Interim Financial Report as at 30 June 2026

Banca Popolare dell'Alto Adige
A Public Limited Company

Registered Office and General Management: Via del Macello, 55 – I-39100 Bolzano
Share Capital as at 30 June 2026 €201,993,752 fully paid up
Tax code, VAT number and no. of registration in the Bolzano Companies' Register 00129730214
Member of the Interbank Deposit Protection Fund and the National Guarantee Fund
Registered in the Register of Banks and Register of Banking Groups: import-export code 5856
ABI 05856.0
www.bancapopolare.it - www.volksbank.it

SUMMARY

CORPORATE POSITIONS AND AUDITING FIRMS

Board of Directors

Chairperson	Lukas LADURNER
Vice chairpersons	Giuseppe PADOVAN (**) Lorenzo SALVÁ
Chief Executive Officer	Alberto NAEF
Directors	Christina GASSER (***) Alexander KIESSWETTER (*) (**) Johannes PEER Sabrina RIGO (*) (**) Federica VECCHIONI (*) (**)

(*) Members of the Independent Directors Committee
(**) Members of the Risk Committee
(***) Exponent responsible for anti-money laundering

Board of Statutory Auditors

Chairperson	Georg HESSE
Standing auditors	Rosella CAZZULANI Cinzia GIARETTA
Alternate auditors	Nadia DAPOZ Emilio LORENZON

General Management

General Manager	Alberto NAEF
Deputy General Manager	Georg MAIR AM TINKHOF

Financial Reporting Officer Alberto CALTRONI

Independent Auditors KPMG S.p.A.

VOLKSBANK - THE TERRITORIAL NETWORK

BANCA POPOLARE DELL'ALTO ADIGE
A Public Limited Company
Listed in the Bolzano Companies Register at No.00129730214
Member of the Italian Interbank Deposit Protection Fund
ABI 05856.0

HEAD OFFICE
Bolzano, Via del Macello, 55 – Bozen, Schlachthofstraße 55
Tel. + 39 0471 – 996111 – Telefax 0471 – 979188
www.bancapopolare.it
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BRANCHES

PROVINCE OF BOLZANO

Appiano – Eppan Via J. G. Plazer 56 – J.-G.-Plazer-Straße 56	tel. 0471-944270
Badia - Abtei Via Colz 56 - Colz-Straße 56 - Fraz. La Villa - Frak. Stern	tel. 0471-944010
Bolzano – Bozen Galleria Telser 1 - Telsergalerie 1	tel. 0471-944190
Bolzano - Bozen Corso della Libertà 2 - Freiheitsstraße 2	tel. 0471-944020
Bolzano – Bozen Via Claudia Augusta 5 - Claudia-Augusta-Straße 5	tel. 0471-944250
Bolzano – Bozen Via del Ronco 15 - Neubruchweg 15	tel. 0471-944260
Bolzano – Bozen Via Bruno Buozzi 4 - Bruno Buozzi Straße 4	tel. 0471-944320
Bolzano - Bozen Via Leonardo da Vinci 2 - Leonardo-da-Vinci-Straße 2	tel. 0471-996151
Bolzano – Bozen Via Resia 132/B - Reschenstraße 132/B	tel. 0471-944290
Bolzano – Bozen Via Roma 45 - Romstraße 45	tel. 0471-944200
Bolzano – Bozen Vicolo Gumer 7 (sportello economale) - Gumergasse 7 (Schatzamtsschalter)	tel. 0471 996123
Bressanone – Brixen Portici Maggiori 2 - Große Lauben 2	tel. 0472-811213
Bressanone – Brixen Via Julius Durst 28 - Julius-Durst-Straße 28	tel. 0472-811600
Bressanone - Brixen Via Plose 38/B - Plosestraße 38/B - Fraz. Millan Sarnes – Frak. Milland Sarns	tel. 0472-811560
Bruneck – Bruneck Bastioni 24 - Graben 24	tel. 0474-544700
Brunico – Bruneck Via Valle Aurina 30 - Ahrntalerstraße 30	tel. 0474-544760
Caldaro sulla Strada del Vino – Kaltern an der Weinstraße Piazza Principale 13 - Marktplatz 13	tel. 0471-944220
Campo Tures - Sand in Taufers Via Municipio 4 - Rathausstraße 4	tel. 0474-544740
Chienes – Kiens Via Chienes 1 - Kiener Dorfweg 1	tel. 0474-544730
Chiusa – Klausen Piazza Tinne 5 - Tinneplatz 5	tel. 0472-811540
Chiusa – Klausen San Giacomo 3 - St. Jakob 3 Fraz. Lazfons – Frak. Latzfons	tel. 0472-811620
Castelrotto – Kastelruth Via Sciliar 16 - Schlernstraße 16 – Fraz. Siusi allo Sciliar – Frak. Seis am Schlern	tel. 0471-944300
Dobbiaco – Toblach V.le S. Giovanni 23 - St. -Johannes-Straße, 23	tel. 0474 544770
Egna – Neumarkt Largo Municipio 32 - Rathausring 32	tel. 0471-944280
Laces – Latsch Via Stazione 1/b - Bahnhofstraße 1/b	tel. 0473-254440
Laives – Leifers Via Kennedy 123 - Kennedystraße 123	tel. 0471-944240
Lana Piazza Tribus 17 - Tribusplatz 17	tel. 0473-254350
Lasa – Laas Via Venosta 44 – Vinschgaustraße 44	tel. 0473-254310
Luson – Lüsen Vicolo Dorf 19 - Dorfgasse 19	tel. 0472-811590
Malles Venosta – Mals im Vinschgau Via Stazione 9/b - Bahnhofstraße 9/b	tel. 0473-254400
Merano – Meran Piazza del Grano 3 - Kornplatz 3	tel. 0473-254111
Merano – Meran Via Goethe 74/A - Goethestraße 74/A	tel. 0473-254300
Merano – Meran Via Matteotti 43 - Matteottistraße 43	tel. 0473-254330
Merano - Meran Via Monte Tessa 34 - Texelstraße 34	tel. 0473-254390

