiality threshold envisaged under supervisory regulations is 5% of consolidated own funds, a lower threshold, equal to 5% of the individual own funds of the Bank, has been established to identify significant-value transactions of lesser importance for which the enhanced decision-making process should be activated.

In order to streamline the procedures for low-risk transactions, the Policy fully exempts certain operations from the decision-making and disclosure procedures, including the low-value transactions, transactions connected with guarantee interventions, the centralization agreements between the affiliate banks and the Parent Company and the intercompany service agreements governed by the Group rules if their value classifies them as being of lesser importance. Although the materiality threshold would be €1 million on the basis of the applicable legislation for all entities of the ICBG, lower thresholds have been set in relation to the type of company and the amount of own funds.

During the period, there were no transactions with connecting parties approved by the deliberating body despite an adverse opinion of the TCP Committee.

In order to strengthen the oversight of this type of transaction and ensure the continuous monitoring of developments and the total value of exposures in relation to the limits established by the Parent Company - on the occasion of the annual update of the Group Risk Appetite Statement - the scope of the indicators included therein was expanded by introducing, among others, an indicator measuring exposures to related parties and connected parties, operationally implemented at both a consolidated level and the individual level of the Group banks.

The results of the monitoring activities are included in the periodic reporting to the corporate bodies produced for RAF/RAS purposes on a quarterly basis.

As far as transactions with related parties are concerned, during the period no positions associated with atypical or unusual transactions whose significance or scale might have raised concerns about the integrity of the company's financial position were undertaken.

Part H – "Transactions with related parties" in the notes to the financial statements provides information on the remuneration paid to key management personnel and loans and guarantees granted, in compliance with Article 136 of the Consolidated Banking Act.

### Disclosures on business continuity, financial risks, verification of impairment of assets and uncertainty in the use of estimates

As better specified in Part A of the notes to the financial statements, these interim financial statements have been prepared on a going-concern basis. In this regard, the Directors are not aware of any significant uncertainties, events or conditions that could warrant serious concern about the Group's ability to continue to operate as a going concern in the foreseeable future.

For more information on financial risks, verification of impairment of assets and uncertainties in the use of estimates, please see the details provided in this report on operational performance and/or in the specific sections of the notes to the financial statements.

### Main characteristics of the risk management and internal control systems with regard to the financial reporting process (Article 123-bis, paragraph 2, letter b) of the Consolidated Law on Financial Intermediation (TUF) and the introduction of the position of Financial Reporting Officer (Article 154-bix of the TUF)

The control activities and processes relating to the generation of the information required for the preparation of the financial reports (annual and interim financial statements) are an integral part of the Bank's general control system for managing risks. While noting that no internal control system can entirely eliminate the risks of error or fraud, but can only measure those risks and lessen the likelihood of occurrence and mitigate the effects, these features seek to provide a reasonable guarantee of the reliability, accuracy and timeliness of financial reporting.

The control system is based upon two primary guidelines.

- the information on transactions handled by different subsystems is entered in the accounting system. The line control processes are therefore incorporated either within IT and transaction management procedures or assigned to specially-formed units. Organizational procedures assign the duties of verifying the accounting records to the heads of the organizational units. Second-level controls are performed by the organizational unit responsible for managing the general accounts and preparing the annual and interim reports. Controls are performed daily, weekly or monthly depending upon the type and frequency of the transactions processed;
- the valuation components that have the greatest impact on the financial statements are delegated to specialized units. The data relating to the fair value of balance sheet items, in addition to those for hedging relationships and the related effectiveness tests, are supplied by specialized structures equipped with appropriate calculation tools. The data are then re-examined by the Risk Management function. Data concerning the classification and measurement of non-performing loans are provided by highly specialized, appropriately separated structures that operate on the basis of detailed procedures approved by the Board of Directors.

The consolidated annual and interim financial statements of the Parent Company are audited by Mazars Italia SpA, which also conducted an accounting review pursuant to Article 14 of Legislative Decree 39/2010.

With the aim of further strengthening oversight of the system of internal controls relevant for the purposes of the Group's separate and consolidated financial reporting, we have voluntarily established the position of Financial Reporting Officer. The Financial Reporting Officer, provided for in Law 262/2005 and governed by Art. 154-bis of the TUF, is responsible for exercising governance, control and coordination functions over the entire accounting and corporate reporting process, for which the officer is responsible for controls, documenting procedures and communicating internally and externally with the Group.

With regard to the supervision and control functions, the FRO:

- certifies, together with the CEO, the appropriateness and the effective adoption of the administrative and accounting procedures for the preparation of the separate financial statements of the Parent Company Iccrea Banca and the consolidated financial statements, pursuant to Art. 154-bis TUF, paragraph 5, as well as that these documents are compliant with international accounting standards, correspond to the information in the books and other accounting records, and provide a true and fair representation of the financial position, financial performance and cash flows, and a reliable analysis of operations and performance, with a description of the main risks and uncertainties to which the Group is exposed;
- certifies, pursuant to the provisions of Article 154-*bis*, paragraph 5-*ter*, of the TUF, that the consolidated sustainability statement, included in the Report on Operations was prepared in compliance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of June 26, 2013 and Legislative Decree adopted in application of Art. 13 of Law 15 of February 21, 2024, and with the specifications adopted pursuant to Art. 8, paragraph 4, of Regulation (EU) 2020/852 of the European Parliament and of the Council, of June 18, 2020;
- certifies the conformity of the documents and communications disclosed to the market against documents results, books and accounting records, pursuant to art. 154-bis TUF, paragraph 2.

The mutual banks and the companies within the direct scope of consolidation that perform compliance checks of operations and represent the first level of organizational arrangements governing the operation of the internal control system are involved proportionately in accordance with a risk-based approach.

With regard to the "Transparency Directive", the Parent Company has chosen Luxembourg as its home member state, as the majority of securities issues are concentrated on this stock exchange.

**Outlook**

The macroeconomic and socio-political context appears particularly complex, with a future scenario conditioned by the developments in ongoing conflicts (in Ukraine and the Middle East) and by US tariff policies with still uncertain impacts on international trade.

Following the expected monetary policy easing interventions between January and June 2025, financial intermediaries will have to work in an even more uncertain market environment. The financial wealth of households, which increased significantly in 2024, is expected to grow at more moderate rates, accompanied by a change in the composition of portfolios towards more profitable investment products, and a more central role of asset management.

Bank revenues should suffer a reduction conditioned by the decrease in interest margin only partially offset by the increase in commission revenues. Special attention will have to be paid to pressures on operating costs in particular as a result of the need for increasing investments in technology and human capital to continue the digital and green transitions. In general, efficiency improvements remain crucial for the banking sector.

In that context, the Group confirms the strategic importance of credit quality monitoring activities, which will be pursued by lending further impetus to managing and recovering impaired positions and continuing the use of disposals of portions of the non-performing portfolio, with the goal of further improving asset quality indicators.

The Group will continue to implement actions to ensure growth and medium-term sustainability of profitability: the latter will continue to be driven by initiatives to expand net fee and commission income, supported by the partnerships already in place, and contain costs, also implementing specific efficiency enhancement measures already initiated and progressing on the actions taken to rationalize the branch network and the direct scope companies.

The Group will continue to strengthen its capital position and issue financial instruments designed to ensure compliance with MREL and liquidity requirements with an appropriate margin of safety.

## ATTACHMENT 1 - RECONCILIATION OF EQUITY AND NET PROFIT OF THE PARENT COMPANY WITH GROUP EQUITY AND NET PROFIT

| | SHARE CAPITAL | RESERVES | VALUTATION RESERVES | EQUITY INSTRUMENTS | NET PROFIT | EQUITY |
|---|---|---|---|---|---|---|
| **Iccrea Banca SpA Financial Statements** | **1,401,045** | **868,945** | **57,195** | **-** | **200,342** | **2,527,528** |
| Financial statements of fully consolidated company | 1,010,844 | 13,638,767 | 203,041 | 30,139 | 945,111 | 15,827,901 |
| Financial statements of companies accounted for using equity method | | 29,395 | 4,786 | | 5,806 | 39,986 |
| Elimination of Group company dividends | | 66,940 | | | (66,940) | - |
| Adjustment of intercompany writedowns (revaluations) | | 171,858 | | | - | 171,858 |
| Goodwill | | 15,426 | | | - | 15,426 |
| Other consolidation adjustments | (123,550) | (1,627,117) | (20,136) | | (31,306) | (1,802,109) |
| **Consolidated equity** | **2,296,484** | **13,167,890** | **244,899** | **30,139** | **1,053,439** | **16,792,852** |
| **Non-controlling interests** | 8,145 | 3,676 | 14 | | 426 | 12,261 |
| **Group equity** | **2,288,339** | **13,164,214** | **244,885** | **30,139** | **1,053,013** | **16,780,591** |

## ATTACHMENT 2 - ALTERNATIVE PERFORMANCE MEASURES

Pursuant to Article 16 of Regulation (EU) 1095/2010, the European Securities and Markets Authority (ESMA) has issued a series of guidelines on the criteria for the presentation of Alternative Performance Measures (APMs). APMs are defined as indicators of historical or future financial performance, financial position or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. The APMs are generally derived (or are based) on the financial statements prepared in accordance with the applicable financial reporting framework. This type of measure is included by European issuers in their regulated information, therefore including the Report on Operations, when these measures are not defined or provided for by the financial reporting framework. These guidelines are intended to promote the usefulness and transparency of the APMs, in such a way as to adopt a common approach to the use of these measures, with improvements in terms of comparability, reliability and understandability and consequent benefits for the users of financial information.

Measures published in application of prudential rules, including the measures specified in the Regulation and the Directive on capital requirements (CRR/CRD IV), physical or non-financial indicators, and social and environmental indicators are not strictly included in the definition of APM.

Iccrea Banca draws up its consolidated financial statements, in application of Legislative Decree 38 of February 28, 2005, in accordance with the IAS/IFRS accounting standards issued by the International Accounting Standards Board (IASB) and the related interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and endorsed by the European Commission, as established by Regulation (EC) no. 1606 of July 19, 2002, using the formats and rules envisaged by Circular no. 262 of December 22, 2005 “Bank financial statements: formats and rules of compilation” as detailed in Part A of the notes to the financial statements.

Iccrea Banca uses Alternative Performance Measures (APMs), determined in accordance with the aforementioned ESMA guidelines, with the aim of providing a faithful representation of the financial information disclosed to the market in terms of profit or loss, financial position and performance obtained, and which represent useful metrics for investors to facilitate their understanding of developments in performance and financial position.

In addition to being widely used in banking and finance, the APMs selected by Iccrea Banca are considered key factors by management in its decision-making at both the operational and strategic level.

The values for the measures can be reconciled with these financial statements for the purposes of the associated measures defined under the IFRS. For each published measure, the corresponding value for the comparative period is also provided, appropriately restated to ensure a uniform comparison where the restatement is necessary and of a material amount.

Note that the Alternative Performance Measures represent supplementary information with respect to the measures defined in the IFRS and are in no way a substitute for the latter.

### Structural indicators

- Loans to customers: the aggregate includes loans to customers recognized as financial assets measured at amortized cost, net of exposures represented by securities.
- Total direct funding from ordinary customers: the aggregate includes outstanding debt securities, current accounts, deposits and other liabilities recognized as liabilities measured at amortized cost relating to funding from ordinary customers, with the exception of the sub-item financing.
- Net loans to customers at amortized cost/Total assets: the measure compares loans to customers at amortized cost with total balance sheet assets. For a definition of the “loans to customers” aggregate, please see the foregoing.
- Direct funding from customers/Total liabilities: the measure is the amount of total direct funding from ordinary customers as a proportion of total balance sheet liabilities. For a definition of “direct funding from customers” aggregate, please see the foregoing.
- Loan to deposit ratio: a measure of loans to customers at amortized cost as a proportion direct funding from customers, which includes amounts due to customers and outstanding securities, and provides summary information on liquidity.

## Profitability measures

- ROE - Return On Equity: the measure is calculated as the ratio between net profit and equity and expresses the profitability generated by available equity.
- ROTE - Return On Tangible Equity: the measure is calculated as the ratio between net profit and tangible equity.[26]
- ROA - Return On Assets: the measure is calculated as the ratio between net profit and total assets and provides an indication of the profitability of company assets.
- Cost/Income Ratio: the measure is calculated as the ratio between operating costs and gross income and provides an indication of the efficiency of operations.

## Risk measures

- Net bad loans/Loans to customers at amortized cost: the measure is calculated as the ratio between bad loans and total loans to customers. For a definition of the loans to customers aggregate, please see the foregoing.
- Impairment losses on bad loans/Gross bad loans: the measure is calculated as the ratio between total impairment losses accumulated on bad loans to customers and the amount of bad loans to customers, gross of the associated accumulated impairment losses. It provides an indication of the coverage level for bad loans. For a definition of the loans to customers aggregate, please see the foregoing.
- Net NPL Ratio (Net non-performing loans/Net loans to customers at amortized cost): the measure is calculated as the ratio between non-performing loans to customers net of the associated accumulated impairment losses and total net loans to customers. It provides an indication of the quality of the loan portfolio. For a definition of the loans to customers aggregate, please see the foregoing.
- Net UTP/Net loans to customers at amortized cost: the measure is calculated as the ratio between unlikely to pay loans to and total loans to customers. For a definition of the loans to customers aggregate, please see the foregoing.
- Impairment losses on gross UTP/UTP: the measure is calculated as the ratio between total accumulated impairment losses on unlikely to pay loans to customers and unlikely to pay loans to customers gross of the associated accumulated impairment losses. It provides an indication of the coverage level for unlikely to pay positions. For a definition of the loans to customers aggregate, please see the foregoing.
- Impairment losses on impaired past-due exposures/gross impaired past-due exposures: the measure is calculated as the ratio between total accumulated impairment losses on impaired past-due loans to customers and impaired past-due loans to customers gross of the associated accumulated impairment losses. It provides an indication of the coverage level for impaired past-due loans. For a definition of the loans to customers aggregate, please see the foregoing.
- Gross NPL Ratio (Gross non-performing loans/Gross loans to customers at amortized cost): the measure is calculated as the ratio between gross non-performing loans to customers and total gross loans to customers. It provides an indication of the quality of the loan portfolio. For a definition of the loans to customers aggregate, please see the foregoing.
- NPL Coverage (Accumulated impairment losses on non-performing loans/Gross non-performing loans to customers): the measure is calculated as the ratio between total accumulated impairment losses on loans to customers and non-performing loans to customers gross of the associated accumulated impairment losses. It provides an indication of the coverage level for non-performing loans to customers.
- Cost of risk (Net writedowns/(writebacks) for credit risk/net loans to customers measured at amortized cost): the measure is calculated as the ratio between impairment losses for the year and the amount of loans to customers at the end for the year. It provides an indication of the impact of impairment losses on the portfolio during the year. For a definition of the loans to customers aggregate, please see the foregoing.
- Texas ratio: the ratio between gross non-performing loans to customers and the sum, in the denominator, of the related provisions and tangible equity.

[26] Determined as the difference between the Group's book equity and intangible assets.

# GROUP FINANCIAL STATEMENTS

## CONSOLIDATED BALANCE SHEET

| Assets | | 30/06/2025 | 31/12/2024 |
|---|---|---|---|
| 10. | Cash and cash equivalents | 1,090,065 | 3,316,821 |
| 20. | Financial assets measured at fair value through profit or loss | 1,567,899 | 1,493,522 |
| | a) financial assets held for trading | 120,777 | 87,418 |
| | b) financial assets designated as at fair value | 318,854 | 324,693 |
| | c) other financial assets mandatorily measured at fair value | 1,128,268 | 1,081,411 |
| 30. | Financial assets measured at fair value through other comprehensive income | 7,004,425 | 6,914,461 |
| 40. | Financial assets measured at amortized cost | 147,304,910 | 143,283,468 |
| | a) due from banks | 3,752,481 | 3,390,631 |
| | b) loans to customers | 143,552,429 | 139,892,837 |
| 50. | Hedging derivatives | 826,329 | 725,478 |
| 60. | Value adjustments of financial assets hedged generically (+/-) | (597,387) | (528,043) |
| 70. | Equity investments | 303,961 | 300,366 |
| 90. | Property, plant and equipment | 2,349,673 | 2,292,185 |
| 100. | Intangible assets | 202,854 | 200,283 |
| | - of which goodwill | 18,408 | 18,408 |
| 110. | Tax assets | 963,133 | 1,012,498 |
| | a) current | 256,221 | 272,195 |
| | b) deferred | 706,912 | 740,303 |
| 120. | Non-current assets and disposal groups held for sale | 14,658 | 109,553 |
| 130. | Other assets | 4,694,854 | 5,491,321 |
| | **Total assets** | **165,725,374** | **164,611,913** |

| Liabilities and shareholders' equity | | 30/06/2025 | 31/12/2024 |
|---|---|---|---|
| 10. | Financial liabilities measured at amortized cost | 142,515,611 | 143,756,450 |
| | a) due to banks | 2,590,496 | 6,554,016 |
| | b) due to customers | 124,833,181 | 123,234,220 |
| | c) securities issued | 15,091,934 | 13,968,214 |
| 20. | Financial liabilities held for trading | 51,359 | 63,920 |
| 30. | Financial liabilities designated as at fair value | 33,735 | - |
| 40. | Hedging derivatives | 270,501 | 244,789 |
| 60. | Tax liabilities | 83,316 | 83,193 |
| | a) current | 39,970 | 45,771 |
| | b) deferred | 43,346 | 37,422 |
| 70. | Liabilities associated with assets held for sale | - | 30,922 |
| 80. | Other liabilities | 5,089,729 | 3,699,492 |
| 90. | Employee termination benefits | 185,939 | 197,279 |
| 100. | Provisions for risks and charges | 702,332 | 658,125 |
| | a) commitments and guarantees issued | 259,061 | 268,203 |
| | c) other provisions for risk and charges | 443,271 | 389,921 |
| 120. | Valuation reserves | 244,885 | 201,291 |
| 140. | Equity instruments | 30,139 | 30,139 |
| 150. | Reserves | 14,399,343 | 12,543,839 |
| 160. | Share premium reserves | 155,114 | 154,624 |
| 170. | Share capital | 2,288,339 | 2,292,445 |
| 180. | Treasury shares (-) | (1,390,242) | (1,387,018) |
| 190. | Non-controlling interests (+/-) | 12,261 | 11,837 |
| 200. | Net profit (loss) for the period (+/-) | 1,053,013 | 2,030,587 |
| | **Total liabilities and equity** | **165,725,374** | **164,611,913** |

## CONSOLIDATED INCOME STATEMENT

| | | 30/06/2025 | 30/06/2024 |
|---|---|---|---|
| 10. | Interest and similar income | 2,878,327 | 3,475,551 |
| | of which: interest income calculated using effective interest rate method | 2,712,406 | 3,178,476 |
| 20. | Interest and similar expense | (864,843) | (1,274,807) |
| **30.** | **Net interest income** | **2,013,484** | **2,200,744** |
| 40. | Fee and commission income | 854,498 | 821,001 |
| 50. | Fee and commission expense | (141,154) | (140,031) |
| **60.** | **Net fee and commission income (expense)** | **713,344** | **680,970** |
| 70. | Dividends and similar income | 22,056 | 22,915 |
| 80. | Net gain (loss) on trading activities | 25,952 | 24,817 |
| 90. | Net gain (loss) on hedging activities | 4,689 | (1,928) |
| 100. | Net gain (loss) on the disposal or repurchase of: | 61,750 | 52,435 |
| | a) financial assets measured at amortized cost | 45,610 | 49,971 |
| | b) financial assets measured at fair value through other comprehensive income | 15,976 | 2,603 |
| | c) financial liabilities | 164 | (138) |
| 110. | Net gain (loss) of other financial assets and liabilities measured at fair value through profit or loss | 14,476 | 7,298 |
| | a) financial assets and liabilities designated as at fair value | 1,492 | 1,142 |
| | b) other financial assets mandatorily measured at fair value | 12,984 | 6,156 |
| **120.** | **Gross income** | **2,855,751** | **2,987,251** |
| 130. | Net losses/recoveries for credit risk in respect of: | (66,261) | (173,930) |
| | a) financial assets measured at amortized cost | (66,918) | (173,197) |
| | b) financial assets measured at fair value through other comprehensive income | 657 | (733) |
| 140. | Gains/losses from contractual modifications without derecognition | (768) | (4,936) |
| **150.** | **Net income (loss) from financial operations** | **2,788,722** | **2,808,385** |
| **180.** | **Net income (loss) from financial and insurance operations** | **2,788,722** | **2,808,385** |
| 190. | Administrative expenses: | (1,629,490) | (1,613,086) |
| | a) personnel expenses | (1,048,728) | (1,010,078) |
| | b) other administrative expenses | (580,762) | (603,008) |
| 200. | Net provisions for risks and charges | 827 | (25,709) |
| | a) commitments and guarantees issued | 7,927 | 6,129 |
| | b) other net provisions | (7,100) | (31,838) |
| 210. | Net adjustments of property, plant and equipment | (89,349) | (92,327) |
| 220. | Net adjustments of intangible assets | (23,339) | (23,053) |
| 230. | Other operating expenses/income | 171,776 | 178,421 |
| **240.** | **Operating costs** | **(1,569,575)** | **(1,575,754)** |
| 250. | Profit (loss) from equity investments | 7,206 | 6,620 |
| 260. | Net gain (loss) from valuation at fair value of property, plant and equipment and intangible assets | (4,233) | 64 |
| 280. | Profit (loss) from disposal of investments | (270) | (415) |
| **290.** | **Profit (loss) before tax on continuing operations** | **1,221,850** | **1,238,900** |
| 300. | Income tax expense from continuing operations | (211,376) | (212,480) |
| **310.** | **Profit (loss) after tax on continuing operations** | **1,010,474** | **1,026,420** |
| 320. | Profit (loss) after tax on discontinued operations | 42,965 | 29,542 |
| **330.** | **Net profit  (loss) for the period** | **1,053,439** | **1,055,962** |
| 340. | Net profit (loss) for the period – non-controlling interests | 426 | - |
| **350.** | **Net profit (loss) for the period – shareholders of the Parent Company** | **1,053,013** | **1,055,962** |

## STATEMENT OF COMPREHENSIVE INCOME

| | | 30/06/2025 | 30/06/2024 |
|---|---|---|---|
| **10.** | **Net profit (loss) for the period** | **1,053,439** | **1,055,962** |
| | **Other comprehensive income net of taxes not recyclable to profit or loss** | **10,270** | **(936)** |
| 20. | Equity securities designated as at fair through other comprehensive income | 8,000 | (5,538) |
| 30. | Financial liabilities designated as at fair value through profit or loss (change in own credit rating) | 1,243 | - |
| 70. | Defined-benefit plans | 1,027 | 4,602 |
| | **Other comprehensive income net of taxes recyclable to profit or loss** | **33,618** | **3,272** |
| 130. | Cash-flow hedges | 2,601 | 11,761 |
| 150. | Financial assets (other than equity investments) measured at fair value through other comprehensive income | 34,675 | (8,472) |
| 170. | Share of valuation reserves of equity investments accounted for with equity method | (3,657) | (16) |
| **200.** | **Total other comprehensive income net of taxes** | **43,888** | **2,337** |
| **210.** | **Comprehensive income (Item 10+170)** | **1,097,327** | **1,058,299** |
| 220. | Comprehensive income - non-controlling interests | 424 | - |
| **230.** | **Comprehensive income - shareholders of the Parent Company** | **1,096,903** | **1,058,299** |

## STATEMENT OF CHANGES IN CONSOLIDATED EQUITY AT JUNE 30, 2025

| | | | | Allocation of net profit of previous year | | Change in the period | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Equity transactions | | | | | | | | | | |
| | As at 31/12/2024 | Change in opening balance | As at 1/1/2025 | Reserves | Dividends and other allocations | Change in reserves | Issue of new shares | Purchase of treasury shares | Extraordinary dividends | Change in equity instruments | Derivatives on treasury shares | Stock options | Change in equity holdings | Comprehensive income at 30/6/2025 | Equity at 30/6/2025 | Equity attributable to shareholders of the Parent Company | Non-controlling interests |
| Share capital: | | | | | | | | | | | | | | | | | |
| - ordinary shares | 2,300,590 | | 2,300,590 | 1,863 | | | 4,464 | (10,433) | | | | | | | 2,296,484 | 2,288,339 | 8,145 |
| - other shares | | | | | | | | | | | | | | | - | | - |
| Share premium reserve | 156,000 | | 156,000 | | | | 490 | | | | | | | | 156,490 | 155,114 | 1,376 |
| Reserves: | | | | | | | | | | | | | | | | | |
| - earnings | 12,577,292 | | 12,577,292 | 1,836,015 | | 19,188 | | | | | | | | | 14,432,495 | 14,430,195 | 2,300 |
| - other | (30,710) | | (30,710) | | | (142) | | | | | | | | | (30,852) | (30,852) | - |
| Valuation reserves | 201,307 | | 201,307 | | | (296) | | | | | | | | 43,888 | 244,899 | 244,885 | 14 |
| Equity instruments | 30,139 | | 30,139 | | | | | | | | | | | | 30,139 | 30,139 | |
| Treasury shares | (1,387,019) | | (1,387,019) | | | | 1,429 | (4,652) | | | | | | | (1,390,242) | (1,390,242) | |
| Net profit (loss) for the period | 2,030,145 | | 2,030,145 | (1,837,878) | (192,267) | | | | | | | | | 1,053,439 | 1,053,439 | 1,053,013 | 426 |
| **Total equity** | **15,877,745** | | **15,877,745** | | **(192,267)** | **18,750** | **6,383** | **(15,085)** | | | | | | **1,097,328** | **16,792,852** | **16,780,591** | **12,261** |
| **Equity - shareholders of Parent Company** | **15,865,908** | | **15,865,908** | | **(192,267)** | **18,750** | **6,383** | **(15,085)** | | | | | | **1,096,903** | **16,780,591** | | |
| **Equity - non-controlling interests** | **11,837** | | **11,837** | | | | | | | | | | | **424** | **12,261** | | |

## STATEMENT OF CHANGES IN CONSOLIDATED EQUITY AT JUNE 30, 2024

| | | | | Allocation of net profit of previous year | | Change in the period | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Equity transactions | | | | | | | | | | |
| | As at 31/12/2023 | Change in opening balance | As at 1/1/2024 | Reserves | Dividends and other allocations | Change in reserves | Issue of new shares | Purchase of treasury shares | Extraordinary dividends | Change in equity instruments | Derivatives on treasury shares | Stock options | Change in equity holdings | Comprehensive income at 30/6/2024 | Equity at 30/6/2024 | Equity attributable to shareholders of the Parent Company | Non-controlling interests |
| Share capital: | | | | | | | | | | | | | | | | | |
| - ordinary shares | 2,290,202 | | 2,290,202 | 8,774 | | | 4,724 | (8,578) | | | | | | | 2,295,122 | 2,295,122 | |
| - other shares | | | | | | | | | | | | | | | - | | |
| Share premium reserve | 152,967 | | 152,967 | | | | 543 | | | | | | | | 153,509 | 153,509 | |
| Reserves: | | | | | | | | | | | | | | | | | |
| - earnings | 10,922,751 | | 10,922,751 | 1,688,492 | | (83,504) | | | | | | | | | 12,527,739 | 12,527,739 | |
| - other | (29,247) | | (29,247) | | | (725) | | | | | | | | | (29,972) | (29,972) | |
| Valuation reserves | 47,360 | | 47,360 | | | 50,516 | | | | | | | | 2,337 | 100,213 | 100,213 | |
| Equity instruments | 30,139 | | 30,139 | | | | | | | | | | | | 30,139 | 30,139 | |
| Treasury shares | (1,382,888) | | (1,382,888) | | | | 1,842 | (2,912) | | | | | | | (1,383,958) | (1,383,958) | |
| Net profit (loss) for the period | 1,857,606 | | 1,857,606 | (1,697,266) | (160,340) | | | | | | | | | 1,055,962 | 1,055,962 | 1,055,962 | |
| **Total equity** | **13,888,890** | | **13,888,890** | | **(160,340)** | **(33,713)** | **7,108** | **(11,490)** | | | | | | **1,058,299** | **14,748,754** | **14,748,754** | |
| **Equity - shareholders of Parent Company** | **13,888,890** | | **13,888,890** | | **(160,340)** | **(33,713)** | **7,108** | **(11,490)** | | | | | | **1,058,299** | **14,748,754** | | |
| **Equity - non-controlling interests** | | | | | | | | | | | | | | | | | |

## STATEMENT OF CASH FLOWS: INDIRECT METHOD

| | 30/06/2025 | 30/06/2024 |
|---|---|---|
| **A. OPERATING ACTIVITIES** | | |
| **1. Operations** | **1,190,885** | **1,394,045** |
| - net profit (loss) for the period (+/-) | 1,053,439 | 1,055,962 |
| - gains (losses) on financial assets held for trading and on financial assets/liabilities at fair value through profit or loss(-/+) | (3,244) | (11,100) |
| - gains (losses) on hedging activities (-/+) | 2,453 | 6,675 |
| - net losses/recoveries on impairment (+/-) | 40,873 | 120,906 |
| - net adjustments of property, plant and equipment and intangible assets(+/-) | 112,688 | 115,380 |
| - net provisions for risks and charges and other costs/revenues (+/-) | 402 | 5,076 |
| - taxes, duties and tax credits to be settled (+/-) | (29,865) | 97,266 |
| - other adjustments (+/-) | 14,139 | 3,880 |
| **2. Net cash flows from/used in financial assets** | **(3,384,805)** | **74,694** |
| - financial assets held for trading | (36,202) | 34,480 |
| - financial assets designated as at fair value | 5,839 | (6,777) |
| - other assets mandatorily measured at fair value | (40,769) | 33,051 |
| - financial assets measured at fair value through other comprehensive income | (64,449) | 122,253 |
| - financial assets measured at amortized cost | (4,313,884) | (413,849) |
| - other assets | 1,064,660 | 305,536 |
| **3. Net cash flows from/used in financial liabilities** | **230,082** | **(4,837,870)** |
| - financial liabilities measured at amortized cost | (1,240,840) | (5,148,472) |
| - financial liabilities held for trading | (12,561) | (26,152) |
| - financial liabilities designated as at fair value | 33,735 | - |
| - other liabilities | 1,449,748 | 336,754 |
| **Net cash flows from/used in operating activities** | **(1,963,838)** | **(3,369,131)** |
| **B. INVESTING ACTIVITIES** | | |
| **1. Cash flow from** | **119,982** | **214,473** |
| - dividends on equity investments | 501 | 24,057 |
| - sales of property, plant and equipment | 24,348 | 4,681 |
| - sales of intangible assets | 6 | 735 |
| - sales of subsidiaries and business units | 95,127 | 185,000 |
| **2. Cash flow used in** | **(184,665)** | **(78,625)** |
| - purchases of property, plant and equipment | (157,977) | (57,274) |
| - purchases of intangible assets | (26,688) | (21,351) |
| **Net cash flow from/used in investing activities** | **(64,682)** | **135,848** |
| **C. FINANCING ACTIVITIES** | | |
| - issues/purchases of own shares | (5,968) | (1,070) |
| - dividend distribution and other | (192,267) | (160,340) |
| **Net cash flows from/used in investing activities** | **(198,235)** | **(161,410)** |
| **NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS** | **(2,226,756)** | **(3,394,693)** |

*Key*
(+) generated
(-) used in

## RECONCILIATION

| | 30/06/2025 | 30/06/2024 |
|---|---|---|
| Cash and cash equivalents at beginning of period | 3,316,821 | 4,956,422 |
| Net increase/decrease in cash and cash equivalents | (2,226,756) | (3,394,693) |
| Cash and cash equivalents at end of period | 1,090,065 | 1,561,729 |

# NOTES TO THE FINANCIAL STATEMENTS

# PART A - ACCOUNTING POLICIES

## A.1 – GENERAL INFORMATION

### SECTION 1 – DECLARATION OF CONFORMITY WITH INTERNATIONAL ACCOUNTING STANDARDS

In compliance with the provisions of Legislative Decree 38 of February 28, 2005, the interim consolidated financial statements of the Iccrea Cooperative Banking Group have been prepared in condensed form and in accordance with the recognition and measurement criteria of the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), and the related interpretations of the International Financial Reporting Interpretations Committee (IFRS - IC), endorsed by the European Commission and in force as of the reporting date.

The IASs/IFRSs have also been applied in accordance with the "Conceptual Framework for Financial Reporting" (the Framework), with particular regard to the key principle of the prevalence of substance over form, as well as the concepts of relevance and materiality of information.

These interim consolidated financial statements are in conformity with the provisions of IAS 34 Interim Financial Reporting and have been prepared using the format and main schedules provided for in Circular no. 262 of December 22, 2005 "Bank financial statements: formats and rules of preparation"– 8th update of November 17, 2022 – issued by the Bank of Italy in the exercise of the powers established by Article 43 of Legislative Decree 136/2015.

These interim consolidated financial statements were prepared using the same accounting standards as those used for the consolidated financial statements at December 31, 2024.

The following table sets out the new international accounting standards and amendments to existing accounting standards, with the related endorsement regulations of the European Commission, that took effect, either on a mandatory basis or with the option of early adoption, as from January 1, 2025.

| ENDORSEMENT REGULATION | IAS/IFRS AND SHORT DESCRIPTION | ENTRY INTO FORCE |
|---|---|---|
| 2862/2024 | **Amendments to IAS 21 Effects of changes in exchange rates**<br>The amendments to IAS 21 require the provision of disclosures that enable users of financial statements to understand the impact of a non-exchangeable currency. | Annual reporting periods beginning on or after January 1, 2025. |

The amendments and new standards resulting from the endorsement regulations did not have a material impact on the financial position and performance of the Group.

The following table reports new international accounting standards and amendments to existing standards issued by the IASB that have not yet entered force:

| ENDORSEMENT REGULATION | IAS/IFRS AND SHORT DESCRIPTION | ENTRY INTO FORCE |
|---|---|---|
| 1047/2025 | **Amendments to IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments**<br>The amendments primarily regard:<br>• the derecognition of a financial liability settled through electronic transfer;<br>• the classification of financial assets, with specific regard to those with variable returns linked to environmental, social and corporate governance (ESG) objectives and the criteria to adopt in the assessment of the SPPI test;<br>• the disclosure requirements for investments in equity instruments designated as at FVOCI. | Annual reporting periods beginning on or after January 1, 2026. |
| 1266/2025 | **Amendments to IFRS 9 and IFRS 7 Contracts referencing nature-dependent electricity**<br>The amendments include:<br>• a clarification on the Ocrea application of the "own use" requirements to these contracts;<br>• the criteria permitting hedge accounting if these contracts are used as hedging instruments; and,<br>• new disclosure requirements to enable investors to understand the effect of | Annual reporting periods beginning on or after January 1, 2026. |

<table>
<tr><td></td><td>these contracts on a company’s financial performance and cash flows.</td><td></td></tr>
<tr><td>1331/2025</td><td>Annual improvements to IFRS – Volume 11<br>The document includes clarifications, simplifications, corrections and changes aimed at improving the consistency of several IFRS Accounting Standards. The amended principles are:<ul><li>IFRS 1 First-time Adoption of International Financial Reporting Standards;</li><li>IFRS 7 Financial Instruments: Disclosures and related guidance on the implementation of IFRS 7;</li><li>IFRS 9 Financial Instruments;</li><li>IFRS 10 Consolidated Financial Statements;</li><li>IAS 7 Statement of Cash Flows.</li></ul></td><td>Annual reporting periods beginning on January 1, 2026. Early application is permitted.</td></tr>
<tr><td>To be determined</td><td>IFRS 18 Presentation and Disclosure in Financial Statements<br>IFRS 18 replaces IAS 1 Presentation of Financial Statements. IFRS 18 sets out specific principles for aggregating and disaggregating financial statement information and which of these must be provided in the schedules or in the notes. In particular:<ul><li>it requires assets, liabilities, equity, income, expenses or cash flows to be classified into items based on shared characteristics and, otherwise, to disaggregate financial statement items if the disclosure resulting from the disaggregation is material;</li><li>it allows an item to be labeled as “other” only if a more informative label is not available. In the case of the aggregation of several material items, the entity shall use a label that describes the aggregated item as precisely as possible, for example, ‘other operating expenses’ or ‘other finance expenses’;</li><li>it requires the presentation of “additional line items” and “additional subtotals” (for example, after operating profit) when such items are necessary to provide a “useful structured summary” in the income statement”.</li></ul></td><td>Annual reporting periods beginning on or after January 1, 2027.</td></tr>
<tr><td>To be determined</td><td>IFRS 19 Subsidiaries without Public Accountability: Disclosures<br>IFRS 19 permits entities that do not have public accountability and are subsidiaries of a parent company producing financial statements complying with the IFRS to apply IFRS with reduced disclosure requirements.</td><td>Annual reporting periods beginning on or after January 1, 2027.</td></tr>
</table>

At June 30, 2025, the possible impact on the financial position and performance of the Group of rules issued by the IASB that have not yet entered force is being assessed.

## SECTION 2: GENERAL PREPARATION PRINCIPLES

These interim consolidated financial statements, prepared in condensed form as permitted by IAS 34, consist of the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows, the notes to the financial statements an associated comparative information, along with the Report on Operations and the performance and financial position of the Iccrea Cooperative Banking Group.

In compliance with Article 5 of Legislative Decree 38/2005, the financial statements use the euro as the reporting currency.

Unless otherwise specified, the figures in the financial statements and the explanatory notes are expressed in thousands of euros.

The financial statements have been prepared in accordance with the general principles set out in IAS 1 “Presentation of Financial Statements” and the accounting standards endorsed by the European Commission and described in Part A.2 of these explanatory notes, as well as the general assumptions set out in the Conceptual Framework for Financial Reporting issued by the IASB. No exceptions have been made in applying the IASs/IFRSs.

The financial statements also comply with the following general principles of preparation:

- accrual basis accounting;
- understandability of information;
- materiality of information (relevance);
- reliability of information (faithful representation; prevalence of economic substance over legal form; neutrality of information; completeness of information; prudence in estimation to avoid overestimating revenues/assets or underestimating costs/liabilities);
- comparability over time.

In compliance with the provisions of IAS 1, these interim consolidated financial statements have been prepared on a going-concern basis. In this regard, the Directors are not aware of any significant uncertainties, events or conditions that could warrant serious concern about the Group’s ability to continue to operate as a going concern in the foreseeable future, taking particular account of the system of cross-guarantees on which the Cooperative Banking Group is based, for which a discussion is provided in the Report on Operations.

### Content of the financial statements and the explanatory notes

#### Balance sheet and income statement

The balance sheet and the income statement contain items, sub-items and further information (the “of which” for items and sub-items). Items without values for the reference period and the previous period are not included. In the income statement, revenues are shown without indicating their sign, while cost figures are shown within parentheses.

#### Statement of comprehensive income

The items concerning other comprehensive income after taxes in the statement of comprehensive income report changes in the value of assets recognized in the valuation reserves. Items without balances for the period and for the previous period are not reported. Negative amounts are presented within parentheses.

**Statement of changes in equity**

The statement of changes in equity shows the composition and movements of equity accounts during the reference period and the previous period, broken down by share capital (ordinary and savings shares), earnings reserves, capital reserves and valuation reserves for assets or liabilities, equity instruments and the net profit (loss) for the period. The value of any treasury shares is deducted from equity.

**Statement of cash flows**

The statements of cash flows for the present period and the previous period were prepared using the indirect method, under which cash flows from operating activities are represented by the profit (loss) for the period, adjusted for the impact of non-monetary transactions. Cash flows are broken down into cash flows from/used in operating activities, investing activities and financing activities. Cash flows generated during the period are shown without a sign, while those used are shown within parentheses.

**Content of the notes to the financial statements**

The explanatory notes to the financial statements include the information required by international accounting standards, in particular IAS 34 Interim Financial Reporting, using the tables provided for in Bank of Italy Circular no. 262/2005 – 8th update of November 17, 2022.

## SECTION 3 – SCOPE AND METHODS OF CONSOLIDATION

The scope of consolidation of the Iccrea Cooperative Banking Group includes:

- the financial statements of Iccrea Banca SpA in its capacity as Parent Company and Central Body;
- the financial statements of the 113 affiliated mutual banks, which together with Iccrea Banca SpA comprise the Consolidating Entity;
- the financial statements of the companies over which, in application of IFRS 10, IFRS 11 and IAS 28, Iccrea Banca and the affiliated mutual banks exercise control, joint control or significant influence.

Please see "Assessments and significant assumptions in determining the scope of consolidation" in section 2 below for a discussion of the assumptions underlying the determination of the scope of consolidation and the associated consolidation methods.

The following table reports the companies included in the scope of consolidation of the Iccrea Cooperative Banking Group.

### 1. COMPANIES CONSOLIDATED ON A LINE-BY-LINE BASIS

| | | Headquarters | Type of relationship (A) | Equity investment | | % share of votes (B) |
|---|---|---|---|---|---|---|
| | | | | Investor | % holding | |
| A. | Consolidated on a line-by-line basis | | | | | |
| 1 | Iccrea Banca SpA | Rome | | | | |
| 2 | BCC di Bari e Taranto SC | Bari | | | | |
| 3 | Banca dell'Elba - Credito Cooperativo SC | Portoferraio | | | | |
| 4 | Credito Cooperativo Mediocrati SC | Rende | | | | |
| 5 | Banca di Credito Cooperativo Magna Grecia – Società Cooperativa | Vallo della Lucania | | | | |
| 6 | Credito Cooperativo Romagnolo - BCC di Cesena E Gatteo - SC | Cesena | | | | |
| 7 | Emil Banca - Credito Cooperativo SC | Bologna | | | | |
| 8 | Banca Cremasca e Mantovana - Credito Cooperativo SC | Crema | | | | |
| 9 | Banca della Marca Credito Cooperativo SC | Orsago | | | | |
| 10 | Credito Cooperativo Friuli (CrediFriuli) SC | Udine | | | | |
| 11 | BCC dell'Adriatico Teramano SC | Atri | | | | |
| 12 | Banca di Credito Cooperativo della Calabria Ulteriore - Società Cooperativa | Crotone | | | | |
| 13 | BCC di Cagliari SC | Cagliari | | | | |
| 14 | Banca di Andria Di Credito Cooperativo SC | Andria | | | | |
| 15 | BCC Agrigentino SC | Agrigento | | | | |
| 16 | BCC di Napoli SC | Naples | | | | |
| 17 | BCC di Putignano SC | Putignano | | | | |
| 18 | Banca di Ancona e Falconara Marittima Credito Cooperativo SC | Ancona | | | | |
| 19 | BCC di Montepaone SC | Montepaone | | | | |
| 20 | BCC di Basciano SC | Basciano | | | | |
| 21 | BCC della Valle del Trigno SC | San Salvo | | | | |
| 22 | Valpolicella Benaco Banca Credito Cooperativo SC | Costermano Sul Garda | | | | |
| 23 | Banca Veronese Credito Cooperativo di Concamarise SC | Bovolone | | | | |
| 24 | Banca Centropadana Credito Cooperativo SC | Lodi | | | | |
| 25 | Banco Fiorentino - Mugello Impruneta Signa - Credito Cooperativo SC | Firenzuola | | | | |
| 26 | BCC di Roma SC | Rome | | | | |
| 27 | BCC Brianza e Laghi SC | Lesmo | | | | |
| 28 | BCC di Altofonte e Caccamo SC | Altofonte | | | | |
| 29 | Banca di Anghiari E Stia - Credito Cooperativo SC | Anghiari | | | | |
| 30 | BCC di Avetrana SC | Avetrana | | | | |
| 31 | BCC Pordenonese e Monsile SC | Azzano Decimo | | | | |
| 32 | Banca di Pescia e Cascina - Credito Cooperativo SC | Pescia | | | | |
| 33 | BCC di Arborea SC | Arborea | | | | |

| | | Headquarters | Type of relationship (A) | Equity investment | | % share of votes (B) |
|---|---|---|---|---|---|---|
| | | | | Investor | % holding | |
| 34 | BCC Campania Centro - Cassa Rurale e Artigiana SC | Battipaglia | | | | |
| 35 | BCC di Bellegra SC | Bellegra | | | | |
| 36 | Cassa Rurale e Artigiana di Binasco - Credito Cooperativo SC | Binasco | | | | |
| 37 | Banca delle Terre Venete Credito Cooperativo SC | Vedelago | | | | |
| 38 | BCC di Busto Garolfo e Buguggiate SC | Busto Garolfo | | | | |
| 39 | Cassa Rurale e Artigiana di Cantù BCC SC | Cantù | | | | |
| 40 | BCC di Capaccio Paestum e Serino S.C | Capaccio Paestum | | | | |
| 41 | BCC Abruzzese - Cappelle Sul Tavo SC | Cappelle Sul Tavo | | | | |
| 42 | BCC del Basso Sebino SC | Capriolo | | | | |
| 43 | BCC di Carate Brianza e Treviglio SC | Carate Brianza | | | | |
| 44 | Credito Cooperativo Di Caravaggio Adda e Cremasco - Cassa Rurale SC | Caravaggio | | | | |
| 45 | BCC di Terra D'Otranto SC | Carmiano | | | | |
| 46 | Banca Alpi Marittime Credito Cooperativo Carrù SC | Carrù | | | | |
| 47 | BCC di Venezia, Padova E Rovigo - Banca Annia SC | Cartura | | | | |
| 48 | BCC di Milano SC | Carugate | | | | |
| 49 | Credito Padano Banca di Credito Cooperativo SC | Cremona | | | | |
| 50 | Banca dei Sibillini - Credito Cooperativo Di Casavecchia SC | Pieve Torina | | | | |
| 51 | Credito Cooperativo Valdarno Fiorentino Banca di Cascia SC | Reggello | | | | |
| 52 | Cassa Rurale e Artigiana di Castellana Grotte Credito Cooperativo SC | Castellana Grotte | | | | |
| 53 | BCC di Castiglione Messer Raimondo e Pianella SC | Castiglione Messer Raimondo | | | | |
| 54 | Banca del Piceno Credito Cooperativo SC | Acquaviva Picena | | | | |
| 55 | BCC dell'Oglio e Del Serio SC | Calcio | | | | |
| 56 | Banca della Valsassina Credito Cooperativo SC | Cremeno | | | | |
| 57 | BCC di Fano SC | Fano | | | | |
| 58 | BCC di Alba, Langhe, Roero e Del Canavese SC | Alba | | | | |
| 59 | Credito Cooperativo Cassa Rurale Ed Artigiana Di Erchie SC | Erchie | | | | |
| 60 | Credito Cooperativo Ravennate, Forlivese E Imolese SC | Faenza | | | | |
| 61 | Banca di Filottrano - Credito Cooperativo di Filottrano e Camerano SC | Filottrano | | | | |
| 62 | BCC di Gaudiano Di Lavello SC | Lavello | | | | |
| 63 | Banca di Pisa e Fornacette Credito Cooperativo SC | Pisa | | | | |
| 64 | BCC di Gambatesa SC | Gambatesa | | | | |
| 65 | BCC Agrobresciano SC | Ghedi | | | | |
| 66 | BCC Basilicata - Credito Cooperativo Di Laurenzana e Comuni Lucani SC | Laurenzana | | | | |
| 67 | BCC Valle Del Torto SC | Lercara Friddi | | | | |
| 68 | BCC di Leverano SC | Leverano | | | | |
| 69 | BCC di Canosa - Loconia SC | Canosa Di Puglia | | | | |
| 70 | BCC di Lezzeno SC | Lezzeno | | | | |
| 71 | Chiantibanca - Credito Cooperativo SC | Monteriggioni | | | | |
| 72 | BCC del Garda - BCC Colli Morenici Del Garda SC | Montichiari | | | | |
| 73 | BCC di Mozzanica SC | Mozzanica | | | | |
| 74 | BCC di Marina Di Ginosa SC | Ginosa | | | | |
| 75 | BCC di Nettuno SC | Nettuno | | | | |
| 76 | BCC del Metauro SC | Terre Roveresche | | | | |
| 77 | BCC di Ostra e Morro D'alba SC | Ostra | | | | |
| 78 | BCC di Ostra Vetere SC | Ostra Vetere | | | | |
| 79 | BCC di Ostuni SC | Ostuni | | | | |
| 80 | BCC di Pachino SC | Pachino | | | | |
| 81 | Banca di Udine Credito Cooperativo SC | Udine | | | | |
| 82 | Credito Cooperativo Cassa Rurale e Artigiana di Paliano SC | Paliano | | | | |
| 83 | Banca Versilia Lunigiana e Garfagnana - Credito Cooperativo SC | Pietrasanta | | | | |
| 84 | BCC di Pergola e Corinaldo SC | Pergola | | | | |

| | | Headquarters | Type of relationship (A) | Equity investment | | % share of votes (B) |
|---|---|---|---|---|---|---|
| | | | | Investor | % holding | |
| 85 | BCC Vicentino - Pojana Maggiore SC | Pojana Maggiore | | | | |
| 86 | BCC di Pontassieve SC | Pontassieve | | | | |
| 87 | BCC di Pratola Peligna SC | Pratola Peligna | | | | |
| 88 | Centromarca Banca - Credito Cooperativo di Treviso e Venezia, SC | Treviso | | | | |
| 89 | BCC di Recanati e Colmurano SC | Recanati | | | | |
| 90 | Banca di Ripatransone e Del Fermano - Credito Cooperativo SC | Ripatransone | | | | |
| 91 | Cassa Rurale e Artigiana di Rivarolo Mantovano Credito Cooperativo SC | Rivarolo Mantovano | | | | |
| 92 | BCC della Provincia Romana SC | Riano | | | | |
| 93 | BCC Veneta - Credito Cooperativo SC | Fara Vicentino | | | | |
| 94 | Banca del Valdarno - Credito Cooperativo SC | San Giovanni Valdarno | | | | |
| 95 | Banca di Pesaro Credito Cooperativo SC | Pesaro | | | | |
| 96 | BCC di Santeramo In Colle SC | Santeramo In Colle | | | | |
| 97 | Banca TEMA - Terre Etrusche di Valdichiana e di Maremma SC | Chiusi | | | | |
| 98 | BCC di Scafati e Cetara SC | Scafati | | | | |
| 99 | BCC Appulo Lucana SC | Spinazzola | | | | |
| 100 | BCC di Staranzano e Villesse SC | Staranzano | | | | |
| 101 | Banca Centro Credito Cooperativo Toscana - Umbria SC | Sovicille | | | | |
| 102 | BCC di Triuggio e della Valle del Lambro SC | Triuggio | | | | |
| 103 | BCC della Valle del Fitalia SC | Longi | | | | |
| 104 | Banca Alta Toscana Credito Cooperativo SC | Quarrata | | | | |
| 105 | BCC Bergamasca e Orobica SC | Cologno Al Serio | | | | |
| 106 | Banca Don Rizzo - Credito Cooperativo della Sicilia Occidentale SC | Alcamo | | | | |
| 107 | BCC dei Colli Albani SC | Genzano Di Rome | | | | |
| 108 | BCC G. Toniolo di San Cataldo SC | San Cataldo | | | | |
| 109 | Banca San Francesco Credito Cooperativo SC | Canicattì | | | | |
| 110 | BCC delle Madonie SC | Petralia Sottana | | | | |
| 111 | BCC Terra Di Lavoro - S. Vincenzo De' Paoli SC | Casagiove | | | | |
| 112 | BCC degli Ulivi - Terra di Bari SC | Palo Del Colle | | | | |
| 113 | RivieraBanca Credito Cooperativo di Rimini e Gradara SC | Rimini | | | | |
| 114 | BCC di San Marco Dei Cavoti e Del Sannio - Calvi SC | San Marco Dei Cavoti | | | | |
| 115 | BCC Risparmio&Previdenza SGrpA | Milan | 1 | Iccrea Banca S.p.A. | 100.0 | 100.0 |
| 116 | BCC Leasing SpA | Rome | 1 | Iccrea Banca SpA | 100.0 | 100.0 |
| 117 | BCC Factoring SpA | Rome | 1 | Iccrea Banca SpA | 100.0 | 100.0 |
| 118 | Banca Sviluppo SpA | Rome | 1 | Iccrea Banca SpA | 100.0 | 100.0 |
| 119 | BCC Financing SpA | Udine | 1 | Iccrea Banca SpA | 100.0 | 100.0 |
| 120 | BCC Gestione Crediti SpA | Rome | 1 | Iccrea Banca SpA | 100.0 | 100.0 |
| 121 | BCC Sinergia SpA | Rome | 1 | Iccrea Banca SpA | 100.0 | 100.0 |
| 122 | BCC Beni Immobili Srl | Rome | 1 | Iccrea Banca SpA | 30.0 | 30.0 |
| | | | | Banca Sviluppo SpA | 70.0 | 70.0 |
| 123 | BCC Rent&Lease SpA | Rome | 1 | Iccrea Banca SpA | 100.0 | 100.0 |
| 124 | BCC CreditoConsumo SpA | Rome | 1 | Iccrea Banca SpA | 100.0 | 100.0 |
| 125 | BCC Sistemi Informatici SpA | Milan | 1 | Iccrea Banca SpA | 90.0 | 90.0 |
| 126 | BCC Servizi Assicurativi Srl | Milan | 1 | Iccrea Banca SpA | 100.0 | 100.0 |
| 127 | Fondo Securis Real Estate | Rome | 4 | Iccrea Banca SpA | 78.0 | 78.0 |
| | | | | BCC Brianza e Laghi S.C. | 1.2 | 1.2 |
| 128 | Fondo Securis Real Estate II | Rome | 4 | Iccrea Banca SpA | 84.8 | 84.8 |
| 129 | Fondo Securis Real Estate III | Rome | 4 | Iccrea Banca SpA | 79.5 | 79.5 |
| 130 | Fondo Sistema BCC | Rome | 4 | BCC di Milano S.C. | 44.4 | 44.4 |
| | | | | Credito Cooperativo Di Caravaggio Adda e Cremasco - Cassa Rurale S.C. | 8.9 | 8.9 |
| | | | | BCC del Garda - BCC Colli Morenici Del Garda S.C. | 29.4 | 29.4 |
| | | | | BCC di San Marco Dei Cavoti e Del Sannio - Calvi S.C. | 10.6 | 10.6 |
| 133 | Asset Bancari V | Rome | 4 | BCC di Milano S.C. | 16.0 | 16.0 |
| | | | | Banca di Anghiari e Stia - Credito Cooperativo S.C. | 16.0 | 16.0 |

| | Headquarters | Type of relationship (A) | Equity investment | | % share of votes (B) |
|---|---|---|---|---|---|
| | | | Investor | % holding | |
| | | | BCC del Garda - BCC Colli Morenici Del Garda S.C. | 19.3 | 19.3 |
| | | | Cassa Rurale e Artigiana di Binasco - Credito Cooperativo S.C. | 4.0 | 4.0 |
| | | | Credito Padano Banca di Credito Cooperativo S.C. | 11.3 | 11.3 |
| | | | Banca Cremasca e Mantovana - Credito Cooperativo S.C. | 26.0 | 26.0 |

*Key:*
A) Type of relationship: 1= majority of voting rights in ordinary shareholders' meeting; 4 = other forms of control.
B) Votes available in ordinary shareholders' meeting.