PROVINCE OF BOLZANO	
Merano – Meran Via Roma 278 - Romstraße 278	tel. 0473-254420
Monguelfo - Welsberg Via Pusteria 11/a - Pustertalerstraße 11/a	tel. 0474-544750
Naturno – Naturns Via Principale 37/b - Hauptstraße 37/b	tel. 0473-254370
Nova Levante - Welschnofen Via Roma 8 - Romstraße 8	tel. 0471-944090
Ora – Auer Via Stazione 8 - Bahnhofstraße 8	tel. 0471-944040
Ortisei - St. Ulrich in Gröden Piazza San Durich 3 - S.-Durich-Platz 3	tel. 0471-944330
Ratschings - Ratschings Stanghe 18 - Stange 18 - Fraz. Racines di Fuori - Außerratschings	tel. 0472-811610
Rio di Pusteria – Mühlbach Via K. Lanz 50 - K.-Lanz-Straße 50	tel. 0472-811520
San Leonardo in Passiria - St. Leonhard in Passeier Via Passiria 14 - Passeirer Straße 14	tel. 0473-254380
San Lorenzo di Sebato - St. Lorenzen Via Josef Renzler 17 - Josef-Renzler-Straße 17	tel. 0474-544780
Scena - Schenna Archduke Johann Square 7 - Erzh.-Johann-Platz 7	tel. 0473-254430
Selva di Val Gardena – Wolkenstein in Gröden Via Meisules 155/a - Meisulesstraße 155/a	tel. 0471-944000
Silandro - Schlanders Via Covelano 10 - Göflaner Straße 10	tel. 0473-254410
Valle Aurina – Ahrntal Via Klausberg 65 - Klausbergstraße 65 – Fraz. Cadipietra - Frak. Steinhaus	tel. 0474-544800
Vandoies – Vintl Via J. A. Zoller 8 - J.-A.-Zoller-Straße 8	tel. 0472-811640
Varna – Vahrn Via Brennero 101 - Brennerstraße 101	tel. 0472-811650
Velturno – Feldthurns Paese 12 - Dorf 12	tel. 0472-811580
Vipiteno – Sterzing Via Città Nuova 22/a - Neustadt 22/a	tel. 0472-811500

PROVINCE OF BELLUNO	
Auronzo di Cadore Via Corte 33	tel. 0435-505650
Borgo Valbelluna Via Tempietto 33/A	tel. 0437-356660
Belluno Via Caffi 15	tel. 0437-356700
Cencenighe Agordino Via XX Settembre 107	tel. 0437-356640
Comelico Superiore Piazza Tiziano 2 – Fraz. Dosoledo	tel. 0435-505670
Comelico Superiore Piazza San Luca 22 - Fraz. Padola	tel. 0435-505690
Cortina d' Ampezzo Largo delle Poste 49	tel. 0436-863500
Domegge di Cadore Via Roma 48	tel. 0435-505620
Feltre Via Monte Grappa 28	tel. 0439-842600
Forno di Zoldo Via Roma 70/b	tel. 0437-356620
Limana Via Roma 116/118	tel. 0437-356690
Longarone Via Roma 89	tel. 0437-356720
Ponte nelle Alpi Viale Roma 87	tel. 0437-356630
Santo Stefano di Cadore Via Venezia 30	tel. 0435-505630
Santa Giustina Via Feltre 17	tel. 0437-356680
Sedico Via Cordevole 2/b	tel. 0437-356650
Pieve di Cadore Via Ferdinando Coletti 15 – Fraz. Tai di Cadore	tel. 0435-505600
Valle di Cadore Via XX Settembre 76	tel. 0435-505660

PROVINCE OF PADUA	
Albignasego Via Roma 106 b	tel. 049 - 6950030
Camposampiero Piazza Castello 43	tel. 049-6950070
Carmignano di Brenta Via Marconi 36	tel. 049-6950010
Cittadella Via Riva Pasubio 5	tel. 049-6950040
Padua Corso Milano 99	tel. 049-6950020
Padua Via Jacopo Facciolati 38	tel. 049-6950080
Padua Via San Marco 11/C int. 15	tel. 049-6950090
Piazzola sul Brenta Via dei Contarini 36	tel. 049-6950050

PROVINCE OF PADUA	
Tombolo Via Vittorio Veneto 1	tel. 049-6950000

PROVINCE OF PORDENONE	
Pordenone Via Galvani 8	tel. 0434-786520
Sacile Via Martiri Sfriso 7	tel. 0434-786500