Compared to December 31, 2024, changes in the consolidation scope exclusively reflect the sale of BCC POS SpA to Numia SpA and the merger of BCC di Treviglio into BCC di Carate Brianza, establishing BCC di Carate Brianza and Treviglio.

## 2. ASSESSMENTS AND SIGNIFICANT ASSUMPTIONS IN DETERMINING THE SCOPE OF CONSOLIDATION

### Introduction

The concept of cooperative banking group was introduced into Italian law with Decree Law 18 of February 14, 2016, ratified with amendments with Law 49 of April 8, 2016, which amended Legislative Decree 385/1993 (the Consolidated Banking Act) with the introduction of Article 37-bis establishing, among other things, that the Parent Company shall exercise management and coordination activities "on the basis of a Cohesion Contract that ensures the existence of control as defined by the international accounting standards adopted by the European Union.

From the point of view of the associated regulation, the provisions of Bank of Italy Circular 285 containing supervisory provisions for banks implement Articles 37-bis and 37-ter of the Consolidated Banking Act concerning the cooperative banking group. They govern the prudential and supervisory requirements to be met by the parent company, the minimum content of the Cohesion Contract, the characteristics of the joint and several guarantee system and the requirements of membership in the group. The cooperative banking group is based on the management and coordination powers of the parent company, defined in the Cohesion Contract agreed between the latter and the affiliated mutual banks, which are intended to ensure the unity of strategic direction and the control system as well as compliance with the prudential provisions applicable to the Group and its members, including by way of measures issued by the Parent Company that are binding on the affiliated banks".

A cooperative banking group, as defined in Bank of Italy Circular 285, is a group of entities affiliated to a central body pursuant to Article 10 of Regulation (EU) no. 575/2013 (the CRR), with the simultaneous presence of a mutual guarantee system. In particular, the definition of Central Body, defined in Article 2, paragraph 4, letter a) of Directive 77/780/EEC, establishes that:

- the commitments of the central body and the affiliated institutions are joint and several liabilities;
- the solvency and liquidity of all the affiliated institutions are monitored as a whole on the basis of consolidated accounts.

From the point of view of financial reporting regulations, Law 145 of December 30, 2018 concerning the "State budget for the 2019 fiscal year and the multi-year budget for the 2019-2021 period" (the 2019 Budget Act) amended Legislative Decree 136/2015 "Implementation of Directive 2013/34/EU on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings", with the introduction of Article 2, paragraph 2, letter b) of Directive 86/635/EEC, which governs the consolidated accounts of central bodies.

In particular, Article 1072 of Law 145 of December 30, 2018 amended Article 38 of Legislative Decree 136/2015 with the following paragraph 2-bis: "In the case of cooperative banking groups pursuant to Article 37-bis of Legislative Decree 385 of September 1, 1993, the parent company and the mutual banks affiliated to it by virtue of the Cohesion Contract shall constitute a single consolidating entity".

The single consolidating entity represents the community of interests created by the system of cross-guarantees in the context of the Cohesion Contract, aimed at ensuring the financial and governance unity of the Group as a whole.

The explanatory report to the 2019 Budget Act (*Legge di bilancio 2019. Le modifiche approvate dal Senato della*

*Repubblica, 23 dicembre 2018*) summarizes the effects of the aforementioned regulatory change as follows:

- "for the purposes of preparing the consolidated financial statements, the parent company and the banks belonging to the cooperative banking group shall constitute a single consolidating entity";
- "in the preparation of the consolidated financial statements, the accounting items pertaining to the Parent Company and the affiliated banks shall be recognized on a consistent basis;

The regulatory changes introduced in the Italian legal system are consistent with the position expressed by the European Commission in 2006 regarding the adoption of international accounting standards, according to which the obligation to draw up the consolidated financial statements must be determined in accordance with the provisions of the national legislation transposing European directives[27] notwithstanding the provisions of those accounting standards.

An authoritative option has been issued on the consolidation of the financial statements of cooperative banking groups in application of the regulatory and financial reporting provisions described above.

Taking account of the foregoing, in particular:

- the provisions introduced with the 2019 Budget Act that specify the procedures for complying with consolidation requirements in the case of groups of banks affiliated to a central body;
- the provisions of the Consolidated Banking Act, which are important in defining the governance powers of the central body over the affiliated mutual banks, defined in the Cohesion Contract;
- that the 2019 Budget Act, in introducing paragraph 2-bis of Article 38 of Legislative Decree 136/2015 (in implementation of Directive 86/635) as a special rule, prevails and specifies the generic reference of Article 37 bis, paragraph 1 of the Consolidated Banking Act to control for the purposes of the accounting standards.

The consolidated financial statements of the Iccrea Cooperative Banking Group have been prepared on the basis of the following procedures:

- the entity required to draw up the consolidated financial statements is represented by the aggregation of the central body and the affiliated mutual banks (hereinafter the "consolidating entity");
- in the consolidated financial statements, the accounting entries of the Parent Company and the affiliated mutual banks are recorded at the same values;
- in the consolidated financial statements, the accounting entries of the Parent Company and the affiliated mutual banks are recorded at the existing value reported in the individual financial statements;
- the provisions of IFRS 10 are applied for the purpose of identifying the scope of consolidation of the consolidating entity (subsidiaries of the Parent Company and the affiliated mutual banks);
- IFRS 3 is applicable only for any business combinations between the single consolidating entity and third parties;
- balance sheet and income statement positions between companies included in the scope of consolidation are eliminated in full;
- Parent Company shares held by the affiliated mutual banks are eliminated in full and accounted for as treasury shares of the consolidating entity.

## Scope and methods of consolidation

In view of the foregoing, the scope of consolidation of the Iccrea Cooperative Banking Group includes:

- the financial statements of Iccrea Banca SpA in its capacity as Parent Company and Central Body;
- the financial statements of the 113 affiliated mutual banks, which together with Iccrea Banca SpA comprise the Consolidating Entity;

[27] European Commission, Agenda Paper for the Meeting of the Accounting Regulatory Committee on 24th November 2006, paragraph 4.3. [... the determination of whether or not a company is required to prepare consolidated accounts will continue to be made by reference to national law transposed from the Seventh Council Directive"].

- the financial statements of the companies over which, in application of IFRS 10, IFRS 11 and IAS 28, Iccrea Banca and the affiliated mutual banks exercise control, joint control or significant influence.

### Subsidiaries

Subsidiaries are those entities over which the consolidating entity has the power to direct the relevant activities as a result of a legal right or a mere situation of fact and is exposed to the variable returns resulting from that power.

More specifically, pursuant to IFRS 10 the control requirement is met when an investor simultaneously has:

- the power to direct the relevant activities of the entity;
- is exposed, or has rights, to variable returns from its involvement with the investee;
- has the ability to use its power over the investee to affect the amount of its returns (link between power and returns).

The carrying amount of equity interests in companies either consolidated on a line-by-line basis, held by the Consolidating Entity or other companies within the Group, is eliminated – as the subsidiaries' assets and liabilities are absorbed into those of the Group – offsetting the corresponding percentage of the subsidiaries' equity pertaining to the Group.

Asset and liability items, off-balance sheet transactions, expenses and income, as well as profits and losses which occur between companies falling within the scope of consolidation are eliminated.

Costs and revenues of a subsidiary are included in consolidation from the date on which control is acquired. Costs and revenues from a subsidiary disposed of are included in the consolidated income statement up to the date of disposal, which is to say up to the point at which control over the subsidiary is lost. The difference between the payment received on disposal of the subsidiary and the carrying amount of its net assets at the same date is recognized in profit or loss under item 280 "Gain/(loss) from the disposal of investments". Any residual interest held must be measured at fair value as of the date control is lost.

The share pertaining to non-controlling interests is presented on the balance sheet under item 190. "Non-controlling interests", separately from the liabilities and equity pertaining to the shareholders of the Parent Company. The portion pertaining to non-controlling interests is also presented separately in the income statement, under item 340 "Profit/(loss) pertaining to non-controlling interests".

For companies that are included in the scope of consolidation for the first time, the fair value of the costs incurred in order to obtain control of that equity interest, inclusive of ancillary costs, is measured as at the acquisition date.

Changes in interests in a subsidiary that do not entail loss of control are recognized in equity.

Controlling equity investments held for sale are consolidated on a line-by-line basis and reported separately in the financial statements as a disposal group valued as of the reporting date at the lower of carrying amount or fair value less costs to sell.

Non-material subsidiaries are not consolidated.[28] Their exclusion from the scope of consolidation does not have a material impact on Group equity.

### Associates

Associates are companies in which the Consolidating entity directly or indirectly holds at least 20% of the voting rights or over which, even with a smaller share of the voting rights, it exercises a significant influence, which is defined as the power to participate in determining the financial and operational policies of the associate without having control or joint control.

More specifically, Significant influence is assumed to exist when the parent company:

- directly or indirectly holds at least 20% of the voting rights of another company;

[28] The scope of consolidation does not include subsidiaries with total assets of less than €10 million, subject to the condition that the total assets of all unconsolidated subsidiaries do not exceed €50 million.

- is able, including through shareholders' agreements, to exercise significant influence through:
  - representation on the company's management body;
  - participation in the process of setting policies, including participation in the decision-making process concerning dividends;
  - the existence of significant transactions;
  - the exchange of management personnel.

Associates are accounted for using the equity method. Equity in the associated company includes goodwill (net of any impairment loss) paid for the acquisition. Under the equity method, the investment in an associate is initially recognized at cost. The carrying amount of the interest is increased or decreased to reflect the share of the post-acquisition profits or losses of the associate and is recognized in the income statement under item 250. "Profit/(loss) from equity investments". Any distribution of dividends is indicated as a decrease in the carrying amount of the equity investment. The goodwill associated with an associate or joint venture is included in the carrying amount of the investment and does not undergo separate impairment testing.

Any change in the other comprehensive income relating to these investee companies is presented as part of the comprehensive income of the Group. In addition, if an associated company recognizes a change allocated directly to equity, the Group recognizes its share, where applicable, in the statement of changes in equity.

If the portion of the losses pertaining to the Group equals or exceeds the carrying amount of the investment in the associate, further losses are not recognized unless. there is contractual obligation to cover such losses or in the presence of payments made on behalf of the associate.

Unrealized profits on transactions between the Group and its associated companies are eliminated at the same percentage of the Group's interest in the profits of the associates. Unrealized losses are also eliminated, unless the transactions carried out show evidence of an impairment loss on the assets involved. Valuation reserves for associated companies are recognized separately in the statement of comprehensive income.

A number of interests of more than 20%, albeit of limited amount, over which the Parent Company does not have the direct or indirect ability to participate in setting management policies are excluded from the scope of consolidation and classified in accordance with the provisions of IFRS 9. Non-material associates are also excluded from the scope of consolidation. Their exclusion from the scope of consolidation does not have a material impact on Group equity.

### Joint arrangements

Entities held under joint arrangements are those over which control is shared under a contractual agreement with other investors. More specifically, a joint arrangement is a contractual arrangement whereby two or more parties exercise joint control.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Under IFRS 11 joint arrangements are classified as either joint operations or joint ventures based upon the contractual rights and obligations held by the Group. A joint operation is a joint arrangement whereby the parties have rights to the assets and obligations for the liabilities relating to the arrangement. A joint venture is a joint arrangement whereby the parties have rights to the net assets of the arrangement. Investments in joint arrangements are accounted for using the equity method.

### Structured entities

Subsidiaries may also include any "structured entities" in which the voting rights are not deemed significant in assessing control and include special purpose entities and investment funds.

Structured entities are treated as subsidiaries where:

- the Group has the power through contractual rights to direct the relevant activities;
- the Group is exposed to the variable returns arising from such activities.

The structured entities that are consolidated because the Group has the power to govern the relevant activities of the entity as a result of the financial instruments it has subscribed include:

- real estate investment funds;
- special purpose securitization vehicles.

### Structured entities – Real estate investment funds

In the real estate investment funds, the control relationship takes account of the purpose/scope of the operation and has been deemed to exist in the following cases:

- the involvement of the investor/sponsor in structuring the operation;
- the participation of the Group companies on the committees provided for in the fund's rules (participants' advisory committee), which have the power to direct/govern the relevant activities of the fund and/or control the activities of the fund manager;
- the presence of contractual relationships that tie the fund to the Group for the subscription/placement/sale of its units.

The consolidated real estate investment funds are Fondo Securis Real Estate, Fondo Securis Real Estate II, Fondo Securis Real Estate III, Fondo Sistema BCC and Fondo Asset Bancari V.

In view of their business model (real estate) and the composition of their assets, essentially composed of properties measured at market value, these funds have been consolidated, recognizing their assets under property, plant and equipment in the consolidated financial statements, recognizing any increases/decreases under "*Net gain/loss from valuation at fair value of property, plant and equipment*" in the income statement.

Structured entities –securitizations

In securitizations, the indicators that a control relationship exists include:

- the involvement of the Group companies in structuring of the operation (originator/investor/servicer/facility provider);
- the subscription of substantially all of the ABSs issued by the SPV by Group companies;
- the purpose/scope of the operation.

The segregated assets of the operations originated by banks of the Group that did not give rise to the derecognition of the assigned loans have been consolidated through consolidation of the originating banks.

## 3. INVESTMENTS IN SUBSIDIARIES WITH SIGNIFICANT NON-CONTROLLING INTERESTS

### 3.1 NON-CONTROLLING INTERESTS, VOTING RIGHTS OF NON-CONTROLLING INTERESTS AND DIVIDENDS DISTRIBUTED TO NON-CONTROLLING INTERESTS

| | % | Non-controlling interest percentage of votes(1) | Dividends distributed to non-controlling interests |
|---|---|---|---|
| BCC Sistemi Informatici SpA | 10.00% | 10.00% | - |

(1) *Percentage of votes in ordinary shareholders' meeting*

## 4. SIGNIFICANT RESTRICTIONS

There are no significant restrictions as envisaged under IFRS 12, paragraph 13, applicable to the banks and companies that form the area of consolidation of the Iccrea Cooperative Banking Group.

## 5. OTHER INFORMATION

### Data used for consolidation

The accounting data used for line-by-line consolidation are those at June 30, 2025, as approved by the competent bodies of the companies included in the scope of consolidation, adjusted where necessary to adapt them to the uniform Group accounting policies.

Subsidiaries whose annual financial statements have not been drawn up on the basis of the international accounting standards (IAS-IFRS) prepare a specific reporting package using such standards to permit the Parent Company to perform the consolidation.

## SECTION 4 – EVENTS SUBSEQUENT TO THE REPORTING DATE

In the period between the reporting date of the financial statements and their approval by the Board of Directors on September 22, 2025 no events occurred that would entail a modification of the financial data approved at that meeting.

## SECTION 5 – OTHER MATTERS

### Risks and uncertainties associated with the use of estimates

In conformity with the IAS/IFRS, management is required to formulate accounting estimates that can impact the values of the assets, liabilities, costs and revenues recognized in the financial statements. The formulation of these estimates is based on prior experience, available information, the adoption of assumptions and subjective judgements.

Estimation processes were used to support the carrying amount of some of the largest items recognized in the consolidated financial statements, such as:

- the verification of compliance with the requirements for classifying financial assets in the accounting portfolios that adopt the amortized cost criterion (SPPI test), with particular regard to the performance of the benchmark test;
- the quantification of impairment losses on loans and, more generally, other financial assets;
- the assessment of the appropriateness of the value of equity investments and other non-financial assets (e.g. goodwill);
- the use of valuation techniques in the recognition of the fair value of financial assets not listed on active markets;
- the use of valuation techniques in the recognition of the fair value of the tax credits referred to in the "Cure Italy" and "Save Italy" decrees;
- the estimation and assumptions concerning the recoverability of deferred tax assets;
- the determination of the discount rates for lease liabilities;
- the quantification of provisions for legal and tax risks and charges.

The description of the accounting policies applied to the main financial statement aggregates provides the information necessary to identify the main assumptions and subjective assessments used in the preparation of the financial statements. In particular:

- for allocation to the three stages of credit risk provided for under IFRS 9 of loans and debt securities classified under financial assets measured at amortized cost and financial assets measured at fair value through other comprehensive income and the associated calculation of expected losses, the main estimates regard the determination of the parameters representing a significant increase in credit risk, the inclusion of forward-looking factors in determining PD, EAD and LGD and the determination of future cash flows from impaired loans;
- for the quantification of provisions for risks and charges, the estimation of the amount of outlays necessary to discharge liabilities, taking account of the effective probability of having to employ resources to do so.

For further information concerning the composition and associated carrying amounts of the items affected by these estimates, please see the specific sections in the notes to the financial statements.

By their nature, estimates may vary from year to year and, therefore, it cannot be ruled out that in subsequent years the current values recorded in the financial statements may differ significantly as a result of changes in the circumstances on which they were based, the emergence of new information or the acquisition of greater experience (e.g. developments in inflation dynamics, the evolution of the Russia-Ukraine conflict).

The following summarizes the Group's choices concerning the primary circumstances in which subjective judgment is required.

### Calculating the ECL for performing credit exposures

On the close of the financial statements at June 30, 2025, the updates of the overlay component applied to the calculation of ECL were implemented, in order to add an additional degree of prudence in the light of the uncertainty of the macroeconomic environment. In this context, in addition to updates already implemented at the close of December 2024 (climate & environmental components and other specific sub-portfolios more exposed to unexpected events with respect to the macroeconomic context), exposures to customers operating in sectors potentially more impacted by the new tariff policy by the United States have also been included in the overlay scope.

For more information, see Part E of the notes – section 1 – Credit risk.

### Exposures in senior securities from securitizations under the GACS mechanism

As part of the periodic monitoring of the Group's GACS securitizations, on the close of the financial statements at June 30, 2025, taking into account the cash flow developments associated with the underlying portfolio, the senior securities resulting from the GACS "BCC NPLs 2018" (GACS 1) securitization were allocated to stage 3. The securities were already subject to lifetime value loss quantification metrics at December 2024. Since the securities are eligible for a State guarantee, the allocation did not, in itself, have any impact on the income statement for the period.

Moreover, based on the monitoring indicators, the senior security of the GACS "BCC NPLs 2019" securitization (GACS 3) was allocated to stage 2 and subject to lifetime value loss quantification metrics.

### Presentation of tax credits in the Decembre financial statements

Among the urgent measures deployed in response to the COVID 19 pandemic and to support the real economy, Decree Law 18/2020 (the "Cure Italy Decree") and Decree Law 34/2020 (the "Revival Decree") introduced specific tax incentives into Italian law in the form of tax credits.

In view of the economic substance of these transactions, their accounting treatment is based - by analogy and where applicable - on the provisions of IFRS 9 on financial instruments.

More specifically, at the time of initial recognition, the tax credit is recognized at the purchase price - comparable to a Level 3 fair value, given that there are no official markets or comparable transactions - satisfying the condition established under IFRS 9 according to which financial assets and liabilities must be initially recognized at fair value.

As regards subsequent measurement of these assets, during the acceptance of the tax credit in the "tax box", the Bank determines which business model it intends to use to classify the individual tax credit purchased:

- HTC, i.e. credits acquired for the purpose of holding them to offset against tax liabilities;
- HTCS, i.e. credits acquired for the purpose of holding them either to offset against tax liabilities or to sell them;
- Other, i.e. credits purchased for the purpose of re-transferring them.

For credits designated as being held under an HTC business model, based on the rules in IFRS 9 governing financial assets at amortized cost and considering: (i) the time value of money; (ii) the use of an effective interest rate and (iii) the use of the tax credit through offsets, effective interest rate is originally determined so that the discounted cash flows associated with the expected future offsets estimated over the expected term of the tax credit - taking account of the fact that the tax credit not used in each period cannot be recovered – shall equal the purchase price of the tax credits. With regard to the use of the amortized cost method, IFRS 9 requires a periodic review of the estimated cash flows, adjusting the gross carrying amount of the financial asset to reflect the actual and revised cash flows. In making these adjustments, in accordance with paragraph B5.4.6 of IFRS 9, the new cash flows shall be discounted at the original effective interest rate. Therefore, if during the period in which the credits are being offset it is necessary to revise the initial estimates concerning the offsetting of the tax credit or if the actual offsets differ from the estimates, the gross carrying amount of the tax credit (revised on the basis of the present value of the reformulated estimates/actual uses of the tax credit, discounted at the original effective interest rate) is adjusted to correctly reflect the use of the tax credit.

Tax credits classified under the HTCS business model are measured at fair value. In any case, the IRR (and, consequently, the amortized cost) is calculated for these credits in order to obtain the correct amount of interest at each reporting date with which to offset the fair value delta in equity through profit or loss. The interest income is recognized in profit or loss in the same manner as receivables at amortized cost. Changes in fair value are initially recognized in OCI. When the tax credit is derecognized, the changes in fair value previously recognized in OCI and accumulated in equity are reclassified to profit or loss.

Tax credits acquired for the purpose of re-transfer are classified under the Other business model. Tax credits classified under the Other business model are measured at fair value.

With regard to the portfolio component measured at fair value (both through OCE and profit or loss), the measurement approach used is based on the construction of discount factor vectors determined on the basis of the credits traded in the reference quarter by the Group mutual banks through *bootstrapping*.

Receivables subject to fair value measurement for which at the reporting date a transfer contract has already been signed and is being finalized are measured at the corresponding value defined in the contract itself.

In terms of presentation in the financial statements, the tax credits shall be classified under “Other assets”, given that under the applicable international accounting standards they do not represent tax assets, government grants, intangible assets or financial assets and therefore cannot be classified under more specific aggregates of bank balance sheet.

### Securities obtained against assets transferred in non-cash transactions

In compliance with applicable accounting standards and the guidelines set out in Document no. 8 of the Bank of Italy, CONSOB and IVASS coordination group, investment fund units acquired in return for the transfer of impaired loans (bad loans or unlikely-to-pay positions), having verified the absence of any obligation to consolidate the fund and the possibility of derecognizing the transferred loans (given failure to pass the SPPI test) are classified as instruments measured at FVTPL.

### Use of valuation models in the determination of the fair value of units held in unlisted investment funds

For the purposes of determining the fair value of units held in unlisted investment funds, both at initial recognition and in subsequent measurement, the analysis of cash flows, the discount rates applied and the other assumptions adopted are consistent with the characteristics of the fund assets.

For this type of investment, a liquidity discount (“liquidity adjustment”) is determined for application to the net asset value (NAV) of the funds. In this regard, the methodological approach adopted provides for consideration, in line with market best practice, of the following main elements:

- the average holding period of the individual unlisted funds, before they can be realized;
- the characteristics of the individual assets held by the fund and their volatility in the holding period (degree of uncertainty);
- the level of risk aversion specified with a prudent threshold, which for a distribution of the possible returns/final value of the asset/portfolio considered makes it possible to measure any deviation from their expected value.

The consideration of this information in the methodological approach used made it possible to estimate a discount with respect to the NAV, calculated as a percentage adjustment of the risk premium linked to the uncertainty concerning potential unfavorable changes in value before realization, taking due account of the management costs of funds not incorporated in the NAVs of the individual unlisted funds.

### Covered bonds

In 2021, the Group initiated a program of covered bond issues (guaranteed bank bonds), under which certain Group banks, as part of a multi-originator transaction, sold high quality assets to a vehicle entity. The assets were of a quality such as to serve as collateral for the guarantee issued by the Vehicle to the subscribers of the covered bonds issued under the program. At the same time, the banks granted the Vehicle a subordinated loan (the CB Loan) to fund the purchase of those assets, the repayment of which is linked to the performance of the asset portfolio transferred to the Vehicle. Following the sale, the Parent Company issued the covered bonds backed by the aforementioned guarantee. Subsequently, the Parent Company granted a loan with conditions and characteristics consistent with those of the covered bonds issued to the affiliated banks that contributed the assets to be sold.

Under the transaction structure, the Vehicle, making use of a non-Group custodian, receives from the Originator the cash flows represented by the loan payments it collects, the principal amount of which it retains, returning the interest portion to the Originator as remuneration of the loan received. Periodically, the cumulative loan principal collections on the assets forming the cover pool are used to purchase other high credit quality assets from the Originator. The Originator banks undertake to maintain the credit quality of the cover pool over the course of the transaction. In the event of a deterioration in credit quality, they will repurchase the loans involved from the Vehicle and transfer new high credit quality assets in an amount suitable to replenish the original guarantee.

Very briefly, in addition to the multi-originator profile of the parties transferring the assets that form the cover pool, the transaction is characterized by the identity of the originator bank and the bank granting the Vehicle the subordinated loan to purchase the assets. The subordinated loan from the Originator to the Vehicle to finance the purchase of receivables qualifies as a limited-recourse loan, as the repayment and return are conditional on developments in the cover pool. From a substantive point of view, the assignor/lending banks therefore remain exposed to the risk of the assets pledged as collateral as if the transfer had not taken place. They are also required to replenish the guarantee if the quality of the assets deteriorates and their value falls below the thresholds specified in the contractual arrangements.

Taking account of the role played in the transaction and the corresponding risk profiles, as a result of the sale the banks lose legal title to the assets making up the cover pool. However, those assets continue to be recognized for accounting and financial reporting purposes (as well as for supervisory reporting and prudential purposes) since they do not pass the derecognition test because the assignors retain exposure to the risks and rewards of the assets through the grant of the subordinated limited-recourse loan to the Vehicle (in compliance with the provisions of paragraphs 3.2.15 and B3.2.1 of IFRS 9). Accordingly, the banks continue to apply the ordinary accounting treatment adopted prior to the sale to the transferred assets and recognize a receivable due from the Vehicle for the principal amounts collected from the transferred borrower and consequently retroceded to the Vehicle.

### Consolidated tax mechanism option

Iccrea Banca SpA and the Group subsidiaries belonging to the so-called "direct scope" have adopted the "consolidated tax mechanism", governed by Articles 117-129 of the Uniform Income Tax Code ("TUIR"), introduced with Legislative Decree 344/2003. It consists of an optional tax regime under which total net income or the tax losses of each subsidiary taking part in the tax consolidation –along with withholdings, deductions and tax credits – are transferred to the parent company. Only one taxable income or tax loss that can be carried forward (the algebraic sum of the parent company's and its participating subsidiaries' income/losses resulting in a single tax payable/receivable) is calculated and attributed to the parent company. Under this option, the Group companies that participate in the consolidated tax mechanism calculate their tax liabilities and the corresponding taxable income, which is transferred to the parent company. If one or more subsidiaries reports negative taxable income, the tax losses are transferred to the parent company when there is consolidated income for the period or a high probability of future taxable income.

### Audit

These condensed interim consolidated financial statements have undergone a limited audit by Forvis Mazars SpA, which has also been engaged to monitor the keeping of the accounts pursuant to Article 14 of Legislative Decree 39/2010; the engagement for the period 2021-2029 was conferred in execution of the shareholders' resolution of May 28, 2021.

### Financial Reporting Officer

On May 16, 2024 the Shareholders' Meeting of Iccrea Banca approved the amendment to the Articles of Association required under the Consolidated Law on Financial Intermediation (TUF) to establish the position of officer responsible for preparing corporate financial reporting documents (Financial Reporting Officer). The Bank's Board of Directors subsequently appointed Marianna Di Prinzio, previously Head of Administration and Financial Reporting, to this position.

In light of this appointment, the certification issued by the Financial Reporting Officer in accordance with the provisions of paragraph 5 of Art. 154-bis of the TUF is attached to these interim consolidated financial statements.

## A.2 - THE MAIN ITEMS OF THE FINANCIAL STATEMENTS

This section sets out the accounting policies adopted in preparing the consolidated financial statements. The presentation of these accounting policies is broken down into stages – classification, recognition, measurement and derecognition - for the various asset and liability items. A description of the impact on profit or loss, where material, is provided for each stage.

### Classification of financial assets

Financial assets are classified in the categories envisaged by IFRS 9 on the basis of both of the following elements:

- the business model used to manage the financial assets;
- the characteristics of the contractual financial flows of the financial asset (the “SPPI Test” - *Solely Payments of Principal and Interest Test*).

If the business model is identified as hold to collect and the asset passes the SPPI test, the asset is recognized at amortized cost (AC).

If the business model is identified as hold to collect and sell and the asset passes the SPPI test, the asset is recognized at fair value through other comprehensive income (FVTOCI).

Finally, if the business model differs from those specified above or the asset does not pass the SPPI test in both of the two previous cases, the asset is recognized at fair value through profit or loss (FVTPL).

### The business model

IFRS 9 identifies three different business models, which in turn reflect the ways in which financial assets are managed:

- “Hold to collect”: this includes financial assets held with the objective of collecting contractual cash flows, retaining the financial instrument to maturity, with the exception of sales permitted under Group policies in line with IFRS 9;
- “Hold to collect and sell”: this includes financial assets held with the aim of both collecting contractual cash flows over the life of the assets and the proceeds from the sale of those assets;
- “Other”: this is a residual business model that includes financial instruments that cannot be classified in the previous categories, mainly represented by financial assets held for the purpose of generating cash flows through sale (including trading).

The business model does not depend on management’s intentions for each individual instrument, but is determined at a higher level of aggregation. It is therefore possible for an entity to adopt more than one business model in managing financial instruments, including in respect of the same financial asset. For example, a tranche of a security could be purchased as part of a hold to collect business model, while a second tranche of the same instrument could be acquired both to collect the contractual cash flows and to sell it (HTCS). The assessment of which business model has been adopted is based on reasonably possible scenarios and not on scenarios that unlikely to occur (such as “worst case” or “stress case” scenarios), taking account, among other things, of the way in which:

- the performance of the business model and the assets at initial recognition are evaluated by key management personnel;
- risks that impact the performance of the business model and the assets involved in initial recognition are managed;
- the managers of the business are remunerated.

From an operational point of view, the Iccrea Group identifies the business models used to manage financial assets in accordance with its own judgment, as governed by internal rules. The assessment is not determined by a single factor or activity, but rather by considering all the relevant information available at the assessment date, ensuring ongoing consistency with strategic and operational planning. In this sense, the business models of the Iccrea Group are identified on the basis of the granularity of the portfolio and the level of definition of the business, identifying key managers in accordance with the provisions of IAS 24, the nature of the products and type of underlying asset, the methods for evaluating performance and how these are reported to key management, the risks that impact the business accounting model and how these risks are managed, manager remuneration arrangements and the volume of sales.

With specific reference to the “hold to collect” model, according to IFRS 9, the sale of a debt instrument or a loan does not itself determine the business model. In fact, an HTC business model does not necessarily imply that an instrument will be held to maturity and the standard itself offers examples of sales deemed admissible within this model. Accordingly, the Group’s policies govern the types of sale considered consistent with this model, as in the case of sales made in response to an increase in the credit risk of the counterparty.

Specifically, sales that have occurred as a result of the following circumstances are considered consistent with this business model:

- in the case of an increase in credit risk and, more specifically:
  - on the basis of developments in CDS spreads with regard to the securities portfolio, taking due account of all reasonable and supportable information concerning forecasts, approved/authorized as appropriate;
  - on the basis of the staging indicator for the loan portfolio;
- in the case of sales that occur near the maturity date, i.e. when they approximate the cash flows that would be generated obtained by not selling the security;
- to manage structural liquidity in order to respond to extreme liquidity situations;
- when the sales are frequent but not material in value terms or are occasional even if material in value terms. Frequency and materiality thresholds have been specified to determine those aggregates:
  - frequency is defined as the number of trading days considered in the period considered;
  - materiality is defined as the percentage ratio between the nominal value of sales and the total nominal value of the instruments held in the portfolio during the period considered.

In cases where both frequency and materiality thresholds are exceeded, an assessment must be conducted to determine compliance with the requirements of the business model identified.

### The SPPI test

In order to determine whether a financial asset can be measured at amortized cost or at fair value through other comprehensive income, it is important to determine whether the contractual cash flows of the asset are represented by solely payments of principal and interest on the principal amount outstanding. Such contractual flows are compatible with a basic lending arrangement, where the consideration for the time value of money and credit risk are typically the most significant elements of interest. However, interest may also include consideration for other risks, such as liquidity risk, and the costs associated with holding the financial asset. Furthermore, interest may also include a profit margin that is compatible with a basic lending arrangement. The principal amount is represented by the fair value of the financial asset at recognition. Contractual terms introducing exposure to risks or volatility in contractual cash flows that is unrelated to a basic lending arrangement, such as exposure to inverse changes in interest rates, in equity prices or in commodity prices, do not give rise to contractual cash flows that are solely payments principal and interest on the principal amount outstanding. As determined by analysis conducted by the Group, such types of instrument cannot be considered SPPI-compliant and must therefore be measured at fair value through profit or loss.

In some cases, the time value of money element may be modified. That would be the case if a financial asset’s interest rate is periodically reset but the frequency of that reset does not match the tenor of the interest rate (for example, the interest rate resets every month to a one-year rate). When assessing a modified time value of money element, the objective is to determine how different the contractual cash flows could be from the cash flows that would arise if the time value of money element was not modified In these cases, IFRS 9 requires the performance of a “benchmark test”, an exercise that involves comparing the interest on the actual instrument, calculated at the contractually specified interest rate, and the interest on the benchmark instrument, calculated using the interest rate that does not contain the change in the time value of money, all other contractual clauses being equal. The benchmark test therefore consists of a comparison between the sum of the undiscounted expected cash flows of the actual instrument and the sum of those for the benchmark instrument. In doing so, we consider only reasonably possible scenarios, therefore excluding stress test scenarios.

Furthermore, for the purposes of the SPPI test, any contractual term that could change the timing or amount of the contractual cash flows (for example, the case of a prepayment option, subordinated instruments or an option to extend the term for payment of principal and/or interest) shall also be considered.

Finally, a contractual cash flow characteristic does not affect the classification of the financial asset if it could only have a de minimis effect on the cash flows. At the same time, if a contractual cash flow characteristic is "not genuine", it does not affect the classification of the financial asset. A cash flow characteristic is not genuine if it affects the instrument's contractual cash flows only on the occurrence of an event that is extremely rare, highly abnormal and very unlikely to occur. To make a determination of the de minimis effect, an entity must consider the possible effect of the contractual cash flow characteristic in each reporting period and cumulatively over the life of the financial instrument.

From an operational standpoint, the Group has established guidelines for conducting the SPPI test, which represent the methodology adopted by the Group and reflected in its internal rules, so as to be able to represent the benchmark instrument for the performance of the testing by all the functions involved. In this context, with specific reference to the loan portfolio, these guidelines have been implemented in a tool within the Group's application systems that enables the benchmark test to be performed. With specific reference to the securities portfolio, on the other hand, the outcome of the test is provided by a leading sector info-provider, based on the guidelines and methods defined by the Group.

### 1 - Financial assets measured at fair value through profit or loss

#### Classification

This category includes financial assets, regardless of their technical form, which are not recognized under financial assets measured at fair value through other comprehensive income or financial assets measured at amortized cost. More specifically, the category comprises:

- financial assets held for trading, mainly represented by debt securities, equity instruments and the positive value of derivatives held for trading;
- financial assets designated as at fair value, i.e. financial assets so designated at the time of initial recognition and where the appropriate conditions are met. In particular, financial assets are designated as irrevocably measured at fair value through profit or loss if, and only if, doing so eliminates or significantly reduces an accounting mismatch;
- financial assets mandatorily measured at fair value, represented by financial assets that do not meet the requirements for measurement at amortized cost or at fair value through other comprehensive income. These comprise financial assets whose contractual terms do not provide for solely payments of principal and interest on the principal amount outstanding (i.e. that do not pass the SPPI test) or which are not held within the framework of a business model whose objective is the hold assets in order to collecting their contractual cash flows (the hold to collect business model) or to both collect the contractual cash flows and sell the financial assets (the hold to collect and sell business model).

The category therefore includes:

- debt securities and loans that are held as part of an "other" business model or that do not pass the SPPI test;
- equity instruments - that do not represent an interest in subsidiaries, associates or joint arrangements - held for trading or for which the option at the time of initial recognition to designate them as held at fair value through other comprehensive income was not exercised;
- units in collective investment undertakings and derivative instruments.

With regard to derivatives, this item also includes derivatives embedded in a financial liability or in a non-financial contract (the "host contract"). The combination of a host contract and the embedded derivative is a hybrid instrument. In this case the embedded derivative is separated from the host contract and recognized as a derivative if:

- the economic characteristics and risks of the embedded derivative are not closely related to the characteristics of the host;

- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative;
- the hybrid contract is not measured at fair value with changes in fair value recognized in profit or loss.

In accordance with the provisions of IFRS 9, reclassifications are allowed only following a modification of the business model. Such changes are expected to be very infrequent and are determined by the entity's senior management (as identified pursuant to IAS 24) as a result of external or internal changes and must be significant to the Group's operations and demonstrable to external parties. This occurs, for example, when the entity has acquired, disposed of or terminated a business line.

The transfer value is represented by the fair value at the time of the reclassification, which takes place prospectively starting from that date. In this case, the effective interest rate is redetermined based on the fair value of the reclassified financial asset at the time of the change and that moment is considered to be the initial recognition date for the purpose of verifying a significant increase in credit risk.

### Recognition

Debt and equity securities are initially recognized at the settlement date, while derivative contracts are recognized at the trade date. Financial assets are initially recognized at fair value, which is usually the amount paid or received. Where the price is different from the fair value, the financial asset is recognized at its fair value and the difference between the two amounts is recognized through profit or loss.

### Measurement

Financial assets measured at fair value through profit or loss are measured at fair value following initial recognition. The effects of the application of this treatment are recognized through profit or loss.

For financial instruments listed on active markets, the fair value of financial assets or liabilities is determined on the basis of the official prices at the reporting date. For financial instruments that are not listed on active markets, including equity instruments, fair value is determined using valuation techniques and observable market data, such as: the price of listed instruments with similar features, calculation of discounted cash flows, option pricing models and prices registered in recent similar transactions.

With specific regard to equity instruments not listed on an active market, cost is used as an estimate for fair value only in rare cases in a limited number of circumstances, i.e. where cost represents the best estimate of fair value among a wide range of fair values, making cost the most significant value, or in cases in which the valuation techniques referred to above are not applicable.

For more information on the determination of fair value, please see section A.4 "Fair value disclosures" of Part A of the notes to the financial statements.

### Derecognition

Financial assets measured at fair value through profit or loss are derecognized when the contractual rights to the cash flows expire, are extinguished or a disposal transfers all the risks and rewards connected with ownership to a third party. Conversely, when a prevalent share of the risks and rewards associated with ownership of the financial asset are retained, the asset continues to be recognized even if legal title has been transferred.

Where it is not possible to ascertain whether substantially all the risks and rewards of ownership have been transferred, financial assets are derecognized when no form of control over the instrument has been retained. Conversely, if the Bank retains even a portion of control, the asset continues to be recognized to the extent of the continuing involvement, measured by exposure to changes in the value of the assets transferred and to changes in the related cash flows.

Finally, financial assets sold are derecognized in the event in which the contractual rights to receive the related cash flows are retained with the simultaneous assumption of an obligation to pay such flows, and only such flows, to third parties.

### Recognition of income components

The results of the measurement of financial assets held for trading are recognized through profit or loss under "Net gain (loss) on trading activities". The results of the measurement of financial assets designated as at fair value and of those mandatorily measured at fair value are instead recognized under " Net gain (loss) of other financial assets and liabilities measured at fair value through profit or loss", respectively under sub-items "a) financial assets and liabilities designated as at fair value" and "b) other financial assets mandatorily measured at fair value. Dividends from equity instruments held for trading are recognized through profit or loss under "Dividends and similar income" when the right to receive payment is established.

## 2 - Financial assets measured at fair value through other comprehensive income

### Classification

This category includes financial assets held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets (the HTCS business model) and the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (i.e. they pass the SPPI test).

The category also includes capital instruments not held for trading for which the option envisaged under IFRS 9 was exercised at the time of initial recognition to designate them as held at fair value through other comprehensive income with no recycling to profit or loss of any gains or losses on disposal.

Specifically, the item includes:

- loans and debt securities held with a "hold to collect and sell" business model that pass the SPPI test;
- equity interests - that do not represent an interest in subsidiaries, associates or joint arrangements – not held for trading for which the option was exercised at the time of initial recognition to designate them as held at fair value through other comprehensive income. This includes equity investments intended to strengthen the Group's commercial presence and extend its reach into business areas in which it is not present. Similarly, this option is exercised for equity instruments that have been acquired for strategic and institutional purposes and are therefore held with no intention of selling them in the short term, representing instead a medium/long-term investment.

In accordance with the provisions of IFRS 9, reclassifications are only allowed following a modification of the business model. Such changes are expected to be very infrequent and are determined by the entity's senior management (as identified pursuant to IAS 24) as a result of external or internal changes and must be significant to the Group's operations and demonstrable to external parties. This occurs, for example, when the entity has acquired, disposed of or terminated a business line.

The transfer value is represented by the fair value at the time of the reclassification, which takes place prospectively starting from that date. In this case, the effective interest rate is redetermined based on the fair value of the reclassified financial asset at the time of the change and that moment is considered to be the initial recognition date for the purpose of verifying a significant increase in credit risk. In the event of the reclassification of financial assets measured at fair value through other comprehensive income to the category of financial assets measured at amortized cost, the cumulative gain or loss previously recognized in other comprehensive income is removed from equity and adjusted against the fair value of the financial asset at the reclassification date. In the event of reclassification to financial assets measured at fair value through profit or loss, the cumulative gain or loss previously recognized in other comprehensive income is recognized though profit or loss.

### Recognition

Financial assets measured at fair value through other comprehensive income are initially recognized at the settlement date for debt or equity securities and at the disbursement date for loans.

Financial assets are initially recognized at fair value, which is generally the amount paid or received. Where the price is different from the fair value, the financial asset is recognized at its fair value and the difference between the two amounts is recognized through profit or loss. The initial recognition value includes direct transaction costs or revenue determinable at the recognition date, even if settled at a later time.

### Measurement

Following initial recognition, financial assets measured at fair value through other comprehensive income, other than equity instruments, are measured at fair value, with the value corresponding to the amortized cost recognized in the income statement. Gains and losses from changes in the fair value are recognized in a special equity reserve until the asset is derecognized or they incur an impairment loss. Upon disposal or the recognition of an impairment loss, the cumulative gain or loss recognized in the equity reserve is reversed to profit or loss.

Equity instruments classified in this category under the option provided for by IFRS 9 are measured at fair value through other comprehensive income. Unlike other instruments classified here, however, those amounts are not subsequently transferred to profit or loss, even if the instruments are sold (no recycling). Accordingly, the only element associated with the equity instruments recognized through profit or loss is any associated dividends.

Fair value is determined using the criteria adopted for financial assets measured at fair value through profit or loss.

Financial assets measured at fair value through other comprehensive income represented by debt securities are assessed for any significant increase in credit risk (impairment) like assets measured at amortized cost, with the consequent recognition through profit or loss of a provision to cover expected loss. More specifically, if at the measurement date no significant increase in credit risk is found compared with the date of initial recognition (stage 1), the 12-month expected loss is recognized. Conversely, the lifetime expected loss is recognized for instruments whose credit risk has increased significantly since initial recognition (stage 2) and for impaired exposures (stage 3). Equity instruments do not undergo lifetime impairment testing, i.e. calculated over the entire residual life of the financial asset. Equity securities do not undergo impairment testing.

### Derecognition

Financial assets measured at fair value through other comprehensive income are derecognized when the contractual rights to the cash flows expire/are extinguished or a disposal transfers all the risks and rewards connected with ownership to a third party. Conversely, when a prevalent share of the risks and rewards associated with ownership of the financial asset are retained, the asset continues to be recognized even if legal title has been transferred.

Where it is not possible to ascertain whether substantially all the risks and rewards of ownership have been transferred, financial assets are derecognized when no form of control over the instrument has been retained. Conversely, if the Bank retains even a portion of control, the asset continues to be recognized to the extent of the continuing involvement, measured by exposure to changes in the value of the assets transferred and to changes in the related cash flows.

Financial assets sold are derecognized in the event in which the contractual rights to receive the related cash flows are retained with the simultaneous assumption of an obligation to pay such flows, and only such flows, to other third parties.

### Recognition of income components

Gains and losses from changes in fair value are recognized in a specific equity reserve until the asset is derecognized. The equity reserve representing the cumulative changes in the fair value of equity instruments for which the option to irrevocably designate the instrument as at fair value through other comprehensive income was exercised is not reversed through profit or loss even when the asset is derecognized, while dividends in respect of such instruments are recognized through profit or loss.

Interest calculated on debt instruments using the effective interest method, which takes account of both the amortization of transaction costs and the differential between the initial value and the repayment value, are recognized under “Interest and similar income”.

Writedowns and writebacks for credit risk and the recognition of an impairment loss are recognized under the item “Net losses/recoveries for credit risk in respect of financial assets measured at fair value through other comprehensive income”, with a corresponding adjustment of the relevant valuation reserve in equity.

Cumulative gains and losses recognized in other comprehensive income are recognized through profit or loss under item 100 “Gain (loss) on disposal of financial assets measured at fair value through other comprehensive income” on the disposal of the asset.

Dividends on an equity instrument are recognized through profit or loss when the right to receive payment is established.

## 3 - Financial assets measured at amortized cost

### Classification

This category comprises financial assets such as loans and debt securities held within a business model whose objective is achieved by collecting contractual cash flows on a financial asset ("hold to collect" business model) that are solely payments of principal and interest on the principal amount outstanding (i.e. they pass the SPPI test).

Specifically, this category includes credit exposures to banks (including the central bank) and to customers that, regardless of technical form (bonds, loans, credit lines and deposits), meet the requirements indicated above.

In accordance with the provisions of IFRS 9, reclassifications are allowed only following a modification of the business model. Such changes are expected to be very infrequent and are determined by the entity's senior management (as identified pursuant to IAS 24) as a result of external or internal changes and must be significant to the Group's operations and demonstrable to external parties. This occurs, for example, when a relevant activity is begun or terminated after the entity has acquired, disposed of or terminated a business line.

The transfer value is represented by the fair value at the time of the reclassification, which takes place prospectively starting from that date. In this case, the effective interest rate is redetermined based on the fair value of the reclassified financial asset at the time of the change and that moment is considered to be the initial recognition date for the purpose of verifying a significant increase in credit risk. In the event of the reclassification of financial assets measured at amortized cost to the category of financial assets measured at fair value through other comprehensive income, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in other comprehensive income. In the event of reclassification to financial assets measured at fair value through profit or loss, the gain or loss is recognized though profit or loss.

### Recognition

Financial assets are initially recognized at the settlement date for debt securities and at the disbursement date for loans. The initial amount recognized is equal to the amount disbursed or subscription price, including costs and revenue directly attributable to the transaction and determinable from the inception of the transaction, even if settled at a later time. The initially recognized amount does not include costs to be reimbursed by the debtor or that can be characterized as normal administrative overhead costs.

The initial recognition amount of loans disbursed at non-market conditions is equal to the fair value of the loans, determined using valuation techniques. The difference between the fair value and the amount disbursed or the subscription price is recognized through profit or loss.

Securities repurchase transactions are recognized as funding or lending transactions. Transactions involving a spot sale and a forward repurchase are recognized as payables in the amount received spot, while those involving a spot purchase and a forward sale are recognized as receivables in the amount paid spot.

Transactions with banks through correspondent accounts are recognized at the time of settlement and, therefore, these accounts are adjusted for all non-liquid items regarding bills and documents received or sent registered as 'subject to collection' or after actual collection.

Where, in the event of unusual circumstances, the assets are recognized in this category following reclassification form financial assets available for sale or from financial assets held for trading, the fair value of the assets at the date of reclassification shall be deemed to be the new amortized cost of the assets.

### Measurement

Subsequent to initial recognition, financial assets are measured at amortized cost, using the effective interest rate method. The amortized cost equals the amount at which a financial asset is measured at initial recognition decreased by principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount, minus any reduction (directly or through the use of a provision) due to impairment or non-recoverability.

In certain cases, a financial asset may be considered impaired at initial recognition because its credit risk is very high and, in the case of a purchase, is acquired at a large discount to its value at initial issue.

Amortized cost is not used for very-short-term loans, loans without a specified maturity or revocable loans, for which the impact of this method can be considered not material. These positions are measured at cost.

The measurement effects strictly consider the three different credit risk stages provided for in IFRS 9. The stages can be summarized as follows:

- stage 1 and 2 including performing financial assets;
- stage 3 including impaired financial assets.

With regard to the presentation of measurement effects in the accounts, value adjustments of this type of asset are recognized through profit or loss:

- at the time of initial recognition in an amount equal to 12-month expected credit losses;
- at the time of subsequent measurement of the asset where credit risk has not increased significantly since initial recognition in an amount equal to the change in the loss allowance for 12-month expected credit losses (stage 1);
- at the time of subsequent measurement of the asset where credit risk has increased significantly since initial recognition in an amount equal to the loss allowance for lifetime expected credit losses (stage 2);
- at the time of subsequent measurement of the asset where credit risk has increased significantly since initial recognition but the increase is no longer "significant" in an amount equal to the adjustment of the cumulative loss allowances to take account of the transition from lifetime expected credit losses to 12-month expected credit losses (return to stage 1).

Financial assets recognized in this category are tested for impairment periodically and in any event at the close of each reporting period in order to determine any value adjustments to be recognized at the level of individual loans (or tranches of a security) as a function of the risk parameters represented by Probability of Default (PD), Loss Given Default (LGD) and Exposure At Default (EAD), appropriately modeled to take account of the provisions of IFRS 9. The amount of the value adjustment recognized through profit or loss therefore takes into consideration so-called forward-looking information and possible alternative recovery scenarios. If, in addition to a significant increase in credit risk, financial assets show objective evidence of impairment, the amount of the loss is measured as the difference between the carrying amount of the assets (classified as "impaired") and the present value of estimated future cash flows, discounted at the original effective interest rate of the financial assets. The assessment of the impairment loss and the consequent amount to be recognized in profit or loss is conducted on an individual basis or determined by creating groups of positions with a uniform risk profile.

Non-performing loans, unlikely-to-pay positions, restructured exposures and past-due or over-limit exposures are considered impaired in accordance with the applicable rules of the Bank of Italy, consistent with the IAS/IFRS and European supervisory regulations (stage 3).

Measurement of the financial assets takes account of the best estimate of expected future cash flows in respect of principal and interest payments. Also taken into consideration is the realizable value of any guarantees excluding recovery costs, recovery times estimated based on contractual maturities, if any, and on reasonable estimates in the absence of contractual provisions, and the discount rate, which is the original effective interest rate. For impaired positions at the transition date, where determining this figure would be excessively burdensome, the Bank has adopted reasonable estimates, such as the average rate of loans for the year in which the loan was first classified as a bad debt, or the restructuring rate.

If the reasons for the impairment should cease to obtain following an event that occurred subsequent to the recognition of the impairment loss, a writeback is taken to profit or loss. The value of the financial asset after the writeback shall not exceed the amortized cost that the instrument would have had in the absence of the prior writedown. See the section on procedures for determining impairment for more information.

Where these financial assets are classified as measured at amortized cost or at fair value through other comprehensive income, they are classified as "purchased or originated credit impaired" ("POCI") and receive special treatment in terms of impairment, with the recognition of lifetime expected credit losses. In addition, the credit-adjusted effective interest rate is calculated for financial assets identified as POCIs at initial recognition. This rate reflects initial expected losses in estimating cash flows. In using amortized cost method, and the consequent calculation of interest, therefore, this credit-adjusted effective interest rate is therefore used.

### Derecognition

Financial assets measured at fair value through other comprehensive income are derecognized when the contractual rights to the cash flows expire/are extinguished or a disposal transfers all the risks and rewards connected with ownership to a third party. Conversely, when a prevalent share of the risks and rewards associated with ownership of the financial asset are retained, the asset continues to be recognized even if legal title has been transferred.

Where it is not possible to determine whether substantially all the risks and rewards have been transferred, the financial assets are derecognized if no form of control over it is retained. Conversely, where even a portion of control is retained, the asset continues to be recognized to the extent of the continuing involvement in the asset, measured by the exposure to changes in value of the transferred assets and changes in their cash flows.

Transferred financial assets are derecognized in the event in which the contractual rights to receive the related cash flows are retained with the simultaneous assumption of an obligation to pay such flows, and only such flows, to other third parties.

In certain cases, during the course of the life of financial assets, in particular loans, the terms of the contract may be modified from those in force at the time of initial recognition. In these circumstances, the modified terms must be analyzed to determine whether the original assets can continue to be recognized or must instead be derecognized, with the consequent recognition of new modified financial assets. In general, modifications of contractual terms lead to the derecognition of the financial asset and the recognition of a new asset when they are considered to be “substantial”, with the recognition in profit or loss of any difference in carrying amounts.

In conducting this assessment, qualitative judgments are called for. To this end, the assessment shall consider:

- the reasons for the modifications, distinguishing, for example, between renegotiations carried out for commercial reasons or in response to the counterparty’s financial difficulties:
    - transactions carried out with performing counterparties for reasons other than debtor’s financial difficulties, and therefore not related to a change in the creditworthiness of the borrower, are considered commercial renegotiations, which have the main objective of adjusting the cost of credit to market conditions. These cases include all renegotiations aimed at maintaining the commercial relationship with the client, and are therefore carried out with the aim of retaining the counterparty, who might otherwise turn to another bank. In this case, these modifications are considered substantial because if they did not occur, the customer could turn to another financial institution, thus causing the bank to lose future revenue;
    - transactions whose objective is to maximize the recoverable amount of the loan are considered renegotiations due to financial difficulties of the counterparty, with the creditor therefore willing to accept a restructuring of the debt on terms potentially favorable to the debtor. In these circumstances, it is generally assumed that there has essentially been no extinguishment of the original cash flows that would therefore require derecognition of the original loan. Consequently, these types of renegotiation represent the majority of cases presented in the financial statements through “modification accounting”, in which the difference between the carrying amount and the recalculated value of the financial asset is recognized in profit or loss by discounting the renegotiated or modified cash flows at the original effective interest rate;
- the presence of specific objective elements that substantially modify the characteristics and/or cash flows of the financial instrument, such that they would entail the derecognition of the instrument and the consequent recognition of a new financial asset. This includes, for example, the introduction of new contractual terms that would cause the asset to fail the SPPI test or a change in the denomination of the currency of the instrument, as the entity would be exposed to a new risk.