PROVINCE OF TRENTO	
Ala Via della Roggia 10	tel. 0464-912520
Arco Via S. Caterina 20	tel. 0464-912510
Borgo d'Anaunia Via Cesare Battisti 39	tel. 0463-840500
Borgo Valsugana Via Hippoliti 11/13	tel. 0461-211060
Cavalese Via Cacciatori 7	tel. 0462-248500
Cles Piazza Navarrino 16/17	tel. 0463-840510
Lavis Via Rosmini 65	tel. 0461-211070
Mezzolombardo Via A. Degasperi 4	tel. 0461-211030
Moena Piaz de Ramon 24	tel. 0462-248510
Mori Via della Terra Nera 48/D	tel. 0464-912500
Pergine Valsugana Viale Venezia No. 44	tel. 0461-211050
Riva del Garda Via Damiano Chiesa 8	tel. 0464-912560
Rovereto Via G. M. Della Croce 2	tel. 0464-912530
Tione di Trento Via Circonvallazione 56	tel. 0465-338500
Trento Piazza Lodron 31	tel. 0461-211000
Trento Via Brennero 302/A	tel. 0461-211080
Trento Via Enrico Fermi 11	tel. 0461-211090

PROVINCE OF TREVISO	
Casale Sul Sile Via G. Marconi 3	tel. 0422-508170
Castelfranco Veneto Borgo Treviso 62	tel. 0423-974610
Conegliano Via Cesare Battisti 5	tel. 0438-907740
Crocetta del Montello Via Andrea Erizzo 64	tel. 0423-974620
Loria Via Poggiana 4 – Fraz. Ramon di Loria	tel. 0423-974670
Mogliano Veneto Via degli Alpini 16/G/F/E	tel. 041-5446660
Montebelluna Via Salvo D'Acquisto 2	tel. 0423-974660
Motta Di Livenza - Via Padre Leonardo Bello/Angolo Via Cigana 1	tel. 0422-508180
Oderzo Via degli Alpini 24/26	tel. 0422-508100
Paese Via Cesare Battisti 3	tel. 0422-508140
Pieve di Soligo Via Nubie 3/D	tel. 0438-907700
Preganziol Piazza Gabbin 16	tel. 0422-508120
Quinto Di Treviso Via Vittorio Emanuele 11	tel. 0422-508190
Spresiano Piazza Luciano Rigo 49	tel. 0422-508130
Treviso Viale Brigata Treviso 1	tel. 0422-508210
Treviso Piazza San Vito 12	tel. 0422-508150
Valdobbiadene Foro Boario 21-23-13	tel. 0423-974600
Vittorio Veneto Galleria Tintoretto 3	tel. 0438-907710

PROVINCE OF UDINE	
Sappada Borgata Palú 90/A	tel. 0435-505639

PROVINCE OF VENICE	
Caorle Via Pineda 1	tel. 0421-480830
Fossò Via Roncaglia 1	tel. 041-5446690
Jesolo Via Firenze 6	tel. 0421-480820
Marcon Viale della Repubblica 2	tel. 041-5446680
Martellago Via Friuli 28	tel. 041-5446780
Mira Via Venezia, 120 - Fraz. Oriago	tel. 041-5446730
Mirano Via Cavin di Sala 39	tel. 041-5446710
Noale Via Tempesta 31	tel. 041-5446630
Portogruaro Via S. Agnese 28	tel. 0421-480810
San Donà di Piave Via XIII Martiri 90	tel. 0421-480800
Spinea Piazza Marconi 17	tel. 041-5446670
Venice Piazza Mercato 51 - Fraz. Marghera	tel. 041-5446800
Venice Sestriere Cannaregio 4547/4552	tel. 041-5446810
Venice Via Miranese 256/h - Fraz. Chirignago	tel. 041-5446600
Venice Via Torre Belfredo 23 – Fraz. Mestre	tel. 041-5446750

PROVINCE OF VERONA	
San Bonifacio Via Camporosolo 1	tel. 045 6132810

PROVINCE OF VICENZA	
Asiago Piazza Carli 42	tel. 0424-596090
Arzignano Piazza G. Pellizzari, 4	tel. 0444 577110
Bassano Del Grappa Piazza Garibaldi 8	tel. 0424-596105
Bassano Del Grappa Piazzale Firenze 2	tel. 0424-596060
Bassano Del Grappa Villaggio S. Eusebio 94/A	tel. 0424-596080
Breganze Piazza Mazzini 2	tel. 0445-617050
Bressanvido Via Roma 94	tel. 0444-577000
Camisano Vicentino Piazza Pio X 2	tel. 0444-577010
Cassola Via Martiri del Grappa 3	tel. 0424-596040
Cassola Via Pio X/Angolo G. D'Arezzo - Fraz. S. Giuseppe	tel. 0424-596240
Colceresa Via Marconi 85	tel. 0424-596000
Dueville Piazza Monza 30/31	tel. 0444-577020
Lusiana Conco Piazza San Marco 20	tel. 0424-596170
Malo Via Vicenza 97 – Loc. San Tomio	tel. 0445-617070
Marostica Via Mazzini 84	tel. 0424-596200
Montecchio Maggiore, Via degli Alberi 2	tel. 0444 577120
Monticello Conte Otto Via Spine 3/B - Fraz. Vigardolo	tel. 0444-577090
Mussolente Via Vittoria 47	tel. 0424-596100
Nove Via Molini 2	tel. 0424-596110
Romano D'Ezzelino Via Roma 62	tel. 0424-596140
Rosa'Via Mazzini 71	tel. 0424-596150
Sandrigo Via Roma 34	tel. 0444-577040
Sarcedo Via Schio 34	tel. 0445-617010
Schiavon Via Roma 120	tel. 0444-577050
Schio Via Cementi 8	tel. 0445-617090
Tezze sul Brenta Via Nazionale 47 - Fraz. Belvedere	tel. 0424-596020
Tezze sul Brenta Via Risorgimento 23	tel. 0424-596180
Thiene Viale Bassani 26/28	tel. 0445-617110
Vicenza Via Lago di Molveno 2 - Fraz. Laghetto	tel. 0444-577060
Vicenza Corso Palladio 46	tel. 0444-577070
Villaverla Via S. Antonio, 43	tel. 0445-617130
Zane'Via Trieste 110	tel. 0445-617140