### Recognition of income components

Interest on financial assets measured at amortized cost is recognized under “Interest and similar income” in the income statement using the effective interest criterion, which takes account of both the amortization of transaction costs and the differential between the initial value and the repayment value.

Gains or losses on the financial assets in question are recognized in profit or loss when the assets are derecognized or have incurred an impairment loss.

More specifically, gains or losses deriving from the sale of an asset are, as previously noted, recognized in the income statement under the item “Gain (loss) on the disposal or repurchase of: a) financial assets measured at amortized cost” on the disposal of the asset.

Writedowns and writebacks for credit risk are recognized under “Net losses/recoveries for credit risk in respect of: a) financial assets measured at amortized cost”, with a corresponding adjustment of the relevant provision.

## 4 – Hedging

The Iccrea Cooperative Banking Group has elected to exercise the option to continue to apply the rules provided for in IAS 39 governing hedge accounting for each type of hedge (the “opt-out” option).

### Classification

Risk hedging transactions are intended to neutralize the potential losses recognized on a given element or group of elements attributable to a given risk in the event that risk should actually be realized.

The types of hedges permitted under IAS 39 are as follows:

- fair value hedges, which are intended to hedge the exposure to the risk of changes in the fair value (due to the various types of risk) of assets and liabilities or portions of assets and liabilities, groups of assets and liabilities, irrevocable commitments and portfolios of financial assets and liabilities as permitted under IAS 39 as endorsed by the European Commission;
- cash flow hedges are intended to hedge the exposure to the risk of changes in the future cash flows on recognized assets or liabilities or on highly probable forecast transactions. This type of hedge is essentially used to stabilize interest flows on variable-rate funding to the degree that the latter finances fixed-rate lending. In some circumstances, analogous transactions are carried out for certain types of variable-rate lending.

Only instruments that involve a non-Group counterparty can be designated as hedging instruments.

The items “hedging derivatives” among assets and liabilities include the positive and negative values of derivatives that establish effective hedging relationships.

### Recognition

Hedging derivatives and the hedged financial assets and liabilities are reported in accordance with hedge accounting rules. In particular, derivative instruments with a positive fair value are recognized under “Hedging derivatives” on the asset side of the balance sheet, while derivatives with a negative fair value at the reporting date are recognized under “Hedging derivatives” on the liability side of the balance sheet.

### Measurement and recognition of income components

Hedging derivatives are measured at fair value. More specifically:

- in the case of fair value hedges, the change in the fair value due to the risk on the hedged item has a corresponding impact on the income statement, where the change in the fair value of the hedging instrument is recognized. Any difference between the two changes, which represents the partial ineffectiveness of the hedge, represents the net impact in profit or loss;
- in the case of cash flow hedges, changes in the fair value of the derivative are recognized in a specific equity reserve in the amount of the effective portion of the hedge and in profit or loss in the amount of the ineffective or overhedging portion. The reserve is reclassified to profit or loss only when the cash flows on the hedged item whose variability is being hedged manifest themselves or in the event the hedging relationship is discontinued in the manner specified for the circumstance that prompted the interruption of the hedge.

The derivative is designated as a hedging instrument where there is formal documentation of the relationship between the hedged item and the hedging instrument and if it the hedge is effective at the moment of inception and throughout its life.

The effectiveness of a hedge depends on the extent to which changes in the fair value of the hedged item or the associated cash flows are offset by those of the hedging instrument. Accordingly, effectiveness is quantified on the basis of the comparison of those changes, taking account of the intentions of the entity at the time the hedge is established.

A hedge is deemed effective when the changes in fair value (or in cash flows) of the hedging instrument nearly entirely offset (i.e. within a range of 80-125%) changes in the hedged instrument for the risk factor being hedged.

Effectiveness is measured at every reporting date through:

- prospective tests, which justify the use of hedging accounting, as they demonstrate the hedge's expected effectiveness;
- retrospective tests, which indicate the level of effectiveness of the hedge achieved in the period under review, measuring the difference between actual results and theoretical results (perfect hedges).

If the tests do not confirm the effectiveness of the hedge, hedge accounting is discontinued in accordance with the above criteria, the hedging derivative is reclassified as a trading instrument or extinguished early and the hedged financial instrument is measured using the criteria normally adopted for instruments of its category. Subsequent changes in the fair value of the derivative are recognized through profit or loss. For cash flow hedges, when it becomes certain that the hedged transaction will no longer be carried out, the cumulative gain or loss recognized in the equity reserve is reversed through profit or loss.

The changes in the fair value of the hedged instruments and those used to hedge a fair value hedge transaction are recognized in the income statement under "Net gain (loss) on hedging activities". The ineffective or overhedging portion of the cash flow hedging derivative measured with respect to the hypothetical derivative (hedge ineffectiveness) is also recognized under this item.

## 5 – Equity investments

### Classification

The item includes equity investments in subsidiaries, associates and joint ventures. Immaterial entities[29] are not consolidated. Their exclusion from the scope of consolidation does not have a significant impact on Group equity.

Subsidiaries are those entities over which the investor has the power to direct the relevant activities as a result of a legal right or a mere situation of fact and is exposed to the variable returns resulting from that power.

Pursuant to IFRS 10, the control requirement is met when an investor simultaneously has:

- the power to direct the relevant activities of the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee;
- has the ability to use its power over the investee to affect the amount of its returns (link between power and returns).

Joint control is the contractually agreed sharing of control of an arrangement.

Associated companies comprise companies in which the Group holds, either directly or indirectly, at least 20% of the voting rights or, independently of the proportion of voting rights, companies over which the Group exercises a significant influence, which is defined as the power to participate in determining financial and operating policies, but without exercising either control or joint control.

Equity interests in subsidiaries, joint ventures and associates held for sale are reported separately in the financial statements as a disposal group and are measured at the lower of the carrying amount and the fair value excluding disposal costs.

[29] The scope of consolidation does not include subsidiaries with total assets of less than €10 million, subject to the condition that the total assets of all unconsolidated subsidiaries do not exceed €50 million.

### Recognition

Equity investments are initially recognized at cost at the settlement date including costs and revenue that are directly attributable to the transaction.

### Measurement

Investments in subsidiaries are measured at cost, while investments in associates or joint ventures are measured using the equity method (for more details, see Section 3 – Scope and methods of consolidation in Part A Accounting policies: A.1 – General information). Where there is evidence that the value of an equity investment may be impaired, its recoverable amount is determined, taking account of both its market value and the present value of future cash flows. If this value is lower than the carrying amount, the difference is recognized through profit or loss as an impairment loss.

### Impairment testing of equity investments

As required by the accounting standards referred to earlier and by IAS 36, if there is evidence (triggers) of possible impairment, equity investments undergo impairment testing to determine whether there is objective evidence that the carrying amount of such assets is not fully recoverable and to determine the amount of any writedown.

Impairment indicators are essentially divided into two categories:

- qualitative indicators, such as the posting of losses or in any case a significant divergence with respect to budget targets or the objectives set out in the long-term plans announced to investors, the announcement/start of composition with creditors or restructuring plans, and the downgrading of the rating issued by a specialist agency;
- quantitative indicators consisting of a reduction in fair value below the carrying amount of over 30%, or for a period of more than 24 months, or a carrying amount for the equity investment in the separate financial statements greater than the carrying amount in the consolidated financial statements of the company's net assets and goodwill, or the distribution by the latter of a dividend greater than its comprehensive income.

In the presence of evidence of impairment, the size of any writedown is determined on the basis of the difference between the carrying amount and the recoverable amount, which is equal to the greater of fair value less costs to sell and the value in use.

### Derecognition

Control, joint control and significant influence cease in cases in which the power to determine financial and operating policies of the company is removed from the governance bodies of the company and transferred to a governmental body, a court and in similar cases. The equity investment in these cases is subject to the treatment of IFRS 9, as provided for financial instruments.

Equity investments are derecognized when the contractual rights to the cash flows from the assets expire or when substantially all the risks and rewards connected with ownership of the equity investment are transferred.

### Recognition of income components

Dividends received from equity investments are recognized in the income statement under "Dividends and similar income" when the right to receive payment is established.

Impairment losses on equity investments are recognized in the income statement under the item "Profit (loss) from equity investments". If the reasons for the impairment loss should be removed following an event occurring after the recognition of the impairment loss, the consequent writebacks are recognized in the income statement (in an amount not exceeding the previous writedowns) under the same item.

The recognition of the income effects in respect of equity investments accounted for using the equity method is discussed in Section 3 – Scope and methods of consolidation in Part A Accounting policies: A.1 – General information.

## 6 - Property, plant and equipment

### Classification

Property, plant and equipment includes land and buildings used in operations and those held for investment purposes, plant, vehicles, furniture, furnishings and equipment of any kind.

According to IAS 16, buildings used in operations are those held for use in the supply of services or for administrative purposes. Pursuant to IAS 40, investment property includes property held to earn rentals or for capital appreciation or both.

The item also includes assets in accordance with IAS 2 - Inventories, which mainly include assets deriving from the enforcement of guarantees or purchase at auction that the Group intends to sell in the near future without carrying out significant restructuring works and which do not meet the conditions for classification in the previous categories ("for use in operations" or "for investment"). This therefore includes assets acquired following the closure of an impaired credit exposure (for example from acceptance of the asset in lieu of the original performance or "datio in solutum"), from the consolidation of companies acquired as a result of loan restructuring/recovery agreements, the non-exercise of the purchase option in a finance lease or the termination of an impaired lease, etc.).

Where the requirements for the application of IFRS 5 to these assets are not met, the Group normally initially classifies the assets as inventories, subsequent measuring them in accordance with the criteria set out in IAS 2, except in rare cases in which the conditions are met for classification as:

- asset held for use in operations (see IAS 16);
- assets held for investment purposes (see IAS 40), insofar as they are held for the purpose of generating income through the receipt of lease payments or for capital appreciation.

Finally, property, plant and equipment also include the rights of use for assets held under leases (whether finance or operating leases) pursuant to IFRS 16, even though the lessor retains legal ownership of the assets.

### Recognition

Property, plant and equipment is recognized at cost, which in includes all incidental expenses directly attributable to purchasing and placing the asset in service.

Expenses subsequently incurred (e.g. extraordinary maintenance costs) increase the carrying amount of the asset or are recognized as separate assets if it is likely that the future economic benefits will exceed initial estimates and the costs can be reliability calculated.

All other subsequent expenses (e.g. ordinary maintenance costs) are recognized in the income statement in the year incurred.

Property, plant and equipment originally held as collateral for credit and acquired in recovery activities carried out on the basis of specific contracts or legal proceedings is recognized when both of the following conditions are met:

- recovery activities have been completed;
- the Group has acquired ownership of the property.

Normally these exchange transactions lack commercial substance as defined in paragraph 24 of IAS 16 and, consequently, the asset is initially recognized at the carrying amount of the asset given up.

In the rare cases where, in an exception to the general principle mentioned above, the enforcement operation has commercial substance, the asset acquired is initially recognized at fair value.

In the case of recognition of rights of use in respect of leased assets pursuant to IFRS 16, the cost of the right-of-use asset is determined as follows:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the lessee;

- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

### Measurement

Property, plant and equipment used in operations is measured at cost less depreciation and impairment. Depreciation is determined systematically over the remaining useful life of the asset.

For assets purchased and placed in service during the year, the period of depreciation is calculated on the basis of the actual number of days the assets contributes to the production cycle. For assets transferred and/or disposed of during the year, depreciation is calculated on a daily basis up to the date of transfer or disposal.

The depreciable value is represented by the cost of the assets since the residual value at the end of the depreciation process is considered negligible. Buildings are depreciated at a rate of 3% per year, deemed to appropriately represent the deterioration of the assets over time from their use, taking into account extraordinary maintenance costs, which increase the value of the asset. Land, whether purchased individually or incorporated into the value of a building, is not depreciated.

In accordance with the provisions of paragraph 32a) of IAS 40, investment property as defined in IAS 40 is valued using the cost model and is depreciated, with the exception of properties deriving from the consolidation of real estate investment funds, which are measured at fair value since they are connected with liabilities that produce a return directly linked to the fair value of the investment property.

Assets classified as inventory are measured at the lower of recognition cost and net realizable value and are not depreciated. The net realizable value is equal to the estimated price for sale in the normal course of business, net of the estimated completion costs and those necessary for the sale of the asset.

Following initial recognition, assets acquired through recovery or enforcement of guarantees in debt collection activities carried out by the Group for impaired loans are measured in accordance with the criteria established for the classification adopted (for use in operations, for investment purposes, inventories).

Right-of-use assets determined in compliance with IFRS 16 are subsequently measured using a cost model, less depreciation and impairment losses, in accordance with IAS 16.

### Derecognition

Property, plant and equipment is derecognized when disposed of or when permanently withdrawn from use and no future benefits are expected from its disposal.

### Recognition of income components

Depreciation of property, plant and equipment measured at cost, with the exception of inventories, is recognized through profit or loss under “Net adjustments of property, plant and equipment”.

In the first year, depreciation is recognized in proportion to the period the asset is effectively available for use. For assets sold or otherwise disposed of during the year, depreciation is calculated on a daily basis up to the date of transfer and/or disposal.

If there is evidence of possible impairment of the asset, the asset’s carrying amount is compared against its recoverable amount, which is equal to the greater of the value in use of the asset, meaning the present value of future cash flows originated by the asset and its fair value, net of any disposal costs. Any negative difference between the carrying amount and the recoverable amount is recognized in the income statement. If the reasons for the impairment should cease to obtain, a writeback is recognized in the income statement. The carrying amount following the writeback shall not exceed the value that the asset would have had, net of depreciation, in the absence of the prior writedowns.

Gains (losses) deriving from changes in the fair value of investments deriving from the consolidation of real estate investment funds are recognized in the income statement under “Net gain (loss) from valuation at fair value of property, plant and equipment and intangible assets”.

Gains and losses deriving from the disposal or decommissioning of property, plant and equipment are determined as the difference between the net sale price and the carrying amount of the asset. They are recognized in profit and loss at the same date on which the assets are derecognized, under the item "Profit (loss) from the disposal of investments".

## 7 - Intangible assets

### Classification

Intangible assets are recognized as such if they are identifiable and are based on legal or contractual rights. They include application software.

Right-of-use assets have not been recognized in respect of leases involving intangible assets as such recognition is optional under IFRS 16.

### Recognition

Intangible assets are recognized at cost, adjusted for any incidental expenses, only if it is probable that the future economic benefits attributable to the asset will be realized and if the cost of the asset can be reliably determined. Otherwise, the cost of the intangible asset is recognized in profit or loss in the period in which it is incurred.

Recognition of intangible assets generated internally, and software in particular, is subject to verification of the above conditions and distinguishing between the research activities and development activities carried out to produce the asset. Costs associated with research cannot be capitalized, as the generation of probable future economic benefits cannot be demonstrated.

Intangible assets can be recognized in respect of goodwill arising from business combinations (purchases of business units). This goodwill is recognized in an amount equal to the positive difference between the purchase price of the business combination (the consideration transferred) and the fair value of the assets and liabilities acquired if that positive difference represents future economic benefits. Goodwill in respect of business combinations carried out prior to the date of transition to the IFRS are measured on a cost basis and represent the same value as that given using Italian GAAP.

### Measurement

After initial recognition, intangible assets with a finite useful life are recognized at cost, net of total amortization and accumulated impairment losses. Amortization begins when the asset becomes available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended and ceases when the asset is derecognized. Intangible assets are amortized on a straight-line basis, so as to reflect the long-term use of the asset over its estimated useful life, which for application software does not exceed 5 years.

Goodwill is not amortized and is tested for impairment at the reporting date.

### Derecognition

Intangible assets are derecognized upon disposal or when no future economic benefits are expected to be generated by the use or disposal of the asset.

### Recognition of income components

Amortization is recognized through profit or loss under "Net adjustments of intangible assets", as are impairment losses. If the reasons for the impairment of intangible assets other than goodwill should cease to obtain, a writeback is recognized in profit or loss. The value of the asset after the writeback shall not exceed the value that the asset would have had, net of amortization, in the absence of the prior writedowns for impairment.

Writedowns of goodwill are recognized in the income statement under "Writedowns of goodwill". Goodwill previously written down may not be written back.

Gains and losses from the disposal or other transfer of an intangible asset are determined as the difference between the net sale price and the carrying amount of the asset and recognized in the income statement under the item "Profit (Loss) from disposal of investments.

## 8 - Non-current assets and liabilities and disposal groups held for sale

### Classification

Non-current assets and disposal groups, including associated liabilities, are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is met only when their sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. The Group must be committed to the sale, which must be expected to be completed within one year of classification as held for sale.

Properties obtained through the enforcement of guarantees are classified under this item when the following conditions are met:

- the asset is available for immediate sale in its present condition, subject to terms that are usual and customary for sales of such assets;
- the sale is highly probable. In particular, the appropriate level of management must be committed to a plan to sell the asset, and an active program to locate a buyer and complete the plan must have been initiated. Further, the asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value. Finally, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification, except as permitted by IFRS 5, and actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

### Recognition

Non-current assets and disposal groups held for sale are valued at the lower of their carrying amount and their fair value less costs to sell, with the exception of assets for which IFRS 5 requires measurement in accordance with the applicable IFRSs (e.g. financial assets within the scope of IFRS 9).

### Measurement and recognition of income components

Following initial recognition in this category, the assets are measured at the lower of their carrying amount and their fair value less costs to sell, with the exception of assets that IFRS 5 requires be measured using the provisions of the relevant accounting standard (for example, financial assets within the scope of IFRS 9). If the assets held for sale can be depreciated, any such depreciation ceases upon classification to non-current assets held for sale. Non-current assets and disposal groups held for sale, as well as "discontinued operations", and the associated liabilities are reported under specific items of assets ("Non-current assets and disposal groups held for sale") and liabilities ("Liabilities associated with disposal groups held for sale").

The results of the measurement, income, expenses and gains/losses upon disposal (net of any tax effect), of "discontinued operations" are recognized in the income statement under "Profit (loss) after tax of discontinued operations". Gains and losses associated with individual assets held for sale are recognized under the most appropriate item of the income statement.

### Derecognition

Non-current assets and disposal groups held for sale are derecognized upon disposal.

## 9 - Current and deferred taxation

### Classification

Income taxes, which are calculated on the basis of national tax law, are accounted for as a cost on an accruals basis, in line with the recognition of the costs and revenue that gave rise to the tax liability. They therefore represent the balance of current taxes and deferred taxes in respect of income for the year. Current tax assets and liabilities report the net tax positions of the Group companies in respect of Italian and foreign tax authorities. More specifically, they report the net balance between current tax liabilities for the year, calculated on the basis of a prudent estimate of the tax liability for the period, as determined on the basis of applicable tax law, and current tax assets represented by payments on account and other tax receivables for withholding tax incurred or other tax credits for previous years which the Group companies opted to offset against taxes for subsequent years. Current tax assets also report tax receivables for which the Group companies have requested reimbursement from the competent tax authorities.

While taking account of the adoption of the national consolidated taxation mechanism by the companies forming part of the "direct scope" of the Group (the former Iccrea Banking Group), the tax positions of each Group company are managed separately for administrative purposes.

Deferred taxation is determined using the balance sheet liability method, taking account of the tax effect of temporary differences between the carrying amount of assets and liabilities and their value for tax purposes, which will give rise to taxable or deductible amounts in future periods. To that end, "taxable temporary differences" are those that in future periods will give rise to taxable amounts and "deductible temporary differences" are those that in future periods will give rise to deductible amounts. Deferred taxes are recognized on all taxable temporary differences, with the following exceptions: i) deferred tax liabilities arising from the initial recognition of goodwill or ii) an asset or liability in a transaction that does not represent a business combination and, at the time of the transaction, does not affect either the balance sheet or the tax situation.

Deferred tax assets are recognized against all deductible temporary differences, tax receivables and unused tax losses that can be carried forward, insofar as it is probable that sufficient future taxable income will be available to allow the use of the deductible temporary differences and the tax receivables and losses carried forward, except for cases in which the deferred tax asset related to deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that does not represent a business combination and, at the time of the transaction, does not affect either the balance sheet or the tax situation.

Deferred tax is calculated by applying the tax rates established in applicable tax law, laws already issued or substantially in force at the reporting date that are expected to be applied during the year in which those assets are realized or those assets are extinguished to taxable temporary differences for which it is likely that a tax charge will be incurred and to deductible temporary differences for which it is reasonable certain there were be future taxable income at the time they become deductible (the probability test).

Current tax assets and liabilities and deferred tax assets and liabilities are offset in the financial statements if, and only if, they relate to income taxes applied by the same taxation authority and there is a legally enforceable right to set off tax assets.

**Recognition and measurement**

Where the deferred tax assets and liabilities regard items that impact profit or loss, that effect is recognized under income taxes.

In cases where the deferred tax assets and liabilities regard transactions that directly impact equity with no effect on profit or loss (such as adjustments on first-time adoption of the IAS/IFRS, measurement of financial instruments measured at fair value through other comprehensive income or cash flow hedge derivatives), they are recognized in equity, under specific reserves where required (i.e. the valuation reserves).

The potential taxation in respect of items on which taxation has been suspended that will be "taxed in the event of any use" is recognized as a reduction in equity. Deferred taxes in respect of revaluations prompted by conversion of amounts to the euro that were directly allocated to a specific reserve under Article 21 of Legislative Decree 213/98 on a tax-suspended basis are recognized as a reduction of that reserve. The potential taxation in respect of items that will be taxed "only in the event of distribution" is not recognized as the amount of available reserves that have already been taxes is sufficient to conclude that no transactions will be carried out that would involve their taxation.

Deferred taxation in respect of companies participating in the consolidated taxation mechanism is recognized in their financial statements on an accruals basis in view of the fact that the consolidated taxation mechanism is limited to settlement of current tax positions.

The potential taxation of components of the equity of the consolidated companies is not recognized where the circumstances that would give rise to their taxation are not considered likely to arise, taking due consideration of the lasting nature of the investment.

The value of deferred tax assets and liabilities is reviewed periodically to take account of any changes in legislation or in tax rates.

### Recognition of income components

Income taxes are recognized through profit or loss, with the exception of those debited or credited directly to equity. Current income taxes are calculated based on taxable income for the period.

In determining income taxes, any uncertainties over tax treatments are taken into account, in accordance with the provisions of IFRIC 23.

Current tax payables and receivables are recognized at the value that payment to or recovery from the tax authorities is expected by applying current tax rates and regulations. Deferred income tax assets and liabilities are calculated, using expected tax rates, on the basis of temporary differences between the value attributed to the assets and liabilities in the financial statements and the corresponding values recognized for tax purposes.

### Derecognition

Deferred tax assets and deferred tax liabilities are derecognized in the period in which:

- the temporary difference that originated them becomes taxable for deferred tax liabilities or deductible for deferred tax assets;
- the temporary difference that originated them is no longer relevant for tax purposes;
- for deferred tax assets only, the probability test envisaged by IAS 12 indicates that sufficient future taxable income will not be available.

## 10 - Provisions for risks and charges

### *Provisions for commitments and guarantees issued*

This sub-item reports provisions estimated in respect of the credit risk on commitments to disburse funds and guarantees issued, which fall within the scope of application of the rules for calculating expected losses in accordance with IFRS 9. In principle, these cases use the same methods for allocation to the three risk stages and the calculation of expected losses that are adopted for financial assets measured at amortized cost or at fair value through other comprehensive income.

This sub-item also includes are provisions for other types of commitments and guarantees issued that, on the basis of their characteristics, do not fall within the scope of application of impairment in accordance with IFRS 9.

### *Other provisions for risks and charges*

The other provisions for risks and charges include provisions for legal obligations or related to employment relationships or disputes originating from a past event for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The item also includes long-term employee benefits.

### Recognition

A provision shall be recognized if and only if:

- the entity has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

- a reliable estimate can be made of the amount of the obligation.

### Measurement and recognition of income components

The amount recognized is the best estimate of the expenditure required to settle the obligation or to transfer it to third parties at the end of the reporting period and reflects the risks and uncertainties that inevitably surround many events and circumstances.

Where the time value of money is material and the payment dates of the obligation can be estimated reliably, the provision shall be discounted at market rates as of the reporting date.

Provisions are reviewed at every reporting date and are adjusted to reflect the best estimate of the charge required to settle the obligations existing at the close of the period. The impact of the time value of money and that of changes in interest rates are reported in profit or loss under net provisions for the period.

Actuarial gains and losses are recognized immediately in profit or loss.

### Derecognition

Provisions are only used when the charges for which they were originally established are incurred. When the use of resources to fulfil the obligation is no longer deemed to be probable, the provision is reversed through profit or loss.

## 11 - Financial liabilities measured at amortized cost

### Classification

Financial liabilities measured at amortized cost include amounts due to banks, amounts due to customers and securities issued, comprising all technical forms of interbank and customer funding, repurchase agreements and funding through certificates of deposit, bonds and other funding instruments in circulation, net of any amounts repurchased.

The item also includes liabilities recognized by the lessee in respect of leases (finance or operating) pursuant to IFRS 16.

### Recognition

The liabilities are initially recognized at fair value, which is normally equal to the amounts received or the issue price, plus or minus any additional costs or revenue directly attributable to the transaction that are not reimbursed by the creditor. Internal administrative costs are excluded.

Financial liabilities issued on non-market terms are recognized at estimated fair value and the difference with respect to the amount paid or the issue price is taken to the income statement.

### Measurement and recognition of income components

Following initial recognition, these liabilities are measured at amortized cost using the effective interest rate method, excluding short-term liabilities, which are recognized in the amount received in keeping with the general principles of materiality and significance. See to the section on assets measured at amortized cost for information on the criteria for determining amortized cost.

Interest expense recognized on financial liabilities is reported under “Interest and similar expense” in the income statement.

In addition to cases of extinguishment and expiration, financial liabilities reported in these items are also derecognized when previously issued securities are repurchased. In this case, the difference between the carrying amount of the liability and the amount paid to repurchase it is recognized in the income statement under “Gain (loss) on the disposal or repurchase of: c) financial liabilities”. If the repurchased security is subsequently placed again on the market, this is treated as a new issue and is recognized at the new placement price, with no impact on the income statement.

### Derecognition

Financial liabilities are derecognized when the obligation underlying the liability is extinguished, waived or discharged. Where a financial liability is replaced with another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, this exchange or modification is treated as the derecognition of the original liability accompanied by the recognition of a new liability, with the recognition of any difference in their carrying amounts through profit or loss.

## 12 – Financial liabilities held for trading

### Classification

The item reports the negative value of trading derivatives that are not part of hedging relationships as well as the negative value of embedded derivatives to be separated from hybrid instruments representing financial liabilities. Liabilities deriving from short positions in by securities trading activities are recognized under “Financial liabilities held for trading”.

### Recognition

Debt and equity securities representing financial liabilities are initially recognized at the settlement date, while derivative contracts are recognized at the date they are signed. The financial liabilities are initially recognized at fair value, which generally equals the amount received.

In cases in which the amount paid differs from the fair value, the financial liability is recognized at fair value, and the difference between the amount paid and the fair value is recognized through profit or loss.

Derivative contracts embedded in financial liabilities or other contractual forms and which have financial and risk characteristics that are not correlated with the host instrument or which meet the requirements to be classified themselves as derivative contracts, are recognized separately among financial liabilities held for trading if their value is negative, with the exception of cases in which the compound instrument containing the derivative is entirely measured at fair value through profit or loss.

### Measurement

Subsequent to initial recognition, the financial liabilities are recognized at fair value through profit or loss. Please see Part A.4 “Fair value disclosures” of these notes to the financial statements for information on determining fair value.

### Derecognition

Financial liabilities are derecognized when the obligation underlying the liability is extinguished, waived or discharged. Where a financial liability is replaced with another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, this exchange or modification is treated as the derecognition of the original liability accompanied by the recognition of a new liability, with the recognition of any difference in their carrying amounts through profit or loss.

### Recognition of income components

Gains and losses from the measurement of and transactions in financial liabilities held for trading are recognized through profit or loss.

## 13 - Financial liabilities designated as at fair value

### Classification

This item reports financial liabilities designated as at fair value through profit or loss under the option permitted to entities in IFRS 9 (the "fair value option"). More specifically, financial liabilities may be irrevocably designated as at fair value through profit or loss if it eliminates or significantly reduces an accounting mismatch due to a measurement inconsistency or where they contain one or more embedded derivatives.

### Recognition

Financial liabilities at fair value through profit or loss are initially recognized at the issue date at their fair value, which normally corresponds to the price paid. If the price is different from the fair value, the financial liability is recognized at its fair value and the difference between the price and the fair value is recognized in the income statement.

### Measurement and recognition of income components

After initial recognition, financial liabilities reported under this item are measured at fair value in accordance with the following rules:

- if the change in fair value is attributable to a change in the credit risk of the liability, it shall be recognized in other comprehensive income (equity) and is not subsequently recycled through profit or loss;
- all other changes in fair value shall be recognized through profit or loss under "Net gain (loss) of other financial assets and liabilities measured at fair value through profit or loss: a) financial assets and liabilities designated as at fair value".

Pursuant to IFRS 9, this accounting method shall not be applied if would create or enlarge an accounting mismatch in the income statement. In this case, the gains or losses related to the liability falling under this item shall be recognized through profit or loss.

### Derecognition

Financial liabilities are derecognized when the obligation underlying the liability is extinguished, waived or discharged. Where a financial liability is replaced with another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, this exchange or modification is treated as the derecognition of the original liability accompanied by the recognition of a new liability, with the recognition of any difference in their carrying amounts through profit or loss.

## 14 - Foreign currency transactions

### Classification

In addition to those explicitly denominated in a currency other than the euro, foreign currency assets and liabilities also include those that have indexing clauses linked to the exchange rate of the euro with a specific currency or with a certain basket of currencies.

### Recognition

Transactions in a foreign currency are initially recognized in the functional currency by translating the amount in the foreign currency into the functional currency at the exchange rate prevailing on the date of the transaction.

For the purposes of translation, foreign currency assets and liabilities are divided into monetary items (classified under current items) and non-monetary items (classified under non-current items). Monetary items comprise cash and assets and liabilities to be received or paid in fixed or determinable amounts of money. Non-monetary items are characterized by the absence of a right to receive, or an obligation to deliver, a fixed or determinable amount of money.

### Measurement

At the reporting date, foreign currency items are measured as follows:

- monetary items are translated at the exchange rate prevailing at the reporting date;
- non-monetary items measured at historic cost are translated at the exchange rate prevailing at the transaction date;
- non-monetary items measured at fair value are translated using the exchange rate prevailing at the reporting date.

### Recognition of income components

Exchange rate differences relating to financial assets/liabilities other than those designated as at fair value and those mandatorily measured at fair value through profit or loss are recognized in the income statement under the item "Net gain (loss) on trading activities". Exchange rate differences relating to the two categories referred to above are recognized in under the item "Net gain (loss) of other financial assets and liabilities measured at fair value through profit or loss". In addition, if the financial asset is measured at fair value through other comprehensive income, exchange rate differences are allocated to the relevant valuation reserve.

Exchange rate differences resulting from the settlement of monetary items or from the translation of monetary items at exchange rates other than the initial translation rate, or translation of the previous financial statements, are recognized through profit or loss in the period in which they emerge.

When gains or losses relating to a non-monetary item are recognized in equity, the exchange rate difference for the item is also recognized in equity. Likewise, when a gain or less is recognized through profit or loss, the corresponding exchange rate difference is also recognized through profit or loss.

## 15 – Insurance assets and liabilities

There are no insurance undertakings in the scope of consolidation.

## 16 – Other information

### Employee termination benefits

Following the reform of supplementary pension schemes introduced by Legislative Decree 252 of December 5, 2005, changes were made to the way in which employee termination benefits are recognized. The portion of termination benefits accrued through December 31, 2006 is treated as a defined-benefit plan, since the company is required under law to pay the employee an amount determined pursuant to Article 2120 of the Italian Civil Code.

The portion of termination benefits accrued from January 1, 2007 allocated to a supplementary pension scheme or to the treasury fund managed by INPS (Italy's National Social Security Institute) are treated as a defined-contribution plan since the company's obligation towards the employee ceases upon transfer of the amounts to the fund.

Therefore, starting January 1, 2007, the Group:

- continues to recognize the obligation accrued at December 31, 2006 in accordance with the rules for defined-benefit plans, i.e. using the projected unit credit method. This means that it measures the obligation for benefits accrued by employees using actuarial techniques, projecting into the future the amount to pay at the time the employment relationship is termination and discounting the accrued portion. To this end, the projected unit credit method considers each individual service period as the originator of an additional unit of termination benefits to be used in constructing the final obligation by projecting future outflows on the basis of statistical analysis of historical developments and the demographic curve, discounting those flows using a market interest rate. Total actuarial gains and losses are recognized, in line with the provisions of IAS 19, in equity, while the interest cost component of the change in the defined benefit obligation is recognized in profit or loss;
- recognizes the obligation for portions accrued starting January 1, 2007, payable to a supplementary pension scheme or to the treasury fund managed by INPS, on the basis of the contributions owed in each period, as a defined contribution plan for employee service, in profit or loss. More specifically, in the case of

termination benefits payable to a supplementary pension scheme that treatment begins at the time of the choice or, if the employee does not exercise any option, as from July 1, 2007.

### Recognition of revenue

Revenue is recognized when realized or, in the case of the sale of goods or services, in relation to the extent to which the performance obligation has been satisfied, as specified below.

Specifically:

- interest is recognized on an accruals basis using the contractual interest rate or the effective interest rate where the amortized cost method is applied;
- default interest, if any, is recognized through profit or loss only upon receipt;
- dividends are recognized in the income statement when their distribution is authorized;
- commissions for revenue from services are recognized in relation to the effective provision of the services to a customer, as discussed in greater detail below;
- revenue from the placement of funding instruments, calculated on the basis of the difference between transaction price and the fair value of the financial instrument, are recognized in the income statement when the transaction is recognized if the fair value can be determined with reference to parameters or transactions recently observed in the same market in which the instrument is traded. If these amounts cannot be easily determined or the instrument is not highly liquid, the financial instrument is recognized in an amount equal to the transaction price, excluding the commercial margin. The difference between this amount and the fair value is taken to profit or loss over the duration of the transaction through the gradual reduction in the valuation model of the corrective factor reflecting the reduced liquidity of the instrument;
- revenue from the sale of non-financial assets are recognized at the time the performance obligation is satisfied with the transfer of the asset, i.e. when the customer obtains control of the asset.

In application of IFRS 15, the following steps are followed in recognizing revenue from contracts with customers:

- identification and analysis of the contract signed with the customer to identify the type of revenue. In some specific cases, multiple contracts may have to be combined and accounted for as a single contract;
- identification of the specific performance obligations in the contract. If the goods/services to be transferred are distinct, they qualify as performance obligations and are accounted for separately;
- determination of the transaction price, considering all the performance obligations in the contract. This price may be a fixed amount, but may sometimes include variable or non-monetary consideration;
- allocation of the transaction price to the performance obligations. The transaction price is allocated to the various performance obligations on the basis of the selling prices of each distinct good or service provided contractually. If it is impossible to determine the standalone selling price, it is necessary to estimate it. The assessment must be carried out as from the start date of the contract (the inception date);
- recognition of revenue when the performance obligation is satisfied. Revenue is recognized following the satisfaction of the performance obligation to the customer, i.e. when the latter obtains control of the good or service. Some revenue is recognized at a point in time, while other is accrued over time. It is therefore necessary to identify the moment in which the performance obligation is satisfied. In the case of performance obligations satisfied over time, revenue is recognized over the reference period, selecting an appropriate method to measure the progress made towards complete satisfaction of the performance obligation".

### Accruals and deferrals

Accruals and deferrals reporting costs and revenue accruing in the period on assets and liabilities are recognized as adjustments to the assets and liabilities to which they refer. In the absence of such assets or liabilities, they are recognized under "Other assets" or "Other liabilities".

### Expenditure for leasehold improvements

Expenses for refurbishments of buildings belonging to third parties that do not have an independent function or use are conventionally classified under “Other assets”. Amortization is performed over the useful life of the right of use in respect of the buildings and amortization charges are reported under other operating expenses.

### Determination of amortized cost

Amortized cost is applied to financial assets and liabilities measured at amortized cost and to the income components of financial assets measured at fair value through other comprehensive income.

The amortized cost of a financial asset or financial liability is the value at which it is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

The effective interest rate is the rate that discounts the contractual flow of future or received payments until the maturity date or the next repricing date to the present value of a financial asset or financial liability.

For instruments bearing a fixed rate or a fixed rate for periods of time, future cash flows are determined on the basis of the specified interest rate over the life of the instrument. For variable-rate financial assets or liabilities, future cash flows are determined on the basis of the last known rate. At each repricing date, the residual amortization and the effective yield over the residual useful life (i.e. until maturity) of the financial instrument are recalculated.

For purchased or originated credit-impaired financial assets (“POCI”), the effective interest rate corrected for credit risk is calculated, discounting estimated future cash flows over the expected life of the financial asset, taking of account all the contractual terms of the asset (e.g. prepayment options, call options, etc.) as well as expected credit losses.

Financial assets and liabilities transacted on market terms are initially recognized at their fair value, which normally corresponds to the amount paid or received including directly attributable transaction costs and fees: internal marginal costs and income not recoverable from customers are considered transaction costs attributable at the time of initial recognition of the instrument.

These ancillary components, which must be attributable to the individual asset or liability, affect the effective return and cause the effective interest rate to differ from the contractual interest rate: therefore, costs and income referable indiscriminately to multiple transactions and related components that they may be recognized during the life of the financial instrument are not included. Furthermore, costs that the Group incurs independently of the transaction, such as administrative, office supplies and communication costs, are not considered in the calculation of the amortized cost.

With particular regard to inflation-linked BTPs - the overall performance of which does not depend solely on its real components but also on the developments in inflation, to which these bonds are indexed[30] - the measurement method adopted provides for the sterilization of the inflation effect in the calculation of the IRR and its inclusion in amortized cost, so as to generate a perfect adjustment of the value of holdings to changes in inflation. Accordingly, the value of the holding increases (or decreases) in proportion to the inflation coefficient, so that at the maturity of the security its value is equal to the redemption value.

More specifically, the methodology applied makes it possible to adjust the average carrying price of the security to the presumable redemption value by varying the associated value of the holdings in a manner consistent with the indexing parameter. In this way, the effect of inflation is accounted for in the year in which it occurs, in line with the accrual principle, and is summed with the real yield on the securities.

Net interest income reflects the contribution linked to both the real yield of the security (coupons and accrued interest) and the inflation component, the latter through the recognition of the portion at amortized cost deriving from the periodic revaluation of the value of the holdings of the securities.

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[30] The overall performance of inflation-linked BTPs depends on two components: an a priori element, i.e. the real yield, and another linked to inflation, which determines the revaluation of coupons and principal. The value of the security is therefore made to evolve as a function of both effects.

## Determination of impairment

### Financial assets

At each reporting date, the Group determines whether there is objective evidence that a financial asset or group of financial assets has incurred a significant increase in the related credit risk since initial recognition and requires the definition of a methodology for calculating the expected loss (ECL) and the related risk parameters necessary to calculate it, namely: Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD).

The staging methodology provides for the allocation each exposure/tranche (loans and securities) to the three distinct stages on the basis of the following:

- stage 1: this includes newly issued instruments/tranches and exposures to counterparties classified as performing that, as at the reporting date, have a PD lower than or equal to a given threshold (qualifying for the low credit risk exemption) or have not experienced a significant increase in credit risk with respect to that measured the date of disbursement/purchase. The 12-month expected loss is measured for these positions;
- stage 2: this includes all performing instruments/tranches that, as at the reporting date, simultaneously:
  - have a higher PD than that specified for the low credit risk exemption;
  - have experienced a significant increase in credit risk with respect to the date of disbursement;

  In general, in the absence of a rating/PD at the reporting date the exposure is allocated in stage 2 (without prejudice to the use of additional criteria specifically adopted for the management of particular types of portfolios/positions not covered by the use of an internal rating model). In this case, the lifetime expected loss is measured;
- stage 3: this includes all instruments/tranches associated with loans/securities in default, for which the loss is calculated as the difference between the contractual cash flows and expected cash flows, discounted at the effective interest rate of the instrument (lifetime expected loss), which is essentially unchanged compared with the previous accounting standard.

A so-called grace period is also granted, under which newly disbursed exposures are conventionally classified in stage 1 for the first 3 months of the relationship, unless they derive from forbearance measures.

Furthermore, in order to reduce the volatility of allocations of exposures to the various stages, the mechanisms for transferring exposures between stages envisage a 3-month probation period (the minimum period for which positions are allocated to a given stage), defined as follows:

- an exposure allocated to stage 2 can be transferred to stage 1 if at the reporting date the conditions for allocation to stage 1 are met and at least 3 continuous months have elapsed since the factors that prompted allocation to stage 2 no longer exist;
- the reclassification as performing of an exposure previously allocated to stage 3 involves direct allocation to stage 2 for at least 3 months following the return to performing status, unless events requiring reallocation to stage 3 should occur.

If at least one of the criteria for classification in stage 2 is activated for a position within the probation period, the probation period recommences from the month in which the criteria that determined the allocation to stage 2 are no longer active.

Performing forborne exposures for which the regulatory probation period of 24 months is already activated and positions that are classified in stage 2 because of the activation of the cluster rule (unrated exposures) are excluded from the application of this criterion.

With regard to the securities portfolio, the methodology for staging performing exposures is based solely on quantitative information consisting in:

- the application of the low credit risk exemption, under which quantitative staging criteria are applied only to positions that, at the measurement date, have a credit risk that exceeds a specific threshold;
- the use of criteria based on a comparison between the 12-month PD conditioned on the origination date and the 12-month PD conditioned on the observation date (current PD). In this case, the criteria are defined on the basis of which the increases in PD represent a significant increase in credit risk such as to give rise to the allocation of the exposure to stage 2;

- a comparison at the observation date between the conditioned PD measure and a specified threshold value such as to give rise to the allocation of the exposure to stage 2 when this threshold is exceeded;
- the verification of the PD/rating measurement at the observation date and at the origination date such as to give rise the allocation to Stage 2 if one of the two pieces of information is missing[31] even if a rating system for evaluating the counterparty is available.

Exposures associated with securities in default are classified in stage 3.

With regard to expected credit loss, the risk parameters necessary for calculating that value have been distinguished by differentiating between the securities portfolio and the loan portfolio.

With regard to the securities portfolio:

- Probability of Default (PD): the PD at 12 months and multi-period PDs used underwent forward-looking conditioning;
- Loss Given Default (LGD): the unconditioned LGD measures used are the same for both stage 1 and stage 2 exposures. More specifically, and unconditioned LGD metric of 45% is used, which subsequently undergoes forward-looking conditioning;
- Exposure At Default (EAD): for the purposes of quantifying the EAD associated with each securities issue, the gross value of the exposure at the reporting dates is generally used.

With regard to the loan portfolio:

- Probability of Default (PD): the approach defined by the Group envisages:
  - the use of internal rating models to determine the transition matrix based on rating classes, conditioned to incorporate forward-looking macroeconomic scenarios and used to obtain lifetime PDs;
  - where an internal rating model is absent, calculating default rates on an annual basis, conditioned to include forward-looking macroeconomic scenarios and used to obtain cumulative lifetime PDs;
- Loss Given Default (LGD): the approach for estimating LGD developed by the Group provides for the determination of historical loss rates on closed impaired positions and the application of the so-called danger rate, conditioned by macroeconomic scenarios;
- Exposure At Default (EAD): the estimation approach for EAD differs by type of portfolio, product and stage to which the exposure has been assigned.

In order to condition the PD and LGD risk parameters for future macroeconomic scenarios, the Group uses an approach consisting in:

- the estimation of internal “satellite models”, which explain the relationship linking the reference variables, proxies of the risk parameters, to a set of explanatory macroeconomic variables;
- the adoption of macroeconomic scenarios, which describe the possible evolution of the explanatory variables identified in the estimation of the models. The use of at least two different scenarios is envisaged, typically distinguishing them based on the “severity” of the forecasts and associating each of them with a probability of occurrence.

Bad loans, unlikely-to-pay positions, restructured exposures and exposures that are past due or overlimit are considered impaired in accordance with the current rules specified by the Bank of Italy, consistent with the IAS/IFRS and European supervisory regulations (stage 3).

The valuation of financial assets considers the following components: the best estimate of the expected cash flows and interest income, the realizable value of any guarantees net of recovery costs; recovery times, estimated on the basis of contractual time limits where present and on the basis of reasonable estimates in the absence of contractual agreements; the discount rate, equal to the original effective interest rate - for impaired loans outstanding at the transition date, where obtaining the figure was excessively onerous, reasonable estimates were adopted, such as the average rate on loans in the year of classification as non-performing or the restructuring rate.

The measurement of the impaired financial asset using these criteria is conducted on a specific basis under two possible alternative scenarios that assume operational continuity (the “going concern” scenario) or the cessation of operations (“gone concern”) or on a generic basis, using specific defaulted asset LGD models.

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[31] Unless the low credit risk exemption applies.

**Equity securities and units of collective investment undertakings**

Equity securities and units of collective investment undertakings, regardless of the accounting portfolio to which they are allocated, do not undergo impairment testing as they are measured at fair value.

**Other non-financial assets**

Property, plant and equipment and intangible assets with a finite useful life undergo impairment testing if there is evidence that the carrying amount of the asset cannot be recovered. The recoverable amount is determined as the greater of the fair value of the item of property, plant and equipment or the intangible asset net of costs of disposal and the value in use.

As regards real estate, fair value is mainly determined on the basis of an appraisal prepared by an independent expert.

Intangible assets recognized following acquisitions and in application of IFRS 3 at each reporting date undergo impairment testing to determine whether there is objective evidence that the asset may have incurred an impairment loss.

If there is evidence of impairment, intangible assets with a finite life undergo a new valuation to determine the recoverability of the carrying amount. Recoverable amount is determined on the basis of value in use, i.e. present value, as estimated using a rate representing the time value of money, the specific risks of the asset and the margin generated by relationships in place at the valuation date over a time horizon equal to the residual term of those relationships.

Since intangible assets with an indefinite life, represented by goodwill, do not generate autonomous cash flows, they undergo annual testing of their carrying amount for the cash generating unit (CGU) to which the values were allocated in the related business combinations. The amount of any impairment is determined on the basis of the difference between the carrying amount of the CGU and the recoverable amount of the unit, represented by the greater of its fair value, net of costs of disposal, and its value in use.

The carrying amount of the CGU must be determined in a manner consistent with the criteria used to determine its recoverable amount. From the standpoint of a banking enterprise, it is not possible to determine the cash flows of a CGU without considering the flows generated by financial assets and liabilities, given that the latter represent the core business of the company. In other words, the recoverable amount of the CGUs is impacted by those cash flows and, accordingly, the carrying amount of the CGUs must be determined using the same scope of estimation used for the recoverable amount and, therefore, must include the financial assets/liabilities. To that end, these assets and liabilities must be allocated to the CGUs.

Following this approach, the carrying amount of the CGUs can be determined in terms of their contribution to consolidated equity, including non-controlling interests.

The value in use of a CGU is calculated by estimating the present value of the future cash flows that are expected to be generated by the CGU on the basis of criteria and methodological models in line with best market practice and the literature in this field. Those cash flows are determined using the most recent public business plan or, in the absence of such a plan, an internal forecasting plan developed by management.

Normally, the specific forecasting period covers a maximum time horizon of three years. The flow in the final year of the forecasting period is projected forward in perpetuity, using an appropriate growth rate “g” for the purposes of the terminal value.

In calculating value in use, the cash flows must be discounted using a rate that reflects the current time value of money and the specific risks to which the asset is exposed. More specifically, the discount rates adopted incorporate current market values for the risk-free rate and equity premiums observed over a sufficiently long period of time to reflect different market conditions and business cycles.

With specific reference to the rights of use recognized in accordance with IFRS 16, evidence that an asset may have suffered an impairment loss may be associated both with internal factors (deterioration, obsolescence, etc.) and external factors (market value, technological changes, etc.). Failure to exercise a right of use or the subletting of the underlying asset are considered potential indicators of impairment of the right of use.

### Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability between willing and knowledgeable market participants in an orderly transaction. In the definition of fair value, a key assumption is that an entity is fully operational (the assumption that an entity is a going concern) and does not have the intention or the need to liquidate, significantly reduce its operations or undertake transactions on unfavorable terms. In other words, fair value is not the amount an entity would receive or would pay in a forced transaction, an involuntary liquidation or a distress sale. Nevertheless, the fair value reflects the credit quality of the instrument as it incorporates counterparty risk.

#### Financial instruments

Please see section A.4 Fair value disclosures for more information on the methods used to determine the fair value of financial instruments.

#### Non-financial assets

Investment property is primarily valued using external appraisals, considering transactions at current prices in an active market for similar properties, in the same location and condition and subject to similar conditions for rentals and other contracts.

#### Financial guarantees

As part of its ordinary banking operations, the Group grants financial guarantees in the form of letters of credit, acceptances and other guarantees. Commission income earned on guarantees, net of the portion representing the recovery of costs incurred in issuing the guarantee, are recognized on an accruals basis under "Fee and commission income", taking account of the term and residual value of the guarantees.

Following initial recognition, the financial guarantees are measured as the greater of the amount of the provision covering the losses determined in accordance with the rules governing impairment and the initial recognition amount (fair value) less (where appropriate) the cumulative amount of the income that the Group has recognized in accordance with IFRS 15 (deferred income).

Any losses and value adjustments on such guarantees are reported under "Net provisions for risks and charges: a) commitments and guarantees issued" in the income statement. Writedowns due to the impairment of guarantees issued are reported under "Provisions for risk and charges: a) commitments and guarantees issued" in liabilities in the balance sheet.

Guarantees are off-balance-sheet transactions and are reported under "Other information" in Part B of the notes to the financial statements.

### Business combinations

The transfer of control of an entity (or a group of integrated activities and assets, conducted and managed together) is a business combination.

IFRS 3 requires that an acquirer be identified for all business combinations. The acquirer is the entity that obtains control over another entity or group of activities. If it is not possible to identify a controlling entity using the definition of control described earlier, such as for example in the case of an exchange of equity interests, the acquirer must be identified using other factors such as: the entity whose fair value is significantly greater, the entity that possibly pays cash or the entity that issues new equity instruments.

The acquisition (and therefore the first consolidation of the acquired entity) must be accounted for on the date on which the acquirer actually obtains control over the entity or the assets acquired. When the business combination is achieved in a single exchange transaction, the date of exchange normally coincides with the acquisition date. However, it is always necessary to check for any agreements between the parties that may involve a transfer of control before the exchange date.

The consideration transferred as part of a business combination is determined as the sum of the fair value, at the exchange date, of the assets transferred, the liabilities incurred or assumed and the equity instruments issued by the acquirer in exchange for control.

In transactions involving payment in cash (or when payment is made using financial instruments comparable to cash) the consideration is the agreed price, possibly discounted if payment will be made in installments over a period longer than short term. If payment is made using an instrument other than cash, such as through the issue of equity instruments, the price is equal to the fair value of the means of payment net of costs directly attributable to the equity issue.

The consideration in a business combination at the acquisition date includes adjustments subordinated to future events if envisaged in the transfer agreements and only if they are probable, reliably determinable and made within the twelve months following the date of acquisition of control, while indemnities for a reduction in the value of the assets used are not included as they are already considered in the fair value of the equity instruments or as a reduction in the premium or increase in the discount on the initial issue of debt instruments, where applicable.

The costs related to the acquisition are charges that the acquirer incurs to carry out the business combination. By way of example, these include professional fees paid to auditors, experts, legal consultants, fees for appraisals and the auditing of accounts, preparation of information documents required by regulations, as well as consulting costs incurred to identify potential targets for acquisition if it is contractually established that payment is made only in the event of a successful combination, as well as the costs of registration and the issue of debt or equity securities.

The acquirer must account for the costs related to the acquisition as charges in the periods in which these costs are incurred and the services are received, with the exception of the costs of issuing equity or debt securities, which must be recognized in accordance with the provisions of IAS 32.

Business combinations are accounted for using the acquisition method, under which the identifiable assets acquired (including any intangible assets previously not recognized by the acquiree) and the identifiable liabilities assumed (including contingent liabilities) must be recognized at their respective fair values on the acquisition date. Furthermore, for each business combination, any non-controlling interests in the acquiree can be recognized at fair value (with a consequent increase in the consideration transferred) or as a proportion of the share of the non-controlling interests in the identifiable net assets of the acquiree.

If control is obtained in stages, the acquirer shall recalculate the interest previously held in the acquiree at its respective fair value on the acquisition date and record any difference with respect to the previous carrying amount through profit or loss. The excess of the consideration transferred (represented by the fair value of the assets transferred, the liabilities incurred or the equity instruments issued by the acquirer), increased by the value of any non-controlling interest (determined as indicated above), and the fair value of the interest previously held by the acquirer, over the fair value of the assets and liabilities acquired must be recognized as goodwill. However, if the latter exceed the sum of the consideration, non-controlling interest and the fair value of the interest previously held, the difference is recognized in profit or loss.

Following initial recognition, goodwill is measured at cost net of accumulated impairment losses. For the purpose of impairment testing, the goodwill acquired in a business combination is allocated, from the acquisition date, to each cash generating unit of the Group that is expected to benefit from the synergies of the combination, regardless of whether other assets or liabilities of the acquired entity are assigned to those units.

If goodwill has been allocated to a cash-generating unit and the entity disposes of part of the assets of the unit, the goodwill associated with the transferred asset is included in the carrying amount of the asset when determining the gain or loss on disposal. The goodwill associated with the transferred asset is determined on the basis of the relative values of the transferred asset and the part retained by the cash-generating unit.

Business combinations can be accounted for provisionally by the end of the reporting period in which the combination occurs, with the accounting to be completed within twelve months of the acquisition date.

If the business combination is carried out for reorganizational purposes, i.e. between two or more entities or businesses that already belong to the same group and the combination does not involve a change in control regardless of the extent of non-controlling interests before and after the business combination (business combinations of entities under common control), the transaction is considered to be without economic substance. Accordingly, in the absence of specific instructions in the IASs/IFRSs and in compliance with the presumptions of IAS 8 which require that - in the absence of a specific standard – an entity shall use of its judgment in applying an accounting policy that provides relevant, reliable, prudent information that reflects the economic substance of the transaction, such combinations are accounted for preserving the values in the financial statements of the acquiree in those of the acquirer.