ADVICE POINTS

PROVINCE OF BOLZANO

Bolzano - Bozen Via del Macello 55 - Schlachthofstraße 55
Bruneck - Bruneck Via San Nicolo' 14 - Sankt-Nikolaus-Straße 14 - Fraz. Stegona - Frak. Stegen
Caldaro sulla Strada del Vino – Kaltern an der Weinstraße Via Stazione 10 - Bahnhofstraße 10
Sciliar Fie – Völs am Schlern Via Bolzano 3 - Boznerstraße 3

PROVINCE OF TRENTO

Villa Lagarina Via degli Alpini 8

PROVINCE OF TREVISO

Treviso Viale Monte Grappa 46
Treviso Viale IV Novembre 13/A

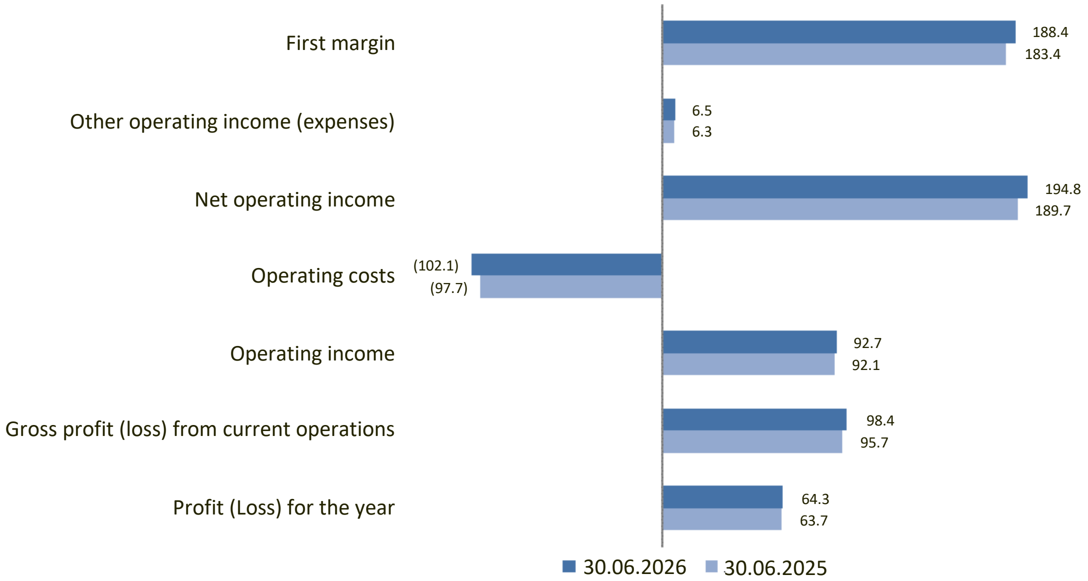
PROVINCE OF VICENZA

Calvene Via Roma 22

SUMMARY DATA AND ALTERNATIVE PERFORMANCE INDICATORS

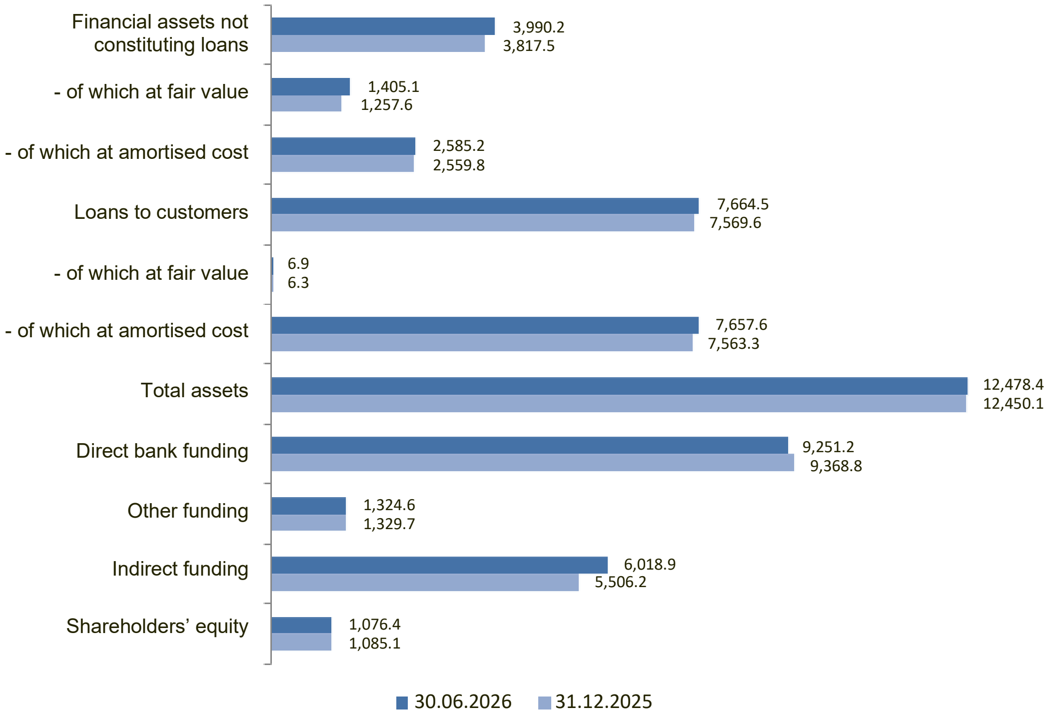
This section, the Interim Management Report and the Condensed Interim Financial Statements contain certain information that is not directly attributable to the financial statements. The section of the Notes to the Condensed Interim Financial Statements describes how the balance sheet items are aggregated in order to determine the aforementioned information.