Mergers are the form of business combination that represents the most complete form of combination, as they involve both the legal and economic unification of the participating parties.

Mergers, whether they are mergers of equals, i.e. with the establishment of a new legal entity following the combination, or the combination of one entity into another surviving entity, are treated in accordance with the criteria illustrated previously, and in particular:

- if the transaction involves the transfer of control of an entity, it is treated as a business combination within the scope of IFRS 3;
- if the transaction does not involve the transfer of control, it is accounted for by preserving the values in the financial statements of the merged entity in the surviving entity.

## A. 3 – DISCLOSURES ON TRANSFERS BETWEEN PORTFOLIOS OF FINANCIAL ASSETS

In execution of shareholders' resolutions passed in December 2018 and following the establishment and launch of the Iccrea Cooperative Banking Group , at the beginning of 2019 71 mutual banks reconfigured the business model of their financial portfolio, reclassifying about €3.7 billion of securities held under the hold to collect and sell (HTCS) business model to the hold to collect (HTC) business model and reclassifying about €0.3 billion of securities held under the hold to collect (HTC) business model to the hold to collect and sell (HTCS) business model.

No financial assets were reclassified in the years following 2019.

The following table reports the reclassified carrying amount at January 1, 2019 of the reclassified assets as at that date and still recognized at the reporting date as they were not sold or otherwise derecognized during the period.

### A.3.1 RECLASSIFIED FINANCIAL ASSETS: CHANGE IN BUSINESS MODEL, CARRYING AMOUNT AND INTEREST INCOME

| Type of financial instrument | Original portfolio | New portfolio | Reclassification date | Reclassified carrying amount | Interest income recognized in the period (before taxes) |
|---|---|---|---|---|---|
| Debt securities | Financial assets measured at fair value through other comprehensive income | Financial assets measured at amortized cost | 31/12/2019 | 132,442 | - |

## A.4 – FAIR VALUE DISCLOSURE

### INFORMATIVA DI NATURA QUALITATIVA

### QUALITATIVE DISCLOSURES

This section provides the disclosures on the fair value of financial instruments as requested under IFRS 13, in particular paragraphs 91 and 92.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (the "exit price") on the principal (or most advantageous) market, regardless of whether that price is directly observable or is estimated using a valuation technique.

Prices on an active market are the best indication of the fair value of financial instruments (Level 1 in the fair value hierarchy). In the absence of an active market or where prices are affected by forced transactions, fair value is determined on the basis of the prices of financial instruments with similar characteristics (Level 2 inputs – the comparable approach) or, in the absence of such prices as well, with the use of valuation techniques that use market inputs to the greatest extent possible (Level 2 inputs – model valuation - mark to model). Where market data is not available, inputs not drawn from the market and estimates and model forecasts may be used (Level 3 inputs – model valuation - mark to model).

For financial instruments measured at fair value, the Group assigns maximum priority to prices quoted on active markets and lower priority to the use of unobservable inputs, as the latter are more discretionary, in line with the fair value hierarchy noted above and discussed in greater detail in section A.4.3 below. The policy establishes the order of priority, the criteria and general conditions used to determine the choice of one of the following valuation techniques:

- mark to market: a valuation approach using inputs classified as Level 1 in the fair value hierarchy;
- the comparable approach: a valuation approach based on the use of the prices of instruments similar to the one undergoing valuation, which are classified as Level 2 in the fair value hierarchy;
- mark to model: a valuation approach based on the use of pricing models whose inputs are classified as Level 2 (in the case of the exclusive use of market observable inputs) or Level 3 (in the case of the use of at least one significant unobservable input) in the fair value hierarchy.

#### Mark to market

Classification in Level 1 of the fair value hierarchy represents the mark-to-market approach. For an instrument to be classified in Level 1 of the fair value hierarchy, its value must be based solely on quoted prices in an active market to which the Bank has access at the time of valuation (Level 1 inputs).

A quoted price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value.

The concept of active market is a key concept in allocating a financial instrument to Level 1. An active market is a market (or dealer, broker, industrial group, pricing service or regulatory agency) in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. Thus, the definition implies that the concept of active market is associated with the individual financial instrument and not the market itself, and it is therefore necessary to conduct materiality tests.

The definition of "active market" is broader than that of "regulated market": regulated markets are defined as the markets included in the list provided for by Article 63, paragraph 2, of the Consolidated Finance Act (TUF) and in the special section of the same list (see Article 67, paragraph 1, of the TUF). These markets are managed by companies authorized by CONSOB that operate in accordance with the provisions of the TUF and under the supervision of CONSOB itself.

Other markets in addition to regulated markets include organized trading systems (Multilateral Trading Systems and Systematic Internalizers) defined, pursuant to Legislative Decree 58/98, as a "set of rules and structures, including automated structures, which make exchange possible, on an ongoing or periodic basis, in order to collect and transmit orders for transactions in financial instruments and to settle these orders, for the purpose of concluding contracts": although normally the financial instruments listed on these markets fall within the definition of instruments listed on active markets, there may be situations in which officially listed instruments are not liquid due to low trading volumes. In such cases, quoted prices cannot be considered representative of the fair value of an instrument. Generally speaking, multilateral trading facilities (MTF) can be considered active markets if they are characterized by continuous and significant trading and/or by the presence of binding prices provided by the market maker, such as to ensure the formation of prices that actually represent the fair value of the instrument.

Financial instruments are also listed on regulated markets in other countries, and therefore not regulated by CONSOB, whose prices are available daily. These prices are considered representative of the fair value of the financial instruments insofar as they represent the result of a regular transaction and not only of offers to buy or sell. Finally, other markets, while not regulated, can also be considered active markets (e.g. platforms such as Bloomberg or Markit). Electronic over-the-counter (OTC) trading circuits are considered active markets to the extent that the quotations provided actually represent the price at which a normal transaction would occur. Similarly, the quotes published by brokers are representative of fair value if they reflect the actual price level of the instrument in a liquid market (that is, they are not indicative prices, but rather binding offers).

Ultimately, in order to consider a market active, the significance of the price observed on the market itself is of particular importance and, for this reason, the following factors are considered:

- bid-ask spreads: the difference between the price at which an intermediary undertakes to sell the securities (ask) and the price at which it undertakes to buy them (bid). The larger the spread, the lower the liquidity of the market and therefore the significance of the price;
- breadth and depth of the trading book: the first concept refers to the presence of offers of large dimensions, while the depth of the book means the existence of both purchase and sell orders for numerous price levels;
- number of contributors: number of market participants providing purchase or sell offers for a specific instrument. The larger the number of active market participants, the greater the significance of the price;
- availability of information on the terms and conditions of transactions;
- price volatility: presence of daily prices of the instrument outside a certain range. The lower the volatility of the prices, the greater the significance of the price.

### Comparable approach

As already noted, the fair value of financial instruments classified in Level 2 can be determined using two different approaches: the so-called comparable approach, which presupposes the use of prices quoted on active markets for similar assets or liabilities or the prices of identical assets or liabilities on inactive markets, and the model valuation approach (or mark to model), which uses valuation techniques based on observable inputs concerning the instrument itself or similar instruments.

In the case of the comparable approach, measurement is based on the prices of substantively comparable instruments in terms of risk-return, maturity and other trading conditions. The following Level 2 inputs are necessary for use of the comparable approach:

- quoted prices on active markets for similar assets or liabilities;
- quoted prices for the instrument involved or for similar instruments on inactive markets, i.e. markets in which transactions are infrequent, prices are not current, change significantly over time or among the various market makers or on which little information is made public.

If there are quoted instruments that meet all of the comparability criteria indicated here, the value of the Level 2 instrument is considered to correspond to the quoted price of the comparable instrument, adjusted if necessary for factors observable on the market.

However, if the conditions for using the comparable approach directly do not apply, the approach may still be used as an input in Level 2 mark-to-model valuations.

### Mark-to-model approach

In the absence of quoted prices for the instrument or for comparable instruments, valuation models are adopted. Valuation models must always maximize the use of market inputs. Accordingly, they must make priority use of observable market inputs (e.g. interest rates and yield curves observable at commonly quoted intervals, volatilities, credit spreads, etc.).

In the absence of directly or indirectly observable inputs or where they are insufficient to determine the fair value of an instrument, inputs that are not observable on the market be used (discretionary estimates and assumptions). With the consequent allocation of the estimate obtained to Level 3 of the fair value hierarchy.

The mark-to-model technique therefore does not give rise to a single classification within the fair value hierarchy. Depending on the observability and materiality of the inputs used in the valuation model, an instrument could be assigned to Level 2 or Level 3.

### A.4.1 FAIR VALUE LEVELS 2 AND 3: VALUATION TECHNIQUES AND INPUTS USED

The Group uses mark-to-model approaches in line with methods that are generally accepted and used in the industry. The valuation models comprise techniques based on the discounting of future cash flows and the estimation of volatility. They are reviewed both during their development and periodically thereafter in order to ensure their full consistency with the valuation objectives.

In the absence of quoted prices on active markets, financial instruments are measured as follows:

- bonds are measured using a discounted cash flow model adjusted for the credit risk of the issuer. The inputs used are yield curves and credit spreads for the issuer. The discount rule based on the guarantor's yield curve is applied to these securities, failing which the sectoral curve corresponding to the rating of the security (or of the guarantor in case of unavailability) and the guarantor's product sector is used. The inputs used include yield curves and any illiquidity spread;
- structured bonds are measured using a discounted cash flow model that incorporates valuations from option pricing models, adjusted for the credit risk of the issuer. The discount rule based on the guarantor's yield curve is applied to these securities, failing which the sectoral curve corresponding to the rating of the security (or of the guarantor in case of unavailability) and the guarantor's product sector is used. The inputs used include yield curves and any illiquidity spread, volatility surfaces and the correlation matrix for the underlyings;
- asset backed securities (ABS) are measured using the discounted sum of expected future cash flows. The cash flow model estimates future developments in the underlying asset portfolio, taking account of payment reports, market data and model input parameters, applying the priority of payments to obtain the expected future cash flows for the notes (interest and principal). Once the expected cash flows have been obtained, the PV of each individual note is obtained by discounting these flows using the discount margin method for variable-rate securities, or the discount yield for fixed-rate securities. The inputs used include, in addition to the government securities yield curve, the illiquidity spread;
- derivatives on interest rates are measured using discounted cash flow models, within the multi-curve framework based on OIS discounting;
- derivatives involving options on rates, such as caps/floors and European swaptions, are measured using the Bachelier model, which uses the volatility matrix for these instruments and interest rates as market input parameters, in accordance with the multi-curve measurement framework based on OIS/BC *Discounting*;
- equity and CIU derivatives are valued using the Black&Scholes models (or models based on it, such as the Rubinstein model for forward starts and the Nengju Ju model for Asian options), which includes an estimate of volatility through interpolation by maturity and strike prices on a volatility matrix, as well as the inclusion of dividends. The inputs used are the price of the underlying equity, the volatility surface and the interest rate dividend curve. The estimate of the value uses the OIS/BC discounting approach;
- derivatives on exchange rates are valued using a discounted cash flow approach for plain-vanilla contracts or a Garman and Kohlhagen model for European options on exchange rates. The inputs are spot exchange rates and the forward points curve and volatility surfaces for plain-vanilla options. The estimate of the value uses the OIS/BC discounting approach;
- inflation derivatives, such as zero-coupon indexed inflation swaps and CPI swaps, are measured using a discounted cash flow approach, which in turn are measured on the basis of the term structure of inflation and seasonal factors (CPI Cash Flow Model), a in accordance with the multi-curve measurement framework based on OIS/BC discounting;

- equity securities are measured at fair value estimated using models applied in valuation practice or using balance sheet, income or mixed methods or with reference to direct transactions in the same security or similar securities observed over an appropriate span of time with respect to the valuation date. They are measured at cost if their carrying amount is below the materiality thresholds set by the Group both at individual and consolidated level and in cases where the cost represents a reliable estimate of fair value (e.g. because the most recent information to evaluate fair value is not available);
- investments in CIUs other than open-end harmonized funds are generally valued on the basis of the NAVs (adjusted where necessary with a specific liquidity adjustment if not fully representative of the fair value) made available by the asset management companies. These investments include private equity funds, real estate investment funds, bond funds and loan-based funds (impaired and performing)
- medium/long-term loans to customers are measured on the basis of a mark-to-model process using the discounted cash flow approach for the positions and other models for estimating option components where applicable;
- for medium/long-term liabilities, represented by securities for which the fair value option was chosen, the fair value is determined alternatively by either discounting the residual contractual cash flows using the zero-coupon yield curve, by applying the asset swap method or by using other yield curves deemed representative of the Bank's credit standing;
- for tax credits pursuant to the Cure Italy and Revival Decrees, the fair value is estimated by constructing two discount factor vectors applicable to, respectively, tax credits held by the Parent Company and by the mutual banks. The fair value of each credit designated as held under the Other or HTCS business models is obtained by multiplying the nominal value of the portion of the credit applicable to future portions of each year by the appropriate discount factor.

Significant unobservable inputs used in valuing instruments in Level 3 mainly include:

- estimates and assumptions underlying the models used to measure investments in equity securities and units in CIUs;
- Probability of Default (PD) and Loss Given Default (LGD): the parameters are derived from the impairment model. They are used to measure financial instruments for disclosure purposes only;
- credit spreads: the figure is extrapolated to create sector CDS curves using regression algorithms on the basis of a panel of single-name CDS curves. The figure is used to value financial instruments for disclosure purposes only;
- the liquidity spreads used in the mark-to-model measurement of ABS.

The Group also provides for the possibility of applying valuation adjustments to the prices of financial instruments when the valuation technique used does not capture factors that market participants would use in estimating fair value, for example when it is necessary to ensure that the fair value reflects the value of a transaction that could actually be carried out in a market.

The factors impacting the need for an adjustment include the complexity of the financial instrument; the credit standing of the counterparty; and the presence of any collateral agreements. In particular, the Group uses a method for calculating the CVA/DVA (Credit Value Adjustments/Debt Value Adjustments) in order to adjust the calculation of the fair value of uncollateralized derivatives in order to take account of counterparty risk (non-performance risk). The CVA/DVA is not calculated when collateral agreements have been formalized and are operational for derivatives positions.

With particular regard to units held in unlisted alternative investment funds (so-called AIFs), a liquidity adjustment is determined to be applied to the Net Asset Value (NAV) of the unlisted funds held.

The methodological approach adopted provides for the consideration, in line with market best practice, of the following main elements:

- the average holding period of the individual unlisted funds before they can be sold;
- the characteristics of the individual assets held by the fund and their level of volatility in the holding period considered (degree of uncertainty);
- the level of risk aversion reflected in a prudent threshold which, with reference to the distribution of the possible returns/final value of the asset/portfolio considered, makes it possible to measure any divergence from their expected value.

The use of these elements made it possible to estimate a discount with respect to the NAV, calculated as a percentage adjustment of the risk premium linked to the uncertainty concerning potential unfavorable changes in value before their realization while also taking account of the management costs of the funds not incorporated in the NAVs of the individual unlisted funds.

For these interim financial statements, the percentage adjustment applied was respectively 3.6% for real estate funds, 9.9% for private debt – bad loans funds, 7% for private debt –NPL UTP funds, 2.8% for private debt –Performing loan funds, 2.8% for private debt – bond funds and 9.2% for private equity funds.

### A.4.2 VALUATION PROCESSES AND SENSITIVITY

The Group conducted an analysis of the potential sensitivity of the valuations of instruments classified in Level 3 and measured at fair value on a recurring basis to changes in the unobservable market parameters.

Level 3 exposures to financial instruments are mainly represented by units in CIUs, property, plant and equipment and equity securities.

The sensitivity analysis of unobservable inputs is conducted through a stress test of all significant unobservable inputs for the different types of assets. The tests are used to determine the potential changes in the fair value by category of asset attributable to changes in the determination of unobservable inputs (such as the volatility and the correlation of the recovery rates of the clusters for the NPL component of funds and the distribution haircut for the real estate component.

This analysis demonstrated that the sensitivity impacts were not material.

### A.4.3 FAIR VALUE HIERARCHY

Under the provisions of IFRS 13, all fair value valuations must be classified within the three levels that delineate the valuation process on the basis of the characteristics and significance of the inputs used:

- Level 1: unadjusted quoted prices on an active market. Fair value is drawn directly from quoted prices observed on active markets. A financial instrument is considered to be quoted on an active market if prices are readily and regularly available and represent actual market transactions carried out on normal terms on a regulated market or MTF;
- Level 2: inputs other than the quoted prices noted above that are observable on the market either directly (prices) or indirectly (derivatives on prices). Fair value is determined using valuation techniques that provide for: a) the use of market inputs indirectly connected with the instrument being valued and derived from instruments with similar risk characteristics or quoted on inactive markets (the comparable approach); or b) that use observable inputs;
- Level 3: inputs that are not observable on the market. Fair value is determined using valuation techniques that use significant unobservable inputs, such as non-binding quotes provided by infoproviders (Mark to Model approach).

The following are normally considered Level 1

- shares, debt securities and units of CIUs listed on regulated markets. Units of CIUs include mutual investment funds (UCITS, AIFs and restricted FIAs), SICAVs/SICAFs and ETPs (Exchange Traded Products);
- debt securities listed on Multilateral Trading Facilities (MTF) which meet the "specific requirements for multilateral trading systems" set out in MiFID II;
- debt securities whose fair value is equal to the unadjusted prices provided by brokers/market makers from an active market for an identical instrument and executable at the declared level;
- Units of CIUs whose value (NAV) is provided directly by the market operator;
- listed derivative financial instruments and issued financial liabilities whose fair value at the valuation date corresponds to the price quoted on an active market.

The following are normally considered Level 2:

- debt securities issued by national and international issuers that are not listed on an active market and are measured using approaches that mainly employ observable market inputs;

- debt securities whose fair value is equal to the prices provided by brokers/market makers determined with a valuation model based on observable market inputs;
- OTC financial derivatives entered into with institutional counterparties for which the main inputs are observable market data;
- units of CIUs whose prices are provided by the issuing entity (the so-called “soft NAV”) or whose fair value is adjusted using pricing models based on observable market inputs;
- insurance policies and interest-bearing postal bonds whose fair value is approximated, respectively, by the surrender and redemption value, which under applicable regulations represent the exit prices for those instruments.

Finally, the following are normally considered Level 3:

- debt securities not listed on an active market and measured using approaches that mainly employ unobservable inputs;
- debt securities whose fair value is equal to the prices provided by brokers/market makers determined with a valuation model based on unobservable inputs;
- equity securities and issued financial liabilities for which there are no prices quoted on active markets at the valuation date and which are mainly valued using techniques based on unobservable market data;
- OTC financial derivatives entered into with institutional counterparties and measured using pricing models similar to those used for Level 2 valuations but from which they differ in the degree of observability of the inputs used in the pricing techniques;
- financial derivatives entered into with customers for which the fair value adjustment taking account of default risk is significant with respect to the total value of the financial instrument;
- units of CIUs whose prices provided by the issuing entity are adjusted using pricing models not based entirely on observable market inputs.

The fair value of tax credits under the “Cure Italy” and “Revival” Decrees is also treated as Level 3.

In general, transfers of financial instruments between Level 1 and Level 2 in the fair value hierarchy only occur in the event of changes in the market in the period considered. For example, if a market previously considered active no longer meets the minimum requirements for being considered active, the instrument will be reclassified to a lower level; in the opposite case, it will be raised to a higher level.

### A.4.4 OTHER INFORMATION

The circumstances referred to in paragraphs 48, 93 letter (i) and 96 of IFRS 13 do not apply to the Group’s financial statements as the Group is not managing groups of financial assets and liabilities on the basis of its net exposure to a specific market risk (or risks) or to the credit risk of a specific counterparty and the highest and best use of a non-financial asset does not differ from its current use.

## QUANTITATIVE DISCLOSURES

### A.4.5 FAIR VALUE HIERARCHY

### A.4.5.1 ASSETS AND LIABILITIES MEASURED AT FAIR VALUE ON A RECURRING BASIS: BREAKDOWN BY FAIR VALUE INPUT LEVEL

| | 30/06/2025 | | | 31/12/2024 | | |
|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| 1. Financial assets measured at fair value through profit or loss | 425,243 | 777,827 | 364,829 | 402,820 | 742,899 | 347,803 |
| a) financial assets held for trading | 64,835 | 55,722 | 220 | 45,531 | 41,687 | 200 |
| b) financial assets designated as at fair value | 317,937 | - | 917 | 323,647 | - | 1,047 |
| c) other financial assets mandatorily measured at fair value | 42,472 | 722,105 | 363,692 | 33,643 | 701,212 | 346,557 |
| 2. Financial assets measured at fair value through comprehensive income | 6,425,475 | 519,603 | 59,348 | 6,398,793 | 461,226 | 54,442 |
| 3. Hedging derivatives | 1,469 | 824,860 | - | 502 | 724,975 | - |
| 4. Property, plant and equipment | - | - | 285,854 | - | - | 309,538 |
| 5. Intangible assets | - | - | - | - | - | - |
| **Total** | **6,852,187** | **2,122,289** | **710,031** | **6,802,115** | **1,929,101** | **711,784** |
| 1. Financial liabilities held for trading | 5,432 | 45,927 | - | 8,858 | 55,062 | - |
| 2. Financial liabilities designated as at fair value | - | - | 33,735 | - | - | - |
| 3. Hedging derivatives | 770 | 269,731 | - | 535 | 244,254 | - |
| **Total** | **6,202** | **315,658** | **33,735** | **9,393** | **299,317** | **-** |

# PART B - INFORMATION ON THE CONSOLIDATED BALANCE SHEET

## ASSETS

## SECTION 1 - CASH AND CASH EQUIVALENTS – ITEM 10

### 1.1 CASH AND CASH EQUIVALENTS: COMPOSITION

| | | Total 30/06/2025 | Total 31/12/2024 |
|---|---|---|---|
| a) Cash | | 693,620 | 827,302 |
| b) Current accounts and demand deposits with central banks | | 195,322 | 2,337,289 |
| c) Current accounts and demand deposits with banks | | 201,123 | 152,230 |
| | **Total** | **1,090,065** | **3,316,821** |

“Demand deposits with central banks”, a sharp decrease compared with the end of the previous year, include deposits with the Bank of Italy, including €6.3 million attributable to the Guarantee Scheme operated by the Parent Company and €189 million connected with the instant payments service. The decrease is mainly attributable to the closure, during the period, of an overnight deposit of €2.2 billion.

## SECTION 2 - FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS – ITEM 20

### 2.1 FINANCIAL ASSETS HELD FOR TRADING: COMPOSITION BY TYPE

| | Total 30/06/2025 | | | Total 31/12/2024 | | |
|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| **A. On-balance-sheet assets** | | | | | | |
| **1. Debt securities** | **60,382** | **272** | **2** | **44,811** | **274** | **-** |
| 1.1 structured securities | 10,694 | 69 | 1 | 5,789 | 70 | - |
| 1.2 other debt securities | 49,688 | 203 | 1 | 39,022 | 204 | - |
| **2. Equity securities** | **3,225** | **-** | **2** | **297** | **-** | **-** |
| **3. Units in collective investment undertakings** | **747** | **421** | **95** | **65** | **14** | **98** |
| **4. Loans** | **-** | **-** | **-** | **-** | **-** | **-** |
| 4.1 repurchase agreements | - | - | - | - | - | - |
| 4.2 other | - | - | - | - | - | - |
| **Total (A)** | **64,354** | **693** | **99** | **45,173** | **288** | **98** |
| **B. Derivatives** | | | | | | |
| **1. Financial derivatives** | **481** | **55,029** | **121** | **358** | **41,399** | **102** |
| 1.1 trading | 481 | 55,029 | 121 | 358 | 41,399 | 102 |
| 1.2 associated with fair value option | - | - | - | - | - | - |
| 1.3 other | - | - | - | - | - | - |
| **2. Credit derivatives** | **-** | **-** | **-** | **-** | **-** | **-** |
| 2.1 trading | - | - | - | - | - | - |
| 2.2 associated with fair value option | - | - | - | - | - | - |
| 2.3 other | - | - | - | - | - | - |
| **Total (B)** | **481** | **55,029** | **121** | **358** | **41,399** | **102** |
| **Total (A+B)** | **64,835** | **55,722** | **220** | **45,531** | **41,687** | **200** |

The sub-item A.1 – 1.2 “other debt securities”, up €10.7 million compared with the end of the previous period, mainly includes government securities held for trading in the amount of about €40 million.

The sub-item B.1 – 1.1 reports the market value of the derivatives originated by Group operations in the amount of €55.6 million.

## 2.3 FINANCIAL ASSETS DESIGNATED AS AT FAIR VALUE: COMPOSITION BY TYPE

| | Total 30/06/2025 | | | Total 31/12/2024 | | |
|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| **1.Debt securities** | **317,937** | **-** | **-** | **323,647** | **-** | **-** |
| 1.1 structured securities | - | - | - | - | - | - |
| 1.2 other debt securities | 317,937 | - | - | 323,647 | - | - |
| **2. Loans** | **-** | **-** | **917** | **-** | **-** | **1,047** |
| 2.1 structured | - | - | - | - | - | - |
| 2.2 other | - | - | 917 | - | - | 1,047 |
| **Total** | **317,937** | **-** | **917** | **323,647** | **-** | **1,047** |

The item 1.2 “other debt securities”, unchanged from the end of the previous year, includes the balance for securities in which the liquidity from the Guarantee Scheme operated by Parent Company is invested.

## 2.5 OTHER FINANCIAL ASSETS MANDATORILY MEASURED AT FAIR VALUE: COMPOSITION BY TYPE

| | Total 30/06/2025 | | | Total 31/12/2024 | | |
|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| **1. Debt securities** | **16,202** | **11,885** | **3,005** | **7,090** | **11,568** | **3,155** |
| 1.1 structured securities | 11,621 | 5,524 | - | 6,069 | 5,432 | - |
| 1.2 other debt securities | 4,581 | 6,361 | 3,005 | 1,021 | 6,136 | 3,155 |
| **2. Equity securities** | **20,480** | **35,172** | **10** | **22,453** | **36,420** | **24** |
| **3. Units in collective investment undertakings** | **5,790** | **81,806** | **342,638** | **4,101** | **76,449** | **327,618** |
| **4. Loans** | **-** | **593,241** | **18,039** | **-** | **576,775** | **15,780** |
| 4.1 repurchase agreements | - | - | - | - | - | - |
| 4.2 other | - | 593,241 | 18,039 | - | 576,775 | 15,780 |
| **Total** | **42,472** | **722,104** | **363,692** | **33,644** | **701,212** | **346,555** |

The item includes financial instruments that under IFRS 9 do not meet the requirements for measurement at amortized cost or at fair value through other comprehensive income (unit in CIUs, insurance policies, postal savings bonds, debt securities and loans failing to pass the SPPI test).

The largest components of loans reported under 4.2 “Other” include insurance policies underwritten by the banks of the Group in the amount of about €517.4 million and interest-bearing postal bonds in the amount of about €54 million, a slight decline over the end of the previous year.

## SECTION 3 - FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME – ITEM 30

### 3.1 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME: COMPOSITION BY TYPE

| | Total 30/06/2025 | | | Total 31/12/2024 | | |
|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| **1. Debt securities** | **6,395,651** | **101,395** | **23** | **6,372,756** | **40,250** | **-** |
| 1.1 structured securities | 633,323 | 33,677 | - | 517,027 | 29,087 | - |
| 1.2 other debt securities | 5,762,328 | 67,718 | 23 | 5,855,730 | 11,163 | - |
| **2. Equity securities** | **29,823** | **418,208** | **59,325** | **26,037** | **420,976** | **54,442** |
| **3. Loans** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total** | **6,425,474** | **519,603** | **59,348** | **6,398,793** | **461,226** | **54,442** |

The item “Debt securities “mainly includes government securities.

“Equity securities - Level 2” includes the equity investment in the Bank of Italy in the amount of €375 million. The remainder of equity securities mainly includes non-controlling interests.

### 3.3 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME: GROSS VALUE AND TOTAL WRITEOFFS

| | Gross amount | | | | | Total writeoffs | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Stage 1 | of which: instruments with low credit risk | Stage 2 | Stage 3 | Purchased or originated credit-impaired | Stage 1 | Stage 2 | Stage 3 | Purchased or originated credit-impaired | Total partial writeoffs * |
| Debt securities | 6,470,496 | 6,071,296 | 31,026 | 11 | - | (2,554) | (1,910) | - | - | - |
| Loans | - | - | - | - | - | - | - | - | - | - |
| **Total 30/06/2025** | **6,470,497** | **6,071,296** | **31,026** | **11** | **-** | **(2,554)** | **(1,910)** | **-** | **-** | **-** |
| **Total 31/12/2024** | **6,351,590** | **5,967,199** | **67,126** | **113** | **-** | **(2,847)** | **(2,934)** | **(42)** | **-** | **-** |

** Value to be reported for information purposes*

## SECTION 4 - FINANCIAL ASSETS MEASURED AT AMORTIZED COST - ITEM 40

### 4.1 FINANCIAL ASSETS MEASURED AT AMORTIZED COST: BREAKDOWN OF LOANS AND RECEIVABLES WITH BANKS

| | Total 30/06/2025 | | | | | | Total 31/12/2024 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Carrying amount | | | Fair value | | | Carrying amount | | | Fair value | | |
| | Stage 1 and 2 | Stage 3 | of which: purchased or originated credit-impaired | Level 1 | Level 2 | Level 3 | Stage 1 and 2 | Stage 3 | of which: purchased or originated credit-impaired | Level 1 | Level 2 | Level 3 |
| **A. Claims on central banks** | **2,033,014** | **-** | **-** | **2,033,014** | **-** | **-** | **1,625,061** | **-** | **-** | **-** | **-** | **1,625,061** |
| 1. Fixed-term deposits | - | - | - | X | X | X | - | - | - | X | X | X |
| 2. Reserve requirements | 2,033,014 | - | - | X | X | X | 1,625,051 | - | - | X | X | X |
| 3. Repurchase agreements | - | - | - | X | X | X | - | - | - | X | X | X |
| 4. Other | - | - | - | X | X | X | 10 | - | - | X | X | X |
| **B. Due from banks** | **1,719,467** | **-** | **-** | **1,240,070** | **192,535** | **304,666** | **1,765,570** | **4** | **-** | **1,247,655** | **260,248** | **269,920** |
| 1. Financing | 298,709 | - | - | 7,651 | 35,859 | 254,770 | 286,656 | - | - | 8,626 | 78,482 | 197,262 |
| 1.1 Current accounts and demand deposits | - | - | - | X | X | X | - | - | - | X | X | X |
| 1.2. Fixed-term deposits | 20,374 | - | - | X | X | X | 61,383 | - | - | X | X | X |
| 1.3. Other financing: | 278,335 | - | - | X | X | X | 225,273 | - | - | X | X | X |
| - Repurchase agreements | 71,123 | - | - | X | X | X | 10,445 | - | - | X | X | X |
| - Finance leases | 222 | - | - | X | X | X | 229 | - | - | X | X | X |
| - Other | 206,990 | - | - | X | X | X | 214,599 | - | - | X | X | X |
| 2. Debts securities | 1,420,758 | - | - | 1,232,419 | 156,676 | 49,896 | 1,478,914 | 4 | - | 1,239,029 | 181,766 | 72,659 |
| 2.1 Structured securities | 731,759 | - | - | 679,907 | 63,751 | - | 684,603 | - | - | 630,471 | 64,276 | - |
| 2.2 Other debt securities | 688,999 | - | - | 552,512 | 92,925 | 49,896 | 794,311 | 4 | - | 608,558 | 117,490 | 72,659 |
| **Total** | **3,752,481** | **-** | **-** | **3,273,084** | **192,535** | **304,666** | **3,390,631** | **4** | **-** | **1,247,655** | **260,248** | **1,894,981** |

"Claims on central banks" total about €2 billion (up €408 million compared with the end of the previous year) include the balance of the Group banks' reserve requirement managed on behalf of the mutual banks by the Parent Company.

The sub-item "debt securities" comes to €1.4 billion, slightly down from the end of the previous year, and is attributable to bank bonds held by the Group.

## 4.2 FINANCIAL ASSETS MEASURED AT AMORTIZED COST: BREAKDOWN BY PRODUCT OF LOANS AND RECEIVABLES WITH CUSTOMERS

| | Total 30/06/2025 | | | | | | Total 31/12/2024 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Carrying amount | | | Fair value | | | Carrying amount | | | Fair value | | |
| | Stage 1 and 2 | Stage 3 | of which: purchased or originated credit-impaired | Level 1 | Level 2 | Level 3 | Stage 1 and 2 | Stage 3 | of which: purchased or originated credit-impaired | Level 1 | Level 2 | Level 3 |
| **1. Loans** | **96,240,353** | **753,074** | **2,747** | **4,470,993** | **1,245,083** | **96,289,131** | **92,777,810** | **759,950** | **3,551** | **-** | **894,368** | **95,128,209** |
| 1.1. Current accounts | 6,627,030 | 80,642 | 17 | X | X | X | 6,506,946 | 73,184 | 17 | X | X | X |
| 1.2. Repurchase agreements | 4,683,660 | - | - | X | X | X | 1,230,915 | - | - | X | X | X |
| 1.3. Medium/long term loans | 70,426,643 | 586,562 | 1,817 | X | X | X | 69,638,217 | 604,407 | 2,432 | X | X | X |
| 1.4. Credit cards, personal loans and loans repaid by automatic deductions from wage | 3,036,573 | 15,198 | - | X | X | X | 2,783,168 | 13,965 | - | X | X | X |
| 1.5. Finance leases | 3,306,253 | 43,977 | - | X | X | X | 3,396,668 | 44,608 | - | X | X | X |
| 1.6. Factoring | 660,856 | 8,661 | - | X | X | X | 899,204 | 8,076 | - | X | X | X |
| 1.7. Other loans | 7,499,338 | 18,034 | 913 | X | X | X | 8,322,692 | 15,710 | 1,102 | X | X | X |
| **2. Debt securities** | **46,416,986** | **139,269** | **-** | **44,143,635** | **1,296,023** | **1,077,667** | **46,351,450** | **76** | **-** | **43,316,377** | **1,324,395** | **1,148,317** |
| 2.1. Structured securities | 741,102 | - | - | 412,733 | 220,624 | 105,404 | 657,970 | - | - | 352,035 | 174,227 | 124,155 |
| 2.2. Other debt securities | 45,675,884 | 139,269 | - | 43,730,902 | 1,075,399 | 972,263 | 45,693,480 | 76 | - | 42,964,342 | 1,150,168 | 1,024,162 |
| **Total** | **142,657,339** | **892,343** | **2,747** | **48,614,628** | **2,541,106** | **97,366,798** | **139,129,260** | **760,026** | **3,551** | **43,316,377** | **2,218,763** | **96,276,526** |

Loans to customers classified here totaled €143.6 billion, up €3.7 billion on the end of the previous year.

The balance of “loans” increased by €3.5 billion on the end of 2024. The item “Repurchase agreements” came to €4.7 billion and mainly include amounts connected with transactions with the Cassa Compensazione e Garanzia, up by €3.5 billion on the end of 2024. Medium/long-term loans, amounting to €71 billion, are mainly granted to households and non-financial companies and increased in the period by about are mainly granted to households and non-financial companies and 770 million. Current accounts also increased by about €128 million on the end of the previous year.

“Debt securities” classified here came to €46.6 billion, up €0.2 billion on the end of 2024, and include government securities in the amount of about €44.8 billion.

## 4.4 FINANCIAL ASSETS MEASURED AT AMORTIZED COST: GROSS AMOUNT AND TOTAL WRITEOFFS

| | | Gross amount | | | | | Total writeoffs | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Stage 1 | of which: instruments with low credit risk | Stage 2 | Stage 3 | Purchased or originated credit-impaired | Stage 1 | Stage 2 | Stage 3 | Purchased or originated credit-impaired | Total partial writeoffs* |
| Debt securities | | 47,229,430 | 45,801,665 | 738,098 | 144,005 | - | (9,018) | (120,766) | (4,736) | - | - |
| Loans | | 91,219,193 | 28,829,966 | 8,018,929 | 2,920,242 | 9,512 | (243,893) | (422,152) | (2,167,168) | (6,766) | (457,972) |
| **Total** | **30/06/2025** | **138,448,623** | **74,631,631** | **8,757,027** | **3,064,247** | **9,512** | **(252,911)** | **(542,918)** | **(2,171,904)** | **(6,766)** | **(457,972)** |
| **Total** | **31/12/2024** | **133,453,760** | **72,132,341** | **9,925,836** | **2,902,207** | **10,441** | **(270,807)** | **(588,897)** | **(2,142,181)** | **(6,891)** | **(437,983)** |

** Value to be reported for information purposes*

## SECTION 5 – HEDGING DERIVATIVES - ITEM 50

### 5.1 HEDGING DERIVATIVES: COMPOSITION BY TYPE OF CONTRACT AND LEVEL OF INPUT

| | FV 30/06/2025 | | | NV | FV 31/12/2024 | | | NV |
|---|---|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | 30/06/2025 | Level 1 | Level 2 | Level 3 | 31/12/2024 |
| **A. Financial derivatives** | | | | | | | | |
| 1. Fair value | 1,469 | 802,086 | - | 14,113,226 | 502 | 701,948 | - | 12,284,963 |
| 2. Cash flows | - | 22,774 | - | 2,441,267 | - | 23,028 | - | 2,193,879 |
| 3. Investments in foreign operations | - | - | - | - | - | - | - | - |
| **B. Credit derivatives** | | | | | | | | |
| 1. Fair value | - | - | - | - | - | - | - | - |
| 2. Cash flows | - | - | - | - | - | - | - | - |
| **Total** | **1,469** | **824,860** | **-** | **16,554,493** | **502** | **724,976** | **-** | **14,478,842** |

*Key*
NV=notional value

The increase in the balances compared with 2024 is mainly attributable to an increase in such operations and the increase in swap rates observed during the period, reflecting the nature of the items hedged, mainly represented by fixed-rate long-term loans and fixed-rate securities.

## SECTION 6 - VALUE ADJUSTMENTS OF FINANCIAL ASSETS HEDGED GENERICALLY – ITEM 60

### 6.1 VALUE ADJUSTMENTS OF HEDGED ASSETS: COMPOSITION OF HEDGED PORTFOLIOS

| | Total 30/06/2025 | Total 31/12/2024 |
|---|---|---|
| **1. Positive adjustments** | **19,452** | **45,550** |
| 1.1 of specific portfolios: | 19,452 | 45,550 |
| a) financial assets measured at amortized cost | 19,452 | 45,550 |
| b) financial assets measured at fair value through comprehensive income | - | - |
| 1.2 comprehensive | - | - |
| **2. Negative adjustments** | **(616,839)** | **(573,593)** |
| 2.1 of specific portfolios: | (616,839) | (573,593) |
| a) financial assets measured at amortized cost | (616,055) | (572,797) |
| b) financial assets measured at fair value through comprehensive income | (784) | (796) |
| 2.2 comprehensive | - | - |
| **Total** | **(597,387)** | **(528,043)** |

The item refers to the negative value adjustment of macro-hedged assets and is correlated with the positive fair value of macro-hedging derivatives shown in Table 5.1 - Hedging derivatives.

## SECTION 7 – EQUITY INVESTMENTS – ITEM 70

### 7.1 EQUITY INVESTMENTS: INFORMATION ON INVESTMENTS

| | Registered office | Operational headquarters | Type of relationship | Investment | | % of votes |
|---|---|---|---|---|---|---|
| | | | | Investor | % holding | |
| **A. Joint ventures** | | | | | | |
| Federazione BCC Friuli Venezia Giulia Srl | Udine | Udine | Joint venture | Iccrea Banca SpA | 50.0% | 50.0% |
| **B. Companies subject to significant influence** | | | | | | |
| Numia Group SpA | Milan | Milan | Significant influence | Iccrea Banca SpA | 40.0% | 40.0% |
| BCC Vita SpA | Milan | Milan | Significant influence | Iccrea Banca SpA | 49.0% | 49.0% |
| BCC Assicurazioni SpA | Milan | Milan | Significant influence | Iccrea Banca SpA | 49.0% | 49.0% |
| Pitagora SpA | Torino | Turin | Significant influence | Iccrea Banca SpA | 20.0% | 20.0% |
| Sigest Srl | Calcinaia | Calcinaia | Significant influence | Iccrea Banca SpA | 49.0% | 49.0% |
| Vorvel SIM SpA | Milan | Milan | Significant influence | Iccrea Banca SpA | 20.0% | 20.0% |
| Polo Verde Srl | Cremona | Cremona | Significant influence | Credito Padano Banca di Credito Cooperativo S.C. | 25.0% | 25.0% |
| Solaria Srl | Grosseto | Grosseto | Significant influence | Banca TEMA - Terre Etrusche e di Maremma S.C. | 40.0% | 40.0% |
| Hbenchmark Srl | Altavilla Vicentina | Altavilla Vicentina | Significant influence | Iccrea Banca SpA | 10.0% | 10.0% |

### 7.2 SIGNIFICANT EQUITY INVESTMENTS: CARRYING AMOUNT, FAIR VALUE AND DIVIDENDS RECEIVED

| | Carrying amount | Fair value | Dividends received |
|---|---|---|---|
| **A. Joint ventures** | | | |
| **B. Companies subject to significant influence** | | | |
| Numia Group SpA | 147,723 | | |
| BCC Vita SpA | 85,815 | | |
| BCC Assicurazioni SpA | 11,666 | | |
| Pitagora SpA | 17,777 | | 902 |
| Sigest Srl | 13,694 | | |
| **Total** | **276,675** | | **902** |

### 7.6 ASSESSMENTS AND SIGNIFICANT ASSUMPTIONS FOR ESTABLISHING THE EXISTENCE OF JOINT CONTROL OR SIGNIFICANT INFLUENCE

"Part A – Accounting Policies, "Section 3 – Scope and methods of consolidation" of the notes to the financial statements sets out the general criteria for the assessment and significant assumptions made in establishing whether or not we exercise joint control or significant influence over an investee company or another entity.

## SECTION 9 - PROPERTY, PLANT AND EQUIPMENT – ITEM 90

### 9.1 OPERATING PROPERTY, PLANT AND EQUIPMENT: COMPOSITION OF ASSETS CARRIED AT COST

| | Total 30/06/2025 | Total 31/12/2024 |
|---|---|---|
| **1. Owned assets** | **1,571,127** | **1,579,173** |
| a) land | 290,830 | 294,690 |
| b) buildings | 1,086,463 | 1,090,237 |
| c) movables | 60,182 | 61,826 |
| d) electronic systems | 35,916 | 43,269 |
| e) other | 97,736 | 89,151 |
| **2. Assets acquired under finance leases** | **321,116** | **231,395** |
| a) land | 1,808 | 1,815 |
| b) buildings | 207,290 | 201,357 |
| c) movables | 34 | 56 |
| d) electronic systems | 98,213 | 16,335 |
| e) other | 13,771 | 11,832 |
| **Total** | **1,892,243** | **1,810,568** |
| of which: obtained through enforcement of guarantees received | 1,241 | 1,378 |

The rights of use acquired under leases for buildings are attributable almost entirely to the leases of properties used as branches and spaces used to host ATMs or offices.

### 9.2 INVESTMENT PROPERTY: COMPOSITION OF ASSETS CARRIED AT COST

| | Total 30/06/2025 | | | | Total 31/12/2024 | | | |
|---|---|---|---|---|---|---|---|---|
| | Carrying amount | Fair value | | | Carrying amount | Fair value | | |
| | | Level 1 | Level 2 | Level 3 | | Level 1 | Level 2 | Level 3 |
| **1. Owned assets** | **137,603** | **-** | **22,707** | **152,173** | **140,125** | **-** | **22,532** | **146,077** |
| a) land | 30,743 | - | 267 | 32,102 | 26,429 | - | 267 | 27,474 |
| b) buildings | 106,860 | - | 22,440 | 120,071 | 113,696 | - | 22,265 | 118,603 |
| **2. Right-of-use assets acquired under leases** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| a) land | - | - | - | - | - | - | - | - |
| b) buildings | - | - | - | - | - | - | - | - |
| **Total** | **137,603** | **-** | **22,707** | **152,173** | **140,125** | **-** | **22,532** | **146,077** |
| of which: obtained through enforcement of guarantees received | 32,008 | - | - | 33,763 | 29,150 | - | - | 31,925 |

## 9.4 INVESTMENT PROPERTY: COMPOSITION OF ASSETS AT FAIR VALUE

| | Total 30/06/2025 | | | Total 31/12/2024 | | |
|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| **1. Owned assets** | **-** | **-** | **287,770** | **-** | **-** | **309,538** |
| a) land | - | - | 575 | - | - | 575 |
| b) buildings | - | - | 287,195 | - | - | 308,963 |
| **2. Right-of-use assets acquired under leases** | **-** | **-** | **-** | **-** | **-** | **-** |
| a) land | - | - | - | - | - | - |
| b) buildings | - | - | - | - | - | - |
| **Total** | **-** | **-** | **287,770** | **-** | **-** | **309,538** |
| of which: obtained through enforcement of guarantees received | - | - | - | - | - | - |

## 9.5 INVENTORIES OF PROPERTY, PLANT AND EQUIPMENT WITHIN THE SCOPE OF IAS 2: COMPOSITION

| | Total 30/06/2025 | Total 31/12/2024 |
|---|---|---|
| **1. Inventories of property, plant and equipment obtained through enforcement of guarantees received** | **26,889** | **26,786** |
| a) land | 12,803 | 12,769 |
| b) buildings | 6,222 | 6,576 |
| c) movables | - | - |
| d) electronic systems | - | - |
| e) other | 7,864 | 7,441 |
| **2. Other inventories of property, plant and equipment** | **5,168** | **5,168** |
| **Total** | **32,057** | **31,954** |
| of which: measured at fair value net of selling costs | 2,244 | 1,567 |

## SECTION 10 – INTANGIBLE ASSETS – ITEM 100

### 10.1 INTANGIBLE ASSETS: COMPOSITION BY CATEGORY

| | Total 30/06/2025 | | Total 31/12/2024 | |
|---|---|---|---|---|
| | Finite life | Indefinite life | Finite life | Indefinite life |
| **A.1 Goodwill** | **X** | **18,408** | **X** | **18,408** |
| A.1.1 pertaining to the Group | X | 18,408 | X | 18,408 |
| A.1.2 pertaining to non-controlling interests | X | - | X | - |
| **A.2 Other intangible assets** | **184,441** | **5** | **181,871** | **5** |
| of which software | 169,446 | - | 170,567 | - |
| A.2.1 Assets carried at cost | 184,441 | 5 | 181,871 | 5 |
| a) internally generated intangible assets | 5,705 | - | 5,342 | - |
| b) other assets | 178,736 | 5 | 176,529 | 5 |
| A.2.2 Assets designated at fair value | - | - | - | - |
| a) internally generated intangible assets | - | - | - | - |
| b) other assets | - | - | - | - |
| **Total** | **184,441** | **18,413** | **181,871** | **18,413** |

Item A.1.1 includes goodwill paid in the acquisition of bank branches by the Group banks (€2.8 million) and goodwill recognized upon first-time consolidation of certain controlling interests (€15.6 million) prior to the formation of the Mutual Banking Group.

Other intangible assets mainly comprise software and licenses.

### 10.3 OTHER INFORMATION

IAS 36 requires that certain types of asset, including goodwill, undergo impairment testing at least annually (in the case of the Iccrea Cooperative Banking Group and the main Italian banking groups, at the end of the calendar year) in order to verify the recoverability of their value.[32]

The standard also establishes that the annual detailed calculation can be considered valid for the purposes of subsequent assessments as long as the probability that the recoverable value of the assets is less than the carrying amount is considered remote. This judgment is essentially based on an analysis of events that have occurred and any circumstances that may have changed since the date of the most recent annual impairment test.

Specifically, IAS 36 requires the performance of certain qualitative and quantitative analyses in the preparation of the interim financial statements in order to identify the possible existence of impairment indicators ("internal" and "external") and consequently whether the conditions have been met for performing impairment tests more frequently than the ordinary annual testing.

[32] In the financial statements at December 31, 2024, which readers are invited to consult for more information, impairment tests were conducted to assess the carrying amount of the goodwill recognized by the affiliated banks (€2.8 million) and the goodwill recognized in the consolidated financial statements following the acquisition of control over the investees (€15.6 million).

In order to perform impairment testing of the goodwill recognized by the banks, the Group has adopted common criteria and methodological models, in line with best market and theoretical practice, to determine the value in use of the assets. Consistent with the provisions of IAS 36 and taking account of the general principles of reasonableness and demonstrability of the estimates to be used, two distinct approaches have been adopted within the Group (based on the use of a CGU represented, respectively, by the entire company or the branches that originally led to the recognition of goodwill). In the case of the "entire company CGU", the dividend discount model (DDM) - excess capital variant – has been applied. It estimates the value of a company (in this case, the affiliated mutual bank) on the basis of future dividends distributable to shareholders. This method is widely used in accepted valuation practice and supported by the best scholarly work on corporate valuation techniques, with particular regard to companies operating in the financial sector. Affiliates that adopt the "branches acquired CGU" use the discounted cash flow ("DCF") – levered variant. It estimates the value of the economic capital of a company ("equity value") as the sum of the present value of the cash flows distributable to shareholders that it will generate over a specified explicit period for planning projected economic/financial data and of the residual value at the end of that period ("TV"), discounted at a rate equal to the cost of capital ("Ke").

In the measurement of the goodwill recognized in the consolidated financial statements following the acquisition of control over the investee, the CGU is represented by each of these investees. The market multiples method was used to measure the companies, which is based on the assumption that the value of a company can be determined by drawing information from the stock exchange market for companies operating in the same sector of the company being valued ("comparable companies").

In consideration of the foregoing, analyses were performed to verify the presence or absence, compared with the date of approval of the impairment test performed in the preparation of the consolidated financial statements at December 31, 2024, of indicators/events of either an external or internal nature (so-called trigger events) such as to give rise to the need to perform impairment testing for the interim financial report at June 30, 2025.

More specifically, in consideration of the above, the following external factors were analyzed:

- the evolution of the macroeconomic scenario and the forecasts of the banking sector for the medium term with respect to the assumptions underlying the projections considered in the impairment testing at December 31, 2024;
- the components of the discount rate compared between the situation prevailing at the time of the impairment testing exercise and the current situation;

as well as the following internal factors:

- a comparison of the preliminary data at June 30, 2025 and the expected profit forecasts in the 2025 budget for investee companies undergoing assessment.

The analysis performed found no evidence of impairment for the assets involved.

## SECTION 11 - TAX ASSETS AND LIABILITIES – – ITEM 110 OF ASSETS AND ITEM 60 OF LIABILITIES

### 11.1 DEFERRED TAX ASSETS: COMPOSITION

| | 30/06/2025 | | Total | 31/12/2024 | | Total |
|---|---|---|---|---|---|---|
| | IRES | IRAP | | IRES | IRAP | |
| **1) Recognized in profit or loss:** | **605,493** | **64,387** | **669,879** | **625,242** | **66,415** | **691,656** |
| **a) DTAs pursuant to Law 214/2011** | **357,878** | **33,514** | **391,392** | **357,952** | **33,514** | **391,466** |
| Writedowns of loans to customers | 282,001 | 32,496 | 314,498 | 282,049 | 32,497 | 314,546 |
| Goodwill and other intangible assets at December 31, 2014 | 212 | 38 | 251 | 212 | 38 | 251 |
| Tax losses/negative value of production pursuant to Law 214/2011 | 75,665 | 979 | 76,644 | 75,690 | 979 | 76,669 |
| **b) Other** | **247,615** | **30,873** | **278,488** | **267,290** | **32,900** | **300,191** |
| Writedowns of amounts due from banks | 1,993 | - | 1,993 | 2,475 | - | 2,475 |
| Writedowns of loans to customers | 20,055 | 7,611 | 27,666 | 20,055 | 7,602 | 27,657 |
| Goodwill and other intangible assets | 3,158 | 562 | 3,720 | 3,496 | 626 | 4,123 |
| Tax losses | 11,674 | - | 11,674 | 18,973 | - | 18,973 |
| Writedowns of financial instruments | 349 | 238 | 587 | 298 | 252 | 550 |
| Writedowns from impairment of guarantees issued recognized under liabilities | 50,950 | - | 50,950 | 52,135 | - | 52,135 |
| Provisions for risks and charges | 94,605 | 12,375 | 106,980 | 103,272 | 13,725 | 116,997 |
| Costs of predominantly administrative nature | 721 | - | 721 | 1,116 | - | 1,116 |
| Difference between value for tax purposes and carrying amount of property, plant and equipment and intangible assets | 36,954 | 5,353 | 42,306 | 37,108 | 5,383 | 42,491 |
| Other | 27,156 | 4,734 | 31,891 | 28,362 | 5,312 | 33,674 |
| **2) Recognized in equity:** | **30,899** | **6,133** | **37,032** | **40,665** | **7,981** | **48,646** |
| **a) Valuation reserves** | **28,278** | **5,645** | **33,923** | **37,620** | **7,451** | **45,071** |
| Capital losses on financial assets measured through OCI | 28,278 | 5,645 | 33,923 | 37,620 | 7,451 | 45,071 |
| **b) Other:** | **2,621** | **488** | **3,109** | **3,045** | **530** | **3,575** |
| Actuarial gains/losses on provisions for employees | 33 | - | 33 | 33 | - | 33 |
| Other | 2,588 | 488 | 3,076 | 3,013 | 530 | 3,543 |
| **A. Total deferred tax assets** | **636,392** | **70,520** | **706,912** | **665,907** | **74,396** | **740,303** |
| **B. Offsetting with deferred tax liabilities** | **-** | **-** | **-** | **-** | **-** | **-** |
| **C. Net deferred tax assets - Total item 110 b)** | **636,392** | **70,520** | **706,912** | **665,907** | **74,396** | **740,303** |

The DTAs referred to in Law 214/2011, equal to a total of €391.4 million and essentially unchanged compared with the end of 2024, are mainly represented by prepaid taxes attributable to writedowns of loans to customers accounted for up to 2015 and not yet deducted, which can be converted into tax credits in the event of a net loss for the year and/or a tax loss.

DTAs recognized in profit or loss other than those referred to in Law 214/2011 amount to a total €278.5 million. Among these, the sub-item "Provisions for risks and charges", which amounts to €107 million, represents the prepaid taxes recognized in respect of provisions for risks and charges that are expected to be deducted in future years. The sub-item "Writedowns of loans to customers", equal to €27.7 million, includes the deferred tax assets that can be recognized in respect of the nine-tenths of writedowns on loans to customers recognized at first-time adoption of IFRS 9, which under Law 145 of December 30, 2018 were deducted in tenths.

## 11.2 DEFERRED TAX LIABILITIES: COMPOSITION

| | 30/06/2025 | | Total | 31/12/2024 | | Total |
|---|---|---|---|---|---|---|
| | IRES | IRAP | | IRES | IRAP | |
| **1) Deferred tax liabilities recognized in profit or loss** | **4,816** | **281** | **5,097** | **5,141** | **291** | **5,432** |
| Writedowns of loans to customers deducted in tax return | - | - | - | - | - | - |
| Difference between value for tax purposes and carrying amount of property, plant and equipment and intangible assets | 1,019 | 182 | 1,202 | 1,019 | 182 | 1,202 |
| Other | 3,797 | 98 | 3,895 | 4,122 | 109 | 4,231 |
| **2) Deferred tax liabilities recognized in equity** | **31,941** | **6,308** | **38,249** | **26,700** | **5,290** | **31,990** |
| **Valuation reserves** | | | | | | |
| Capital gains on financial assets measured through OCI | 22,517 | 4,439 | 26,956 | 17,507 | 3,457 | 20,964 |
| Revaluation of property | 500 | 83 | 583 | 500 | 83 | 583 |
| Other | 8,924 | 1,787 | 10,711 | 8,693 | 1,750 | 10,443 |
| **A. Total deferred tax liabilities** | **36,758** | **6,588** | **43,346** | **31,841** | **5,581** | **37,422** |
| **B. Offsetting with deferred tax assets** | **-** | **-** | **-** | **-** | **-** | **-** |
| **C. Net deferred tax liabilities** | **36,758** | **6,588** | **43,346** | **31,841** | **5,581** | **37,422** |

## SECTION 12 - NON-CURRENT ASSETS AND DISPOSAL GROUPS HELD FOR SALE AND ASSOCIATED LIABILITIES - ITEM 120 OF ASSETS AND ITEM 70 OF LIABILITIES

### 12.1 NON-CURRENT ASSETS AND DISPOSAL GROUPS HELD FOR SALE: COMPOSITION BY TYPE

| | 30/06/2025 | 31/12/2024 |
|---|---|---|
| **A. Assets held for sale** | | |
| A.1 Financial assets | 4,335 | 30,729 |
| A.2 Equity investments | - | - |
| A.3 Property, plant and equipment | 10,323 | 33,115 |
| of which obtained through enforcement of guarantees received | 6,782 | 7,498 |
| A.4 Intangible assets | - | 4,384 |
| A.5 Other non-current assets | - | 8,567 |
| **Total A** | **14,658** | **76,795** |
| of which carried at cost | 4,852 | 71,192 |
| of which measured at fair value level 1 | - | - |
| of which measured at fair value level 2 | 9,016 | 4,813 |
| of which measured at fair value level 3 | 790 | 790 |
| **B. Discontinued operations** | | |
| B.1 Financial assets measured at fair value through profit or loss | - | - |
| - Financial assets held for trading | - | - |
| - Financial assets designated as at fair value | - | - |
| - Other financial assets mandatorily measured at fair value | - | - |
| B.2 Financial assets measured at fair value through other comprehensive income | - | - |
| B.3 Financial assets measured at amortized cost | - | - |
| B.4 Equity investments | - | - |
| B.5 Property, plant and equipment | - | 21,566 |
| of which: obtained through enforcement of guarantees received | - | - |
| B.6 Intangible assets | - | 509 |
| B.7 Other assets | - | 10,683 |
| **Total B** | **-** | **32,758** |
| of which carried at cost | - | 32,758 |
| of which measured at fair value level 1 | - | - |
| of which measured at fair value level 2 | - | - |
| of which measured at fair value level 3 | - | - |
| **C. Liabilities associated with assets held for sale** | | |
| C.1 Debt | - | - |
| C.2 Securities | - | - |
| C.3 Other liabilities | - | 21,573 |
| **Total C** | **-** | **21,573** |
| of which carried at cost | - | 21,573 |
| of which measured at fair value level 1 | - | - |
| of which measured at fair value level 2 | - | - |
| of which measured at fair value level 3 | - | - |
| **D. Liabilities associated with discontinued operations** | | |
| D.1 Financial liabilities measured at amortized cost | - | - |
| D.2 Financial liabilities held for trading | - | - |
| D.3 Financial liabilities designated as at fair value | - | - |
| D.4 Provisions | - | - |
| D.5 Other liabilities | - | 9,349 |
| **Total D** | **-** | **9,349** |
| of which carried at cost | - | 9,349 |
| of which measured at fair value level 1 | - | - |
| of which measured at fair value level 2 | - | - |
| of which measured at fair value level 3 | - | - |

At June 30, 2025 assets and liabilities held for sale, down significantly compared with the end of 2024, consists of financial assets and property for which disposal is expected within twelve months.

At December 31, 2024, assets and liabilities held for sale mainly included:

- a loan portfolio of BCC Leasing in the amount of €30.7 million;

- the assets and liabilities of BCC POS, amounting to €32.8 and €9.3 million, respectively, control of which is scheduled to be sold to a non-Group purchaser and end of operations;
- the assets and liabilities of essentially the infrastructure segment of BCC Sistemi Informatici, amounting to €34.8 and €21.6 million, respectively;
- other assets in the amount of €11.3 million.

## SECTION 13 - OTHER ASSETS – ITEM 130

### 13.1 OTHER ASSETS: COMPOSITION

| | Total 30/06/2025 | Total 31/12/2024 |
|---|---|---|
| Shortfalls, embezzlement and robberies | 1,107 | 1,555 |
| Trade receivables | 42,425 | 78,796 |
| Stamp duty and other valuables | 918 | 918 |
| Gold, silver and other precious metals | 1,719 | 1,811 |
| Receivables for future premiums on derivatives | 8,427 | 8,406 |
| Fees and commissions and interest to be received | 38,441 | 36,351 |
| Tax receivables due from central govt. tax authorities and other tax agencies | 488,337 | 470,878 |
| Receivables from social security institutions | 2,902 | 691 |
| Tax receivables | 2,899,376 | 3,605,603 |
| Receivables from employees | 3,026 | 780 |
| Non-recurring transactions (acquisitions) | 66 | 6,971 |
| Items in transit between branches and items being processed | 595,865 | 435,931 |
| Accrued income not attributable to separate line item | 13,319 | 8,265 |
| Prepaid expenses not attributable to separate line item | 257,421 | 73,881 |
| Leasehold improvements | 50,183 | 47,081 |
| Other (security deposits, assets not attributable to other items) | 267,361 | 241,703 |
| Balance of illiquid portfolio items | 23,961 | 471,700 |
| **Total** | **4,694,854** | **5,491,321** |

"Tax receivables" include almost exclusively tax credits connected with the Revival Decree acquired by Group banks following assignment by the direct beneficiaries (the so-called Superbonus 110% program) in the amount of €2.9 billion, down by about €0.7 billion on the end of the previous year mainly reflecting offsets in the period.

The item "Balance of illiquid portfolio items" includes differences between the value dates applied in the various accounts, which are generated during the accounting elimination of the items in respect of the crediting and debiting of portfolios under reserve and after collection, whose settlement date is after the reporting date.

"Items in transit between branches and items being processed" reports assets that for technical/procedural reasons will be allocated definitively in the early days of the subsequent period, such as checks, incoming bank transfers pending or items in transit between banks.

## LIABILITIES

## SECTION 1 - FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST – ITEM 10

### 1.1 FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST – DUE TO BANKS: COMPOSITION BY TYPE

| | Total 30/06/2025 | | | | Total 31/12/2024 | | | |
|---|---|---|---|---|---|---|---|---|
| | Carrying amount | Fair value | | | Carrying amount | Fair value | | |
| | | Level 1 | Level 2 | Level 3 | | Level 1 | Level 2 | Level 3 |
| 1. Due to central banks | 500,149 | X | X | X | 4,701,855 | X | X | X |
| 2. Due to banks | 2,090,347 | X | X | X | 1,852,161 | X | X | X |
| 2.1 Current accounts and demand deposits | 869,507 | X | X | X | 869,637 | X | X | X |
| 2.2 Fixed term deposits | 10,571 | X | X | X | 13,188 | X | X | X |
| 2.3 Loans | 1,206,557 | X | X | X | 965,502 | X | X | X |
| 2.3.1 Repurchase agreements | 1,126,631 | X | X | X | 882,370 | X | X | X |
| 2.3.2 Other | 79,926 | X | X | X | 83,133 | X | X | X |
| 2.4 Liabilities in respect of commitments to repurchase own equity instruments | - | X | X | X | - | X | X | X |
| 2.5 Lease liabilities | 1,245 | X | X | X | 2,518 | X | X | X |
| 2.6 Other payables | 2,467 | X | X | X | 1,316 | X | X | X |
| **Total** | **2,590,496** | **-** | **1,165,767** | **1,424,956** | **6,554,016** | **-** | **900,645** | **5,644,639** |

"Due to central banks" represents financing from the Bank of Italy within ordinary monetary policy operations. The decrease of €4.2 billion compared with the end of 2024 is attributable to the repayment of financing during the period.

### 1.2 FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST – DUE TO CUSTOMERS: COMPOSITION BY TYPE

| | Total 30/06/2025 | | | | Total 31/12/2024 | | | |
|---|---|---|---|---|---|---|---|---|
| | Carrying amount | Fair value | | | Carrying amount | Fair value | | |
| | | Level 1 | Level 2 | Level 3 | | Level 1 | Level 2 | Level 3 |
| 1. Current accounts and demand deposits | 103,533,621 | X | X | X | 103,294,029 | X | X | X |
| 2. Fixed-term deposits | 6,313,211 | X | X | X | 6,135,365 | X | X | X |
| 3. Loans | 13,791,785 | X | X | X | 12,757,465 | X | X | X |
| 3.1 Repurchase agreements | 12,228,184 | X | X | X | 10,647,133 | X | X | X |
| 3.2 Other | 1,563,600 | X | X | X | 2,110,332 | X | X | X |
| 4. Liabilities in respect of commitments to repurchase own equity instruments | - | X | X | X | - | X | X | X |
| 5. Lease liabilities | 319,369 | X | X | X | 232,319 | X | X | X |
| 6. Other payables | 875,195 | X | X | X | 815,042 | X | X | X |
| **Total** | **124,833,181** | **-** | **12,243,865** | **112,492,253** | **123,234,220** | **-** | **10,740,443** | **112,540,752** |

Amounts due to customers increased by €1.6 billion compared with December 2024, mainly reflecting the increase in repurchase transactions with the Cassa Compensazione e Garanzia.

The sub-item "Loans-other" comprises €0.9 billion in respect of a loan from CDP.

## 1.3 FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST - SECURITIES ISSUED: COMPOSITION BY TYPE

| | Total 30/06/2025 | | | | Total 31/12/2024 | | | |
|---|---|---|---|---|---|---|---|---|
| | Carrying amount | Fair Value | | | Carrying amount | Fair Value | | |
| | | Level 1 | Level 2 | Level 3 | | Level 1 | Level 2 | Level 3 |
| **A. Securities** | | | | | | | | |
| 1. Bonds | 8,333,740 | 7,730,588 | 695,123 | - | 7,316,465 | 6,595,961 | 786,056 | - |
| 1.1 structured | - | - | - | - | 4,840 | - | 208 | - |
| 1.2 other | 8,333,740 | 7,730,588 | 695,123 | - | 7,311,625 | 6,595,961 | 785,848 | - |
| 2. Other securities | 6,758,194 | - | 6,801,980 | 521 | 6,651,749 | - | 6,384,076 | 302,950 |
| 2.1 structured | - | - | - | - | - | - | - | - |
| 2.2 other | 6,758,194 | - | 6,801,980 | 521 | 6,651,749 | - | 6,384,076 | 302,950 |
| **Total** | **15,091,934** | **7,730,588** | **7,497,103** | **521** | **13,968,214** | **6,595,961** | **7,170,132** | **302,950** |

Securities increased by an overall €1.1 billion on the end of 2024, mainly reflecting the issue of new bonds by the Parent Company (of which covered bonds in the amount of €0.6 billion and a Green Bond in the amount of €0.5 billion).

The sub-item 2.2 "Other securities – other" regard certificates of deposit issued by banks of the Group in the amount of €6.8 billion.

## SECTION 2 - FINANCIAL LIABILITIES HELD FOR TRADING - ITEM 20

### 2.1 FINANCIAL LIABILITIES HELD FOR TRADING: COMPOSITION BY TYPE

| | Total 30/06/2025 | | | | | Total 31/12/2024 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | NV | Fair value | | | Fair value * | NV | Fair value | | | Fair value * |
| | | Level 1 | Level 2 | Level 3 | | | Level 1 | Level 2 | Level 3 | |
| **A. On-balance-sheet liabilities** | | | | | | | | | | |
| 1. Due to banks | 2,501 | 2,081 | - | - | 2,081 | 2,436 | 2,506 | - | - | 2,506 |
| 2. Due to customers | 3,167 | 3,196 | - | - | 3,196 | 6,220 | 6,329 | - | - | 6,329 |
| 3. Debt securities | - | - | - | - | X | - | - | - | - | X |
| 3.1 Bonds | - | - | - | - | X | - | - | - | - | X |
| 3.1.1 Structured | - | - | - | - | X | - | - | - | - | X |
| 3.1.2 Other bonds | - | - | - | - | X | - | - | - | - | X |
| 3.2 Other | - | - | - | - | X | - | - | - | - | X |
| 3.2.1 Structured | - | - | - | - | X | - | - | - | - | X |
| 3.2.2 Other | - | - | - | - | X | - | - | - | - | X |
| **Total A** | **5,668** | **5,277** | **-** | **-** | **5,277** | **8,655** | **8,835** | **-** | **-** | **8,835** |
| **B. Derivatives** | | | | | | | | | | |
| 1. Financial derivatives | X | 155 | 45,927 | - | X | X | 23 | 55,062 | - | X |
| 1.1 Trading | X | 155 | 45,927 | - | X | X | 23 | 55,062 | - | X |
| 1.2 Associated with fair value option | X | - | - | - | X | X | - | - | - | X |
| 1.3 Other | X | - | - | - | X | X | - | - | - | X |
| 2. Credit derivatives | X | - | - | - | X | X | - | - | - | X |
| 2.1 Trading | X | - | - | - | X | X | - | - | - | X |
| 2.2 Associated with fair value option | X | - | - | - | X | X | - | - | - | X |
| 2.3 Other | X | - | - | - | X | X | - | - | - | X |
| **Total B** | **X** | **155** | **45,927** | **-** | **X** | **X** | **23** | **55,062** | **-** | **X** |
| **Total (A+B)** | **X** | **5,432** | **45,927** | **-** | **X** | **X** | **8,858** | **55,062** | **-** | **X** |

*Key:*
NV=nominal or notional value
Fair value*= Fair value calculated excluding changes in the amount attributable to changes in the creditworthiness of the issuer since the issue date

## SECTION 3 - FINANCIAL LIABILITIES DESIGNATED AS AT FAIR VALUE - ITEM 30

### 3.1 FINANCIAL LIABILITIES DESIGNATED AS AT FAIR VALUE: COMPOSITION BY TYPE

| | Total 30/06/2025 | | | | | Total 31/12/2024 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | NV | Fair value | | | Fair value * | NV | Fair value | | | Fair value * |
| | | Level 1 | Level 2 | Level 3 | | | Level 1 | Level 2 | Level 3 | |
| **1. Due to banks** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| 1.1 Structured | - | - | - | - | X | - | - | - | - | X |
| 1.2 Other | - | - | - | - | X | - | - | - | - | X |
| of which: | | | | | | | | | | |
| - commitments to disburse funds | - | X | X | X | X | X | X | X | X | X |
| - financial guarantees issued | - | X | X | X | X | X | X | X | X | X |
| **2. Due to customers** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| 2.1 Structured | - | - | - | - | X | - | - | - | - | X |
| 2.2 Other | - | - | - | - | X | - | - | - | - | X |
| of which: | | | | | | | | | | |
| - commitments to disburse funds | - | X | X | X | X | X | X | X | X | X |
| - financial guarantees issued | - | X | X | X | X | X | X | X | X | X |
| **3. Debt securities** | **35,224** | **-** | **-** | **33,735** | **35,591** | **-** | **-** | **-** | **-** | **-** |
| 3.1 Structured | 35,224 | - | - | 33,735 | X | - | - | - | - | X |
| 3.2 Other | - | - | - | - | X | - | - | - | - | X |
| **Total** | **35,224** | **-** | **-** | **33,735** | **35,591** | **-** | **-** | **-** | **-** | **-** |

*Key:*
NV= Nominal or notional value

The item includes the investment certificates issued by the Parent Company and placed by the affiliated mutual banks.

## SECTION 4 - HEDGING DERIVATIVES – ITEM 40

### 4.1 HEDGING DERIVATIVES: COMPOSITION BY TYPE OF HEDGE AND LEVEL OF INPUTS

| | Fair value 30/06/2025 | | | NV | Fair value 31/12/2024 | | | NV |
|---|---|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | 30/06/2025 | Level 1 | Level 2 | Level 3 | 31/12/2024 |
| **A) Financial derivatives** | **770** | **269,731** | **-** | **5,606,938** | **535** | **244,254** | **-** | **6,173,308** |
| 1) Fair value | 770 | 259,404 | - | 4,630,938 | 535 | 233,070 | - | 5,274,308 |
| 2) Cash flows | - | 10,327 | - | 976,000 | - | 11,184 | - | 899,000 |
| 3) Investments in foreign operations | - | - | - | - | - | - | - | - |
| **B. Credit derivatives** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| 1) Fair value | - | - | - | - | - | - | - | - |
| 2) Cash flows | - | - | - | - | - | - | - | - |
| **Total** | **770** | **269,731** | **-** | **5,606,938** | **535** | **244,254** | **-** | **6,173,308** |

*Key:*
NV=notional value

Item A. 1) includes the negative fair value of derivatives hedging securities against inflation.

## SECTION 6 – TAX LIABILITIES – ITEM 60

See section 11 under assets.

## SECTION 8 - OTHER LIABILITIES – ITEM 80

### 8.1 OTHER LIABILITIES: COMPOSITION

| | Total 30/06/2025 | Total 31/12/2024 |
|---|---|---|
| Amounts due to social security institutions and State | 51,700 | 93,582 |
| Trade payables | 204,629 | 244,594 |
| Amounts available to customers | 97,626 | 92,416 |
| Fee and commission expense to settle | 29,125 | 24,486 |
| Liabilities for future premiums on derivatives | 14,149 | 10,928 |
| Tax payables due to tax authorities | 712,247 | 635,911 |
| Payables due to employees | 508,829 | 346,017 |
| Accrued expenses not attributable to separate line item | 3,922 | 3,590 |
| Deferred income not attributable to separate line item | 28,282 | 27,886 |
| Items in transit and items being processed | 390,427 | 1,470,300 |
| Other (failed purchase transactions, trade payables, insurance liabilities, security deposits, items not attributable to separate line item) | 394,357 | 395,873 |
| Consolidation adjustments | 714,442 | 231,553 |
| Balance of illiquid portfolio items | 1,939,832 | 121,956 |
| Dividends to be paid | 78 | 169 |
| Tax consolidation mechanism | 84 | 230 |
| **Total** | **5,089,729** | **3,699,492** |

The item “Items in transit and items being processed” includes liabilities that for technical or procedural reasons will be settled in the subsequent period, such as pending outward credit transfers or items in transit between banks.

The item “Tax payables due to tax authorities” reports amounts owed by the Group to these entities other than income taxes. This includes, in addition to amounts in respect of tax returns paid by mutual bank customers and withholdings made by the banks on customer transactions, tax payables accrued by the Group companies in respect of their indirect taxes, such as, for example, stamp duty, tax in lieu, tax on stock exchange contracts, VAT, local taxes, etc.

The item “Balance of illiquid portfolio items” includes differences the value dates applied in the various accounts, which are generated during the accounting elimination of the items in respect of the crediting and debiting of portfolios under reserve and after collection, whose settlement date is after the reporting date.

## SECTION 9 - EMPLOYEE TERMINATION BENEFITS – ITEM 90

### 9.1 EMPLOYEE TERMINATION BENEFITS: CHANGE FOR THE PERIOD

| | Total 30/06/2025 | Total 31/12/2024 |
|---|---|---|
| **A. Opening balance** | **197,279** | **215,977** |
| **B. Increases** | **5,494** | **9,133** |
| B.1 Provisions for the period | 3,546 | 7,764 |
| B.2 Other increases | 1,948 | 1,369 |
| **C. Decreases** | **16,834** | **27,832** |
| C.1 Benefit payments | 7,860 | 16,733 |
| C.2 Other decreases | 8,974 | 11,098 |
| **D. Closing balance** | **185,939** | **197,279** |
| **Total** | **185,939** | **197,279** |

The table reports changes in the provision for termination benefits under the Italian severance pay mechanism (*trattamento di fine rapporto*, TFR). It does not report payments to external pension funds and the INPS treasury fund, which are presented in Section 8 “Other liabilities”.

The sub-item C.1 “Decreases – Benefit payments” reports uses of the termination benefit provision associated with advances granted in accordance with applicable regulations and national collective bargaining agreements and with terminations of the employment relationship.

## SECTION 10 - PROVISIONS FOR RISKS AND CHARGES – ITEM 100

### 10.1 PROVISIONS FOR RISKS AND CHARGES: COMPOSITION

| | Total 30/06/2025 | Total 31/12/2024 |
|---|---|---|
| 1. Provisions for credit risk in respect of commitments and financial guarantees issued | 259,061 | 268,203 |
| 2. Provisions for other commitments and guarantees issued | - | - |
| 3. Company pension plans | - | - |
| 4. Other provisions for risks and charges | 443,271 | 389,921 |
| 4.1 legal disputes | 95,739 | 97,639 |
| 4.2 personnel expense | 138,659 | 158,816 |
| 4.3 other | 208,874 | 133,466 |
| **Total** | **702,332** | **658,125** |

Item 1. “Provisions for credit risk in respect of commitments and financial guarantees issued” includes provisions for credit risk in respect of commitments to disburse funds and financial guarantees issued that are subject to the impairment rules of IFRS 9.

The sub-item 4.1 “legal disputes” mainly includes provisions for disputes over interest, compound interest, contract terms and banking and investment services, as well as provisions for labor disputes and legal costs for debt collection.

The main provisions recognized under sub-item 4.2 “personnel expenses” include those for termination incentives and employee loyalty bonus.

The sub-item 4.3 “Other” includes, among other things, a provision of about €160 million for charity recognized during the allocation of profit for previous years.

## SECTION 13 - EQUITY - ITEMS 120, 130, 140, 150, 160, 170 AND 180

### 13.1 "SHARE CAPITAL" AND "TREASURY SHARES": COMPOSITION

As described in Part A Accounting Policies, Section 3 – Scope and methods of consolidation, pursuant to Law 145 of December 30, 2018 ("2019 Budget Act") the Parent Company, Iccrea Banca SpA, and the affiliated mutual banks under the Cohesion Contract represent a single consolidating entity. In the Group's equity, share capital is therefore represented by the share capital of the Parent Company and that of the mutual banks. The intercompany portion, represented by shares of the Parent Company held by the mutual banks belonging to the Group under the provisions of the Cohesion Contract, is reported under treasury shares, as the shares were issued and subscribed by the single consolidating entity.

Share capital is represented by 27,125,759 ordinary shares with a par value of €51.65 each, for a total of €1,401,045,452.

As at the reporting date, share capital of the mutual banks belonging to the Iccrea Cooperative Banking Group amounted to €1,010,843,566 (€887,293,713 net of shares issued pursuant to Article 150-ter by seven mutual banks and subscribed by the Parent Company. In accordance with the bylaws of the mutual banks, their share capital is variable as it is composed of shares that in principle can be issued without limit.

### 13.2 SHARE CAPITAL – NUMBER OF SHARES OF THE PARENT COMPANY: CHANGE FOR THE PERIOD

| | Ordinary | Other |
|---|---|---|
| **A. Shares at the start of the year** | **27,125,759** | **-** |
| - fully paid | 27,125,759 | - |
| - partially paid | - | - |
| A.1 Treasury shares (-) | (26,439,705) | - |
| **A.2 Shares in circulation: opening balance** | **686,054** | **-** |
| **B. Increases** | **-** | **-** |
| B.1 new issues | - | - |
| - for consideration: | - | - |
| - business combinations | - | - |
| - conversion of bonds | - | - |
| - exercise of warrants | - | - |
| - other | - | - |
| - bonus issues: | - | - |
| - to employees | - | - |
| - to directors | - | - |
| - other | - | - |
| B.2 Sales of own shares | - | - |
| B.3 Other changes | - | - |
| **C. Decreases** | **(1,262)** | **-** |
| C.1 Cancellation | - | - |
| C.2 Purchase of own shares | (1,262) | - |
| C.3 Disposal of companies | - | - |
| C.4 Other changes | - | - |
| **D. Shares in circulation: closing balance** | **684,792** | **-** |
| D.1 Treasury shares(+) | 26,440,967 | - |
| D.2 Shares at the end of the year | 27,125,759 | - |
| - fully paid | 27,125,759 | - |
| - partially paid | - | - |

### 13.3 SHARE CAPITAL: OTHER INFORMATION

The Group share capital of €2,288,339,139 is represented only by ordinary shares (subscribed share capital, fully paid up).

### 13.4 EARNINGS RESERVES: OTHER INFORMATION

Group reserves amount to a total €14.4 billion.

In particular, earning reserves amount to €14.4 billion and include, among the largest, the legal reserve in the amount of €14.9 billion as well as a negative IFRS 9 reserve of €1.6 billion.

### 13.5 EQUITY INSTRUMENTS: COMPOSITION AND CHANGE FOR THE PERIOD

The item amounts to €30 million and is represented by six Additional Tier 1 bonds issued by the mutual banks between 2016 and 2018.

## SECTION 14 - NON-CONTROLLING INTERESTS – ITEM 190

### 14.1 BREAKDOWN OF ITEM 190 “NON-CONTROLLING INTERESTS”

| | Total 30/06/2025 | Total 31/12/2024 |
|---|---|---|
| **Equity investments in consolidated companies with significant non-controlling interests** | | |
| BCC Sistemi Informatici SpA | 12,261 | 11,837 |
| **Total** | **12,261** | **11,837** |

# PART C - INFORMATION ON THE CONSOLIDATED INCOME STATEMENT

## SECTION 1 - INTEREST -ITEMS 10 AND 20

### 1.1 INTEREST AND SIMILAR INCOME: COMPOSITION

| | Debt securities | Loans | Other transactions | Total 30/06/2025 | Total 30/06/2024 |
|---|---|---|---|---|---|
| **1. Financial assets measured at fair value through profit or loss** | **7,871** | **1,947** | **-** | **9,818** | **10,531** |
| 1.1 Financial assets held for trading | 4,204 | - | - | 4,204 | 1,542 |
| 1.2 Financial assets designated at fair value | 2,689 | 16 | - | 2,706 | 4,242 |
| 1.3 Other financial assets mandatorily at fair value | 978 | 1,931 | - | 2,908 | 4,748 |
| **2. Financial assets measured at fair value through other comprehensive income** | **88,580** | **-** | **X** | **88,580** | **91,070** |
| **3. Financial assets measured at amortized cost** | **663,818** | **1,960,008** | **-** | **2,623,826** | **3,122,888** |
| 3.1 Due from banks | 30,219 | 20,785 | X | 51,004 | 107,104 |
| 3.2 Loans to customers | 633,599 | 1,939,224 | X | 2,572,822 | 3,015,784 |
| **4. Hedging derivatives** | **X** | **X** | **49,001** | **49,001** | **128,245** |
| **5. Other assets** | **X** | **X** | **106,361** | **106,361** | **122,621** |
| **6. Financial liabilities** | **X** | **X** | **X** | **741** | **195** |
| **Total** | **760,268** | **1,961,956** | **155,362** | **2,878,327** | **3,475,551** |
| of which: interest income on impaired financial assets | 1,863 | 50,288 | - | 52,151 | 87,371 |
| of which: interest income on finance leases | X | 89,540 | X | 89,540 | 99,156 |

Interest on loans to customers include interest income in respect of loans to customers of €1.9 billion, down by €409 million on the end of 2024 mainly reflecting the decrease in interest rates.

Interest income on debt securities came to €760.3 million and mainly includes interest on securities issued by government entities. The amount represents a decrease of €40 million compared to June 30, 2024 mainly reflecting the above mentioned decrease in rates.

“Hedging derivatives” include differences on hedging derivatives adjusting interest income on the hedged financial instruments, securities and loans.

The amount reported under “Other assets” regards interest income on tax credits associated with government tax incentive programs established since 2020 (the “ecobonus” building renovation program), a decrease on the previous year, partly reflecting a decrease in volumes.

## 1.3 INTEREST AND SIMILAR EXPENSE: COMPOSITION

| | Debt | Securities | Other transactions | Total 30/06/2025 | Total 30/06/2024 |
|---|---|---|---|---|---|
| **1. Financial liabilities measured at amortized cost** | **(635,860)** | **(222,327)** | **X** | **(858,187)** | **(1,264,106)** |
| 1.1 Due to central banks | (31,831) | X | X | (31,831) | (259,578) |
| 1.2 Due to banks | (34,240) | X | X | (34,240) | (30,460) |
| 1.3 Due to customers | (569,788) | X | X | (569,788) | (770,828) |
| 1.4 Securities issued | X | (222,327) | X | (222,327) | (203,240) |
| **2. Financial liabilities held for trading** | **-** | **-** | **(3,995)** | **(3,995)** | **-** |
| **3. Financial liabilities designated at fair value** | **-** | **-** | **-** | **-** | **-** |
| **4. Other liabilities and provisions** | **X** | **X** | **(642)** | **(642)** | **(1,863)** |
| **5. Hedging derivatives** | **X** | **X** | **722** | **722** | **(3,028)** |
| **6. Financial assets** | **X** | **X** | **X** | **(2,741)** | **(5,809)** |
| **Total** | **(635,860)** | **(222,327)** | **(3,915)** | **(864,843)** | **(1,274,807)** |
| of which: interest expense on finance leases | (4,576) | X | X | (4,576) | (4,744) |

The decrease of the item on the same period of the previous year came to about €410 million, mainly reflecting the net effect of:

- a decrease in interest expense on funding from customers of about €201 million, mainly due to lower interest rates;
- an increase of about €19 million in interest on securities issued;
- a decrease of about €228 million in interest on amounts due to central banks following a decline in the aggregate due to repayments of loans.

## SECTION 2 - FEES AND COMMISSIONS – ITEMS 40 AND 50

### 2.1 FEE AND COMMISSION INCOME: COMPOSITION

| | Total 30/06/2025 | Total 30/06/2024 |
|---|---|---|
| a) Financial instruments | 45,499 | 41,535 |
| 1. Securities placement | 8,516 | 8,266 |
| 1.1 With underwriting and/or with irrevocable commitment | - | - |
| 1.2 Without irrevocable commitment | 8,517 | 8,266 |
| 2. Order receipt and transmission and order execution for customers | 16,814 | 15,432 |
| 2.1 Order receipt and transmission for one or more financial instruments | 14,649 | 13,984 |
| 2.2 Order execution for customers | 2,165 | 1,448 |
| 3. Other fees and commissions connected with financial instruments | 20,169 | 17,836 |
| of which: trading on own account | 363 | 361 |
| of which: individual portfolio management | 19,805 | 17,475 |
| b) Corporate finance | - | - |
| 1. Merger and acquisition advisory services | - | - |
| 2. Treasury services | - | - |
| 3. Other fees and commissions connected with corporate finance services | - | - |
| c) Investment advisory services | 556 | 485 |
| d) Clearing and settlement | - | - |
| e) Collective portfolio management | 41,335 | 36,783 |
| f) Custody and administration | 4,304 | 4,410 |
| 1. Depository bank | - | - |
| 2. Other fees and commissions connected with custody and administration services | 4,304 | 4,410 |
| g) Central administrative services for collective portfolio management | - | - |
| h) Trustee services | - | - |
| i) Payment services | 539,213 | 534,665 |
| 1. Current accounts | 276,377 | 277,694 |
| 2. Credit cards | 21,367 | 21,862 |
| 3. Debit cards and other payment cards | 38,320 | 35,980 |
| 4. Credit transfers and other payment orders | 88,106 | 91,803 |
| 5. Other fees and commissions connected with payment services | 115,043 | 107,326 |
| j) Distribution of third-party services | 166,609 | 146,056 |
| 1. Collective portfolio management | 504 | 94 |
| 2. Insurance products | 66,975 | 57,545 |
| 3. Other products | 99,130 | 88,417 |
| of which: individual portfolio management | 2,939 | 2,841 |
| k) Structured finance | - | - |
| l) Securitization servicing | 853 | 514 |
| m) Commitments to disburse funds | - | - |
| n) Financial guarantees issued | 12,904 | 12,616 |
| of which: credit derivatives | - | - |
| o) Lending transactions | 7,266 | 7,532 |
| of which: for factoring transactions | 3,215 | 2,955 |
| p) Currency trading | 2,630 | 2,653 |
| q) Goods | - | - |
| r) Other fee and commission income | 33,329 | 33,752 |
| of which: for management of multilateral trading facilities | - | - |
| of which: for management of organized trading facilities | - | - |
| **Total** | **854,498** | **821,001** |

The composition of fee and commission income, totaling €854 million, an increase of about €34 million on June 30, 2024, reflects the operations of the Group's mutual banks and captive companies, which are typically composed of customer current accounts (€276.4 million), other payment services (€262.8 million) and distribution of third-party products and services (€166.6 million, including insurance products for €67 million).

Fees and commissions concerning item e) collective portfolio management came to €41.3 million, an increase of €4.6 million on June 30, 2024, and regard asset management activities, which are exclusively performed by the Group asset management company. These were accompanied by management fees on individual portfolios of €19.8 million.

### 2.2 FEE AND COMMISSION EXPENSE: COMPOSITION

| | | Total 30/06/2025 | Total 30/06/2024 |
|---|---|---|---|
| a) Financial instruments | | (2,031) | (1,984) |
| of which: trading in financial instruments | | (185) | (406) |
| of which: placement of financial instruments | | (39) | (106) |
| of which: individual portfolio management | | (1,807) | (1,471) |
| - Own | | (1,774) | (1,426) |
| - Delegated to third parties | | (33) | (45) |
| b) Clearing and settlement | | (934) | (693) |
| c) Collection portfolio management | | - | - |
| 1. Own | | - | - |
| 2. Delegated to third parties | | - | - |
| d) Custody and administration | | (3,582) | (3,229) |
| e) Collection and payment services | | (120,075) | (119,118) |
| of which: credit cards, debit cards and other payment cards | | (115,829) | (114,542) |
| f) Securitization servicing | | (138) | (132) |
| g) Commitments to receive funds | | - | - |
| h) Financial guarantees received | | (1,900) | (1,259) |
| of which: credit derivatives | | - | - |
| i) Off-premises marketing of financial instruments, products and services | | (2,010) | (1,518) |
| l) Currency trading | | (33) | (100) |
| m) Other fee and commission expense | | (10,451) | (11,997) |
| | **Total** | **(141,154)** | **(140,031)** |

## SECTION 3 - DIVIDENDS AND SIMILAR REVENUES – ITEM 70

### 3.1 DIVIDENDS AND SIMILAR REVENUES: COMPOSITION

| | Total 30/06/2025 | | Total 30/06/2024 | |
|---|---|---|---|---|
| | Dividends | Similar revenues | Dividends | Similar revenues |
| A. Financial assets held for trading | 13 | - | 20 | 7 |
| B. Other financial assets mandatorily measured at fair value | 879 | 1,528 | 955 | 2,524 |
| C. Financial assets measured at fair value through other comprehensive income | 18,995 | 140 | 19,158 | 194 |
| D. Equity investments | 501 | - | 58 | - |
| **Total** | **20,388** | **1,668** | **20,190** | **2,725** |

The main components of this item include dividends received on the interest held in the Bank of Italy in the amount of €17 million, classified under financial assets measured at fair value through other comprehensive income.

## SECTION 4 - NET GAIN (LOSS) ON TRADING ACTIVITIES – ITEM 80

### 4.1 NET GAIN (LOSS) ON TRADING ACTIVITIES: COMPOSITION

| | Capital gains (A) | Trading profits (B) | Capital losses (C) | Trading losses | Net gain (loss) (A+B) – (C+D) |
|---|---|---|---|---|---|
| **1. Financial assets held for trading** | **4,183** | **27,482** | **(485)** | **(9,846)** | **21,334** |
| 1.1 Debt securities | 174 | 7,017 | (258) | (1,014) | 5,919 |
| 1.2 Equity securities | 62 | 261 | (102) | (127) | 94 |
| 1.3 Units in collective investment undertakings | - | 52 | (70) | (13) | (32) |
| 1.4 Loans | - | - | - | - | - |
| 1.5 Other | 3,947 | 20,153 | (55) | (8,692) | 15,353 |
| **2. Financial liabilities held for trading** | **-** | **-** | **-** | **-** | **-** |
| 2.1 Debt securities | - | - | - | - | - |
| 2.2 Payables | - | - | - | - | - |
| 2.3 Other | - | - | - | - | - |
| **3. Financial assets and liabilities: foreign exchange differences** | **X** | **X** | **X** | **X** | **36,235** |
| **4. Derivatives** | **44,221** | **57,453** | **(50,762)** | **(44,140)** | **(31,617)** |
| 4.1 Financial derivatives: | 44,221 | 57,453 | (50,762) | (44,140) | (31,617) |
| - on debt securities and interest rates | 40,351 | 57,453 | (50,459) | (43,824) | 3,521 |
| - on equity securities and equity indices | 3,870 | - | (303) | (316) | 3,251 |
| - on foreign currencies and gold | X | X | X | X | (38,389) |
| - other | - | - | - | - | - |
| 4.2 Credit derivatives | - | - | - | - | - |
| of which: natural hedges connected with fair value option | X | X | X | X | - |
| **Total** | **48,404** | **84,935** | **(51,248)** | **(53,986)** | **25,952** |

The net gain/(loss) on "Financial assets and liabilities: foreign exchange differences" reports the balance of changes in the value of financial assets and liabilities denominated in foreign currencies, regardless of the accounting portfolio in which they are recognized, which correlate with the amount reported under "Financial derivatives on foreign currencies and gold".

## SECTION 5 - NET GAIN (LOSS) ON HEDGING ACTIVITIES – ITEM 90

### 5.1 NET GAIN (LOSS) ON HEDGING ACTIVITIES: COMPOSITION

| | Total 30/06/2025 | Total 30/06/2024 |
|---|---|---|
| **A. Gain on:** | | |
| A.1 Fair value hedges | 313,384 | 322,421 |
| A.2 Hedged financial assets (fair value) | 20,399 | 4,860 |
| A.3 Hedged financial liabilities (fair value) | 9,433 | 7,129 |
| A.4 Cash flow hedges | - | 369 |
| A.5 Assets and liabilities in foreign currencies | - | - |
| **Total income on hedging activities (A)** | **343,216** | **334,779** |
| **B. Loss on:** | | |
| B.1 Fair value hedges | (62,897) | (39,624) |
| B.2 Hedged financial assets (fair value) | (273,186) | (294,699) |
| B.3 Hedged financial liabilities (fair value) | (2,291) | (2,382) |
| B.4 Cash flow hedges | (153) | (1) |
| B.5 Assets and liabilities in foreign currencies | - | - |
| **Total expense on hedging activities (B)** | **(338,527)** | **(336,706)** |
| **C. Net gain (loss) on hedging activities (A - B)** | **4,689** | **(1,928)** |
| of which: net gain (loss) of hedges of net positions | - | - |

As indicated in Part A “Accounting policies” of these explanatory notes, for the purposes of accounting for the results of hedging, the Group has exercised the option provided for in paragraph 7.2.21 of IFRS 9 to continue applying the provisions on hedge accounting envisaged by IAS 39.

## SECTION 6 - GAIN (LOSS) ON DISPOSAL OR REPURCHASE – ITEM 100

### 6.1 GAIN (LOSS) ON DISPOSAL OR REPURCHASE: COMPOSITION

| | Total 30/06/2025 | | | Total 30/06/2024 | | |
|---|---|---|---|---|---|---|
| | Gains | Losses | Net gain (loss) | Gains | Losses | Net gain (loss) |
| **Financial assets** | | | | | | |
| 1. Financial assets measured at amortized cost | 88,978 | (43,367) | 45,610 | 90,868 | (40,898) | 49,971 |
| 1.1 Due from banks | 2,283 | (298) | 1,985 | 1,968 | (1,778) | 190 |
| 1.2 Loans to customers | 86,695 | (43,070) | 43,625 | 88,900 | (39,120) | 49,780 |
| 2. Financial assets measured at fair value through other comprehensive income | 26,572 | (10,597) | 15,976 | 20,622 | (18,019) | 2,603 |
| 2.1 Debt securities | 26,572 | (10,597) | 15,976 | 20,622 | (18,019) | 2,603 |
| 2.2 Loans | - | - | - | - | - | - |
| **Total assets (A)** | **115,550** | **(53,964)** | **61,586** | **111,490** | **(58,917)** | **52,573** |
| **Financial liabilities measured at amortized cost** | | | | | | |
| 1. Due to banks | - | - | - | - | - | - |
| 2. Due to customers | - | - | - | - | - | - |
| 3. Securities issued | 312 | (148) | 164 | 385 | (523) | (138) |
| **Total liabilities (B)** | **312** | **(148)** | **164** | **385** | **(523)** | **(138)** |

This reports the positive or negative balances between the gains and losses realized with the sale of financial assets or repurchase of financial liabilities other than those held for trading or designated as at fair value.

The gain (loss) on disposal amounts to about €61.8 million and is mainly attributable to the disposal of loans by banks of the Group (€11.6 million, down from €34.4 million at June 30, 2024) and to the disposal of debt securities measured at amortized cost and assets measured at FV through other comprehensive income (net €50.1 million, up by €31.9 million on June 30, 2024).

## SECTION 7 - NET ADJUSTMENTS OF OTHER FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS – ITEM 110

### 7.1 NET ADJUSTMENTS OF FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS: COMPOSITION OF FINANCIAL ASSETS AND LIABILITIES DESIGNATED AS AT FAIR VALUE

| | Capital gains (A) | Profits on realization (B) | Capital losses (C) | Losses on realization (D) | Net gain (loss) [(A+B) - (C+D)] |
|---|---|---|---|---|---|
| **1. Financial assets** | **2,223** | **20** | **(139)** | **(210)** | **1,894** |
| 1.1 Debt securities | 2,214 | 20 | (122) | (210) | 1,902 |
| 1.2 Loans | 9 | - | (17) | - | (8) |
| **2. Financial liabilities** | **-** | **3** | **(405)** | **-** | **(402)** |
| 2.1 Securities issued | - | 3 | - | - | 4 |
| 2.2 Due to banks | - | - | (405) | - | (405) |
| 2.3 Due to customers | - | - | - | - | - |
| **3. Financial assets and liabilities: foreign exchange rate differences** | **X** | **X** | **X** | **X** | **-** |
| **Total** | **2,223** | **23** | **(544)** | **(210)** | **1,492** |

The net gain for the item is almost entirely accounted for by securities in which the liquidity of the Guarantee Scheme is invested.

### 7.2 NET ADJUSTMENTS OF OTHER FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS: COMPOSITION OF OTHER FINANCIAL ASSETS MANDATORILY MEASURED AT FAIR VALUE

| | Capital gains (A) | Profits on realization (B) | Capital losses (C) | Losses on realization (D) | Net gain (loss) [(A+B) - (C+D)] |
|---|---|---|---|---|---|
| **1. Financial assets** | **22,446** | **8,084** | **(16,359)** | **(969)** | **13,202** |
| 1.1 Debt securities | 2,761 | 49 | (228) | (7) | 2,575 |
| 1.2 Equity securities | 5,675 | 2,653 | (2,049) | (361) | 5,917 |
| 1.3 Units in collective investment undertakings | 9,793 | 5,242 | (10,757) | (599) | 3,679 |
| 1.4 Loans | 4,217 | 140 | (3,324) | (3) | 1,030 |
| **2. Financial assets: foreign exchange rate differences** | **X** | **X** | **X** | **X** | **(218)** |
| **Total** | **22,446** | **8,084** | **(16,359)** | **(969)** | **12,984** |

## SECTION 8 - NET LOSSES/RECOVERIES FOR CREDIT RISK – ITEM 130

### 8.1 NET LOSSES/RECOVERIES FOR CREDIT RISK IN RESPECT OF FINANCIAL ASSETS MEASURED AT AMORTIZED COST: COMPOSITION

| | Losses (1) | | | | | | Recoveries (2) | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | | Purchased or originated credit-impaired | | Stage 1 | Stage 2 | Stage 3 | Purchased or originated credit-impaired | Total 30/06/2025 | Total 30/06/2024 |
| | | | Writeoffs | Other | Writeoffs | Other | | | | | | |
| **A. Due from banks** | **(850)** | **(1,013)** | **-** | **-** | **-** | **-** | **6,163** | **2,355** | **-** | **-** | **6,655** | **(388)** |
| - loans | (493) | (862) | - | - | - | - | 2,154 | 2,140 | - | - | 2,939 | 130 |
| - debt securities | (357) | (151) | - | - | - | - | 4,009 | 215 | - | - | 3,716 | (518) |
| **B. Loans to customers** | **(179,689)** | **(101,246)** | **(25,389)** | **(528,691)** | **-** | **(9)** | **158,155** | **165,524** | **437,543** | **229** | **(73,573)** | **(172,810)** |
| - loans | (164,704) | (80,131) | (25,389) | (528,691) | - | (9) | 157,482 | 163,644 | 437,543 | 229 | (40,026) | (172,635) |
| - debt securities | (14,986) | (21,115) | - | - | - | - | 673 | 1,880 | - | - | (33,547) | (174) |
| **Total** | **(180,539)** | **(102,259)** | **(25,389)** | **(528,691)** | **-** | **(9)** | **164,318** | **167,879** | **437,543** | **229** | **(66,918)** | **(173,197)** |

The value adjustments reported in the "Stage 1" and "Stage 2" columns regard collective writedowns on performing loans.

The value adjustments in the "Stage 3 - Other" column regard analytical writedowns of impaired past-due loans and those classified as unlikely to pay and bad loans, while those reported in the "Stage 3 - Writeoffs" column reflect extinguishing events, with the losses recognized following the definitive derecognition of the financial instruments.

At June 30, 2025 net losses for credit risk in respect of loans to customers came to €66.9 million, a decrease compared with the same period in the previous year also in relation to the robust monitoring of non-performing positions implemented by the Group since its establishment, with a coverage ratio for those positions of 74.3%.

### 8.2 NET LOSSES FOR CREDIT RISK IN RESPECT OF FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME: COMPOSITION

| | Losses (1) | | | | | | Recoveries (2) | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | | Purchased or originated credit-impaired | | Stage 1 | Stage 2 | Stage 3 | Purchased or originated credit-impaired | Total 30/06/2025 | Total 30/06/2024 |
| | | | Writeoffs | Other | Writeoffs | Other | | | | | | |
| **A. Debt securities** | **(1,214)** | **(269)** | **-** | **-** | **-** | **-** | **1,836** | **304** | **-** | **-** | **657** | **(733)** |
| **B. Loans** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| - to customers | - | - | - | - | - | - | - | - | - | - | - | - |
| - to banks | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total** | **(1,214)** | **(269)** | **-** | **-** | **-** | **-** | **1,836** | **304** | **-** | **-** | **657** | **(733)** |

## SECTION 9 - GAINS (LOSSES) FROM CONTRACT MODIFICATIONS WITHOUT DERECOGNITION – ITEM 140

### 9.1 GAINS (LOSSES) FROM CONTRACT MODIFICATIONS: COMPOSITION

The item, a negative €768 thousand, includes the impact of modifications of medium/long-term loan contracts with customers that, in compliance with IFRS 9, do not produce the derecognition of the assets but rather involve the recognition in profit or loss of the changes in the contractual cash flows.

The amounts to not include the impact of contract modifications on expected losses, which is recognized under item 130 – Net losses/recoveries for credit risk.

## SECTION 12 - ADMINISTRATIVE EXPENSES – ITEM 190

### 12.1 PERSONNEL EXPENSES: COMPOSITION

| | Total 30/06/2025 | Total 30/06/2024 |
|---|---|---|
| 1) Employees | (1,009,085) | (972,614) |
| a) wages and salaries | (717,934) | (696,332) |
| b) social security contributions | (168,602) | (160,984) |
| c) termination benefits | (4,868) | (5,164) |
| d) pension expenditure | (2) | (5) |
| e) allocation to employee termination benefit provision | (6,969) | (8,955) |
| f) allocation to provision for post-employment benefits and similar obligations: | - | - |
| - defined contribution | - | - |
| - defined benefit | - | - |
| g) payments to external pension funds: | (60,824) | (55,609) |
| - defined contribution | (60,769) | (55,501) |
| - defined benefit | (55) | (108) |
| h) costs from share-based payment plans | - | - |
| i) other employee benefits | (49,886) | (45,563) |
| 2) Other personnel | (11,530) | (10,322) |
| 3) Board of Directors and members of Board of Auditors | (28,113) | (27,143) |
| 4) Retired personnel | - | - |
| **Total** | **(1,048,728)** | **(1,010,078)** |

Group personnel expenses totaled €1.05 billion in the period, slightly up from the same period in the previous year mainly in relation to the renewal of the national collective bargaining agreement during 2024.

Item 1) g) “payments to external pension funds: - defined contribution” includes the employee TFR fund provisioned and transferred to the national pension fund for the industry.

## 12.5 OTHER ADMINISTRATIVE EXPENSES: COMPOSITION

| | Total 30/06/2025 | Total 30/06/2024 |
|---|---|---|
| Information technology | (127,807) | (103,749) |
| Property and movables | (47,315) | (41,845) |
| - rental and fees | (7,218) | (5,599) |
| - ordinary maintenance | (34,284) | (32,096) |
| - security | (5,814) | (4,150) |
| Goods and services | (82,911) | (91,820) |
| - telephone and data transmission | (22,338) | (29,557) |
| - postal | (14,094) | (13,296) |
| - asset transport and counting | (9,053) | (9,207) |
| - electricity, heating and water | (20,328) | (21,783) |
| - transportation and travel | (10,715) | (10,858) |
| - office supplies and printed materials | (5,043) | (5,644) |
| - subscriptions, magazines and newspapers | (1,340) | (1,474) |
| Professional services | (77,189) | (93,653) |
| - professional fees (other than audit fees) | (42,053) | (45,619) |
| - audit fees | (3,176) | (3,394) |
| - legal and notary costs | (20,659) | (21,438) |
| - court costs, information and title searches | (11,301) | (23,202) |
| Administrative services | (16,978) | (18,337) |
| Insurance | (12,146) | (11,844) |
| Promotional, advertising and entertainment expenses | (31,219) | (29,019) |
| Association dues | (17,917) | (18,431) |
| Donations | (1,975) | (2,344) |
| Other | (12,603) | (16,376) |
| Indirect taxes and duties | (152,701) | (175,591) |
| **Total** | **(580,762)** | **(603,008)** |

Other administrative expenses totaled €580.8 million, down from the same period in the previous year mainly due to a decrease in the contribution to the FGD (Deposit Guarantee Fund) included under indirect taxes and duties.

## SECTION 13 - NET PROVISIONS FOR RISKS AND CHARGES – ITEM 200

This section provides details of the provisions and write-backs relating to the following categories of provisions for risks and charges:

- provisions for credit risk in respect of commitments to disburse funds and financial guarantees issued falling within the scope of IFRS 9;
- other provisions for risks and charges.

### 13.1 PROVISIONS FOR CREDIT RISK IN RESPECT OF COMMITMENTS TO DISBURSE FUNDS AND FINANCIAL GUARANTEES ISSUED: COMPOSITION

| | 30/06/2025 | | |
|---|---|---|---|
| | Provisions | Reallocation of excesses | Total |
| Commitments to disburse funds Stage 1 | (16,571) | 13,718 | (2,852) |
| Commitments to disburse funds Stage 2 | (12,250) | 7,617 | (4,633) |
| Commitments to disburse funds Stage 3 | (18,830) | 28,549 | 9,719 |
| Financial guarantees issued Stage 1 | (7,833) | 14,556 | 6,723 |
| Financial guarantees issued Stage 2 | (5,822) | 8,653 | 2,831 |
| Financial guarantees issued Stage 3 | (13,101) | 9,241 | (3,861) |
| **Total** | **(74,407)** | **82,334** | **7,927** |

The item includes net provisions in respect of commitments to disburse funds assumed by the Group banks in respect of the Deposit Guarantee Fund and the Temporary Fund.