Key economic data



Economic data	30.06.2026	30.06.2025	Changes	
(€ million)			**Abs.**	**%**
First margin	188.4	183.4	4.9	2.7%
Other operating income	6.5	6.3	0.2	3.2%
Net operating income	194.8	189.7	5.1	2.7%
Operating costs	(102.1)	(97.7)	(4.5)	4.6%
Operating income	92.7	92.1	0.7	0.7%
Gross profit (loss) from current operations	98.4	95.7	2.7	2.9%
Profit (Loss) for the year	64.3	63.7	0.5	0.8%

Key balance sheet data



Balance sheet data	30.06.2026	31.12.2025	Changes	
(€ million)			**Abs.**	**%**
Financial assets not constituting loans	3,990.2	3,817.5	172.7	4.5%
- of which at fair value	1,405.1	1,257.6	147.4	11.7%
- of which at amortised cost	2,585.2	2,559.8	25.3	1.0%
Loans to customers	7,664.5	7,569.6	94.9	1.3%
- of which at fair value	6.9	6.3	0.6	9.4%
- of which at amortised cost	7,657.6	7,563.3	94.3	1.2%
Total assets	12,478.4	12,450.1	28.3	0.2%
Direct bank funding	9,251.2	9,368.8	(117.6)	-1.3%
Other funding	1,324.6	1,329.7	(5.1)	-0.4%
Indirect funding	6,018.9	5,506.2	512.7	9.3%
Shareholders' equity	1,076.4	1,085.1	(8.8)	-0.8%

Main indicators

Economic, financial indicators and other information	30.06.2026	31.12.2025
Financial indicators		
Structural indicators		
Financial assets / Total assets	95.0%	92.5%
Gross loans to customers / Direct funding from customers (retail)	85.3%	83.3%
Fixed assets / Total assets	1.4%	1.4%
Total risk-weighted assets (RWA) / Total assets	45.3%	44.6%
Number of employees	1,495	1,480
Number of branches	173	173
Profitability indicators		
ROE (Net profit / Shareholders' equity) (1)	11.8%	12.9%
ROTE (Net profit / Tangible equity) (1)	12.0%	13.1%
ROA (Net profit / Total assets)	1.0%	1.1%
Cost to income ratio (Operating costs/Operating net income) (2)	52.4%	51.5%
Basic EPS (earnings per share)	2.56	2.61
Diluted EPS (earnings per share)	2.56	2.61
Risk ratios		
Net non-performing loans / Net loans to customers	1.3%	1.5%
Gross non-performing loans / Gross loans to customers	3.1%	3.4%
Texas ratio (Net non-performing loans / Tangible shareholders' equity)	20.2%	21.3%
% coverage of bad debts	76.4%	74.7%
% coverage of non-performing loans	58.1%	57.2%
% coverage of performing loans	1.1%	1.1%
Supervisory capital (thousands of €) and capital ratios		
Class 1 Primary Capital (CET 1)	1,011,401	986,589
Total own funds	1,089,172	1,061,607
Total risk-weighted assets (RWA)	5,657,194	5,551,076
CET 1 Ratio - Common Equity Tier 1 capital (transitional)	17.9%	17.8%
Total Capital Ratio - Total own funds (transitional)	19.3%	19.1%
CET 1 Ratio - Common Equity Tier 1 capital (fully phased)	17.9%	17.8%
Total Capital Ratio - Total own funds (fully phased)	19.3%	19.1%
Liquidity Coverage Ratio (LCR)	225.6%	242.7%
Net Stable Funding Ratio (NSFR)	134.7%	138.8%

<u>Stock</u>		
Shareholders' equity in the accounts per share	21.44	21.58
Tangible shareholders' equity in the accounts per share	21.17	21.30
Basic EPS (earnings per share)	2.56	2.61
Diluted EPS (earnings per share)	2.56	2.61
Share prices (Hi-Mtf Market)		
- minimum price	12.55	12.85
- maximum price	12.55	13.95
- average price	12.55	13.55
Price/shareholders' equity	0.59	0.63
Price/tangible shareholders' equity	0.59	0.64

Non-Financial indicators

<u>Productivity Indices (in EUR)</u>		
Direct funding per employee	6,188,107	6,330,270
Loans to customers per employee	5,126,758	5,114,579
Assets under custody - third-party products, per employee	2,902,338	2,723,069
Assets under custody - third party securities and own shares issued, per employee	1,495,157	1,382,586
Intermediation margin per employee	129,305	129,991