### 13.3 NET PROVISIONS FOR OTHER RISKS AND CHARGES: COMPOSITION

| | 30/06/2025 | | |
|---|---|---|---|
| | Provisions | Reallocation of excesses | Total |
| Legal disputes | (13,493) | 9,882 | (3,611) |
| Other | (5,312) | 1,824 | (3,488) |
| **Total** | **(18,806)** | **11,706** | **(7,100)** |

## SECTION 14 - NET ADJUSTMENTS OF PROPERTY, PLANT AND EQUIPMENT - ITEM 210

### 14.1 NET ADJUSTMENTS OF PROPERTY, PLANT AND EQUIPMENT: COMPOSITION

| | Depreciation (a) | Writedowns for impairment (b) | Writebacks (c) | Net adjustments (a + b - c) |
|---|---|---|---|---|
| **A. Property, plant and equipment** | | | | |
| 1 Operating assets | (87,626) | (39) | - | (87,665) |
| - Owned | (53,584) | (39) | - | (53,623) |
| - Right-of-use assets in respect of leases | (34,042) | - | - | (34,042) |
| 2 Investment property | (1,757) | - | - | (1,757) |
| - Owned | (1,757) | - | - | (1,757) |
| - Right-of-use assets in respect of leases | - | - | - | - |
| 3 Inventories | X | (186) | 259 | 73 |
| **B. Assets held for sale** | **X** | **-** | **-** | **-** |
| **Total** | **(89,383)** | **(225)** | **259** | **(89,349)** |

## SECTION 15 - NET ADJUSTMENTS OF INTANGIBLE ASSETS - ITEM 220

### 15.1 NET ADJUSTMENTS OF INTANGIBLE ASSETS: COMPOSITION

| | Amortization (a) | Writedowns for impairment (b) | Writebacks (c) | Net adjustments (a + b - c) |
|---|---|---|---|---|
| **A. Intangible assets** | | | | |
| of which: software | 17,975 | - | - | 17,975 |
| 1 Owned | (22,665) | (674) | - | (23,339) |
| - generated internally by the Bank | (848) | (2) | - | (850) |
| - other | (21,817) | (672) | - | (22,489) |
| 2 Acquired under finance leases | - | - | - | - |
| **B. Assets held for sale** | **X** | **-** | **-** | **-** |
| **Total** | **(22,665)** | **(674)** | **-** | **(23,339)** |

## SECTION 16 - OTHER OPERATING EXPENSES/INCOME - ITEM 230

### 16.1 OTHER OPERATING EXPENSES: COMPOSITION

| | Total 30/06/2025 | Total 30/06/2024 |
|---|---|---|
| Charges connected with lease services (consultants, insurance, taxes and duties, capital losses) | (11,732) | (12,280) |
| Reductions in assets and prior-year expenses not attributable to separate line item | (7,846) | (7,674) |
| Costs of outsourced services | (5) | (51) |
| Settlement of disputes and claims | (103) | (148) |
| Amortization of expenditure for leasehold improvements | (5,109) | (4,919) |
| Other charges for corporate finance operations | - | - |
| Other charges | (5,661) | (6,204) |
| Consolidation adjustments | - | (150) |
| **Total** | **(30,455)** | **(31,426)** |

### 16.2 OTHER OPERATING INCOME: COMPOSITION

| | Total 30/06/2025 | Total 30/06/2024 |
|---|---|---|
| **A) Cost recovery** | **148,196** | **140,910** |
| Recovery of taxes | 124,424 | 116,113 |
| Recovery of sundry charges | 10,692 | 11,641 |
| Insurance premiums | 2,226 | 1,241 |
| Recovery of rental expense | 11 | 41 |
| Recovery of costs from customers | 4,977 | 4,635 |
| Recovery of costs on bad loans | 5,867 | 7,239 |
| **B) Other income** | **54,035** | **68,937** |
| Insourcing revenues | 7,046 | 9,097 |
| Property rental income | 2,057 | 2,412 |
| Reductions in liabilities and prior-year income not attributable to separate line item | 12,186 | 15,668 |
| Other income from finance leases | 7,921 | 8,096 |
| Other income | 18,996 | 28,472 |
| Accelerated processing fees | 4,498 | 5,192 |
| Consolidation adjustments | 1,331 | - |
| **Total** | **202,231** | **209,847** |

The recovery of taxes and duties (stamp duty and tax in lieu), totaling €124.4 million, mainly regards current accounts, credit cards, savings passbooks and certificates of deposit.

## SECTION 17 - PROFIT (LOSS) FROM EQUITY INVESTMENTS - ITEM 250

### 17.1 PROFIT (LOSS) FROM EQUITY INVESTMENTS: COMPOSITION

| | Total 30/06/2025 | Total 30/06/2024 |
|---|---|---|
| **1) Joint ventures** | | |
| A. Gains | - | - |
| 1. Revaluations | - | - |
| 2. Gains on disposals | - | - |
| 3. Writebacks | - | - |
| 4. Other income | - | - |
| B. Losses | - | - |
| 1. Writedowns | - | - |
| 2. Impairment | - | - |
| 3. Losses on disposal | - | - |
| 4. Other expenses | - | - |
| **Net profit (loss)** | **-** | **-** |
| **2) Entities under significant influence** | | |
| A. Gains | 7,422 | 8,165 |
| 1. Revaluations | 6,022 | 7,365 |
| 2. Gains on disposals | - | - |
| 3. Writebacks | - | - |
| 4. Other income | 1,400 | 800 |
| B. Losses | (216) | (1,545) |
| 1. Writedowns | (216) | (1,545) |
| 2. Impairment | - | - |
| 3. Losses on disposal | - | - |
| 4. Other expenses | - | - |
| **Net profit (loss)** | **7,206** | **6,620** |
| **Total** | **7,206** | **6,620** |

The item reports the financial impact of the equity measurement of investments in associates as well as the effect of the recognition of the earn-out of €1.4 million connected with the sale to FSI of the investment in BCC Pay (today Numia SpA) during 2022.

## SECTION 18 - NET ADJUSTMENT TO FAIR VALUE OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS - ITEM 260

### 18.1 NET ADJUSTMENT TO FAIR VALUE (OR REVALUED AMOUNT) OR ESTIMATED REALIZABLE VALUE OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS: COMPOSITION

| | Revaluations | Writedowns | Exchange rate differences | | Net result |
|---|---|---|---|---|---|
| | | | Positive | Negative | (a-b+c-d) |
| | (a) | (b) | (c) | (d) | |
| **A. Property, plant and equipment** | **-** | **(4,233)** | **-** | **-** | **(4,233)** |
| A.1 Operating assets: | - | - | - | - | - |
| - Owned | - | - | - | - | - |
| - Acquired under finance leases | - | - | - | - | - |
| A.2 Investment property: | - | (4,233) | - | - | (4,233) |
| - Owned | - | (4,233) | - | - | (4,233) |
| - Acquired under finance leases | - | - | - | - | - |
| A.3 Inventories | - | - | - | - | - |
| **B. Intangible assets** | **-** | **-** | **-** | **-** | **-** |
| B.1 Owned: | - | - | - | - | - |
| - Internally generated | - | - | - | - | - |
| - Other | - | - | - | - | - |
| B.2 Acquired under finance leases | - | - | - | - | - |
| **Total** | **-** | **(4,233)** | **-** | **-** | **(4,233)** |

The item reports gains/losses on the measurement of the properties contributed to consolidated real estate funds.

## SECTION 20 - GAINS (LOSSES) ON DISPOSAL OF INVESTMENTS - ITEM 280

### 20.1 GAINS (LOSSES) ON DISPOSAL OF INVESTMENTS: COMPOSITION

| | Total 30/06/2025 | Total 30/06/2024 |
|---|---|---|
| A. Property | 72 | (333) |
| - Gains on disposal | 270 | 275 |
| - Losses on disposal | (198) | (608) |
| B. Other assets | (343) | (82) |
| - Gains on disposal | 109 | 164 |
| - Losses on disposal | (452) | (247) |
| **Net gain (loss)** | **(270)** | **(415)** |

## SECTION 21 - INCOME TAX EXPENSE FROM CONTINUING OPERATIONS – ITEM 300

### 21.1 INCOME TAX EXPENSE FROM CONTINUING OPERATIONS: COMPOSITION

| | Total 30/06/2025 | Total 30/06/2024 |
|---|---|---|
| 1. Current taxes (-) | (193,032) | (108,019) |
| 2. Change in current taxes from previous period (+/-) | 3,049 | (7,195) |
| 3. Reduction of current taxes for the period (+) | 18 | - |
| 3.bis Reduction of current taxes for the period for tax credits under Law 214/2011 (+) | 8,454 | - |
| 4. Change in deferred tax assets (+/-) | (30,180) | (97,014) |
| 5. Change in deferred tax liabilities (+/-) | 314 | (252) |
| **6. Income taxes for the period (-) (-1+/-2+3+3bis+/-4+/-5)** | **(211,376)** | **(212,480)** |

## SECTION 22 - PROFIT (LOSS) AFTER TAXES ON DISCONTINUED OPERATIONS - ITEM 320

### 22.1 PROFIT (LOSS) AFTER TAXES ON DISCONTINUED OPERATIONS: COMPOSITION

| | Total 30/06/2025 | Total 30/06/2024 |
|---|---|---|
| 1. Revenue | 7,641 | - |
| 2. Expense | (22,659) | - |
| 3. Result of measurement of groups of assets and associated liabilities | - | - |
| 4. Gain (loss) on realization | 55,418 | 38,571 |
| 5. Taxes and duties | 2,565 | (9,029) |
| **Profit (loss)** | **42,965** | **29,542** |

The item came to about €43 million and mainly reports: (i) the net profit from the disposal in the period of 100% of BCC POS (+€54.7 million) whose assets and liabilities at December 31, 2024 were classified as held for sale, (ii) the net loss (-€13.2 million) of the Infrastructure segment of BCC Sistemi Informatici the sale of which was finalized on April 1, 2025 and (iii) the net profit of €1.5 million recognized by BCC POS before its disposal and exit from the Group. At June 30, 2024 the item included the net profit from the disposal of 51% of the insurance companies BCC Vita and BCC Assicurazioni.

### 22.2 BREAKDOWN OF INCOME TAXES OF DISCONTINUED OPERATIONS

| | 30/06/2025 | 30/06/2024 |
|---|---|---|
| 1. Current taxes (-) | (1,611) | (9,029) |
| 2. Change in deferred tax assets (+/-) | - | - |
| 3. Change in deferred tax liabilities (-/+) | - | - |
| **4. Income taxes for the period (-1+/-2+/-3)** | **(1,611)** | **(9,029)** |

## SECTION 23 - PROFIT (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS – ITEM 340

### 23.1 BREAKDOWN OF ITEM 340 "PROFIT (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS"

| | Total 30/06/2025 | Total 30/06/2024 |
|---|---|---|
| **Equity investments in consolidated companies with significant non-controlling interests** | | |
| BCC Sistemi Informatici SpA | 426 | - |
| **Total** | **426** | **-** |

# PART D - CONSOLIDATED COMPREHENSIVE INCOME

## BREAKDOWN OF COMPREHENSIVE INCOME

| | | 30/06/2025 | 30/06/2024 |
|---|---|---|---|
| **10.** | **Net profit (loss) for the period** | **1,053,439** | **1,055,962** |
| | **Other comprehensive income not recyclable to profit or loss** | **10,270** | **(936)** |
| 20. | Equity securities designated as at fair value through other comprehensive income: | 8,450 | (8,242) |
| | a) fair value changes | 7,272 | (1,035) |
| | b) transfers to other elements of equity | 1,178 | (7,207) |
| 30. | Financial liabilities measured at fair value through profit or loss (change in credit risk): | 1,857 | - |
| | a) fair value changes | 1,857 | - |
| | b) transfers to other elements of equity | - | - |
| 40. | Hedges of equity securities designated as at fair value through other comprehensive income: | - | - |
| | a) fair value changes (hedged instrument) | - | - |
| | b) fair value changes (hedging instrument) | - | - |
| 50. | Property, plant and equipment | - | - |
| 60. | Intangible assets | - | - |
| 70. | Defined-benefit plans | 1,515 | 5,612 |
| 80 | Non-current assets held for sale | - | - |
| 90. | Valuation reserves of equity investments accounted for with equity method | - | - |
| 100. | Financial income or expense in respect of insurance contracts issued | - | - |
| 110. | Income taxes on other comprehensive income not recyclable to profit or loss | (1,552) | 1,695 |
| | **Other comprehensive income recyclable to profit or loss** | **33,618** | **3,273** |
| 120. | Hedging of investments in foreign operations: | - | - |
| | a) fair value changes | - | - |
| | b) reversal to income statement | - | - |
| | c) other changes | - | - |
| 130. | Foreign exchange differences: | - | - |
| | a) value changes | - | - |
| | b) reversal to income statement | - | - |
| | c) other changes | - | - |
| 140. | Cash flow hedges: | 2,901 | 16,992 |
| | a) fair value changes | 1,023 | 13,143 |
| | b) reversal to income statement | 16 | (165) |
| | c) other changes | 1,863 | 4,014 |
| | of which: result on net positions | - | - |
| 150. | Hedging instruments (undesignated elements): | - | - |
| | a) fair value changes | - | - |
| | b) reversal to income statement | - | - |
| | c) other changes | - | - |
| 160. | Financial assets (other than equity securities) measured at fair value through other comprehensive income: | 51,378 | (12,678) |
| | a) fair value changes | 56,150 | (18,645) |
| | b) reversal to income statement | (4,791) | 6,596 |
| | 1. adjustments for credit risk | (596) | 430 |
| | 2. gain/loss on realization | (4,195) | 6,167 |
| | c) other changes | 20 | (629) |
| 170. | Non-current assets and disposal groups held for sale: | - | - |
| | a) fair value changes | - | - |
| | b) reversal to income statement | - | - |
| | c) other changes | - | - |
| 180. | Valuation reserves of equity investments accounted for with equity method: | (3,657) | (16) |
| | a) fair value changes | (3,657) | - |
| | b) reversal to income statement | - | - |
| | 1. impairment adjustments | - | - |
| | 2. gain/loss on realization | - | - |
| | c) other changes | - | (16) |
| 190. | Financial income or expense in respect of insurance contracts issued: | - | - |
| | a) fair value changes | - | - |
| | b) reversal to income statement | - | - |
| | c) other changes | - | - |
| 200. | Financial income or expense in respect of cessions in reinsurance | - | - |
| | a) fair value changes | - | - |
| | b) reversal to income statement | - | - |
| | c) other changes | - | - |
| 210. | Income taxes on other comprehensive income recyclable to profit or loss | (17,003) | (1,026) |
| **220.** | **Total other comprehensive income** | **43,888** | **2,337** |
| **230.** | **Comprehensive income (item 10+220)** | **1,097,327** | **1,058,299** |
| 240. | Consolidated comprehensive income pertaining to non-controlling interests | 424 | - |
| **250.** | **Consolidated comprehensive income pertaining to shareholders of the Parent Company** | **1,096,903** | **1,058,299** |

# PART E - RISK AND RISK MANAGEMENT POLICIES

## INTRODUCTION

The Iccrea Cooperative Banking Group conducts its business in accordance with the principles of prudence and risk containment, based on the need for stability associated with banking activity and the main characteristics of the mutual banks and their customers. Consistent with these principles, the Group pursues its growth objectives in accordance with the needs of the mutual banking system, ensuring, through balanced risk management, reliable and sustainable generation of value over time.

The risk governance policies represent the reference model in organizational and process development and in the systematic execution of all the operational and business activities performed by Group companies and are an integral part of the controls to ensure a sound and prudent management and supporting sustainable implementation of the overall risk strategy. In this framework, the internal control system (ICS) is charged with, in general, ensuring the completeness, appropriateness, functionality (in terms of effectiveness and efficiency) and reliability of the policies in a context of strict consistency with the risk appetite framework defined at Group level.

The Risk Management function operates within the internal control system.

## THE RISK MANAGEMENT FUNCTION

The Chief Risk Officer area is responsible at the Group level for the key elements of the overall Risk Management Framework: identification, measurement, monitoring and mitigation of corporate risks. It is responsible for the governance and execution of second-level controls connected with risk management, consistent with the internal control system adopted by the Group. It is the contact for the corporate bodies of the Parent Company for matters within its scope of responsibility, providing an integrated and composite vision of both the first and second pillar risks assumed and managed by the individual entities and by the Group as a whole.

At the end of 2024, the organizational structure of the Risk Management function of the Parent Company underwent fine-tuning, consistent with the ongoing improvement process of the organizational arrangements of the Group's risk management unit, which now provides for:

- a “Risk Governance” unit, that: i) represents a “competence center” overseeing all risk governance issues for the Group and operates, through the local risk management units, as the "evaluation and control center" for the risk profile of the individual affiliated banks; ii) ensures the development and implementation of the relevant frameworks, both at the consolidated and individual level, including the EWS and Stress Test framework for Guarantee Scheme purposes; iii) coordinates activities connected with the preparation of the area annual activity plan and the institutional reporting document submitted to the corporate bodies and the supervisory authorities, supporting the Chief Risk Officer in its areas of responsibility; iv) oversees activities pertaining to the management of reputational risks, coordinating and monitoring strategic projects for the CRO area, periodically assessing achievement of the objectives; v) in its capacity as “evaluation and control center" for the risk profile of the individual affiliated banks, besides representing il top reference of local risk management units, it coordinates their interaction with the other specialized units of the Risk Management function;
- a “*Group Risk Management*” unit, which (i) supervises and coordinates the organizational units dedicated to the individual risk categories, which within their areas of responsibility are involved in the development and maintenance of the methodological framework for the assumption and management of specific risks and their respective control arrangements, as well as the assessment and monitoring of those risks, the identification of any risk mitigation measures; (ii) acting through the Validation function, the unit validates models developed internally to quantify risks at Group level; iii) establishes the operational guidelines for the specialized units of the Risk Management function in their interactions with the Risk Management units of the affiliated banks and the direct-scope companies;
- a “*Non-Financial Risk Management*” unit, which: i) operates as a cross-functional competence center in the definition and on-going maintenance of the non-financial risk management framework at Group level; ii) monitors the overall evolution of this management framework and the related risks; iii) ensures the identification and evaluation of such risks, identifying any shortcomings in the management and control framework or existing vulnerabilities that may negatively impact the risk profile; iv) identifies and directs remediation actions for any malfunctions detected in order to bring the risk profile back to the level deemed acceptable within the defined risk appetite framework; v) supervises the correct and timely execution of identified remediation initiatives, monitoring the effectiveness of such measures, as well as intervening to

direct such measures if necessary; vi) contributes, for the component relating to the monitored risks, to the definition and ongoing operation of the Group's Risk Appetite Framework, as well as to the Group's other risk governance processes.

The main duties performed by the Risk Management function are the following:

- defining and developing the framework for the assumption and management of risks pertaining to the Group, which is composed of (i) organizational structures and corporate processes (operating, administrative and business), including line controls; (ii) risk governance policies (policies, limits, responsibilities); (iii) methodologies and risk measurement and assessment criteria, (iv) support tool applications. In this area, the Risk Management function ensures that the framework for the assumption and management of risks is compliant with applicable regulations, in line with market best practice, functional in respect of internal operational conditions and consistent with the business plan, the budget and the Risk Appetite Framework (RAF), the Internal Capital Adequacy Assessment Process (ICAAP) and the Internal Liquidity Adequacy Assessment Process (ILAAP) of the Group;
- developing the Risk Appetite Framework and its operational implementation (the Risk Appetite Statement) at the consolidated level and, with the support of the affiliated banks and Group companies, at the individual level, consistent with capital adequacy objectives (ICAAP) and the adequacy of the liquidity profile (ILAAP) of the Group;
- acting as a control center for monitoring the risk profile of the individual affiliated banks and the companies in the direct scope for which risk management activities are performed on a centralized basis under an outsourcing arrangement governed by specific service agreements. This control center operates through the dedicated risk management units within the central organizational arrangements and, for the affiliated banks only, uses the mechanisms of the Early Warning System and the Guarantee Scheme. In this area, the Risk Management function:
    - handles the development and updating of the methodological framework and develops tools for managing the Guarantee Mechanism, as well as analyzing, controlling, assessing and monitoring the affiliated banks within the scope of EWS management processes and proposes their risk classification;
    - is responsible, through the action of its local units as well, for the determination and adoption by each affiliated bank of strategies, policies and principles for the assessment and measurement of the risks identified at the Group level.
- monitoring developments in the risk profile and the various types of risk to which the Group as a whole and its individual members are exposed, verifying the ongoing consistency between the actual risk assumed and the specified risk objectives. In this context, the Risk Management function:
    - develops methodologies and models for measuring and assessing risks, validating those models, periodically checking their operation, predictive capacity and performance, and their consistency over time with operational practices and regulatory requirements;
    - performs second-level controls of the appropriateness, effectiveness and resilience of the framework for the assumption and management of the risks for which it is responsible, identifying any needs for fine tuning/corrective or evolutionary maintenance and providing support – within the scope of its duties – in implementing the associated actions;
    - identifies any risk developments exceeding the limits set out in the Risk Appetite Statement, in the Risk Governance Policies or in external regulations and, in general, potentially harmful or unfavorable situations in order to assess possible mitigation initiatives to implement;
    - within the RAF/RAS and EWS frameworks, examines the results of the process of determining the capital requirements, analyzing the dynamics involved to verify the overall consistency with the risk profile in the different analytical dimensions considered;
    - analyzes major transactions, expressing a prior opinion on their consistency with the Risk Appetite Statement;
    - assesses, within the scope of its duties, the capital structure in relation to the risks assumed/assumable (ICAAP) and the appropriateness of the Group’s liquidity profile (ILAAP);
    - assesses the impact of especially serious events on the Group’s exposure to risk and participates in developing strategies to be implemented for the resolution;

  - reports to top management on risk developments in the various operating segments and business areas, providing support to management bodies in defining strategic policy and risk policy and the associated implementation of those policies;
- performing, within the scope of its duties, tasks required for the purpose of supervisory reporting, inspections and regulations.

## THE RISK CULTURE

The Group devotes special attention to managing, assessing and understanding risk. All personnel are asked to identify, assess and manage risk within their area of responsibilities. Each employee is expected to perform their duties seriously and with awareness.

The risk culture is inspired by the principles of the risk management model of the Parent Company. It is disseminated to all business units and personnel and is founded on the following pillars:

- the independence of risk functions from business units;
- the establishment and constant updating of risk handbooks and policies, updating risk measurement and estimation approaches to ensure consistency with sector best practices;
- the specification of risk limits;
- the periodic monitoring of (aggregate and non-aggregate) exposures and compliance of approved limits and implementation of appropriate corrective measures where necessary;
- the presence of other support tools to help develop the culture of risk (training courses, remuneration policies and incentives linked to the quality of risk and the results of the Group companies in the long term, systematic and independent Internal Auditing units, etc.).

## THE GROUP RISK GOVERNANCE FRAMEWORK

The overall Risk Governance framework developed and adopted by the Group reflects the specific features of the ICBG, whose participatory mechanisms are based on a Cohesion Contract, signed by the banks and participating companies, that provides for internal stability mechanisms characterized by intercompany mutual support agreements regulated specifically by applicable external legislation.

On the basis of the provisions of the Cohesion Contract between the affiliated banks and the Parent Company, the latter constantly monitors the organization and the operating conditions, financial position and performance of the affiliated banks through the Early Warning System (EWS), which is designed to promptly identify any signs of management difficulty and/or failure to comply with the obligations assumed under the Cohesion Contract, recommending or arranging, depending on the specific features of any given case and on the basis of the principle of proportionality, the appropriate intervention measures. The overall framework of the Group’s risk governance system is completed by the Risk Appetite Framework (RAF), which is implemented operationally through policies addressing the individual risks to which the Group is exposed and transversal systems involved in the internal assessment the capital adequacy and liquidity profile (ICAAP/ILAAP) and the overall assessment of the recovery capacity in particularly adverse conditions (the Recovery Framework).

The RAF defines - in line with the maximum assumable risk (Risk Capacity), the business model and the Group strategy, the Operational Plan and the company incentive system - the risk objectives or risk appetite (Risk Appetite) and Risk Tolerance thresholds, taking due account of possible adverse scenarios. Starting on the basis of the RAF, consistent operating limits are defined within the overall risk governance policies. The latter in turn represent the internal regulatory expression of the “rules” for the assumption and management of risks and are an integral part of the Group's overall risk appetite and assumption system in the various operating sectors.

The overall architecture of the Risk Appetite Framework, defined in terms of key elements, scope of coverage/application and underlying operating models, is closely interconnected with ICBG’s key risk governance process, i.e. the Early Warning System. The RAF is implemented individually with regard to the affiliated banks and shares qualitative and quantitative indicators with the EWS, ensuring consistency between the different calibration approaches and the purposes of the two frameworks.

In other words, the RAF is intended to explicate the medium/long-term vision of the desired risk profile for the

Group as a whole and for each Group company, defining the risk area within which the management functions must operate in pursuit of corporate strategies. Compared with the RAF, the capital adequacy and liquidity assessment (ICAAP and ILAAP) represents an occasion to verify the stability of the risk appetite choices in terms of their consistency with the capital and liquidity resources available, guiding any subsequent modification of the choices and the resulting overall strategy decisions.

## SECTION 1 – RISKS WITHIN SCOPE OF ACCOUNTING CONSOLIDATION

## QUANTITATIVE DISCLOSURES

## A. CREDIT QUALITY

### A.1 IMPAIRED AND PERFORMING CREDIT EXPOSURES: STOCKS, WRITEDOWNS, CHANGES AND DISTRIBUTION BY SECTOR

### A.1.1 DISTRIBUTION OF FINANCIAL ASSETS BY PORTFOLIO AND CREDIT QUALITY (CARRYING AMOUNT)

| | Bad loans | Unlikely to pay | Impaired past due exposures | Performing past due positions | Other performing positions | Total |
|---|---|---|---|---|---|---|
| 1. Financial assets measured at amortized cost | 107,250 | 617,219 | 168,198 | 1,332,542 | 145,079,701 | 147,304,910 |
| 2. Financial assets measured at fair value through other comprehensive income | 11 | - | - | - | 6,497,060 | 6,497,070 |
| 3. Financial assets designated as at fair value | - | - | - | - | 318,854 | 318,854 |
| 4. Other financial assets mandatorily measured at fair value | - | 1 | - | - | 642,371 | 642,372 |
| 5. Financial assets held for sale | 230 | - | - | - | - | 230 |
| **Total 30/06/2025** | **107,491** | **617,219** | **168,198** | **1,332,542** | **152,537,985** | **154,763,436** |
| **Total 31/12/2024** | **103,892** | **520,960** | **166,746** | **1,151,920** | **148,722,716** | **150,666,234** |

## A.1.2 DISTRIBUTION OF CREDIT EXPOSURES BY PORTFOLIO AND CREDIT QUALITY (GROSS AND NET VALUES)

| | Impaired assets | | | | Performing assets | | | |
|---|---|---|---|---|---|---|---|---|
| | Gross exposure | Total adjustments | Net exposure | Total partial writeoffs* | Gross exposure | Total adjustments | Net exposure | Total (net exposure) |
| 1. Financial assets measured at amortized cost | 3,071,282 | 2,178,615 | 892,667 | 457,972 | 147,207,930 | 795,687 | 146,412,243 | 147,304,910 |
| 2. Financial assets measured at fair value through other comprehensive income | 11 | - | 11 | - | 6,501,523 | 4,463 | 6,497,060 | 6,497,070 |
| 3. Financial assets designated as at fair value | - | - | - | - | X | X | 318,854 | 318,854 |
| 4. Other financial assets mandatorily measured at fair value | 1 | - | 1 | - | X | X | 642,371 | 642,372 |
| 5. Financial assets held for sale | 1,750 | 1,520 | 230 | - | - | - | - | 230 |
| **Total 30/06/2025** | **3,073,043** | **2,180,135** | **892,908** | **457,972** | **153,709,452** | **800,150** | **153,870,528** | **154,763,436** |
| **Total 31/12/2024** | **2,969,659** | **2,178,062** | **791,597** | **443,380** | **149,801,096** | **865,520** | **149,874,637** | **150,666,234** |

| | Assets with evidently poor credit quality | | Other assets |
|---|---|---|---|
| | Cumulative losses | Net exposure | Net exposure |
| 1. Financial assets held for trading | (414) | 28 | 116,258 |
| 2. Hedging derivatives | - | - | 826,329 |
| **Total 30/06/2025** | **(414)** | **28** | **942,587** |
| **Total 31/12/2024** | **-** | **10** | **812,412** |

* Value to be reported for information purposes

## SECTION 2 – RISKS WITHIN SCOPE OF PRUDENTIALCONSOLIDATION

## 1.1 CREDIT RISK

## QUALITATIVE DISCLOSURES

### 1. GENERAL ASPECTS

In accordance with the organizational model established at the Iccrea Banking Group level to govern and manage risks, credit risk is managed with an integrated series of processes and associated responsibilities defined within company units and regulated with a comprehensive set of internal rules for credit risk.

The Parent Company determines credit risk management policies at the Group level. More specifically:

- the lines of development for the Group activities are defined in the Strategic Plan and then incorporated in the annual budgets of the subsidiaries, in agreement with the Parent Company;
- the Risk Management function supports the risk assumption phase (policy, assessment and pricing models, quality control, strategic policy analysis) and management (identification, measurement/assessment, monitoring/reporting, mitigation) of the credit risk exposure of the Parent Company and all the Group companies.

With regard to the management and coordination role of the Parent Company, on the basis of the Cohesion Contract – Iccrea Banca assumes responsibility for the following areas: lending rules (principles, policies and processes), credit strategies and credit risk limits, management of large exposures, guidelines for the main credit product categories by customer segment, the monitoring and reporting of portfolio credit risk.

In line with these credit governance rules, the Chief Lending Officer area is responsible for overseeing all lending processes for the Parent Company and the direct-scope companies, from origination to the management of non-performing loans (with the exception of resolved impaired loans) and to exercise management and coordination activities for the affiliated banks.

### 2. CREDIT RISK MANAGEMENT POLICIES

### 2.1 ORGANIZATIONAL ASPECTS

Credit risk represents the preponderant component of the overall risks to which the Group is exposed, considering that credit exposures account for a dominant share of assets.

In light of this circumstance and in compliance with the applicable provisions concerning the internal control system (see Bank of Italy Circular No. 285/2013, Part One, Title IV, Chapter 3), the Group has adopted a governance structure and operational arrangements to ensure the adequate monitoring of credit risk in the various phases of the process.

In this respect, the Chief Lending Officer area:

- performs guidance and coordination activities for all phases of the credit process (origination, management, governance of guarantees, monitoring, classification, evaluation and credit recovery);
- ensures the constant updating of the guidelines on credit issues;
- oversees and directs projects related to innovations or upgrading of existing credit processes;
- coordinates any remedial actions requested by the supervisory authorities, top management or the corporate control functions;
- supports the competent Group units in the definition and development of credit products;
- contributes to the definition of the Strategic Plan for the lending area, including the NPE sector;
- defines the NPE Operating Plan, in line with the Group's strategic guidelines in this area;

- issues, in compliance with the provisions and amount limits specified in the Group Lending Policies and in compliance with the powers attributed in internal rules, credit opinions on performing and non-performing credit transactions from companies within the direct scope and the affiliated banks;
- approves the bank's performing loan transactions, in compliance with the powers attributed in internal rules, submitting them to the higher decision-making bodies of Iccrea Banca where they do not fall within its powers;
- supports the integration of counterparty climate-related and environmental risk assessments into the broader lending process.

From a regulatory perspective, the Group's lending policies uniformly govern all phases of the lending process, leaving the individual affiliated banks independence in implementing the principles and rules set out in the policies issued by the Parent Company on the basis of the specific features of the territory in which operate, their organizational structure and their business model.

In accordance with supervisory regulations (Bank of Italy Circular No. 285/2013), the Risk Management function performs - at both the consolidated and individual legal entity levels - credit risk control activities designed to ascertain that the activities performed in all phases of the lending process ensure the effective monitoring and adequate representation of credit risk, identifying any hidden risks and guiding correct/adequate risk management, classification and evaluation. More generally, the Risk Management function oversees the risk management of the individual entities from a consolidated and individual perspective:

- overseeing the measurement of credit risk from a current and forward-looking perspective, considering both conditions of normal operations and stress scenarios;
- monitoring the capacity of the risk limits, including those defined within the RAF/RAS with regard to the associated credit risk metrics;
- defining and updating the methods and measurement models for credit risk, including those used in the performance of credit stress tests, ensuring their ongoing compliance with regulatory developments and market best practice.

## 2.2 MEASUREMENT, MANAGEMENT AND CONTROL SYSTEMS

### IDENTIFICATION OF RISKS

As noted in the previous section, in compliance with the provisions of Circular no. 285/2013 of the Bank of Italy as updated, the Parent Company determines the strategies, policies and principles for assessing and measuring risks for the Group and ensures the consistency of the internal control systems of the affiliated banks with the strategies, policies and principles established at the Group level, thus exercising the powers of strategic management and coordination aimed at ensuring the unity of the Group's strategic management and control system, as governed by the Cohesion Contract.

With regard to the lending process, Group regulations establish specific principles and guidelines for:

- the analysis of the needs and requirements of clients;
- accurately assessing the credit risk profile. This activity, based on qualitative and quantitative disclosures, focuses on several aspects, including:
  - the counterparty as well as the economic context in which it operates (also in respect of "groups of connected clients", when there are any legal or economic connections between with other counterparties);
  - the purpose and characteristics of the transaction to be financed;
  - the counterparty's repayment capacity;
  - the guarantees available.

The Group adopts a counterparty approach in assigning ratings except in specific cases in which the counterparty assessment is supplemented by a product-perspective evaluation, in consideration of any special features of a business. Using rating/scoring models, the Group assigns the counterparty a credit rating representing the probability of default of the counterparty, adopting an on-line processing procedure, which is typically accessed through the electronic application processing system but also in batch mode, with the latter being adopted for periodic updating of ratings for all Bank customers (the loan position performance rating).

The monitoring and management process breaks down in the following steps:

- Monitoring the exposures, with the aim of:
  - identify, within the performing portfolio, a set of anomalous positions with a high risk profile. The selected positions are then promptly forwarded to the next management step;
  - verify the progress and results achieved by the management activities.
- Managing the exposures, with the aim of:
  - mitigate risk, with timely action on performing exposures showing anomalies;
  - bring back to performing or contain possible losses on non-performing positions.

In particular, the position manager carries out an analysis of the type of criticality affecting the customer, to define the most appropriate strategies to support the customer in overcoming criticalities while protecting the credit.

## CREDIT STRATEGIES FOR NEW LENDING

As part of its strategies on performing loans, Iccrea Banca has introduced a methodology for evaluating the attractiveness of economic sectors which, together with the evaluation of the counterparty's creditworthiness, has the objective of defining strategic guidelines for new loans, allowing for the improvement of the quality of the loans portfolio and the Expected Loss objectives.

The methodology for evaluating sector attractiveness is based on the following:

- Credit Risk, defined on the basis of year-end analysis and on the prospective portfolio and macroeconomic expectations with a view to identifying both the less risky sectors and those for which a more prudent selection of customers is desirable, also evaluating the possible use of risk mitigation measures;
- Market Size identifies the economic sectors in which it is potentially possible to channel new loans (commercial potential), both in terms of development on existing customers and new customers on the market;
- ESG Climate Transition Risks measure the impacts of climate-related transition risks on economic sectors, including assessments on Waste and Pollution, Water Stress and Biodiversity;
- Sector Concentration Analyses measure the incidence of significant exposures and the level of the average ticket of a Bank in the individual sectors, representing a further element for directing credit strategies.

The assessment of sector attractiveness and of the risk characteristics of individual customers is used for allocating new loans, within a strategic and commercial planning processes. In this context, the Parent Company supports the banks in defining the commercial budget by providing guidelines for the distribution of growth volumes of loans, defining the strategy for individual customers in the lending process; it also supports the CBO Area in defining commercial targets relating to credit campaigns.

## RISK MEASUREMENT AND ASSESSMENT

For the purpose of calculating prudential requirements for credit risk, the Group uses the standardized approach envisaged under prudential regulations (Regulation (EU) No. 575/2013 of the European Parliament and the Council of June 26, 2013 - CRR).

The adoption of the standardized approach to determine the capital requirement against credit risk involves the subdivision of exposures into portfolios and the application of differentiated prudential treatments to each, possibly using assessments of creditworthiness (external ratings) issued by external agencies (ECAI) or by export credit agencies (ECA) recognized for prudential purposes on the basis of the provisions of Regulation (EU) No. 575/2013.

Depending on the type of counterparty and the sector in which it operates, the Group’s operations also open it to the risk of being excessively exposed to an individual counterparty (single name) or a specific sector/geographical area (geo-sectoral).

For the purposes of determining internal capital for concentration risk for individual counterparties or groups of connected clients, the Group uses the regulatory granularity adjustment (GA) algorithm, based on the Herfindahl index. In accordance with regulatory provisions, the reference portfolio consists of on-balance-sheet and off-balance sheet exposures (the latter considered at their credit equivalent amount) falling within the regulatory portfolios “corporates and other borrowers”, “short-term exposures to corporates” and exposures to corporates included in the asset classes “in default”, “secured by real estate”, “equity exposures” and “other exposures”.

Furthermore, for the purpose of quantifying geo-sectorial concentration risk, the Group adopts the methodology developed by the “Geo-Sectoral Concentration Risk Laboratory” of the Italian Banking Association (ABI), which sets geographical and product categories against a national asset allocation benchmark.

The Group periodically performs stress tests for credit and concentration risks in order to assess - in terms of potential losses - the impact of expected risk developments on the financial profile of the Group and the individual entities under both normal and adverse operating conditions.

The stress test methods are based on regulatory practices and are applied in various management and risk governance processes, starting with the capital adequacy assessment process (ICAAP), as well as in the performance of supervisory exercises.

The methodological and calculation structure of credit stress tests is based on the use of internal risk models and parameters and incorporates a credit risk projection approach (transitions between stages/risk states) and determination of related losses over the scenario years (12-month or lifetime expected credit loss) based on the measurement of IFRS 9 impairment.

The projections of the estimates for the scenario years are performed considering the macroeconomic scenario assumptions in the adopted scenarios (in baseline or adverse conditions), using internally developed models (“satellite” models), which estimate the relationship between risk factors and developments in macroeconomic variables.

## RISK MONITORING AND CONTROL

In accordance with supervisory regulations (Bank of Italy Circular no. 285/2013), the Risk Management function performs - at both the consolidated and individual legal entity levels - credit risk control activities designed to ascertain that the activities performed in all phases of the lending process ensure the effective monitoring and adequate representation of credit risk, identifying any hidden risks and guiding correct/adequate risk management, classification and evaluation. These activities are accompanied by the ongoing controls of the Risk Management function through analysis of developments in the exposure to credit risk of the Group as a whole and of the individual entities.

The Internal Audit unit performs third-level controls, verifying the adequacy and comprehensiveness of the processes and activities performed by the relevant units, the consistency and validity of the analyses performed and the associated findings.

The locus of the strategic and operational management of credit risk is the Group’s Risk Appetite Statement, through a comprehensive system of risk objectives and limits (appetite, tolerance and capacity) at both the consolidated and individual entity levels, with compliance ensured by the monitoring and control activities of the function.

Monitoring and reporting on the credit risk profile is characterized by activities that involve both the business functions and the control functions, in accordance with their respective responsibilities. In particular, monitoring is ensured both by aggregate portfolio performance analyzes and by analyzes carried out on individual positions.

The Risk Management function monitors the credit risk profile – at both the consolidated and individual affiliated bank and Group company level, using an analytical framework and related reporting based on a system of key risk indicators. It is designed to monitor the loan portfolio, at both the time exposures are taken on and during their lifetime, the outcomes of which are reported regularly to top management. In this context, the analytical methods and the related reporting undergo constant fine-tuning in order to represent the drivers underlying developments in credit risks in an ever more effective manner, reflecting changes in the regulatory environment as well as management requirements and to support decision-making.

Risk Management has also centrally defined the “Credit Risk Control 285” framework. This is intended to govern, based on the set of governance, management and control mechanisms adopted by the Group for credit risk, the analysis, identification and control activities performed by the Risk Management function pursuant to Circular 285.

The performance of this activity involved, within a six-monthly cycle, the preliminary definition of an operational policy qualifying the functional elements for calibrating and targeting risk control activities. Following the definition of this operational policy and in compliance with the provisions of other internal regulations, mass controls were conducted for the Group's credit portfolios, as well as sample checks (single file) of individual credit exposures. The completion of the activities also included reporting to the corporate bodies.

### 2.3 METHODS FOR MEASURING EXPECTED LOSSES

The Group has adopted a framework for determining impairment based on risk assessment models and the corresponding parameters used in operational and management practices by the Parent Company and individual Group entities. In accordance with the provisions of IFRS 9, the methods for measuring expected losses on impaired exposures are based on the following elements:

- a 3-stage (stage allocation) approach, based on changes in credit quality, defined on a model of 12-month expected loss or lifetime expected loss if a significant increase in credit risk is detected. The standard provides for three different categories that reflect the deterioration in credit quality since initial recognition:
  - stage 1: financial assets originated and/or purchased that do not exhibit objective evidence of impairment at the date of initial recognition or that have not experienced a significant deterioration in their credit quality since the date of initial recognition (significant increase in credit risk) or which have low credit risk (low credit risk exemption);
  - stage 2: financial assets whose credit quality has deteriorated significantly since the date of initial recognition;
  - stage 3: financial assets that exhibit objective evidence of loss at the reporting date. The population of these exposures is consistent with those considered "impaired" under IAS 39.
- application of "point-in-time" formulations of the parameters for measuring credit risk for the purpose of calculating impairment;
- calculation of lifetime expected credit loss for exposures not classified in stage 1, using lifetime parameters;
- inclusion of forward-looking conditioning in the calculation of ECL, considering the average loss from each scenario and the associated probability-weighted likelihood of each outcome;
- staging and transfers of financial assets between the stages.

In accordance with the standard, the Iccrea Group allocates each asset/tranche to one of the following three stages:

- stage 1, which includes all performing positions/tranches that at the reporting date meet the condition for the low credit risk exemption, or that do not show a significant increase in credit risk with respect to the level measured at the date of disbursement or purchase;
- stage 2, which includes all performing positions/tranches that at the time of assessment simultaneously meet the following two conditions: (i) they have a PD greater than the threshold, (ii) they have experienced a significant increase in credit risk with respect to the level measured at the origination date. In the absence of a rating/PD at the reporting date, exposures are generally allocated to stage 2 (without prejudice to the additional considerations and practices addressed below);
- stage 3, which includes all exposures that, as at the evaluation date, are classified as non-performing under the default definition adopted and governed by specific internal rules in conformity with supervisory regulations.

The staging method of the Group was developed on the basis of the following drivers.

The method developed for the loan portfolio envisages:

- the use of the low credit risk (LCR) criterion, under which credit risk is deemed to have not increased significantly if the exposure shows a low level of credit risk at the reporting date, essentially defined as a PD threshold at the reporting date equal to the investment grade threshold;
- the use of quantitative criteria based on rating/scoring systems, involving the analysis and comparison of the PD/rating at origination with the PD/rating at the reporting date. This identifies, on the basis of thresholds of significance defined in terms of the number of notches that a rating has changed, any significant increase in credit risk on the position.

- the use of qualitative staging criteria to identify the riskiest positions in the performing portfolio. These criteria have been defined independently of the use (or not) of the quantitative criteria referred to in the previous point and are based on the identification of objective evidence of impairment, such as the presence of forbearance measures, positions more than 30 days past due.

The staging methodology developed for the securities portfolio is applicable to the entire portfolio of debt securities outstanding at the reporting date for the various Group entities. Not included in the calculation of impairment, and therefore not subject to the staging mechanism, are shares, equity investments, units of collective investment undertakings, securities classified as held-for-trading and debt securities that do not pass the benchmark test and the SPPI test.

The approach adopted for the securities portfolio provides for the use of the principle of the low credit risk exemption, which allocates exposures with a conditional 12-month PD below the investment grade threshold to stage 1. Positions with a conditional 12-month PD above that threshold are subject to comparison of the PD at origination and the PD at the reporting date.

Group entities with a securities portfolio use the external ratings of an ECAI at the tranche level. For the purpose of assigning a rating to securities exposures at the reporting date, only ECAIs with which a valid information-use agreement is in place are used.
Starting from the allocation of exposures in the different stages, the calculation of expected losses (ECL) is carried out, at the level of each position, on the basis of the estimated risk parameters (EAD, PD, LGD) using internal management models, performed in compliance with the requirements of the applicable accounting standard.

In particular, for the purposes of determining the probability of default (PD), the approach adopted for both the loan portfolio and the securities portfolio envisages:

- the transformation of the "through-the-cycle" PD into (or calculation of) the "point-in-time" (PIT) PD on the time horizon for the most recent historical observations;
- the inclusion of forward-looking scenarios through the application of multipliers representing macroeconomic forecasts to the PIT PD and the definition of a series of possible scenarios and the associated probability of occurrence that incorporate future macroeconomic conditions in the estimates;
- the transformation of the 12-month PD into a lifetime PD in order to estimate the PD term structure over the entire residual life of the loans.

Loss given default (LGD) is determined using the following approaches: i) a "block" approach, determined by the combination of parameters relating respectively to the pre-litigation phase (probability of reclassification as bad loans, exposure delta, performing LGD closure) and litigation (loss given bad loan); ii) a "single-span" approach based on the recovery process over the entire duration of the default cycle with specific reference to the technical forms of "consumer loans" and "leases".

With regard to the securities portfolio, the unconditioned LGD measures are the same for both stage 1 and stage 2 exposures. In particular, an unconditioned LGD measure of 45% is used, subsequently subjected to forward-looking conditioning, consistent with the scenarios and probabilities of occurrence used to condition the PD, as discussed below.

Exposure at Default (EAD) is calculated on the basis of the amortized cost schedules of the individual relationships for both loans and debt securities. For exposures relating to margins, EAD is determined by applying the internal EAD (Exposure at Default) model which allows for the estimation, for some identified customer segments (companies, producer households and private individuals), of a specific Credit Conversion Factor (CCF) instead of using the regulatory coefficients (which are however applied for other counterparty segments).

For the purposes of calculating ECL under IFRS 9, the risk parameters are estimated from a forward-looking perspective through conditioning to macroeconomic scenarios. The approach adopted consists in the use of forecast values for the exogenous macroeconomic variables in the satellite models estimated internally and the associated conditioning approach for each forecast year. In order to reflect the different forward-looking riskiness of the positions assessed in the ECL estimates, those satellite models are differentiated, in particular the PD, by type of counterparty, sector of economic activity and geographical area (if relevant); for the LGD parameter, by segment, presence/absence of guarantee and bad debt vintage through the use of a panel data approach. To determine the macroeconomic conditioning measures to be applied in the calculation, three types of scenarios are used.

In particular, the following scenarios are considered with probabilities of occurrence defined in accordance with the indications provided by the reference provider (Prometeia):

- best case with a probability of occurrence equal to 20%,
- baseline cast with a probability of occurrence equal to 50%,
- plausible worst case with probability of occurrence equal to 30%.

At the closure of the financial statements at December 31, 2024, the calculation of the IFRS 9 ECL of the Group's performing credit exposures included implementation of the following:

- the amendments produced as part of the 2024 planning of the Credit Risk Models Evolution (CRME) program), with particular reference to the new Private Rating model and the revision of the PD satellite models;
- the amendments to strengthen the framework for the identification of significant increases in credit risk (SICR) following the recommendations formulated by the Supervisory Authority in the OSI-CRE and OSI-IFRS 9 context;
- the updates of the overlay component applied to the calculation of ECL, in order to add an additional degree of prudence in the light of the uncertainty of the macroeconomic environment as well as to the integration of C&E expectations on credit risk.

Together with the interventions mentioned above, and in line with the provisions of IFRS 9, adjustments of the ordinary process of updating the risk parameters (PD Point in Time (PiT)) were implemented, updated with the latest risk data available.

Starting from the close of December 2022, in addition to the ECL (Expected Credit Loss), the Group has also planned the introduction of post-model adjustments (overlays) in order to incorporate even greater prudence for specific sub-portfolios that could be made more fragile from the point of view of creditworthiness by the occurrence of other unexpected events impacting the likely macroeconomic environment. For this reason, with effect from the close of December 2023, the overall management of the portfolio for which overlays are used has been strengthened in order to monitor the manifestation of credit risk and review its composition on a cluster basis. In line with the ongoing update and evaluation of the overlay measure in place in the Group, at the closure of the 2024 financial statements, the scope of application was reviewed with reference to both the results of backtesting carried out by the Validation unit and the most recent developments in the macroeconomic context. Backtesting detected for all overlay components a default rate over the last year lower than the conditional PD even considering only the extreme worst case scenario (overlay reference). However, the results of these analyses have been integrated with appropriate assessments of the macroeconomic context and with prudential assumptions:

- with reference to "private mortgages at variable rate without cap" cluster, given the results set out above and together with the progressive reduction in interest rate levels, it was assessed that this portfolio could be progressively removed from the overlay scope, maintaining it at the end of the year limited to counterparties with a rating higher than class 4. Therefore, counterparties with an average PD lower than 0.30% (low credit risk) are excluded;
- for the Construction and Real Estate sectors, it was assessed to keep the level of attention active given the uncertainty linked to the reduction of bonuses in the 2025 Budget Law and the contraction in demand for real estate;
- a particular focus was set on the Automotive sector assuming deteriorating impacts following a sharp drop in demand and a high level of uncertainty regarding future developments at both national and European level, due to the high prices of cars and the inefficiency of the electrical sector.

As regards post-model adjustments (overlays) applied to the calculation of ECL already introduced at the close of 2024, exposures to customers operating in sectors potentially more impacted by the new tariff policy by the United States have also been included in the overlay scope starting from the financial statements at June 30, 2025.

The "climate" component was assessed through parameter adjustments (in-model adjustments) using the models estimated to address the Supervisory Authority's expectations in the C&E area. In particular, a broad range of model development activities was envisaged for physical risk, with reference to the LGD component of mortgages, and for transition risk (climate-related/environmental) with impacts on the PD (business segment) and LGD (mortgage loans on all segments) parameters), more detailed below.

With the aim of incorporating transition risk in the PD parameter, the prospective balance sheet method has been implemented for the corporate segment. This approach considers:

- econometric models aimed at establishing a relationship between the items of the balance sheet and a set of macroeconomic variables in order to project the balance sheets;
- definition of a climate/environmental cost component, that companies could bear to adapt to a more sustainable economy, taking into account the economic macrosector of the companies.

Once the most relevant balance sheet items have been projected, they are subjected to conditioning through the climate/environmental cost, defined as a summary of: i) green investments, ii) cost of CO2 (GHG emissions estimated internally), iii) cost of energy and iv) expenditure for biodiversity. It should be noted that the explicit inclusion of this last factor extends the proposed modelling to the environmental risks sector. Through appropriate statistical integration, the climate/environmental shock quantified on the Balance Sheet Score is propagated to the other scores that make up the Corporate Rating Model in order to define a prospective PD parameter that includes transition risk.

With reference to the C&E component on the LGD parameter, the scope of the estimate of acute physical risks concerns: floods, landslides and fires. The transmission channel of these risks on the LGD component is constituted by the possible impact on the value of the property used as collateral for a mortgage loan. The methodology allows to jointly evaluate the probability that an acute physical event occurs (Hazard) and the potential damage that the property may suffer from the occurrence of such event (Vulnerability), thus defining a haircut value to be applied to the value of the property to determine a value adjustment with an increase in the LTV (Loan to Value) parameter and consequently of the LGD. The methodological approach, common to the three adverse events mentioned above, has the geolocation of the property as its main driver.

Also as regards the calculation of the transition risk impact on the LGD parameter, the methodology is implemented on loans secured by real estate collateral. In particular, it considers only properties with an EPC (energy performance contract), assuming a depreciation rate of the asset deriving from an energy class lower than the target class for 2050 as foreseen by the Paris Agreement. This methodology, consistent with the physical risks framework, defines the haircut to be applied to determine the value adjustment of the property based on the derivation of an opportunity cost, obtained as a comparison between the cost to maintain a property in its energy class and the cost to comply with energy transition requirements.

Finally, as part of the conditioning of the IFRS 9 risk parameters, the ordinary updating of the macroeconomic scenarios was applied in accordance with the most update of those scenarios (March 2025).

### 2.4 CREDIT RISK MITIGATION TECHNIQUES

As required by Regulation (EU) no. 575/2013 on prudential requirements for credit institutions and investment firms (CRR), the Group is strongly committed to compliance with all the requirements for the appropriate application of credit risk mitigation (CRM) techniques in accordance with the standardized approach for the calculation of capital requirements both for internal management and regulatory purposes.

The Parent Company has developed specific Group guidelines to support the appropriate use of guarantees and credit risk mitigation techniques for Credit Risk Mitigation (CRM) purposes. Specifically, at Group level the following categories of guarantees eligible for CRM purposes have been identified:

- secured financial guarantees;
- real estate mortgages and property lease transactions involving properties that have the characteristics required by law;
- unsecured guarantees.

Unsecured guarantees eligible for CRM purposes consist of all forms of credit protection provided by the entities (providers) specified in Article 201 of the CRR (central governments, central banks, international organizations, public sector entities, regional governments and local authorities, multilateral development banks, supervised intermediaries). Accordingly, guarantees issued by natural persons or legal entities not included in the list indicated in the legislation do not fall within the risk mitigation techniques for calculating capital requirements, but are not excluded from the Group's catalog of guarantees, which comprises not only the guarantees eligible for CRM purposes, but also guarantees not eligible for CRM purposes, as mentioned above.

Credit risk mitigation techniques may include guarantees provided by collective loan guarantee consortia in accordance with applicable regulations in the presence of suitable counter-guarantees (for example the Central Guarantee Fund for SMEs) for the portion they secure.

The Group has adopted procedures to ensure adequate compliance over time with the general and specific requirements required for CRM techniques. The general requirements, adopted by the Group, which are intended to ensure legal certainty and the effectiveness of the guarantees, mainly concern:

- the binding nature of the legal commitment between the parties and its enforceability in court;
- the effectiveness of credit protection arrangements which must be legally effective and enforceable in all relevant jurisdictions;
- the effectiveness of the credit protection arrangement also in addressing all the risks related to that arrangement;
- the timeliness with which the guarantee may be liquidated in the event of default;

These procedures must be valid and applied by all Group companies in order to avoid possible inconsistencies in the assessment. Checks shall be carried out in relation to the current legal value of the documentation submitted, the impact of any changes in the regulatory framework and the consequent initiatives to be taken. Risks related to the ineffectiveness, reduction or termination of the protection ("residual risks") as well as valuation and potential concentration risks in respect of specific counterparties.

The Group has defined specific internal policies and procedures to ensure that the acquired collateral can be classified as CRM eligible. In particular, the following conditions must be met:

- the real estate that guarantees the exposure satisfies any of the following conditions:
  - the asset has been fully completed;
  - the real estate is a forest or agricultural land;
  - the loan is in favor of a natural person and the property is a residential property under construction or land on which the construction of a residential property is planned, and such project has been lawfully approved by all the relevant authorities, as the case may be, and if any of the following conditions are met: (i) the property has no more than four dwelling units and will be the primary residence of the borrower and the loan to that natural person does not indirectly finance ADC exposures; (ii) a central government, regional government or local authority or public sector body is involved and/or has the legal power and capacity to ensure that the property under construction will be completed within a reasonable timeframe and is required or has made a legally binding commitment to complete it where construction would not otherwise be completed within a reasonable timeframe.
- the exposure is secured by a first-ranking mortgage on the property or the bank holds the first-ranking mortgage and any other sequentially lower-ranking mortgages on that property;
- the value of the property does not depend significantly on the debtor's creditworthiness;
- all information required at the time of assuming the exposure and for monitoring purposes is adequately documented, including that concerning the debtor's repayment capacity and the valuation of the property.

## 3. IMPAIRED CREDIT EXPOSURES

### 3.1. MANAGEMENT STRATEGIES AND POLICIES

According to the EBA definition, non-performing exposures satisfy either or both of the following criteria:

- material exposures which are more than 90 days past due;
- the debtor is assessed as unlikely to pay its credit obligations in full without realization of collateral, regardless of the existence of any past-due amount or of the number of days past due.

Impaired exposures are classified by increasing degree of severity in the following three categories:

- impaired past due and or overlimit exposures: exposures continuously past due or overlimit by more than 90 days in an amount exceeding the materiality thresholds (a relative materiality threshold equal to 1% of the entire exposure and an absolute materiality threshold of €100 or €500 for retail or corporate counterparties respectively;

- unlikely to pay (UTP) exposures: on- and off-balance sheet exposures for which the institution considers that the obligor is unlikely, without recourse to actions such as realizing security, to pay its credit obligations (principal and/or interest);
- default: on- and off-balance sheet exposures to an obligor in a state of insolvency (even if not declared by a court) or a substantially comparable situation, regardless of any expected loss.

Credit exposures that have been granted a forbearance measure[33] by the Bank in the event that the customer is in or close to a situation of financial difficulty in meeting its payment obligations ("troubled debt") are defined such as "forbearance exposures".

In identifying forborne exposures, the regulations require a transaction-by-transaction approach, regardless of their classification (impaired past due and/or overlimit exposures, unlikely to pay exposures or defaults): although the state of financial difficulty must be ascertained at level of the debtor, only the exposures referred to the latter that have actually been granted forbearance measures must be classified as forborne.

These classification rules are further supplemented by that established in IFRS 9, according to which credit exposures must be allocated to three stages (for more details, see the previous discussion). Among impaired exposures, allocation to stage "3" is underscored, which occurs when the customer's status changes to "non-performing".

For the purposes of identifying non-performing exposures, the Group:

- has operational arrangements under which, depending on the intervention to be undertaken, positions can be managed using a centralized approach by the competent Parent Company functions, a decentralized approach by the individual Group companies or a collaborative approach between the Parent Company and Group companies;
- applies a unified and harmonized definition of NPLs in all Group companies, consistent with the applicable regulatory provisions;
- considers legal and financial connections between counterparties and adopts a group perspective in identifying the exposure of a debtor as impaired (default propagation).

Within this approach, the individual Group companies transpose into their own rules the principles and rules established in Group policies for the management and recovery of troubled exposures and NPEs in line with the specific features of the territory in which they operate, their size, their business model and the related organizational structure.

The strategy for managing non-performing exposures is set by the Parent Company and is subject to approval and monitoring by its Board of Directors. Specifically, the Parent Company:

- defines the objectives in terms of reducing expected NPE levels at Group level;
- establishes, with the support of the Group companies, the objectives for the individual companies and the related management strategies.

The implementation of the strategy is supported by the Parent Company through the delivery of specialized support services, the provision of tools to facilitate the uniform management of impaired positions and a Group operational plan, which is also approved by the Parent Company's Board of Directors.

In order to ensure the quality of the management of non-performing exposures by the specified personnel, all Group companies have developed a system for measuring the performance of senior management and the organizational structures dedicated to management of non-performing exposures. In particular, In accordance with the principle of proportionality, the individual Group companies define their own performance evaluation and monitoring systems in line with Group policy, based on a number of quantitative and qualitative factors, of which the following list provides a few examples:

- developments in the stock of gross and net non-performing exposures, in line with the Group's Strategic Plan;

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[33] In general, a forbearance measure means an operation by which the creditor, applying principles of economic rationality, grants forbearance to the borrower in consideration of the borrower's financial difficulties. This concession takes the form of the creditor's waiver of certain contractually defined rights which translates into an immediate or deferred benefit - of a financial or economic nature - for the debtor.

- methods for applying forbearance measures;
- the total amount recovered on the loan portfolio with a focus on collections, liquidations and asset sales;
- the aging of positions by recovery management phases;
- the regular performance of agreed restructuring plans;
- the application of writeoffs;
- the reduction of arrears and the improvement of portfolio quality.

The management of NPEs envisages the following categories of management strategies:

- short- or long-term management actions to support business continuity with the objective of returning positions to performing status or amicable recovery of the exposure
- legal action, to be adopted for severely impaired positions for which litigation are undertaken to recover the credit, as the state of crisis appears to be deep-rooted and irreversible;
- active portfolio reduction, to be applied to impaired positions that are considered unrecoverable.

Extraordinary NPE portfolio management strategies include the transfer of individual files or selected portions of the portfolio.

### 3.2. WRITEOFFS

The Group writes off impaired positions, meaning the derecognition from the financial statements of a loan, or part of a loan, and the consequent recognition of a loss, when it is ascertained that the exposure cannot be collected or it is uneconomic to continue any associated recovery activities under way. It may occur before the legal action to recover the financial assets are completed and does not necessarily entail waiver of the bank's right to the asset. A writeoff may be total, and therefore regard the entire amount of a financial, or partial (in all those cases in which the claim recognized is smaller than the carrying amount, for example in insolvency proceedings). The amount of the writeoff must always take account of any expenses, including legal costs, accrued and not yet invoiced at the time of analysis.

A writeoff involves:

- the reversal of total writedowns against the gross value of the financial asset;
- for any part exceeding total writedowns, the impairment loss on the financial asset is recognized directly in profit or loss.

Any recoveries from collection after the recognition of the writeoff are recognized in profit or loss as writebacks.

Writeoffs recognized for unrecoverability refer to cases in which the Bank is in possession of documentation certifying the significant probability that the loan may not be recovered, in whole or in part. Specifically, the irrecoverable status of the loan must be attested to by certain and specific circumstances, such as:

- the obligor, co-obligors and/or connected guarantors are untraceable or destitute;
- there has been no recovery from enforcement of guarantees or collateral and seizures;
- the period of limitations has passed;
- insolvency proceedings have been closed with incomplete restitution for the bank, in the absence of further guarantees that could be enforced;
- it is impossible to take further action in consideration of the overall financial position and income situation of the obligors and co-obligors (guarantors included);
- all legal or out-of-court actions have, following a careful examination of updated documentation (by way of partial example, commercial information, title searches, searches, etc.), already been carried out or are deemed inappropriate;
- bad loans with a residual balance after partial repayment in settlement performed in accordance with the procedures and time limits provided for by the resolution approved by the competent bodies;

- amounts from the redetermination of the credit claim.

Writeoffs recognized because further action would be uneconomic occur when it is recognized, and can be demonstrated, that the costs related to the continuation of loan recovery actions (for example: legal, administrative and other costs) would exceed the value of the financial asset that is expected to be recovered.

### 3.3. FINANCIAL ASSETS PURCHASED OR ORIGINATED CREDIT-IMPAIRED

Financial assets purchased or originated credit impaired ("POCI") are credit exposures that are impaired upon initial recognition.

Such exposures may arise both from the purchase of impaired credit exposures from third parties or from the restructuring of impaired exposures that involved the grant of new financing that is significant in absolute or relative terms in proportion to the amount of the original exposure.

These exposures are subject to management, measurement and control in accordance with the principles discussed in the previous section of the consolidated notes to the financial statements. In particular, the expected credit losses recorded at initial recognition in the carrying amount of the instrument are reviewed periodically based on the processes described in the preceding sections.

The expected loss for these exposures is always calculated over their lifetime and the exposures are conventionally reported under stage 3, or stage 2 if, following an improvement in the credit quality of the counterparty since initial recognition, the assets are performing.

Such assets are never classified under stage 1 since the expected credit loss must be calculated on a lifetime basis.

## 4. FINANCIAL ASSETS SUBJECT TO COMMERCIAL RENEGOTIATIONS AND EXPOSURES GRANTED FORBEARANCE MEASURES

The classification of exposures into "impaired past due and/or overlimit" exposures, "unlikely-to-pay" exposures or "bad loans" also provides for the identification – for both performing and non-performing portfolios - of "forborne" exposures. These credit exposures are subject to a forbearance measure granted to a customer who is already facing a situation of financial difficulty in meeting their payment commitments ("troubled debt"), or is about to do so, and which would not have been granted if that customer had not found themselves in such a situation. This classification holds regardless of whether the counterparty is past due, overlimit or classified as in default. To identify an exposure as forborne, both of the following conditions must be verified:

- the existence of the financial difficulties that the obligor is facing or is about to face. The assessment of financial difficulty is based on the obligor, which comprises all natural and legal persons belonging to their group (group of connected customers): the assessment therefore also extends to these latter persons in order to verify whether situations of difficulty at the group level may compromise the obligor's ability to meet their obligations. The assessment of financial difficulty is performed without taking account of the guarantees issued by the obligor or third parties. The Group's IT applications report the presence or absence of financial difficulty faced by the counterparty with specific disclosures on the company IT systems used in the classification process;
- the exposure is the subject of a forbearance measure (renegotiation of the contractual conditions and/or of a repayment or refinancing plan, etc.) granted with the prime objective of enabling non-performing borrowers to return to performing status or to prevent performing borrowers from entering non-performing status. Forbearance measures should always seek to return the exposure to a situation of sustainable repayment.

The Group defines forbearance measures as:

- contract modifications granted in favor of a debtor solely in consideration of the debtor's financial difficulties and not solely on the basis of commercial grounds/practice;
- the grant of total or partial refinancing to a debtor in financial difficulties in order to enable the debtor to repay an existing obligation to the bank; this case also includes additional finance operations aimed at the completion-optimization of an existing obligation to the bank;

- contract modifications that can be requested by a debtor under the terms of a contract already agreed in the knowledge that the debtor is experiencing financial difficulties (embedded forbearance clauses).

The attribution of “forborne” to a credit exposure does not represent an additional classification status to those currently provided for in supervisory regulations and the internal rules of the Group to which reference is made for those purposes. Forborne status must be associated with the individual exposure. Accordingly, a forborne exposure can be classified as performing forborne or non-performing forborne depending on the status of the counterparty to which these exposures are attributable.

Exposures that meet both of the following conditions are considered forborne performing:

- the debtor is classified as performing before the formalization of the forbearance measures;
- the debtor is not reclassified under impaired exposures as a result of the grant of the forbearance measures.

Exposures that meet at least one of the following conditions are considered forborne non-performing:

- the debtor is classified under impaired exposures before the formalization of forbearance measures;
- the debtor is reclassified under impaired exposures as a result of the grant of the forbearance measures.

Forbearance measures cannot be granted to customers with credit exposures classified as bad loans or bank counterparties.

## QUANTITATIVE DISCLOSURES

## A. CREDIT QUALITY

### A.1 - IMPAIRED AND PERFORMING CREDIT EXPOSURES: STOCKS, WRITEDOWNS, CHANGES AND DISTRIBUTION BY SECTOR

### A.1.4 - PRUDENTIAL CONSOLIDATION - ON-BALANCE-SHEET AND OFF-BALANCE-SHEET CREDIT EXPOSURES TO BANKS: GROSS AND NET VALUES

| | Gross exposure | | | | | Total writedowns and total provisions | | | | | Net exposure | Total partial writeoffs* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Stage 1 | Stage 2 | Stage 3 | Purchased or originated credit-impaired | | Stage 1 | Stage 2 | Stage 3 | Purchased or originated credit-impaired | | |
| **A. On-balance-sheet exposures** | | | | | | | | | | | | |
| **A.1 Demand** | **399,092** | **309,555** | **89,537** | **-** | **-** | **2,647** | **77** | **2,570** | **-** | **-** | **396,445** | **-** |
| a) Impaired | - | X | - | - | - | - | X | - | - | - | - | - |
| b) Performing | 399,092 | 309,555 | 89,537 | X | - | 2,647 | 77 | 2,570 | X | - | 396,445 | - |
| **A.2 Other** | **4,540,030** | **4,464,770** | **65,393** | **-** | **-** | **7,736** | **3,357** | **4,379** | **-** | **-** | **4,532,294** | **-** |
| a) Bad loans | - | X | - | - | - | - | X | - | - | - | - | - |
| - of which: forborne exposures | - | X | - | - | - | - | X | - | - | - | - | - |
| b) Unlikely to pay | - | X | - | - | - | - | X | - | - | - | - | - |
| - of which: forborne exposures | - | X | - | - | - | - | X | - | - | - | - | - |
| c) Impaired past due exposures | - | X | - | - | - | - | X | - | - | - | - | - |
| - of which: forborne exposures | - | X | - | - | - | - | X | - | - | - | - | - |
| d) Performing past due exposures | - | - | - | X | - | - | - | - | X | - | - | - |
| - of which: forborne exposures | - | - | - | X | - | - | - | - | X | - | - | - |
| e) Other performing assets | 4,540,030 | 4,464,770 | 65,393 | X | - | 7,736 | 3,357 | 4,379 | X | - | 4,532,294 | - |
| - of which: forborne exposures | - | - | - | X | - | - | - | - | X | - | - | - |
| **Total (A)** | **4,939,122** | **4,774,325** | **154,930** | **-** | **-** | **10,383** | **3,434** | **6,949** | **-** | **-** | **4,928,738** | **-** |
| **B. Off-balance-sheet exposures** | | | | | | | | | | | | |
| a) Impaired | - | X | - | - | - | - | X | - | - | - | - | - |
| b) Performing | 1,701,011 | 448,979 | 119,774 | X | - | 68,748 | 64,373 | 3,958 | X | - | 1,632,263 | - |
| **Total (B)** | **1,701,011** | **448,979** | **119,774** | **-** | **-** | **68,748** | **64,373** | **3,958** | **-** | **-** | **1,632,263** | **-** |
| **Total (A+B)** | **6,640,133** | **5,223,304** | **274,703** | **-** | **-** | **79,132** | **67,808** | **10,907** | **-** | **-** | **6,561,002** | **-** |

* Value to be reported for information purposes

## A.1.5 - PRUDENTIAL CONSOLIDATION - ON-BALANCE-SHEET AND OFF-BALANCE-SHEET CREDIT EXPOSURES TO CUSTOMERS: GROSS AND NET VALUES

| | Gross exposure | | | | | Total writedowns and total provisions | | | | | Net exposure | Total partial writeoffs* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Stage 1 | Stage 2 | Stage 3 | Purchased or originated credit-impaired | | Stage 1 | Stage 2 | Stage 3 | Purchased or originated credit-impaired | | |
| **A. On-balance-sheet exposures** | | | | | | | | | | | | |
| a) Bad loans | 887,863 | X | - | 884,301 | 3,562 | 780,372 | X | - | 777,104 | 3,268 | 107,491 | 450,089 |
| - of which: forborne exposures | 207,310 | X | - | 207,310 | - | 180,395 | X | - | 180,395 | - | 26,915 | 88,788 |
| b) Unlikely to pay | 1,864,612 | X | - | 1,861,116 | 3,496 | 1,247,393 | X | - | 1,243,927 | 3,466 | 617,219 | 7,883 |
| - of which: forborne exposures | 647,358 | X | - | 644,175 | 3,182 | 477,174 | X | - | 474,021 | 3,153 | 170,183 | 6,856 |
| c) Impaired past due exposures | 320,591 | X | - | 320,591 | - | 152,393 | X | - | 152,393 | - | 168,198 | - |
| - of which: forborne exposures | 16,491 | X | - | 16,491 | - | 7,309 | X | - | 7,309 | - | 9,182 | - |
| d) Performing past due exposures | 1,408,458 | 715,983 | 692,475 | X | - | 75,906 | 4,086 | 71,820 | X | - | 1,332,553 | - |
| - of which: forborne exposures | 59,956 | 10 | 59,946 | X | - | 6,712 | 9 | 6,704 | X | - | 53,243 | - |
| e) Other performing assets | 148,782,845 | 139,740,058 | 8,028,318 | X | 2,454 | 716,508 | 248,011 | 468,464 | X | 31 | 148,066,337 | - |
| - of which: forborne exposures | 923,707 | 6,608 | 916,739 | X | 360 | 59,079 | 108 | 58,942 | X | 30 | 864,628 | - |
| **Total (A)** | **153,264,369** | **140,456,041** | **8,720,794** | **3,066,007** | **9,512** | **2,972,571** | **252,097** | **540,284** | **2,173,423** | **6,766** | **150,291,798** | **457,972** |
| **B. Off-balance sheet exposures** | | | | | | | | | | | | |
| a) Impaired | 219,053 | X | - | 219,053 | - | 84,499 | X | - | 84,500 | - | 134,555 | - |
| b) Performing | 34,830,167 | 32,539,511 | 1,850,283 | X | - | 105,814 | 64,253 | 40,777 | X | - | 34,724,353 | - |
| **Total (B)** | **35,049,220** | **32,539,511** | **1,850,283** | **219,053** | **-** | **190,313** | **64,253** | **40,777** | **84,500** | **-** | **34,858,908** | **-** |
| **Total (A+B)** | **188,313,589** | **172,995,552** | **10,571,077** | **3,285,060** | **9,512** | **3,162,883** | **316,350** | **581,061** | **2,257,923** | **6,766** | **185,150,706** | **457,972** |

* Value to be reported for information purposes

## SOVEREIGN EXPOSURE DISCLOSURES

The Group's exposure to sovereign entities as of June 30, 2025[34] has a total book value of €51,814 million, represented by €50,537 million in debt securities and €1,277 million in financing.

99.1% of debt exposures is concentrated in eight countries, including Italy which, with €43,394 million, accounts for 90% of the total exposure.

The remaining 0.9% of total sovereign exposure, equal to €478 million, includes debt securities from 26 other countries (including: Ireland for €35 million, Hungary for €30 million, Portugal for €27 million) as well as securities issued by supranational organizations such as the European Union, the European Financial Stability Facility and the European Stability Mechanism for €286 million.

### Sovereign debt exposures broken down by counterparty and portfolio

| | 30/06/2025 | | |
|---|---|---|---|
| | CARRYING AMOUNT | NOMINAL AMOUNT | FAIR VALUE |
| **ITALY** | **45,393,980** | **44,655,631** | **45,257,211** |
| Financial assets held for trading | 21,074 | 21,565 | 21,074 |
| Financial assets designated at fair value | 94,180 | 95,000 | 94,180 |
| Financial assets measured at fair value through comprehensive income | 4,476,363 | 4,456,813 | 4,476,363 |
| Financial assets measured at amortized cost | 40,802,363 | 40,082,254 | 40,665,594 |
| **FRANCE** | **1,720,840** | **1,777,501** | **1,715,243** |
| Financial assets held for trading | 548 | 2,000 | 548 |
| Financial assets designated at fair value | 14,511 | 15,000 | 14,511 |
| Financial assets measured at fair value through comprehensive income | 289,178 | 290,102 | 287,167 |
| Financial assets measured at amortized cost | 1,416,602 | 1,470,399 | 1,413,017 |
| **SPAIN** | **1,581,840** | **1,578,291** | **1,590,554** |
| Financial assets held for trading | 422 | 500 | 422 |
| Financial assets designated at fair value | 84,011 | 86,000 | 84,011 |
| Financial assets measured at fair value through comprehensive income | 340,256 | 332,806 | 340,256 |
| Financial assets measured at amortized cost | 1,157,151 | 1,158,985 | 1,165,865 |
| **GERMANY** | **742,660** | **757,558** | **745,021** |
| Financial assets held for trading | 1,118 | 1,112 | 1,118 |
| Financial assets designated at fair value | 35,272 | 35,500 | 35,272 |
| Financial assets measured at fair value through comprehensive income | 134,083 | 134,039 | 134,083 |
| Financial assets measured at amortized cost | 572,187 | 586,907 | 574,548 |
| **AUSTRIA** | **278,799** | **281,547** | **280,141** |
| Financial assets held for trading | 107 | 330 | 107 |
| Financial assets designated at fair value | 35,312 | 35,500 | 35,312 |
| Financial assets measured at fair value through comprehensive income | 36,002 | 36,067 | 36,002 |
| Financial assets measured at amortized cost | 207,379 | 209,650 | 208,720 |
| **BELGIUM** | **220,123** | **223,620** | **220,098** |
| Financial assets held for trading | 10 | 10 | 10 |
| Financial assets designated at fair value | 54,651 | 55,000 | 54,651 |
| Financial assets measured at fair value through comprehensive income | 37,359 | 37,110 | 37,359 |
| Financial assets measured at amortized cost | 128,104 | 131,500 | 128,079 |
| **LUXEMBOURG** | **69,487** | **69,300** | **69,601** |
| Financial assets held for trading | 3,990 | 4,000 | 3,990 |
| Financial assets measured at fair value through comprehensive income | 4,963 | 5,000 | 4,963 |
| Financial assets measured at amortized cost | 60,533 | 60,300 | 60,648 |
| **ROMANIA** | **51,835** | **55,096** | **52,157** |
| Financial assets held for trading | 146 | 175 | 146 |
| Financial assets measured at fair value through comprehensive income | 18,356 | 18,400 | 18,356 |
| Financial assets measured at amortized cost | 33,333 | 36,521 | 33,656 |
| **OTHER** | **477,875** | **506,518** | **483,340** |
| Financial assets held for trading | 12,619 | 14,645 | 13,601 |
| Financial assets designated at fair value | . | 17 | - |
| Financial assets measured at fair value through comprehensive income | 86,974 | 93,286 | 87,445 |
| Financial assets measured at amortized cost | 378,283 | 398,570 | 382,295 |
| **TOTAL** | **50,537,439** | **49,905,063** | **50,413,367** |

[34] Sovereign exposures include bonds issued by central and local governments and government agencies as well as loans to them.

The table below shows the classification of debt securities in the banking book and their incidence in the related class.

### Exposures to sovereign debt securities broken down by financial asset portfolio (banking book)

€/thousands

| | 30/06/2025 | | |
|---|---|---|---|
| | FINANCIAL ASSETS DESIGNATED AT FAIR VALUE | FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH COMPREHENSIVE INCOME | FINANCIAL ASSETS MEASURED AT AMORTIZED COST |
| Carrying amount | 317,937 | 5,423,534 | 44,755,934 |
| % in portfolio | 99.7% | 77.4% | 30.4% |

## 1.2 MARKET RISKS

### 1.2.1 INTEREST RATE RISK AND PRICE RISK – SUPERVISORY TRADING BOOK

### QUALITATIVE DISCLOSURES

#### A. GENERAL ASPECTS

The term trading book refers to the portfolio consisting of positions intentionally held for subsequent short-term disposal and/or taken on to benefit from short-term differences between purchase and sales prices, or other changes in prices or interest rates. In general, the supervisory trading book is represented by the positions held under an “other” business model, namely “held for sale”, i.e. the portfolio including debt and equity securities, units in collective investment undertakings and derivatives held for trading purposes.

#### B. MANAGEMENT AND MEASUREMENT OF INTEREST RATE RISK AND PRICE RISK

GOVERNANCE AND ORGANIZATIONAL MODEL

The Parent Company is responsible for the management, coordination and control of market risk management within the entire Iccrea Mutual Banking Group in compliance with the principles of sound and prudent management.

As provided for under the Cohesion Contract, the Parent Company defines market risk management policies, in accordance with the strategic planning and definition of the RAF.

This role is performed through the issue of specific policies and directives and the definition and application of specific governance mechanisms that govern the various stages (definition, approval, monitoring and reporting) that characterize the management of market risks.

RISK MANAGEMENT PROCESSES

**Identification of risks**

Operations in financial market, especially positions in the trading book, expose the Group to market risks and other subcategories of risk. The identification of risks is mainly carried out in the process of specifying and updating risk models and metrics for market risks, and involves the following activities:

- the specification and updating of risk metrics, i.e. the evolution by the Risk Management department of measurement and monitoring methods on the basis of developments in markets, regulations and best practice;
- the approval process, conducted before the start of operations in a new financial instrument and the associated definition of the procedures for measuring fair value and risks.

**Risk measurement and assessment**

Risk Management is the main actor in the processes for development and using measurement models and metrics for market risk.

Updates of the models and metrics are identified by Risk Management in the performance of its duties, including analysis of regulatory requirements, market best practices and input from the business units involved (Finance in particular).

For the purpose of calculating capital requirements for market risks, the ICBG uses the standardized approach, in compliance with the relevant supervisory measures.

At the operational level, internal models are used for measurement purposes. The measurement metrics used for operational purposes to measure market risk can be classified as follows:

- probabilistic metrics:
  - Value at Risk (VaR) approach, which represents the main metric owing to its uniformity, consistency and transparency in relation to finance operations;
- deterministic metrics:
  - level metrics (such as, for example, notional amounts and mark to market values), which represent an immediately applicable solution;
  - analysis of sensitivity and Greeks, which are an essential complement to VaR indicators owing to their capacity to capture sensitivity and the direction of financial positions in response to changes in the identified risk factors;
  - stress testing and scenario analysis, which complete the analysis of the overall risk profile, capturing changes due to specified developments in the underlying risk factors (worst case scenarios);
  - loss, which represents the negative financial performance in a specified period of time of both closed and open positions.

**Probabilistic metrics**

***Value at Risk (VaR)***

An approach based on historical simulations is used to calculate VaR, (with a sample period of 3 years, confidence level of 99% and holding period of 1 day). The model currently covers the following risk factors:

- interest rates;
- inflation rates;
- exchange rates;
- stocks and stock indices;
- interest rate volatility;
- stock price volatility.

The current model can calculate VaR both for more detailed portfolios and for larger aggregates, permitting considerable granularity in the analysis, control and management of risk profiles and the effects of diversification. The possibility for calculating VaR at multiple levels of synthesis (consistent with the operating strategies of the portfolios and the organizational hierarchy of Finance) and the ability of the model to decompose VaR into different risk determinants make it possible to create an effective system of comparable cross-risk and cross-business limits.

**Deterministic metrics**

***Sensitivity and Greeks of options***

Sensitivity measures the risk associated with changes in the theoretical value of a financial position in response to changes in a defined amount of the associated risk factors. It captures the breadth and direction of the change in the form of multiples or monetary changes in the theoretical value without explicit assumptions about the holding period or correlations between risk factors. The main sensitivity indicators currently used are:

- PV01: the change in market value in response to a change of 1 basis point in the zero-coupon yield curve;
- Vega01: a change of 1 percentage point in implied volatilities on interest rates;
- IL01 (sensitivity to inflation): the change in market value in response to a change of 1 basis point in the forward inflation rate curve;
- Vega sensitivity to inflation: a change of 1 percentage point in implied volatilities on forward inflation rates;
- CS01: a change of 1 basis point in credit spreads;

- Delta: the ratio between the expected change in the price of options and a small change in the prices of the underlying financial assets;
- Delta1%: the change in market value in response to a change of 1% in equity prices;
- Delta Cash Equivalent: the product of the value of the underlying financial asset and the delta;
- Vega1%: the change in market value in response to a change of 1% in the implied volatility of equity prices/indices;
- Correlation sensitivity: the change in the market value in response to a 10% change in implied correlations.

***Level metrics***

The nominal position (or equivalent) is a risk indicator based on the assumption that there is a direct relationship between the size of a financial position and the risk profile.

The nominal position (or equivalent) is determined through the identification of:

- the notional value;
- the market value;
- the conversion of the position in one or more instruments into a benchmark position (the equivalent position);
- the FX open position.

The approach is characterized by extensive use of ceilings in terms of notional/mark-to-market amounts as they represent the value of the assets recognized in the financial statements. These metrics are used to monitor exposures to issuer/sector/country risk for the purposes of analyzing the concentration of exposures.

***Stress test and scenarios***

Stress tests measure the change in the value of instruments or portfolios in response to unexpected (i.e. extreme) changes in the intensity or correlation of risk factors. Scenario analyses measure the change in the value of instruments or portfolios in response to changes in risk factors in circumstances that reflect actual past situations or expectations of future developments in market variables.

Stress tests and scenario analysis are carried out by measuring the change in the theoretical value of positions in response to changes in the risk factors. The change can be calculated both through the use of linear sensitivity relationships (e.g. deltas) and through the revaluation of positions by applying the specified variations to the risk factors.

***Loss***

Loss is a risk metric representing the negative financial performance achieved on closed and open positions over a specified period of time.

Loss is determined by identifying, with the specified time interval:

- the component of realized profits and losses;
- the component of latent (unrealized) profits and losses calculated using the mark-to-market/mark-to-model value of open positions.

Loss is equal to the algebraic sum of the two components indicated above, if negative.

In determining loss, foreign currency positions still open are measured at the ECB end-of-day exchange rate.

The metric makes it possible to measure losses connected with the general risk profile of outstanding positions and the management of the portfolio, identifying any deterioration in the profitability of financial operations.

It is helpful in monitoring the performance of the portfolio, given the risk profile assumed, when:

- more sophisticated measurement systems are not present;
- it is impossible to capture all risk factors;
- timely control and management of limits is required.

## RISK PREVENTION AND ATTENUATION

Risk Management conducts backtesting of operational measurement models on an ongoing basis. The effectiveness of the calculation model is monitored daily through backtesting, which by comparing the forecast VaR with the corresponding profit or loss shines light on the capacity of the model to accurately capture the variability of the revaluation of the trading positions statistically. This approach makes it possible to:

- strengthen the effectiveness of the dialogue between Risk Management and the front office;
- enhance awareness of the actual performance dynamics of the portfolios;
- break down and interpret the sources and causes of daily changes in P&L;
- identify and monitor any risk factors that are not fully captured by the calculation models adopted.

In addition to the backtesting noted earlier, the effective management of market risks is ensured using a comprehensive system of limits, which is a key tool for the management, control and attenuation of risks. The development of this system, which is a key element of the Risk Management Framework, took account of the nature, objectives and operational complexity of the Group.

The overall system of market risk indicators comprises indicators included in and governed by the RAS and more strictly operational indicators set out in the risk governance policies.

The controls established to manage market risks break down into:

- Level I controls, which are intended to ensure the correct registration and maintenance of transactions over time;
- Level II controls, which are intended to measure, monitor and report the market risk profile and ensure the correct activation of escalation mechanisms;
- Level III controls (Internal Audit), which are intended to monitor procedures and regulations, as well as internal and external regulations.

Risk management and mitigation activities are governed by a set of codified and formalized rules that envisage:

- the activities and actions that must be performed in each operating and business segment in order to manage developments in risks;
- the adoption of measures to manage any irregularities;
- the actions to be taken in the event the risk objectives, tolerances or limits specified in the Risk Appetite Statement are breached;
- the actions to be taken in the event the limits specified in the risk policies are breached.

## MONITORING AND REPORTING

The controls performed by Risk Management seek to monitor the Bank’s exposure to market risks on a daily basis, in order to prepare reporting to be sent to the competent units and to monitor/verify the implementation of escalation mechanisms by the trading desks involved if the specified limits are breached. Control activities are based on the assessment and measurement of the risk profile compared with the risk indicators and represents a key control element that regards both the monitoring of specific indicators and verifying and analyzing any breaches of risk appetite and/or risk limit thresholds.

These activities therefore perform an “ex post” control function in relation to the continuous monitoring of all indicators that signal breaches of assigned risk levels, but they also serve an “ex ante” function in signaling the approach of risk profiles towards the threshold/limit/risk propensity levels. Therefore, the effectiveness of monitoring compliance with limits is an instrumental part of:

- the timely identification of risk profile developments that might compromise achievement of the risk targets/tolerances established in determining the RAS/risk limits;
- the prompt activation of recovery plans in response to specified conditions on the basis of the "magnitude" of the over-limit position.

The market risk control and monitoring activities are governed within a set of internal regulations defining the roles and responsibilities of the various actors involved in the process.

At the operational level, communication between operational units and Risk Management occurs on a daily basis through extensive discussion of risk developments, increasing awareness of the risks assumed (in line with defined profit targets) and thereby facilitating the definition of appropriate management decisions.

An additional level of communication is embodied in the reporting system, which represents a decision support tool to provide the various organizational units involved with adequate and timely information on both the strategic and operational levels. The content, level of detail and frequency of the reporting are determined in accordance with the goals and roles assigned to the different recipients so as to ensure easy consultation, immediate perception of the situation and a comprehensive understanding of developments.

In particular, Risk Management performs codified and formalized monitoring and reporting activities within the Risk Appetite Framework and the Risk Policies, with the preparation of periodic reporting to provide appropriate disclosure to the management functions, senior management and the Board of Directors.

## QUANTITATIVE DISCLOSURES

### 1. SUPERVISORY TRADING BOOK: DISTRIBUTION BY RESIDUAL MATURITY (REPRICING DATE) OF ON-BALANCE-SHEET FINANCIAL ASSETS AND LIABILITIES AND FINANCIAL DERIVATIVES

This table has not been completed since an analysis of interest rate and price risk sensitivity has been provided.

### 2. SUPERVISORY TRADING BOOK: DISTRIBUTION OF EXPOSURES IN EQUITY SECURITIES AND EQUITY INDICES BY MAIN COUNTRIES OF LISTING

This table has not been completed since an analysis of interest rate and price risk sensitivity has been provided.

### 3. SUPERVISORY TRADING BOOK: INTERNAL MODELS AND OTHER SENSITIVITY ANALYSIS METHODOLOGIES

With regard to market risks on the trading book, which are managed at the Group level by Iccrea Banca, a risk tolerance of €14 million in 1-day VaR with a 99% confidence level has been established. In the first half of 2025 the indicator never breached the limits.

The average VaR of the trading book was equal to €0.56 million, with a minimum of €0.21 million and a maximum of €0.91 million (on February 6, 2025).

At June 30, 2025 the VaR was equal to €0.56 million.

| Daily VaR Trading Book | Notional (in €/million) at 30/06/2025 | VaR | |
|---|---|---|---|
| | | Limit | Risk Profile |
| GBCI | 5,130 | 14 | 0.56 |

The table below shows the sensitivity values by risk factor at June 30, 2025, which correspond to the change in the market value of the trading book as the risk factors change (see the section "Deterministic metrics, *Sensitivity* and Greeks of options").

| | Sensitivity Value (in €) | Notes |
|---|---|---|
| Interest Rates | 31,181 | Sensitivity calculated in relation to 1 bp change |
| Inflation Rates | 8,080 | |
| Credit spread | 17,436 | |
| Equity | 40,088 | Sensitivity calculated in relation to 1% change in the share price/stock index |

## 1.2.2 INTEREST RATE RISK AND PRICE RISK – BANKING BOOK

### QUALITATIVE DISCLOSURES

#### A. GENERAL ASPECTS, MANAGEMENT AND MEASUREMENT OF INTEREST RATE RISK AND PRICE RISK

GOVERNANCE AND ORGANIZATIONAL MODEL

The Parent Company is responsible for the management, coordination and control of interest rate risk management for the banking book within the entire Iccrea Cooperative Banking Group in compliance with the principles of sound and prudent management.

As provided for under the Cohesion Contract, the Parent Company defines interest rate risk management policies, in accordance with the strategic planning and definition of the RAF.

This role is performed through the issue of specific policies and directives and the definition and application of specific governance mechanisms that govern the various stages (definition, approval, monitoring and reporting) that characterize the management of interest rate risk on the banking book.

RISK MANAGEMENT PROCESSES

**Identification of risks**

The interest rate and credit spread risk on the banking book is the risk originated by differences in the maturities and in the timing of the repricing of interest rates on the assets and liabilities in the banking book. In the presence of these differences, fluctuations in interest rates giver rise to both a short-term change in expected profit, through the impact on net interest income, and a long-term impact on the economic value of equity, through the change in the market value of assets and liabilities.

Based on the composition of the current banking book and expected developments envisaged in strategic and operational planning, the Group identifies sources of interest rate risk to which it is exposed, classifying them in the following risk sub-categories: the risk connected with changes in risk-free rates (IRRBB – Interest Rate Risk on Banking Book), deriving from mismatches in maturities (for fixed-rate positions) and repricing dates (for variable-rate positions), or changes in the slope or shape of the yield curve (yield curve risk), basis risk, option risk and the risk of changes in credit spreads (Credit Spread Risk on Banking Book - CSRBB).

**Risk measurement and assessment**

The measurement of interest rate risk on the banking book is based on the current earnings approach and the economic value approach and is carried out for the purpose of:

- continuous monitoring of the risk profile by controlling the overall system of indicators that characterize the IRRBB and CSRBB Framework and the various "additional metrics" that have been defined;
- performing stress testing, which provides for the estimation of the impact of severe but plausible adverse market scenarios on the banking book.

The risk exposure is measured using a static or dynamic approach depending on the assessment approach adopted:

- economic value approach: this seeks to assess the impact of possible adverse changes in interest rates or credit spreads on the economic value of the banking book (economic value of equity), construed as the present value of the expected cash flows of assets, liabilities and off-balance sheet positions within the scope of analysis. Under this perspective, the analysis is conducted using a static "gone concern" approach, in which we assume the run-off of positions at maturity, without any replacement or renewal, or using a dynamic approach, developing projections for new operations that are consistent with the assumptions defined during strategic planning.
- earnings approach: this seeks to assess the potential effects of possible adverse changes in interest rates or credit spreads on the profitability of the banking book, i.e. net interest income, and on fair value changes recognized through profit or loss or OCI. In this perspective, the analysis is conducted using a dynamic "going-concern" approach, with a "constant balance sheet" view, assuming that positions are rolled over at

maturity so as to leave the size and composition of the balance sheet unchanged, or a "dynamic balance sheet" view, developing projections for new business that are consistent with the hypotheses defined in strategic planning.

Specific models are adopted in both cases that ensure adequate quantification of the risk associated with positions that exhibit repricing behavior that differs from the contractual profile.

The metrics adopted in the economic value approach to measure the sensitivity of the economic value of the banking book (ΔEVE – EVE sensitivity) are based on a full evaluation approach. The change in the expected value of the banking book is calculated using an approach that involves the discounting of the cash flows of items in the book in a base scenario with no interest rate variations and one with interest rate variations. The overall metric can be broken down by time bucket in order to identify the distribution of risk over time ("bucket sensitivity").

In determining EVE, equity must be excluded from the calculation in order to measure the potential change in value of free capital following changes in the yield curves.

The metrics used in the current earnings approach are:

- NII sensitivity: a metric that measures the sensitivity of net interest income. The potential impact on net interest income of changes in risk-free rates or credit spreads is calculated using a method that provides for the comparison, for a selected time horizon, between expected net interest income in the case of a change in interest rates or credit spreads and expected net interest income in a baseline scenario with no such changes;
- Earnings at Risk: a metric aimed at measuring the loss of profitability due to changes in interest rates or credit spreads, considering, in addition to the impact on net interest income, the effects on changes in the fair value of the instruments recognized (depending on their accounting treatment) in profit or loss or directly in equity;

The measurement scenarios applied to interest rates are intended to monitor the risk categories to which the Bank may be exposed. Each can be associated with internally developed or regulatory scenarios:

- gap risk: in order to monitor this category of risk, parallel and non-parallel shocks of the risk-free yield curves are used in order to assess the impact on economic value and net interest income. In addition to the scenarios envisaged for regulatory purposes, in the standard outlier test, internally defined scenarios are used based on prudential assessments and historical analyses of observed changes in rates;
- basis risk: the analysis provides for the segmentation of the banking book based on the market parameters to which the items involved are indexed and the analysis of the time series of basis spreads with respect to the pivot rate (€STR) for the purpose of determining the size of the shocks to be applied to each;
- option risk: the analysis includes a preliminary identification of the automatic/behavioral option components in the assets and liabilities of the Bank's banking book and the subsequent:
  - historical analysis of the observed changes in volatility, to determine the magnitude of the shocks to be applied for the purpose of quantifying the automatic option risk;
  - verification of the impact of interest rate shocks on the behavioral model parameters, for the purpose of quantifying the behavioral option risk.
- CSRBB: internally defined scenarios are used based on prudential assessments and historical analyses of the observed changes in credit spreads.

In order to monitor risk limits, parallel and non-parallel shock scenarios are adopted. To monitor the additional metrics subject to reporting requirements, scenarios involving shocks to the yield curves are also envisaged in addition to those adopted as a reference for the determination of risk limits. As part of stress testing, further scenarios are used on periodic basis to signal potential areas of weakness in the presence of particular market conditions.

### Risk prevention and attenuation

Interest rate risk is managed using a comprehensive system of limits, which is a key tool in the management, control and attenuation of risks within the IRRBB and CSRBB Framework, taking account of the nature, objectives and complexity of Group operations.

The system of limits (EWS, RAS and Risk Limits) is defined by the Parent Company in accordance with its management and coordination role and implemented through a cascading process with the subsidiaries (where applicable), in line with the risk management model adopted.

In addition to the above system of limits, a comprehensive system of arrangements and controls contributes to defining the overall control model set out and formalized in the associated policy.

The controls established to manage interest rate risk on the banking book break down as follows:

- Level I controls, which are intended to ensure the correct registration and maintenance of transactions over time;
- Level II controls, which are intended to measure, monitor and report the interest rate risk profile and activate escalation mechanisms;
- Level III controls (Internal Audit), which are intended to monitor procedures and regulations, as well as internal and external regulations.

### Monitoring and reporting

The controls carried out by Risk Management are aimed at monitoring the Bank's exposure to interest rate risk in order to prepare reporting to be sent to the competent units and to trigger escalation mechanisms with the collaboration of the operating units involved if the specified limits are breached. Control activities are based on the assessment and measurement of the risk profile compared with the risk indicators provided for by the risk governance framework. The effectiveness of monitoring compliance with limits is an instrumental part of:

- the timely identification of risk profile developments that might compromise achievement of the risk limits established;
- the prompt activation of recovery plans in response to specified conditions on the basis of the "magnitude" of the over-limit position.

The interest rate risk control and monitoring activities are performed within the framework of a set of internal regulations. At the operational level, communication between operational units and Risk Management occurs on a daily basis through extensive discussion of risk developments, increasing awareness of the risks assumed (in line with defined profit targets) and thereby facilitating the definition of appropriate management decisions.

An additional level of communication is embodied in the reporting system, which represents a decision support tool to provide the various organizational units involved with adequate and timely information on both the strategic and operational levels. The contents, level of detail and frequency of the reporting are determined in accordance with the goals and roles assigned to the different recipients so as to ensure easy consultation, immediate perception of the situation and a comprehensive understanding of developments.

More specifically, the Risk Management function performs monitoring and reporting activities that are codified and formalized within the Risk Appetite Framework and the risk policies, preparing periodic reports and providing appropriate disclosure to the operating units, top management and the Board of Directors.

### Stress test framework

In order to assess the potential impact of market tensions on the profitability and economic value of the banking book, stress test simulations are also conducted in addition to specific measurements of the exposure to risk.

The stress tests are intended to measure the extent to which the exposure to interest rate risk on the banking book could worsen in especially adverse market conditions.

The scenarios used in measuring the exposure to the different sources of risk and in analyzing stress tests are based on both regulatory shocks and, where the regulatory scenarios are not considered fully representative of especially averse conditions, shocks defined internally.

In accordance with regulatory provisions, the Group develops scenarios characterized by larger movements in yield curves than the shocks applied for the continuous monitoring of the IRRBB and the CSRBB in order to test the vulnerabilities of the banking book in the presence of stress conditions.

In line with the applicable regulatory guidelines, the Group has adopted various types of mutually complementary analyses where appropriate:

- sensitivity analysis: analysis of the exposure to the IRRBB and the CSRBB with respect to the marginal impact of different types of shocks, considered separately or jointly, relating to one or more risk factors;
- reverse stress testing: analysis consisting in identifying one or more stress scenarios whose impact leads to a pre-established result identified ex-ante. The reverse stress testing makes it possible to investigate, using a recursive analysis process, the size and probability of occurrence of the events that lead to this result;
- scenario analysis: analysis consisting in the assessment of the Group's ability to cope with a potential increase in its exposure to IRRBB and CSRBB based on a combination of shocks associated with one or more risk factors in accordance with specific evolutionary stress dynamics.

Depending on the purpose of the analysis, the time horizon of the stress exercise, the speed of propagation of shocks and the approach to be adopted for the projection of operations (static/dynamic) are defined.

For each of the risk categories identified it is possible to define the associated risk factor(s), understood as an exogenous variable whose shock can have a negative impact on the economic value of the banking book and/or on the associated net interest income, in terms of smaller-than-expected loss or profit. In this perspective, the identification of risk factors is a preliminary phase in the definition of the shocks associated with stress scenarios.

All the stress scenarios adopted are generally calibrated using the historical simulation approach, based on prudential percentiles of the empirical distributions associated with the various risk parameters, using expert-based adjustments where appropriate in order to integrate forward-looking elements that are not present in the available historical data. To these scenarios, we add "purely" historical scenarios (i.e. without calculating a percentile of the historical empirical distribution), scenarios defined on a judgmental basis and scenarios provided by external sources (e.g. EBA Stress Test scenario).

## QUANTITATIVE DISCLOSURES

### 1. BANKING BOOK: DISTRIBUTION OF FINANCIAL ASSETS AND LIABILITIES BY RESIDUAL MATURITY (REPRICING DATE)

This table has not been completed since an analysis of interest rate and price risk sensitivity has been provided.

### 2. BANKING BOOK: INTERNAL MODELS AND OTHER SENSITIVITY ANALYSIS METHODOLOGIES

The interest rate risk on the banking book used for management purposes with regard to sensitivity indicators for economic value and net interest income at June 30, 2025 is reported below.

| €/million | Scenario | |
|---|---|---|
| | -100 bp | +100 bp |
| Impact on economic value | +479 | -298 |
| Impact on net interest income | -292 | +405 |

### 1.2.3 EXCHANGE RATE RISK

### QUALITATIVE DISCLOSURES

#### A. GENERAL ASPECTS, MANAGEMENT AND MEASUREMENT OF EXCHANGE RATE RISK

The exchange rate risk management strategy (the FX risk factor) is based on the analysis of market developments and the different currencies in which operations are denominated.

The strategy is differentiated in accordance with the type of operations:

- for major currencies (hard currencies), operators, based on the analysis of economic, macroeconomic and money management data, manage operations both to optimize existing positions and generate a profit;
- for minor currencies (local currencies), exchange rate risk is managed with a view to the total minimization of risks, except in unusual macroeconomic situations, by reducing exposures exceeding the thresholds defined with market operations of the opposite sign.

Trading is carried out on the foreign exchange and foreign exchange derivatives markets both through spot trading and through the management of short/medium-term forward positions (outright operations). The strategy of the desk is therefore aimed at intraday/multiday transactions in order to generate profit from movements in the spot foreign exchange market. Forex swaps are used to engage in forward operations, based on expectations for interest rates and exchange rates, so as to generate a profit from maintaining open short/medium-term positions in foreign currency. Based on its own analyzes, the desk also seeks to improve its profitability by taking positions in options on exchange rates.

All operations are based on techniques and methods defined and agreed at the desk level, based on operating limits assigned to the managers and operational staff that are consistent with the provisions of the risk policies.

#### B. HEDGING EXCHANGE RATE RISK

Operations are mainly concentrated in major currencies. The Bank adopts a system of daily operating limits on the overall foreign exchange exposure, as well as the net foreign exchange positions in respect of individual currencies. The overall limit is segmented into partial ceilings on the basis of the importance of the various currencies.

## 1.3 DERIVATIVES AND HEDGING POLICIES

### 1.3.2 HEDGE ACCOUNTING

#### QUALITATIVE DISCLOSURES

For the purposes of hedge accounting, the Group applies the provisions contained in IAS 39 since at the time of initial application of IFRS 9 it elected the option provided for in paragraph 7.2.21 of that standard to continue to apply in full the rules of IAS 39 for all types of hedging (micro and macro).

The hedge contracts are transacted on the basis of the provisions of specific company policies and mainly used to manage interest rate risk on the banking book arising from the normal business operations of the individual banks and the Parent Company, pursuing the objective of reducing the risk profile within the limits of the Risk Appetite Framework as defined and quantified by their respective competent bodies. These limits concern the exposure of the Group both in terms of net interest income sensitivity and economic value sensitivity.

In particular, all the hedges established by the affiliated banks with the Parent Company with respect to which the latter enters into an identical and opposite position in derivatives with the market are represented in the same way at the consolidated level: hedges originally established by the affiliated banks regard portfolios of loans to customers, securities holdings and, to a marginal extent, bonds in issue. On the other hand, transactions involving the hedging of loans to customers or securities of a minor nature (mainly by notional amount) between the affiliated banks and the Parent Company, provide for the latter to manage the consequent risk position on a "synthetic" basis, which is reported in the consolidated financial statements through the designation of generic fair value hedges established in respect of interest rate risk. The life cycle of a hedge accounting relationship starts with the so-called "designation" phase. With the designation of the hedging relationship, the company identifies the instruments through which it intends to implement the hedging strategy, as defined by the manager of the risk being hedged and in compliance with the principles established in the Group Hedging Policy, which defines the methods of measuring effectiveness by type of hedge.

Once a hedging relationship has been designated, it must be demonstrated that the hedge is highly effective in offsetting fair value changes attributable to the hedged risk or stabilizing the cash flows attributable to the hedged risk during the period for which the hedge is designated.

The effectiveness of the hedge is demonstrated at the inception date and measured at the periodic reporting dates (March 31, June 30, September 30 and December 31).

The effectiveness of the hedge is measured by conducting so-called effectiveness tests (prospective and retrospective) based on both qualitative and quantitative methods, complying with the criterion of continuity. A hedging relationship is considered effective if at each measurement date both tests (prospective and retrospective) are passed. The failure of the effectiveness test(s) should result in the discontinuance of the hedging relationship, i.e. the termination of hedge accounting.

With regard to the benchmark rate reform introduced with the Benchmarks Regulation (BMR - Regulation no. 2016/1011/EU), please note that:

- the Group's hedging derivatives are mainly indexed to Euribor, whose calculation methodology was revised in 2019 in order to permit its use even after the reform. More specifically, in order to ensure the rate is compliant with the BMR, the EMMI - European Money Markets Institute - has implemented the transition to a new "hybrid" calculation methodology for Euribor that continues to represent the actual cost of funding for the contributing European banks and is always available and accessible. Consequently, hedges linked to the Euribor are not considered to be impacted by the reform;
- as regards hedging derivatives indexed to the rates affected by the reform (Eonia, Libor), the Group completed the transition in the first half of 2023.

## A. FAIR VALUE HEDGING

Fair value hedging is used to immunize changes in the fair value, attributable to the different risk factors, of financial assets and liabilities or portions of them, of groups of assets/liabilities, of irrevocable commitments and portfolios of financial assets and liabilities.

The Group adopts both specific hedges (micro fair value hedges) and generic hedges (macro fair value hedges). These hedges therefore apply both to well-identified financial instruments (government securities – both fixed rate and indexed to European and Italian inflation – bond issues, loans and other financing) and to portfolios of fixed-rate and variable-rate financial instruments (government securities, corporate debt securities, performing loans and bonds).

Within the scope of micro fair value hedging, hedges are mainly used for securities holdings and bonds issued, while macro hedging is applied to portfolios of fixed-rate loans, variable-rate loans and a single portfolio of debt securities classified as FVOCI under the HTCS business model.

The main types of derivatives used are represented by plain or structured interest rate swaps (IRS), and asset and yield swaps (ASW) entered into with third parties to ensure compliance with the requirement to externalize risk, which is necessary to qualify for hedge accounting at the consolidated level, in compliance with the provisions of paragraph 73 of IAS 39. These derivatives are not listed on regulated markets, but are traded on OTC markets.

The effects of designating the hedging relationship begin at the inception of the hedge with the identification of the portion and the type of hedged risk, the hedging strategy and the hedging instrument in accordance with the principles the Group has established concerning the methodology used to assess the effectiveness of the hedging relationship.

## B. CASH FLOW HEDGING

Cash flow hedging seeks to hedge the exposure to the variability of future cash flows attributable to particular risks associated with balance sheet items or highly probable forecast transactions or to hedge exchange rate risk.

The Group adopts specific hedges of assets (micro cash flow hedge) represented by variable rate (CCTs) and euro inflation-linked government securities.

## C. HEDGING OF INVESTMENTS IN FOREIGN OPERATIONS

In the first half of 2024, the Group did not undertake hedging of exchange rate risk on foreign currency transactions.

## D. HEDGING INSTRUMENTS

Designated hedging transactions, with formal documentation identifying the relationship between the hedged instrument and the hedging instrument, are considered effective if at inception and for the entire duration of the hedging relationship changes in the fair value or the cash flows of the hedged instrument are almost completely offset by changes in the fair value or cash flows of the hedging derivative. The effectiveness of the hedge depends on the extent to which the changes in the fair value of the hedged instrument or the related expected cash flows are offset by those of the hedging instrument. Therefore, effectiveness is quantified by comparing the aforementioned changes, taking account of the intent pursued by the company at the time the hedge was established.

A hedge is effective when the changes in the fair value (or cash flows) of the hedging instrument almost entirely, i.e. within the specified limits, offset the changes in the hedged instrument for the risk being hedged.

Effectiveness is assessed at each annual or interim reporting date using:

- prospective tests aimed at demonstrating that changes in the fair value or cash flows of the hedging instrument attributable to the hedged risk will be such as to offset changes in the fair value or cash flows of the hedged item. They are performed adopting both qualitative (Critical Term Match) and quantitative methods ("cumulative scenario method" or "linear regression method with curve simulation");

- retrospective tests aimed at measuring the actual effectiveness of the hedging relationship between the date of designation and the test date, determining the deviation of hedging relationships from the result that would be achieved with a perfect hedge. These tests are performed using quantitative methods, i.e. the dollar offset method and the volatility risk reduction method.

The main causes of ineffectiveness are attributable to the following:

- a misalignment between the notional of the derivative and the nominal of the hedged instrument at the time of the initial designation or generated subsequently, as in the case of partial repayments or full extinguishment of loans or the repurchase of bonds;
- the approach of the expiry of the transaction.

The ineffectiveness of the hedge is recognized promptly for the purposes of:

- determining the impact on profit or loss;
- assessing the possibility of continuing to apply hedge accounting rules.

If the assessments do not confirm the effectiveness of the hedge, the relationship considered terminated as of the last date from which the relationship was shown to be effective. This date coincides with the beginning of the period in which the effectiveness test was failed. However, if the event or the circumstances that led to the hedging relationship no longer meeting the criteria for effectiveness are identified and it is shown that the hedge was effective before the event or change in the circumstances occurred, hedge accounting is discontinued from the date of the event or change in those circumstances. The hedging derivative, if not extinguished, may be designated as a hedging instrument in another relationship that meets the relevant or be reclassified as a trading instrument.

The Group does not use dynamic hedges, as defined in IFRS 7, paragraph 23C.

## E. HEDGED ITEMS

At the Group level, hedged items designated as being in a hedge accounting relationship using micro and macro hedges are mainly government securities, bond issues of the Parent Company and loans to customers in the form of residential mortgages and leases.

These hedges are both total and partial and the hedged risk is mainly interest rate risk.