Indicator	**Description/reconciliation**
ROE (net profit/shareholder's equity at year's end)	Ratio of (i) annualised net profit to (ii) year-end shareholders' equity
ROA (net profit/total assets)	Ratio of (i) annualised net profit to (ii) average total assets
Cost to income ratio	Ratio of (i) Operating Costs to (ii) Net Operating Income in the reclassified income statement; it is compared with the figure as at 30/06/2025
Basic EPS (earnings per share)	Ratio of (i) annualised net profit to (ii) average number of shares outstanding
Diluted EPS (earnings per share)	Ratio of (i) annualised net profit to (ii) average number of shares outstanding, including options, warrants and convertible shares
Average price	weighted average of contracts concluded in the reference month
Intermediation margin per employee	Ratio of (i) Net banking income to (ii) number of employees; this is compared with the figure as at 30/06/2025

INTERIM DIRECTORS' REPORT

THE OPERATIONAL CONTEXT IN THE FIRST HALF OF 2026

The first half of 2026 was characterised by a significant increase in geopolitical uncertainty and a worsening of the international situation, with significant effects on the growth prospects of the world economy and on the evolution of the financial markets. In particular, the escalation of tensions in the Middle East, culminating in the military confrontation between Israel, the United States and Iran, has generated a context of high political and economic instability. The subsequent Iranian reactions, which involved several countries in the Gulf region, contributed to widening fears regarding the security of energy infrastructure and major international trade routes. The situation in the Strait of Hormuz, through which a significant share of the world's oil and natural gas exports pass, has become particularly relevant. Restrictions on navigation and operational difficulties in the area have fuelled concerns about the continuity of global energy supplies, leading to a marked increase in the volatility of energy commodity prices. The new energy shock came at a time when markets were gradually benefiting from the easing of previous inflationary pressures, interrupting the normalisation process observed during 2025.

At the same time, the conflict between Russia and Ukraine continued with no obvious signs of de-escalation. During the six-month period, there was an intensification of military operations, with attacks affecting both major Ukrainian urban centres and strategic areas of Russian territory. The ongoing hostilities continue to pose a risk to the European economy, affecting economic operators' expectations, investment decisions, and prospects for international trade.

These events resulted in an increase in global geopolitical risk indices and a greater inclination among investors toward safer assets. Financial markets experienced periods of high volatility, accompanied by increased demand for government bonds from the most solvent countries and a growing focus on risks linked to developments in the international environment. At the same time, growing uncertainty has led to a deterioration in the confidence of businesses and households, with possible effects on the dynamics of investment and consumption in the main advanced economies.

The world economy continued to show moderate growth, albeit in a context characterised by increasing geopolitical fragmentation, high volatility in commodity prices and persistent tensions in global value chains. Despite the deterioration in the international environment, global economic activity showed greater resilience than expected, driven mainly by the resilience of the US economy and the strength of Chinese exports. According to the International Monetary Fund, global growth is expected to be around 3% in 2026.

US economic activity continued to expand at a sustained pace in the first half of 2026, showing greater resilience than expected despite the deteriorating geopolitical environment and tensions in the energy markets. Growth was supported by solid private consumption, a resilient labour market and strong investment in the technology sectors.

Investments related to artificial intelligence, data centres, cloud infrastructures and advanced semiconductors have been one of the main drivers of the economy, facilitating the expansion of production capacity and supporting the competitiveness of the American economic system. The main technology companies continued to increase spending on research and development, with positive effects on the entire digital supply chain. Domestic demand has remained robust thanks to employment growth and the resilience of household incomes. The manufacturing sector also benefited from investments in strategic sectors, including semiconductors, defence and critical infrastructure. A key strength remains the lower energy dependence compared to other advanced economies. Substantial domestic production of oil and natural gas has enabled the United States to better absorb the effects of tensions in the Middle East and rising energy prices. Foreign trade has also benefited from the growing global demand for digital technologies, helping to consolidate America's technological leadership. Overall, the United States remains the main driver of growth among the advanced economies. However, there remain elements of risk linked to the evolution of the geopolitical landscape and the high valuations of some technology sectors.

China continued to make a significant contribution to global growth, driven mainly by external demand and the competitiveness of the manufacturing sector. Exports of electronic components, semiconductors, batteries, electric vehicles and technologies for the energy transition continue to be one of the main factors supporting the country's economy. Investments made in recent years in the areas of digitalisation, industrial automation and technological infrastructure are helping to increase productivity and strengthen the international competitiveness of Chinese manufacturing. At the same time, the increasing spread of artificial intelligence and the robotisation of production processes is accelerating the transformation of the industrial system. However, some structural issues remain. Domestic demand remains weak, held back by the crisis in the real estate sector, consumer caution and the slowdown in private investments. Deflationary pressures also persist, linked to high production capacity and moderate growth in domestic consumption. On the geopolitical front, strategic competition with the United States in the most technologically advanced sectors continues to weigh heavily. Trade and technological restrictions have accelerated investments aimed at strengthening industrial self-sufficiency in sectors considered strategic. China remains one of the main pillars of global growth; however, the sustainability of its development will depend on its ability to strengthen domestic demand and reduce vulnerabilities related to the real estate sector.

India continues to be one of the economies with the best growth prospects worldwide, although it will experience a moderate slowdown in 2026 compared to the pace observed in previous years. The country benefits from favourable demographic dynamics, growth in domestic consumption and the gradual strengthening of the industrial base. However, some critical issues remain, linked to inflationary pressures and certain structural weaknesses in the labour market, which continue to represent risk factors for maintaining the current pace of development.

The Japanese economy has had to deal with a particularly complex economic environment. While continuing to benefit from the recovery in technological investment and international demand for goods with a high industrial content, the Japanese economy was significantly affected by the tensions in the Persian Gulf. The country's strong energy dependence on imports from the Middle East has made Japan one of the main advanced economies exposed to the effects of the 2026 energy crisis. Despite the support from large strategic stocks, the diversification of liquefied natural gas supplies and government interventions to contain energy prices, economic growth showed signs of slowing down compared to initial expectations. These factors continue to be compounded by a number of structural weaknesses in the Japanese economy, including the high level of public debt, the progressive ageing of the population and the weak dynamics of domestic demand. Against this backdrop, Japan continues to be a major player in global technology and manufacturing value chains, while remaining particularly sensitive to developments in the international geopolitical and energy environment.

International trade showed growth in the first quarter, supported by demand for technological goods and digitalisation. Subsequently, escalating tensions in the Middle East and rising logistics costs slowed global trade, exacerbating supply chain bottlenecks and helping to fuel inflationary pressures. The context confirms the growing focus of businesses and governments on the resilience of production chains and economic security, favouring processes of geographical diversification and investments in strategic infrastructure.

The high demand for IT infrastructure and solutions based on artificial intelligence is one of the key factors marking a break with previous economic cycles. The spread of digital technologies is in fact supporting significant investments in both the United States and Asia, helping to offset, at least in part, the negative effects of geopolitical tensions and the slowdown in some traditional sectors. At the same time, the growing technological competition between the United States and China continues to encourage public and private investment programmes aimed at strengthening production autonomy, industrial innovation and the security of strategic supply chains, particularly in the semiconductor, artificial intelligence, telecommunications and advanced energy technology sectors.

Overall, the international scenario remains characterised by a fragile balance between elements of economic resilience and geopolitical risk factors. On the one hand, the strength of the US economy, China's manufacturing capacity and investment in high-tech sectors continue to support global growth; on the other hand, the continuation of tensions in the Middle East, uncertainties related to energy flows and the persistence of regional conflicts are factors that could negatively affect the economic outlook in the coming quarters.

THE EUROZONE

In the first quarter of 2026, the Eurozone economy showed moderate resilience, despite the progressive worsening of the international geopolitical environment. Excluding the negative contribution of Ireland, growth remained essentially in line with that observed in previous quarters. Economic activity was mainly supported by export performance, while domestic demand continued to show signs of weakness. Household consumption remained almost stagnant, hampered by the reduction in spending on non-durable goods and the uncertainty generated by international conflicts. Investment also showed a subdued trend, affected both by the still restrictive financial conditions and by adverse weather conditions that slowed down the construction sector, particularly in Germany and France. Industrial production, on the other hand, recorded significant growth in the defence and oil refining sectors, supported by increased demand and critical issues in energy supplies linked to the crisis in the Middle East.

The German economy continues to operate in a context of substantial stagnation. In the first quarter of 2026, GDP grew by 0.3%, mainly supported by the expansion of public expenditure. According to the Macroeconomic Policy Institute, the conflict in Iran and the resulting energy shock have interrupted the gradual recovery that was emerging thanks to the recovery in real wages and the support measures introduced by the government in recent quarters. Rising energy prices have reduced household purchasing power and increased business operating costs, with negative effects on both consumption and investment. While continuing to be the main driver of the economy, domestic demand has been significantly affected by higher energy prices. Household consumption increased by only 0.3%, as a significant portion of wage increases was absorbed by persistent inflationary pressures. The manufacturing sector also continues to show signs of fragility. Exports recorded marginal growth, affected by the slowdown in Chinese demand, the introduction of new tariffs in the United States, geopolitical uncertainty and the erosion of competitiveness due to high energy costs. Private investment remains subdued due to economic uncertainty, the still high cost of credit and expectations regarding monetary policy. In this context, investments in machinery and equipment recorded a slight decline of 0.3%. The labour market shows signs of a gradual slowdown. Employment decreased by 0.4%, while the unemployment rate rose to 6.4%. Although no particularly significant tensions are emerging, the improvement in employment trends appears to be postponed to subsequent years. The main support for growth therefore continues to come from fiscal policy.

The government has increased resources for infrastructure, the energy transition and defence, generating a stimulus estimated at around 0.8% of GDP. In the absence of these interventions, economic growth would have been significantly weaker. At the same time, the government deficit is expected to rise to 3.8% of GDP, reflecting both the lower trend in tax revenues and the increase in public expenditure.