### Debt securities held

These are hedged using micro fair value hedge, macro fair value hedge and micro cash flow hedge, involving IRSs and ASWs. In fair value hedges, interest rate and inflation risk are hedged for the duration of the obligation, while in cash flow hedges, as discussed above, the risk of changes in the sale price of the underlying instrument is hedged. The effectiveness tests are carried out using the dollar offset method for retrospective assessment and the cumulative scenario method for prospective assessment.

### Debt securities issued

The Group currently has active micro fair value hedging relationships for fixed-rate funding, using IRSs as hedging instruments. Interest rate risk is hedged for the life of the obligation.

### Fixed-rate loans

The Group has designated micro fair value hedges and macro fair value hedges for interest-rate loans to customers, mainly using amortizing IRSs as hedging instruments. The interest rate risk is hedged for the entire term of the hedged item. For micro-type hedges, the effectiveness tests are carried out using the dollar-offset method for retrospective assessment and the cumulative scenario method for prospective assessment. For macro hedges of loans, the capacity of the portfolio subject to designation is verified with respect to the notional amount outstanding at the reporting date of the corresponding hedging derivative. Having passed this first test, effectiveness is quantified both retrospectively and prospectively by applying the dollar offset method. For macro hedges of leases, the criterion of the lower between the nominal value of the hedged item and the notional of the hedging derivative is adopted for the purpose of measuring the change in the fair value of the hedged item, performing the retrospective effectiveness test by applying volatility risk reduction method.

### Variable-rate loans

The Group has designated micro fair value hedges, macro cash flow hedges and macro fair value hedges for variable-rate loans to customers, using caps, floors or collars with an amortizing notional as hedging instruments. The hedged risk is the risk of a rise (decrease) in rates above (below) the strike of the implicit caps (floors) as well as the probability that the benchmark rate is greater (lower) or approaches the strike rate itself. The hedged rate is the contractually determined strike rate for the individual loans granted by the Bank. The identity of the individual loans making up the hedged portfolio in terms of strike rate level compared with Euribor flat (net of the spread), indexing parameter, date of observation of the indexing parameter, frequency of the individual caplet (frequency of repayments of the amortization plan) is a necessary condition. For macro cash flow hedges, the hedged risk is the risk arising from the change in the cash flows of variable rate loan portfolios, which is managed using IRS with an amortizing notional as hedging instruments. The reduction in the risk is achieved through the composition of portfolios of hedged and hedging items with the same contractual characteristics, mainly in terms of indexation rate and payment frequency. For micro hedges, the effectiveness tests are carried out using the dollar offsetting method for the retrospective profile and the cumulative scenario for the prospective profile. For macro hedges of loans, the capacity of the designated portfolio is checked first of all with respect to the notional value, at the reporting date, of the corresponding hedge derivative and therefore, after passing this first test, effectiveness is quantified retrospectively and prospectively by applying the dollar offsetting method.

## 1.4 LIQUIDITY RISK

## QUALITATIVE DISCLOSURES

### A. GENERAL ASPECTS, MANAGEMENT AND MEASUREMENT OF LIQUIDITY RISK

GOVERNANCE AND ORGANIZATIONAL MODEL

The Parent Company is responsible for the management, coordination and control of liquidity risk management within the entire Iccrea Cooperative Banking Group in compliance with the principles of sound and prudent management.

In exercising this role, the Parent Company determines the governance model and mechanisms that govern the various stages involved in the management of liquidity and oversight of the associated risks, as well as interactions between business and control units in order to ensure an appropriate level of liquidity at the consolidated and individual levels at the intraday, short and medium/long-term time horizons.

As provided for by the Cohesion Contract, the Parent Company also defines liquidity risk management policies, in accordance with the strategic planning and definition of the RAF.

RISK MANAGEMENT PROCESSES

Liquidity risk is identified, measured and monitored at the consolidated and individual levels using the operational and structural maturity ladder (in order to identify possible negative liquidity gaps in relation to specified maturity structure) and the overall liquidity indicator system (RAS, risk limits and monitoring indicators), designed to quickly identify potential strains.

The process of revising the methodologies, the different assumptions underlying the measurements and the thresholds/limits set for liquidity indicators, carried out at least annually, enables the alignment of the overall Liquidity Risk Framework and the indicator system with specific developments in the Group and market conditions.

#### Identification of risks

The liquidity risk identification phase can be broken down by the length of the observation horizon:

- operational liquidity – divided into two complementary levels:
  - intraday and very short-term liquidity*:* monitored on a daily basis in order to identify sources of risk that impact the Bank’s ability to promptly balance very short-term cash inflows and outflows and maintain a volume of liquidity sufficient to ensure compliance with the liquidity coverage ratio (LCR) requirement;
  - short-term liquidity: identification of sources of risk that impact the Bank’s ability to meet its expected and unexpected payment obligations over a short-term horizon (up to 12 months);
- structural liquidity - identification of structural mismatches between assets and liabilities maturing at more than 1 year and integration with short-term liquidity management as well as planning of actions and preventing the future creation of short-term liquidity shortfalls.

The Group’s liquidity profile, and therefore its exposure to liquidity risk, is closely related to the business model adopted, the composition of the balance sheet - in terms of assets, liabilities and off-balance sheet items - as well as the related maturity profile.

The process of identifying and classifying the risk factors connected with the operational and structural liquidity profiles seeks to define the elements that, in terms of risk exposure, could trigger a deterioration in the Group’s liquidity position when endogenous and/or exogenous stress events occur.

Liquidity risk can be generated by various factors both internal and external to the Bank. The sources of liquidity risk can therefore be divided into the following macro-categories:

- endogenous: represented by adverse events specific to the Bank (e.g. a deterioration in the Bank's credit standing and loss of confidence by creditors);
- exogenous: when the origin of the risk is attributable to adverse events that cannot be directly controlled by the Bank (political crises, financial crises, catastrophic events, etc.) that give rise to liquidity tensions in the markets;
- combinations of the previous factors.

### Measurement of risks

Measuring liquidity risk involves the activities performed to observe and quantify on a comprehensive, accurate and timely basis the exposure to such risk over the selected observation horizon.

Measuring the exposure to liquidity risk is based on an assessment of expected cash inflows and outflows – and the consequent deficits or surpluses – in the various residual maturity bands that make up the maturity ladder, in order to:

- monitor the risk profile in "business as usual" conditions, overseeing the overall system of indicators that characterize the Liquidity Risk Framework;
- execute stress testing, which involves the determination of the liquidity position in severe but plausible adverse scenarios, assessing the impact at the consolidated and individual levels.

The risk position is measured with the use of models, specific indicators and additional metrics developed either internally or established in regulations.

The analysis of the maturity profiles depends substantially on assumptions about the future cash flows associated with the various assets and liabilities, both on-balance-sheet and off-balance-sheet, which take account of the economic maturities of the balance sheet elements rather than contractual dates, without neglecting the application of reasonable prudence criteria.

The risk position is measured using static and dynamic approaches, in line with the provisions of the company budget/strategic plan concerning the assets, liabilities and equity items in the financial statements, as well as off-balance-sheet transactions.

On the basis of the desired time horizon, the Group develops two maturity curves: operational and structural.

The operational maturity ladder is used to monitor the short-term liquidity position and is determined both in a business-as-usual scenario and in a stress scenario by applying prudential run-offs to contractual cash flows generated by assets and liabilities and to the margins of credit lines.

The intraday liquidity position is measured with metrics aimed at monitoring the maximum use of liquidity on an intraday basis, the reserves available at the beginning of each business day to meet liquidity requirements, gross payments sent and received and "time-specific" obligations.

The treasury position is measured on a daily basis by quantifying the liquidity reserves (i.e. counterbalancing capacity, or CBC) and using them to cover any possible negative liquidity balance over the reference time horizon.

This system for monitoring Group operational liquidity makes it possible to monitor:

- management of access to the payments system (operational liquidity management);
- management of the liquidity outflow profile;
- the size and degree of use of liquidity reserves (analysis and active management of the maturity ladder);
- the active management of collateral (cash-collateral management, i.e. refinanceable securities and bank loans);
- the integration of short-term liquidity management actions with structural liquidity requirements.

The structural maturity ladder is used to monitor the overall liquidity position at the consolidated and individual levels at medium/long-term. It is determined by applying prudential run-offs to contractual cash flows generated by assets and liabilities and to the margins of credit lines. The projection of cash inflows and outflows at the various time bands in the ladder is carried out using two distinct approaches in relation to the purpose of the analysis.

The first approach identifies cash flows based on the contractual maturities of the items considered.

The second approach is based on the adoption of behavioral assumptions, with specific regard to the modeling of demand items and margins on the credit lines granted in both a business-as-usual scenario and in a stress scenario.

This tool is essential for obtaining a view of Group funding requirements and an understanding of the liquidity risk associated with execution of the funding plan, thereby preventing the emergence of future liquidity strains. In addition, the structural maturity ladder makes it possible to control:

- the management of maturity transformation in accordance with the guidelines established by management;
- support for the funding decisions in the funding plan.

### Risk prevention and attenuation

Liquidity risk is managed using a comprehensive system of limits, which is a key tool in the management, control and attenuation of risks within the Liquidity Risk Framework. The definition of this system took account of the nature, objectives and complexity of operations.

The system of limits (EWS, RAS, risk limits) is defined by the Parent Company consistent with its policy-setting and coordination role and subsequently deployed in accordance with a structured cascading process to the subsidiaries (where applicable) consistent with the liquidity risk management model adopted.

The system of limits is also accompanied by a comprehensive system of systems and controls that contribute to defining the overall control model set out and formalized in the associated policy.

The controls established to manage liquidity risk break down as follows:

- Level I controls, which are intended to ensure the correct registration and maintenance of transactions over time;
- Level II controls, which are intended to measure, monitor and report the liquidity profile and activate escalation mechanisms;
- controls (Internal Audit), which are intended to monitor procedures and regulations, as well as internal and external regulations.

### Monitoring and reporting

The control activities performed by Risk Management are intended to monitor the exposure to liquidity risk in order to prepare reports for transmission to the competent units and to initiate the escalation mechanisms, in collaboration with the management functions, should the specified limits be exceeded. Control activities is based on the assessment and measurement of the positioning of the risk indicators established by the Risk Governance framework. The effectiveness of monitoring compliance with limits is an instrumental part of:

- the timely identification of risk profile developments that might compromise achievement of the established risk limits;
- the prompt activation of recovery plans in response to specified conditions on the basis of the "magnitude" of the over-limit position.

Liquidity risk control and monitoring activities are carried out within the internal self-regulatory framework. At an operational level, communication between the management functions and Risk Management takes place daily through in-depth discussions on risk developments that increase awareness of the profiles of the risks assumed (in accordance with the specified profitability objectives), thus facilitating the definition of appropriate management decisions.

An additional level of communication is embodied in the reporting system, which represents a decision support tool to provide the various organizational units involved with adequate and timely information on both the strategic and operational levels. The content, level of detail and frequency of the reporting are determined in accordance with the goals and roles assigned to the different recipients so as to ensure easy consultation, immediate perception of the situation and a comprehensive understanding of developments.

In particular, Risk Management performs codified and formalized monitoring and reporting activities within the

Risk Appetite Framework and the Risk Policies, with the preparation of periodic reporting to provide appropriate disclosure to the management functions, senior management and the Board of Directors.

### Stress test framework

The Group's liquidity position is monitored in the normal course of business and under stress conditions. For the latter, a stress test framework has been defined on the basis of the indicators that characterize the Liquidity Risk Framework.

The stress test analyses are used to measure the degree to which the liquidity position can deteriorate in the event of especially adverse market conditions, thereby enabling verification of its robustness.

Accordingly, the objectives of the stress testing are:

- to verify the capacity to cope with unexpected liquidity crises in the first period in which they occur, before activating initiatives to modify the structure of assets or liabilities;
- to assess vulnerabilities in the liquidity profile, evaluating possible connections between the various risk categories as part of the periodic monitoring process;
- to calibrate the specific risk thresholds for the RAS and Risk Limit indicators for operational and structural liquidity, verifying whether the level of existing limits enables the maintenance of a level of liquidity that ensures that any coverage actions do not compromise the Group's business strategies;
- to identify, in preparing the recovery plan, scenarios that would compromise the survival of the Group if appropriate recovery actions were not taken;
- to test the effectiveness of mitigation actions envisaged under the Contingency Funding & Recovery Plan for "near-default" scenarios to be taken in adverse situations in order to limit the Group's exposure to liquidity risk;
- to verify the feasibility of the funding plan, taking due account of the findings of the stress analysis.

In accordance with regulatory provisions, the Group develops scenarios characterized by stress scenarios associated with the occurrence of systemic or idiosyncratic events in order to test potential liquidity vulnerabilities.

In line with the applicable regulatory guidelines, the Group has adopted various types of mutually complementary analyses:

- sensitivity analysis: analysis of liquidity position to the marginal impact of different types of shocks, considered separately or jointly, relating to one or more risk factors;
- scenario analysis: analysis consisting in the assessment of the Bank's ability to cope with a potential deterioration in its liquidity profile based on a combination of shocks associated with one or more risk factors in accordance with specific evolutionary stress dynamics;
- reverse stress testing: analysis consisting in identifying one or more stress scenarios whose impact leads to a pre-established result identified ex-ante. The reverse stress testing makes it possible to investigate, using a recursive analysis process, the size and probability of occurrence of the events that lead to this result.

Depending on the purpose of the analysis, the time horizon of the stress exercise, the speed of propagation of shocks and the approach to be adopted for the projection of operations (static/dynamic) are defined.

The types of stress test that characterize the framework provide for the occurrence of sever but plausible events (scenarios) that can be classified into three categories:

- stress scenarios caused by a systemic event, i.e. an event (or combination of events) reflecting specific macroeconomic variables whose occurrence generates/involves adverse consequences for the entire financial system and/or the real economy and therefore for the Iccrea Cooperative Banking Group;
- stress scenarios caused by specific events (idiosyncratic), i.e. an event (or combination of events) whose occurrence generates/involves highly adverse consequences for the Group. In defining those events, a specific analysis was conducted, considering the specific organizational, operational and risk features that distinguish the Group;
- stress scenarios generated by a combination of specific and systemic events, i.e. the occurrence of combined events within the same scenario.

The underlying methodological approach for the construction of the systemic and idiosyncratic stress scenarios envisages the identification of the individual types of liquidity risk and the funding/lending items affected by those risks, so as to estimated inflows and outflows for the purpose of highlighting liquidity gaps and verifying the stability of the risk indicators and the ability of the Group to cope with any liquidity strains.

For each scenario, the Group has incorporated shocks generated by the main risk variables, which have been identified on the basis of a logic consistent with the overall stress test framework, enabling the association of specific levels of propagation and the related impact on the indicators.

For example, systemic events considered in constructing the scenarios include:

- a financial market shock that involves a significant change in the level of interest rates;
- a systemic shock that involves a drastic reduction in access to the money market;
- a liquidity squeeze on the interbank market;
- a recession;
- the default of systemically important counterparties.

Idiosyncratic events considered in constructing scenarios include:

- outflows of liquidity caused by substantial withdrawals of deposits by counterparties;
- the occurrence of reputational events that make it difficult to renew funding sources;
- adverse movements in the prices of asset to which the bank is most exposed;
- significant loan losses.

In determining and constructing combined stress scenarios, the framework provides for a targeted combination of systemic and idiosyncratic events in order to increase the severity of the stress exercises.

## 1.5 OPERATIONAL RISKS

## QUALITATIVE DISCLOSURES

### A. GENERAL ASPECTS, MANAGEMENT AND MEASUREMENT OF OPERATIONAL RISKS

Operational risk means the risk of losses caused by the inadequacy or malfunction of procedures, human resources and internal systems or the occurrence of external events. For example, such losses include those caused by fraud, human error, operational interruptions, system unavailability, breach of contract and natural disasters.

In view of the operations that characterize the Iccrea Cooperative Banking Group, the various types of operational risk to which the Iccrea Group is structurally exposed include IT risk and reputational risk. This is associated with the banking activities carried out with the public and financial and institutional counterparties, as well as the numerous national and international regulations to which the Group is subject.

Within the regulatory framework, the deregulation and the globalization of financial and payment services, together with the progressive refinement of the financial technology supporting transactions, are making the activities of the entities belonging to the Group, and thus the associated operational risk engendered by ordinary operations, increasingly complex. The increased complexity of the Group with the arrival of the affiliated banks as well as the growing use of highly automated technology under way in the Group can, in the absence of modifications of the control system, transform the risk of manual errors and data processing errors into the risk of significant system malfunctions, given the increasing recourse to integrated IT infrastructure and applications.

In addition, the growing use of electronic money and electronic or on-line payments generates other potential risks (for example, internal and external fraud, system security, customer data processing and IT and cyber risks) whose comprehensive mastery and mitigation, both upstream and in terms of response and containment, represents a strategic and enabling factor in the development of the business and a prerequisite for ensuring compliance with regulatory and payment-circuit requirements.

In addition, the presence of banks and financial companies in the Group, delivering services on a mass scale (both within the Group and to firms and the public) makes it necessary to ensure an appropriate structure and constant evolution of the system of internal controls and constant attention to preventing the risk of rules violations, incurring administrative penalties, etc.

#### GOVERNANCE AND ORGANIZATIONAL MODEL

The organizational model of the Risk Management function, adopted since the launch of the Iccrea Cooperative Banking Group, has undergone development and progressive evolution since 2018. The organizational model has been progressively refined with a view – among other things – to optimizing the dissemination of risk management directives to the affiliated banks and overseeing the performance of their Risk Management function's activities.

With regard to current Group governance arrangements for the internal control system, the Risk Committee of the Board of Directors of the Parent Company provides support to that Board with regard to risks and the internal control system, including aspects concerning the frameworks for the management of operational and IT risks.

In particular, the Board Risk Committee:

- supports activities to verify the correct implementation of Group strategies, compliance with policies for the governance and management of operational and IT risk, requesting any appropriate technical analyses and acquiring the necessary documentation for the evaluation of management and mitigation actions for the risks involved;
- conducts a preliminary review of the annual activity programs and reports of the operational and IT Risk Management unit submitted to the Board of Directors;
- expresses its assessment, prior to approval by the Board of Directors, of Group policies on operational and IT risks.

## OPERATIONAL RISK MANAGEMENT POLICIES

Consistent with the risk management process, the Operational and ICT & Security Risk Management frameworks are structured into the following phases:

- identification of risks (knowledge): a set of activities directed at identifying operational and IT risks by assessing the factors that drive their dynamics, taking account of the dual perspective of events that have already occurred (i.e. operational loss and incident data) and potential risk (assessed through the collection of business expert opinion).
- evaluation/measurement of identified risks (awareness): a set of activities for assessing/measuring Group operational and IT risks.
- risk prevention and attenuation (strategy): a set of activities for the ex-ante identification of the possible ways of preventing and mitigating unfavorable developments in the dynamics of operational and IT risks. Definition of actions to prevent the occurrence of unfavorable events and mitigate the effects of the manifestation of events connected with operational and IT, and the implementation of measures to ensure that possible risk scenarios underlying operations evolved within the tolerated risk appetite levels defined for specific operating or business segments.
- monitoring and reporting (tracking and control): a set of activities to monitor the Group’s risk profile and deliver comprehensive reporting to provide timely, accurate and appropriate support to the decision-making process underlying “Risk Prevention and Mitigation” and “Risk Management and Mitigation”.
- risk management and mitigation (reaction and proactivity): a set of activities and actions to support the management of operational and IT risks, implement actions to prevent the occurrence of adverse events and to attenuate the effects of events related to risks, and to constantly monitor the results of the activities performed. This phase concerns the management of operational and IT risks subsequent to the preventive measures taken in the strategic assumption of risk, responding to developments (operating losses or changes in the risk profile) that impact the level of risk determined ex ante.

The operational assessment framework outlined above also includes legal risk and is integrated with that for assessing IT risk (IT Risk Management Framework), in line with the relevant regulations.

The monitoring and control of operational and IT risks is characterized by activities that involve both business functions and control functions in their respective areas of responsibility. The Risk Management function prepares the necessary reporting in this area, bringing it to the attention of the various internal users (Board bodies, senior management, operating units).

## IDENTIFICATION, MEASUREMENT AND ASSESSMENT OF RISKS

For the purpose of calculating capital requirements for operational risk, until December 31, 2024 the Iccrea Cooperative Banking Group mainly used the Basic Indicator Approach (BIA),[35] which provides for the application of a fixed percentage (15%) to the average of the last three observations of the “relevant indicator” determined in accordance with the provisions of the CRR.

As of 2025, with the entry into force of the CRR3, the calculation of capital requirements for operational risk is based on the Standardized Measurement Approach (SMA), which provides for the application of an increasing marginal coefficient to the average of the last three observations of the "Business Indicator", determined in accordance with the provisions of the CRR.

Following the creation of the Iccrea Cooperative Banking Group, and the consequent affiliation of the mutual banks, the components of the operational and IT risk management framework have been adopted by the companies in the direct scope of the Group and by the affiliated banks.

The methodological aspects underlying the management framework and the related procedures for application to the Group companies were formalized and first approved at the end of 2019, and updated in the following years, as part of specific Group Policies (Operational Risk Management Framework, IT Risk Management Framework, Loss Data Collection, Operational Risk Self-Assessment – OR-SA - and IT Risk Self-Assessment – IT-RA), which are currently adopted by all Group companies. In 2024, further activities leading up to the development of the

[35] One affiliated bank adopts the Traditional Standardized Approach (TSA).

application system to support operational and IT risk management activities continued.

The loss data collection process has currently been adopted by all the Group companies that contribute, with a specified frequency, to the collection of historical events and losses through the Group application solution, which is available to both the companies within the direct scope of the Group and the affiliated banks.

As regards the assessment processes for operational risks (OR-SA) and IT risk (IT-RA), the identification and assessment of prospective risks have been conducted on the basis of a specified work plan for certain companies within the direct scope and for the affiliated banks. As regards IT risk, the annual information IT risk profile and security assessment was completed in March 2025 which involved IT services and components managed by BCC Sistemi Informatici, BCC Sinergia and Iccrea Banca.

In addition, during the first half of 2025 e consistent with efforts the previous year and in step with the evolution of the management framework and the release of applications, the informational and training effort for the Operational and ICT & Security Risk Management framework continued, with specific attention being paid to operating approaches and support applications.

The Non-Financial Risk Management function also supported the collection of operational loss events at the Group level for QIS and COREP regulatory reporting purposes, and made a contribution in its areas of expertise to the stress testing provided for in the ICAAP.

## RISK PREVENTION AND ATTENUATION

The units involved in operations perform first-level controls to assess and report any irregularities associated with operational and IT issues.

Second-level control units oversee the appropriateness and effectiveness of the organizational and management arrangements taken to address operational and IT risk within the Group's internal control systems. These include the Operational and IT Risks, Compliance and Anti-Money-Laundering units both of the Parent Company and the individual subsidiaries and affiliated banks. These units are active in planning the system and, above all, in verifying its ongoing operation, assessing its adequacy and effectiveness in managing internal and external risks.

Third-level controls are performed by Internal Audit, which identifies violations of procedures and regulations as well as periodically assesses the control system's overall completeness, adequacy, functionality (in terms of efficiency and effectiveness) and reliability in relation to the nature and intensity of risks.

The locus of the strategic and operational management of credit risk is the Group's Risk Appetite Statement, through a system of monitoring thresholds and limits (tolerance and capacity), with compliance ensured by the monitoring and control activities of the competent units

The Group RAS sets out the main indicators of operational and IT risk at the level of the individual legal entities, (namely maximum operational loss, results of risk assessment activities), integrated with specific indicators relating to the ICT and security risk profile (for example, Vulnerability Management Ratio, Third Party Cloud Ratio).

## MONITORING AND REPORTING

The monitoring and control of operational and IT risks is characterized by activities that involve both business functions and control functions in their respective areas of responsibility. In particular, these activities are governed by the unified management framework described earlier and defined within the applicable policies.

In this area, the Risk Management function prepares the necessary periodic reporting, bringing it to the attention of the various internal structures involved (Board of Directors, senior management, operating units).

## RISK MANAGEMENT AND MITIGATION

Operational and IT risk management and mitigation activities are governed by a set of codified and formalized rules that include:

- the activities and actions that must be performed in each operating and business segment in order to manage developments in the risks assumed;

- the adoption of a set of measures for managing the problems found as part of the risk assessment framework;
- the actions to be taken in the event of breaches of monitoring thresholds or risk tolerances and the risk limits set out in the Risk Appetite Statement;
- the actions to be taken in the event of breaches of the limits defined in risk policies.

**QUANTITATIVE DISCLOSURES**

As part of the amendments to the prudential framework introduced by Regulation (EU) 1623/2024 (so-called CRR 3), the rules for calculating the capital requirement for operational risk have been revised.

With CRR3, capital requirements for operational risk must be determined with a single standardised approach that is mainly based on the Business Indicator Component (BIC).

The BIC is calculated in accordance with Article 313 of the CRR3 by multiplying the Business Indicator (BI) by marginal coefficients.

The BI is calculated in accordance with article 314 and 315 of the CRR and comprises three components: the interest, leases and dividend component (ILDC), the services component (SC) and the financial component (FC).

The marginal coefficients as provided for in article 313 increase with the size of BI, as shown in the table below (where firms are placed in different buckets according to the size of the BI)

| BUCKET | BI RANGES (€ thousands) | MARGINAL COEFFICIENT |
|---|---|---|
| 1 | ≤ 1 | 12% |
| 2 | 1 < BI ≤ 30 | 15% |
| 3 | > 30 | 18% |

In particular, the Group's BIC is equal to €801.6 million for a total RWA from Operational Risk of €10.02 billion.

| **BUSINESS INDICATOR (€ thousands)** | **5,543,773** |
|---|---|
| Interest, leases and dividend component | 3,666,638 |
| Services component | 1,772,811 |
| Financial component | 104,324 |
| **Capital requirements (BIC)** | **801,566** |
| **RWA Operational risk** | **10,019,575** |

# PART F - INFORMATION ON CONSOLIDATED CAPITAL

## SECTION 1 - CONSOLIDATED CAPITAL

### A. QUALITATIVE DISCLOSURES

The Group's strategic priorities include monitoring the amount and dynamics of its capital. Capital constitutes the first bulwark against the risks associated with operations and the main reference parameter for assessments of the Group's solvency by supervisory authorities and investors. It contributes positively to the formation of operating income, funds the Group's technical and financial fixed assets and supports dimensional growth, representing a decisive element in the development phases.

Managing capital adequacy at the consolidated and individual levels involves defining the scale and optimal combination of different capital instruments, in compliance with regulatory constraints and consistent with the risk profile assumed by the Group.

The notion of capital adopted by the Group in its assessments is the "own funds" aggregate as established with Regulation (EU) No. 575/2013 (CRR), broken down into the three components of Common Equity Tier 1 (CET 1), Tier 1 and Tier 2. The capital thus defined, the main resource for supporting corporate risks according to prudential supervisory regulations, is the best foundation for the effective management of risk, both from a strategic and operational standpoint, as it a financial resource capable of absorbing the possible losses produced by the Group's exposure to all the risks it has assumed.

Current and forward-looking capital adequacy is therefore monitored in two spheres:

- regulatory capital to cover Pillar I risks;
- total internal capital to cover Pillar II risks, for ICAAP purposes.

In the evolutionary sizing of the Group's own funds, the specific policies for allocating the net profit of the affiliated banks play an important role, seeking to support the constant strengthening of reserves. In compliance with the specific sector regulations, these banks allocate a large majority of their net profits to indivisible reserves. Capital adequacy compliance is pursued not only through careful policies for the distribution of the available component of profits but also through the prudent management of investments, in particular loans, in line with risk represented by counterparties and the related capital requirements, and with plans for strengthening capitalization based on the expansion of the shareholder base and the issue by the Parent Company of subordinated liabilities or additional equity instruments eligible for inclusion in the relevant own funds aggregates.

More specifically, in order to constant maintain its capital adequacy, the Group has deployed processes and tools to determine the level of internal capital adequate to face any type of risk assumed, as part of an assessment of the current, prospective and "stressed" exposure that takes account of corporate strategies, growth objectives and developments in the reference context.

A careful assessment of the compatibility of projections is carried out annually as part of the process of setting budget targets. Depending on the expected developments in balance sheet and income statement aggregates, any necessary initiatives are taken at this stage to ensure financial balance and the availability of financial resources consistent with the strategic and development objectives of the individual entity and the Group as a whole.

Compliance with supervisory requirements and the consequent adequacy of capital is verified on a quarterly basis. The aspects subject to verification are mainly the ratios connected with the Group's financial structure (loans, impaired exposures, non-current assets, total assets) and the degree of risk coverage.

Additional specific analyzes for the purpose of the preventive assessment of capital adequacy are carried out when necessary prior to extraordinary operations such as mergers and acquisitions, or the sale of assets.

The minimum capital requirements are those established by applicable supervisory regulations (Article 92 of the CRR), according to which the Common Equity Tier 1 ratio must be at least 4.5% of total risk weighted assets ("CET1 capital ratio"), Tier 1 capital must represent at least 6% of total risk weighted assets ("Tier 1 capital ratio") and total own funds must be at least 8% of total weighted assets ("Total capital ratio").

In addition, the competent supervisory authorities periodically issue a specific decision regarding the capital requirements that the Group must comply with following the prudential review and evaluation process ("SREP") conducted pursuant to Article 97 et seq. of Directive 2013/36/EU (CRD IV).

In particular, Article 97 of the CRD IV establishes that the competent authorities shall periodically review the arrangements, strategies, processes and mechanisms that groups and supervised banks implement to face the risks to which they are exposed. With the SREP, the competent authorities therefore review and evaluate the process of determining capital adequacy conducted internally by the Group, analyze its risk profile individually and from an aggregate perspective, including under stress conditions, and assess its contribution to systemic risk; assess the corporate governance system, the operation of corporate bodies, the organizational structure and the internal control system; and verifies compliance with all prudential rules.

With regard to the outcome of the Supervisory Review and Evaluation Process (SREP), on December 10, 2024, the supervisory authorities notified Iccrea Banca of results of the SREP decision, which establishes the prudential requirements to be respected at the consolidated level with effect from January 1, 2025 (broken down into own funds requirements and qualitative requirements). With this decision, the supervisory authorities established consolidated own funds requirements for 2025:

- an additional Pillar 2 requirement (P2R) of 2.52% (of which 2 bps for the NPE P2R which could be lowered by the end of the year subject to certain conditions) of which a minimum of 56.25% to be held in the form of Common Equity Tier 1, CET1) and 75% in the form of Tier 1 capital;
- a recommendation for Pillar 2 Guidance (P2G) of 1.25%, which should consist entirely of Common Equity Tier 1 capital and held in addition to the Overall Capital Requirement (OCR).

On April 26, 2024 the Bank of Italy announced the decision to apply to all authorized banks in Italy a Systemic Risk Buffer (SyRB)[36] to 1% of the risk-weighted exposures for credit and counterparty risk to residents in Italy. As expected, the banks have reached the target rate of 1% as of June 30, 2025, establishing a buffer equal to 0.5% of the relevant exposures by December 31, 2024 and the remaining 0.5% by June 30, 2025.

On November 22, 2024, the Parent Company received the decision from the Bank of Italy which designates the Iccrea Cooperative Banking Group as an Other Systemically Important Institution (O-SII) authorized in Italy for 2025. Following the analyses performed for the purposes of calibrating the O-SII buffer, the Bank of Italy assigned the Group an O-SII requirement of 0.25% for 2025.

Given the above, for 2025 the Iccrea Cooperative Banking Group is therefore required to meet:

- a Total SREP Capital Requirement (TSCR) of 10.52%;
- an Overall Capital Requirement (OCR) of 14.10%;
- a Target Requirement (including P2G) of 15.35%.

With regard to the Group's affiliated banks, the SREP decision did not impose own funds requirements to be met on an individual basis. Therefore, in order to comply with the aforementioned consolidated requirements, mechanisms have been provided for their allocation at individual level within the main risk governance processes (i.e. RAF, EWS), compatibly with the capital resources of each affiliated bank, thus ensuring that the Group's strategies and capital constraints are also reflected at the individual level.

[36] This applies at both consolidated and individual level.

## B. QUANTITATIVE DISCLOSURES

### B.1 CONSOLIDATED EQUITY: BREAKDOWN BY TYPE OF ENTITY

The table reports the components of equity at carrying amount, adding the Group's equity to that pertaining to non-controlling interests, broken down by the type of consolidated entity. More specifically:

- the column, "Prudential consolidation" reports the amount resulting from consolidation of the companies belonging to the banking group, gross of the financial effects of any transactions that may have been performed with other companies included within the scope of consolidation; fully-consolidated subsidiaries, other than those in the "Banking Group", are measured using the equity method here;
- the column "Other entities" reports the amounts resulting from consolidation, including financial effects deriving from transactions carried out with companies that are part of the banking group;
- the column "Consolidation eliminations and adjustments" shows the adjustments necessary to obtain the figures reported in the financial statements.

| | Prudential consolidation | Insurance undertakings | Other entities | Consolidation eliminations and adjustments | Total |
|---|---|---|---|---|---|
| 1. Share capital | 2,296,484 | - | - | - | 2,296,484 |
| 2. Share premium reserve | 156,490 | - | - | - | 156,490 |
| 3. Reserves | 14,401,643 | - | - | - | 14,401,643 |
| 4. Equity instruments | 30,139 | - | - | - | 30,139 |
| 5. (Treasury shares) | (1,390,242) | - | - | - | (1,390,242) |
| 6. Valuation reserves: | 244,899 | - | - | - | 244,899 |
| - Equity securities designated as at fair value through other comprehensive income | 16,020 | - | - | - | 16,020 |
| - Hedges of equity securities designated as at fair value through other comprehensive income | - | - | - | - | - |
| - Financial assets (other than equity securities) measured at fair value through other comprehensive income | (13,554) | - | - | - | (13,554) |
| - Property, plant and equipment | - | - | - | - | - |
| - Intangible assets | - | - | - | - | - |
| - Hedging of investments in foreign operations | - | - | - | - | - |
| - Cash flow hedges | 20,605 | - | - | - | 20,605 |
| - Hedging instruments [undesignated elements] | - | - | - | - | - |
| - Foreign exchange differences | - | - | - | - | - |
| - Non-current assets held for sale | - | - | - | - | - |
| - Financial liabilities designated as at fair value through profit or loss (change in own credit rating) | 1,243 | - | - | - | 1,243 |
| - Actuarial gains (losses) on defined benefit plans | (37,813) | - | - | - | (37,813) |
| - Share of valuation reserves of equity investments accounted for using equity method | 4,786 | - | - | - | 4,786 |
| - Special revaluation laws | 253,612 | - | - | - | 253,612 |
| 7. Net profit (loss) for the period (+/-) | 1,053,439 | - | - | - | 1,053,439 |
| **Total** | **16,792,852** | **-** | **-** | **-** | **16,792,852** |

## B.3 VALUATION RESERVES FOR FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME: CHANGE FOR THE PERIOD

| | Debt securities | Equity securities | Loans |
|---|---|---|---|
| **1. Opening balance** | **(48,172)** | **8,565** | **-** |
| **2. Increases** | **45,731** | **11,023** | **-** |
| 2.1 Fair value gains | 41,620 | 9,118 | - |
| 2.2 Writedowns for credit risk | 745 | X | - |
| 2.3 Reversal to profit or loss of negative reserves: from realization | 3,299 | X | - |
| 2.4 Transfers to other components of equity (equity securities) | - | 1,652 | - |
| 2.5 Other changes | 67 | 253 | - |
| **3. Decreases** | **11,113** | **3,568** | **-** |
| 3.1 Fair value losses | 3,461 | 1,977 | - |
| 3.2 Writebacks for credit risk | 1,462 | 456 | - |
| 3.3 Reversal to profit or loss of positive reserves: from realization | 6,065 | X | - |
| 3.4 Transfers to other components of equity (equity securities) | - | 768 | - |
| 3.5 Other changes | 125 | 367 | - |
| **4. Closing balance** | **(13,554)** | **16,020** | **-** |

## B.4 VALUATION RESERVES FOR DEFINED-BENEFIT PLANS: CHANGE FOR THE PERIOD

Valuation reserves for defined-benefit plans were a negative €37.8 million. The following table reports changes in the period as a result of changes in financial assumptions and the time value effect.

| | 30/06/2025 |
|---|---|
| **1. Opening balance** | **(38,863)** |
| **2. Increases** | **2,025** |
| 2.1 Actuarial gains from changes in financial assumptions | 1,521 |
| 2.2 Actuarial gains from changes in demographic assumptions | 51 |
| 2.3 Actuarial gains from experience adjustments | 356 |
| 2.4 Other increases | 97 |
| **3. Decreases** | **(474)** |
| 3.1 Actuarial losses from changes in financial assumptions | (46) |
| 3.2 Actuarial losses from changes in demographic assumptions | (2) |
| 3.3 Actuarial losses from experience adjustments | (422) |
| 3.4 Other decreases | (4) |
| **4. Tax effect** | (500) |
| **5. Closing balance** | **(37,813)** |

## SECTION 2 – OWN FUNDS AND CAPITAL RATIOS

See the disclosures on own funds and capital adequacy in the Third Pillar disclosures.

# PART G - BUSINESS COMBINATIONS

## SECTION 1 – TRANSACTIONS CARRIED OUT DURING THE PERIOD

No business combination transactions were carried out during the period that resulted in the acquisition of control pursuant to IFRS 3.

For corporate reorganization purposes, Cassa Rurale - Banca di Credito Cooperativo di Treviglio was merged into Banca di Credito Cooperativo di Carate Brianza - Società Cooperativa, giving rise to BCC di Carate Brianza e Treviglio, with accounting effect from April 1, 2025.

In compliance with accounting practice for transactions of this kind, the merger was accounted for on an unchanged values basis and had no impact on the consolidated financial statements.

## SECTION 2 – TRANSACTIONS AFTER THE CLOSE OF THE PERIOD

No business combination transactions were carried out after the close of the period and until the date of approval of this interim report.

## SECTION 3 – RETROSPECTIVE ADJUSTMENTS

The section has not been completed because there were no such positions as of the reporting date.

# PART H - TRANSACTIONS WITH RELATED PARTIES

## 1. INFORMATION ON THE REMUNERATION OF KEY MANAGEMENT PERSONNEL

The following table provides information on the remuneration paid in the first half of 2025 to key management personnel as required by IAS 24. Key management personnel are managers who have the power and responsibility, directly or indirectly, for the planning, management and control of the Group's activities, including the directors and members of the supervisory bodies.

| | 30/06/2025 | | | | |
|---|---|---|---|---|---|
| | Short term benefits | Post-employment benefits | Other long-term benefits | Termination benefits | Share-based payments |
| Key management personnel | 5,971 | 187 | - | - | - |

## 2. INFORMATION ON TRANSACTIONS WITH RELATED PARTIES

For the purposes of the preparation of these disclosures, pursuant to IAS 24 a related party is a person or entity who is related to the entity preparing the financial statements.

In application of that standard, the related parties of the Group include:

- unconsolidated subsidiaries;
- associated companies and their subsidiaries;
- key management personnel of the Group;
- members of the immediate family of key management personnel and companies controlled, alone or jointly, by key management personnel or members of their immediate family;
- post-employment benefit plans for Group employees.

The Iccrea Cooperative Banking Group has adopted a document governing the principles and rules applicable to related party transactions in compliance with supervisory regulations contained in Circular no. 263/2006 of the Bank of Italy.

Transactions between the Group and corporate officers regard normal Group operations and were carried out, where applicable, applying the terms reserved for all employees. Transactions with subsidiaries not consolidated on a line-by-line basis and transactions with associated companies regarded ordinary operations within a multi-functional banking organization.

In compliance with supervisory regulations, all transactions carried out by Group companies with their related parties were carried out in compliance with the principles of substantive and procedural fairness, on terms analogous to those applied to transactions with independent non-Group counterparties. No unusual or atypical transactions were carried out by Group companies with related parties, nor were any such transactions carried out with other counterparties.

The following table summarizes transactions and their financial effects carried out in the first half of 2025 with the related parties of the Group other than fully consolidated intercompany transactions.

| | 30/06/2025 | | | |
|---|---|---|---|---|
| | Unconsolidated subsidiaries | Associated companies | Key management personnel | Other related parties |
| Financial assets | 495,556 | 973,786 | 2,305 | 4,178 |
| Total other assets | 9 | 43,476 | - | 42 |
| Financial liabilities | 464,862 | 203,090 | 3,911 | 9,082 |
| Total other liabilities | 168 | 30,684 | 19 | 277 |
| Commitments and financial guarantees issued | 1,067 | 79,575 | 71 | 351 |
| Commitments and financial guarantees received | - | - | 2,040 | 7,193 |
| Provisions for doubtful accounts | - | - | - | - |

| | 30/06/2025 | | | |
|---|---|---|---|---|
| | Unconsolidated subsidiaries | Associated companies | Key management personnel | Other related parties |
| Interest income | 1,685 | 9,411 | 17 | 95 |
| Interest expense | (1,245) | (3,078) | (38) | (73) |
| Dividends | - | 902 | - | - |
| Fee and commission income | 334 | 190,557 | 6 | 22 |
| Fee and commission expense | (236) | (116,029) | | - |
| Net gain (loss) on trading activities | - | - | - | - |
| Net gain (loss) on hedging activities | - | - | - | - |
| Other operating expenses/income | (637) | 4,808 | 10 | (1,455) |
| Writedowns/writebacks of impaired financial assets | - | 16 | - | - |

# PART I - SHARE-BASED PAYMENTS

The Iccrea Cooperative Banking Group has no payment agreements based on its own equity instruments in place.

# PART L - OPERATING SEGMENTS

## A. PRIMARY REPORTING BASIS

The companies within the Group mainly operate exclusively in the following segments:

- Institutional: business conducted with institutional counterparties (mutual banks, other banks and public institutions), such as payment services, financial intermediation (trading and capital markets), and foreign activities, as well as additional support services for affiliated banks. The segment includes the operations of the Parent Company Iccrea Banca, BCC Sistemi Informatici, BCC Gestione Crediti, BCC Sinergia and BCC Beni Immobili;
- business focused mainly on financing small and medium-sized companies that are customers of the mutual banks. The segment includes the operations of BCC Leasing, BCC Rent&Lease, BCC Factoring and BCC Financing;
- Retail: mainly asset management activities on an individual and collective basis for retail customers (BCC Risparmio&Previdenza), consumer credit (BCC CreditoConsumo), the traditional banking activities of Banca Sviluppo and the bancassurance activities (BCC Servizi Assicurativi);
- Mutual banks: includes all of the mutual banks that have joined the Group and the associated Guarantee Scheme.

The following reports a summary income statement and key financial aggregates by business segment. The column reporting inter-segment transactions includes intercompany eliminations between the companies included in different segments.

### A.1 DISTRIBUTION BY BUSINESS SEGMENT: INCOME STATEMENT

| | CORPORATE | ISTITUZIONALE | RETAIL | MUTUAL BANKS | INTER-SEGMENT TRANSACTIONS | TOTAL |
|---|---|---|---|---|---|---|
| Net interest income | 50,777 | 95,059 | 33,967 | 1,810,299 | 23,382 | 2,013,484 |
| Net fee and commission income | 4,793 | 42,811 | 51,198 | 634,933 | (20,391) | 713,344 |
| Other financial expense and income | 3,068 | 116,700 | 83 | 75,556 | (66,483) | 128,923 |
| **Gross income** | **58,638** | **254,569** | **85,248** | **2,520,788** | **(63,492)** | **2,855,751** |
| Net value adjustments | 3,550 | 10,035 | (3,277) | (77,337) | - | (67,029) |
| **Net gains (losses) on financial operations** | **62,188** | **264,604** | **81,971** | **2,443,451** | **(63,492)** | **2,788,722** |
| Operating expenses | (36,932) | (101,120) | (34,893) | (1,400,876) | 4,246 | (1,569,574) |
| Other costs and revenues | - | (2,361) | - | (960) | 6,024 | 2,703 |
| **Profit/(loss) from continuing operations before tax** | **25,256** | **161,123** | **47,078** | **1,041,616** | **(53,222)** | **1,221,850** |
| Income tax for the period on continuing operations | (8,102) | (29,715) | (14,852) | (157,414) | (1,293) | (211,376) |
| **Profit (loss) after tax on continuing operations** | **17,154** | **131,408** | **32,226** | **884,202** | **(54,515)** | **1,010,474** |
| Profit (loss) after tax on discontinued operations | | 42,965 | | | | 42,965 |
| **Profit/(loss) for the period** | **17,154** | **174,372** | **32,226** | **884,202** | **(54,515)** | **1,053,439** |
| **Profit/(loss) for the period pertaining to non-controlling interests** | **-** | **426** | **-** | **-** | **-** | **426** |
| **Profit/(loss) for the period pertaining to shareholders of the Parent Company** | **17,154** | **173,946** | **32,226** | **884,202** | **(54,515)** | **1,053,013** |

### A.2 DISTRIBUTION BY BUSINESS SEGMENT: BALANCE SHEET

| | CORPORATE | INSTITUTIONAL | RETAIL | MUTUAL BANKS | INTER-SEGMENT TRANSACTIONS | TOTAL |
|---|---|---|---|---|---|---|
| Financial assets | 306,931 | 16,116,699 | 50,409 | 46,348,803 | (5,447,175) | 57,375,667 |
| Due from banks | 46,146 | 17,847,703 | 1,903 | 11,183,185 | (26,747,215) | 2,331,722 |
| Loans to customers | 4,414,281 | 11,613,431 | 2,223,680 | 81,850,018 | (3,105,236) | 96,996,174 |
| Funding from banks | 4,013,307 | 21,670,493 | 2,143,969 | 13,548,387 | (38,785,660) | 2,590,496 |
| Funding from customers | 312,010 | 14,647,285 | 759 | 110,010,958 | (137,831) | 124,833,181 |
| Securities and other financial liabilities | 29,569 | 9,183,321 | 2,334 | 10,281,957 | (4,049,652) | 15,447,528 |

## B. SECONDARY REPORTING BASIS

As regards the secondary reporting basis, please note that the Group operates almost exclusively in Italy.

# PART M - LEASE DISCLOSURES

## SECTION 1 – LESSEE

### QUALITATIVE DISCLOSURES

At the reporting date, the Group had 3,216 lease/rental contracts falling within the scope of IFRS 16 as they refer to operating leases involving property, plant and equipment in the following classes of assets:

- capital equipment (printers and other office equipment, personal computers, servers, smartphones/tablets, cars and company vehicles, advanced ATMs, etc.);
- real estate, in particular the premises in which the branches operate and spaces for ATMs.

These assets are mainly intended for use in the normal operations of the company and for this reason they are mainly classified under assets held for use in operations. For more details on the recognition and measurement criteria involved, please see Part A "Accounting Policies" of these notes to the financial statements.

The rental contracts entered into by the Group normally provide for fixed payments for a specified period of time and, with the exception of property leases, do not envisage an extension option. Based on the foregoing, the effective term of the individual leases is taken into account for the purpose of accounting for the rights of use, while in cases in which an extension option is envisaged and its exercise is considered highly probable, the Group considers the contractual term inclusive of the extension period, unless factors or specific situations envisaged within the contract suggest a different assessment. This is because the properties in question are functional to the performance of the activities of the Group companies and non-exercise of the extension option is only considered in cases where impediments have arisen independently on the intentions of the companies themselves, i.e. the decision not to extend the lease was prompted by initially unforeseeable circumstances (e.g. changes of location, increase in lease payments, etc.).

If provided for by the lease agreement, the Group also does not consider early termination options unless factors or specific circumstances make it highly probable that the option will be exercised before the expiry of the lease (such as, for example, the impediments or the specific needs mentioned above).

### QUANTITATIVE DISCLOSURES

For further quantitative information concerning the assets acquired by the Group through leases, please see the disclosures provided in the tables in the sections of the notes to the financial statements indicated below:

- part B, assets, section 9, as regards rights of use in respect of leased assets held at the reporting date;
- part B, liabilities, section 1, as regards lease liabilities outstanding at the reporting date;
- part C, section 1, as regards interest expense on leasing liabilities accrued during the year;
- part C, section 14, as regards depreciation of rights of use recognized during the year.

Note that in determining the depreciation rates to be applied to the rights of use in respect of assets acquired under leases, reference has been made to the contractual term of the underlying leases, also taking account any extension/termination options where the probability that they will be exercised is considered high, depending on the nature of the transaction (finance/operating lease) and the type of asset.

## SECTION 2 – LESSOR

### QUALITATIVE DISCLOSURES

Lease transactions undertaken by Group mutual banks as a lessor are negligible.

The contracts mainly regard concern the lease of commercial and residential properties.

The Group mainly enters into finance leases with customers and is active in the real estate, residential, equipment, vehicle and marine lease sectors.

Lease payments for the period are recognized in profit or loss under operating income.

For more details on the recognition and measurement criteria involved, please see Part A "Accounting Policies" of these notes to the financial statements.

### QUANTITATIVE DISCLOSURES

### 1. INFORMATION IN THE BALANCE SHEET AND INCOME STATEMENT

For additional quantitative information on lease transactions carried out by the Group, please see the tables in the following sections:

- part B, Assets, section 4, as regards lease financing granted by the Group in relation to finance leases;
- part C, section 1, as regards interest income on the above lease financing accrued during the period;
- part C, section 16, as regards other income connected with the lease operations undertaken the Group as a lessor.

### 2. FINANCE LEASES

### 2.1 CLASSIFICATION BY MATURITY OF PAYMENTS TO BE RECEIVED AND RECONCILIATION WITH LEASE FINANCING RECOGNIZED UNDER ASSETS

| | Total 30/06/2025 | Total 31/12/2024 |
|---|---|---|
| | Payments to be received for leases | Payments to be received for leases |
| Up to 1 year | 852,291 | 854,014 |
| From more than 1 year up to 2 years | 706,686 | 705,959 |
| From more than 2 years up to 3 years | 569,195 | 565,015 |
| From more than 3 years up to 4 years | 401,683 | 425,959 |
| From more than 4 years up to 5 years | 268,297 | 282,821 |
| From more than 5 years | 596,321 | 670,872 |
| **Total payments to be received for leases** | **3,394,473** | **3,504,642** |
| **Reconciliation with financing** | **977,780** | **977,351** |
| Financial income not accrued (-) | 436,536 | 427,649 |
| Unguaranteed residual value (-) | 541,244 | 549,703 |
| **Lease financing** | **2,416,693** | **2,527,290** |

The balance of lease financing does not include past due principal and interest, exposures to terminated leases or writedowns on outstanding financing at the reporting date.

### 2.2 OTHER INFORMATION

No other information to report.

## 3. OPERATING LEASES

### 3.1 CLASSIFICATION BY MATURITY OF PAYMENTS TO BE RECEIVED

| | Total 30/06/2025 | Total 31/12/2024 |
|---|---|---|
| | Payments to be received for leases | Payments to be received for leases |
| Up to 1 year | 3,164 | 3,507 |
| From more than 1 year up to 2 years | 2,810 | 3,145 |
| From more than 2 years up to 3 years | 2,466 | 2,475 |
| From more than 3 years up to 4 years | 1,769 | 1,733 |
| From more than 4 years up to 5 years | 1,371 | 1,187 |
| From more than 5 years | 1,627 | 1,236 |
| **Total** | **13,206** | **13,283** |

### 3.2 OTHER INFORMATION

No other information to report.

# CERTIFICATION OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (ART. 154 BIS, PARAGRAPH 5, LEGISLATIVE DECREE 58/1998)

GRUPPO BCC
ICCREA

# Certification of the Condensed half-year consolidated financial statements as at 30 June 2025 pursuant to Art.81-ter of Consob Regulation No.11971/99 and subsequent additions and amendments

1) The undersigned Giuseppe Maino, as Chief Executive Officer of Iccrea Banca S.p.A., and Marianna Di Prinzio, as the Manager responsible for preparing the company's financial reports of Iccrea Banca S.p.A., hereby certify, also in compliance with Art.154-*bis*, paragraphs 3 and 4, of Italian Legislative Decree No. 58 of 24 February 1998:
    - the adequacy in relation to the features of Iccrea Cooperative Banking Group, and
    - the actual application of the administrative and accounting procedures employed to draw up the Condensed half-year consolidated financial statements in the first half of 2025.

2) The assessment of the adequacy of the administrative and accounting procedures employed to draw up the Condensed half-year consolidated financial statements as at 30 June 2025 is based on a model developed by Iccrea Banca S.p.A., in accordance with the '"*Internal Control - Integrated Framework (CoSO)*", which represents a generally accepted international standard for internal control system and for financial reporting in particular.

3) The undersigned also certify that:
    - the Condensed half-year consolidated financial statements as at 30 June 2025:
        a) were prepared in compliance with applicable international accounting standards recognised by the European Community pursuant to European Parliament and Council Regulation (EC) No.1606/2002 of 19 July 2002;
        b) correspond to the results of the accounting books and records;
        c) are suitable to provide a fair and correct representation of the economic and financial situation of Iccrea Banca S.p.A. and of the group of companies included within the scope of consolidation;
    - the Interim report on operations includes a reliable analysis of the key events that took place during the first half of 2025 and of their impact on the Condensed half-year consolidated financial statements, together with a description of the main risks and uncertainties affecting the second half of the year. The Interim report on operations also includes a reliable analysis of significant transactions with related parties.

Rome, 22 September 2025

**Chief Executive Officer**
Giuseppe Maino

**Manager responsible for preparing the company's financial reports**
Marianna Di Prinzio

# REPORT OF THE AUDIT FIRM

Iccrea Banca S.p.A.

# Auditor's review report on interim consolidated financial statements

*(Translation of the original report issued in Italian)*

Interim consolidated financial statements as at 30 June 2025

ORMB/VRCN/vbrb – R202501185

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# Review report on the interim consolidated financial statements

*(Translation of the original report issued in Italian)*

To the shareholders of Iccrea Banca S.p.A.

## Introduction

We have reviewed the attached interim consolidated financial statements, comprising the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in shareholder's equity, the statement of cash flows, and the related explanatory notes of Gruppo Bancario Cooperativo Iccrea as at June 30, 2025. The directors are responsible for the preparation of the interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

## Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim consolidated financial statement consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the interim consolidated financial statements.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the attached interim consolidated financial statements of Gruppo Bancario Cooperativo Iccrea, as at June 30, 2025, have not been prepared, in all significant aspects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Rome, September 23, 2025

*Signed on the original*

Olivier Rombaut
Partner - Registered auditor

*(*) This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.*



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