The French economy was also affected by the consequences of the conflict in the Middle East, which led to an increase in energy prices. However, the impact was more limited than in other European countries thanks to the greater degree of energy self-sufficiency provided by the nuclear sector. The acceleration in energy costs helped bring inflation back to 2.5%, reducing household purchasing power and limiting growth in private consumption. Although wages continue to rise, their adjustment has not been sufficient to fully compensate for the loss of real income. Household and business confidence also deteriorated over the semester. Geopolitical tensions and less favourable growth prospects are leading many companies to postpone some of their investments, especially those that are more dependent on demand trends and changes in energy costs. In terms of public finance, the Government is continuing the process of fiscal consolidation. After the improvement observed in 2025, the deficit continues to be reduced thanks to the combination of extraordinary measures and expenditure restraint. Exports continue to be one of the main factors supporting growth, benefiting from the good performance of the aeronautical and shipbuilding sectors. However, the positive contribution of foreign trade only partly offsets the persistent weakness in domestic demand.

The Spanish economy continues to stand out on the European scene, confirming its position as one of the most dynamic economies in the European Union. During the first half of the year, GDP recorded quarterly growth of 0.6%, showing a significantly better performance than the Eurozone average. This trend reflects the ability of the Spanish economic system to maintain a sustained development path despite the international environment characterised by persistent geopolitical uncertainties, trade tensions and still restrictive financial conditions. The main factor supporting economic activity continues to be domestic demand, which remains the engine of growth thanks to the favourable trend in private consumption, the robustness of the labour market and the contribution of investments. A further element of the Spanish economy's resilience is the strategy adopted in the energy sector. In recent years, the country has accelerated the process of diversifying energy supply sources and developing renewable energy sources, especially wind and solar photovoltaic plants. This approach has enabled the limitation of the effects of tensions on international energy markets, reducing dependence on imported fossil fuels and improving the competitiveness of the production system. The labour market continues to show particularly positive signs. Employment has reached record levels, supported both by economic growth and by the effects of the labour market reforms introduced in recent years. The unemployment rate, while remaining above the European average, continues its gradual decline and is at its lowest level in the last decade.

Overall, the Eurozone continues to show moderate resilience, supported by strong exports and fiscal policy measures adopted in several member states. However, significant risk factors remain, linked to geopolitical tensions, the evolution of energy prices and weak domestic demand. In the absence of an improvement in the international environment, economic growth is expected to remain subdued in the second half of 2026, with greater dependence on the contribution of foreign trade and public expenditure.

THE ITALIAN ECONOMY

The macroeconomic scenario outlined by the Bank of Italy in its July economic bulletin showed GDP growth of 0.3% in the first three months of the year. Industrial value added decelerated, with a decline concentrated in durable consumer goods and in some sectors that had experienced sustained growth in the second half of 2025, particularly pharmaceuticals. The textile and clothing sector was affected by weak demand, while digital, defence and machinery continue to expand, albeit at a slower pace. The tertiary sector, on the other hand, recorded a widespread recovery, with growth in information and communication services, logistical support for businesses and tourism, the latter also boosted by the Winter Olympics. In construction, value added decreased, especially in the residential sector, after the strong increase at the end of 2025 linked to the expiry (later extended to 2026) of the incentives for renovations; non-residential construction, on the other hand, returned to growth. On the investment front, transport equipment benefited from incentives for low-emission commercial vehicles, while the growth in investments in intangible assets has continued for more than two years; investments in construction are declining. In the spring months, ISTAT economic indicators signalled a recovery in industrial activity, although this was partly due to a precautionary build-up of stocks linked to tensions in the Middle East, which exacerbated supply difficulties. The Bank of Italy's June survey shows less pessimism about current demand, albeit with a weakening of expectations for companies with greater exposure abroad. Household consumption grew in the first quarter, supported by durable goods and disposable income, with a stable propensity to save. In the spring months, however, there was a marked slowdown, linked to worsening expectations about the international situation and caution induced by rising energy prices; consumer confidence fell below the historical average, as did intentions to purchase durable goods, in line with the decline in registrations.

The property market remains positive but with signs of moderation: in the first quarter, house prices accelerated and sales increased, albeit with demand weakening compared with the end of 2025 while still being supported by favourable credit conditions. Foreign trade showed a recovery in exports, especially to the United States (shipbuilding, precious metals, pharmaceuticals), against declining imports, particularly in services. During the April–May two-month period, foreign sales remained stable. In March, however, the Middle-East conflict tightened delivery schedules and caused a sharp decline in trade with the region, a fall only partly recovered in the following months as trade picked up again. Tourist flows from the Middle East also suffered a temporary decline, with a rebound already in May-June for non-EU travellers; flows from the European Union were stable. In the labour market, employment continued to grow, driven by construction and private services, with the unemployment rate falling to 5.3%, an all-time low. Hours worked increased, recourse to the Wages Guarantee Fund decreased compared to 2025 (although it remained above pre-pandemic levels), and self-employment exceeded pre-Covid levels. On the other hand, the contribution of salaried employment weakened, with a slight decline in permanent contracts. Participation is stable, with the participation rate rising among 50-64 year-olds and falling slightly among young people, due to longer periods of study; the share of NEETs among 15-29 year-olds fell to 12.9%, which is still high by European standards. On the price front, harmonised inflation rose to 3% in the second quarter, due to the increase in fuel prices linked to the Middle East conflict and the acceleration of non-energy industrial goods, while the core component of services decelerated. The final per-litre prices of petrol and diesel have risen since the start of hostilities, although they have been mitigated by government interventions on excise duties. The impact on gas and electricity bills was contained, albeit more pronounced in Italy than the area average, and in any case lower than the shocks experienced in 2022. Pressures at source remain high: producer prices grew by 9.1% year-on-year in May (2.4% net of energy), with PMI input cost indices at their highest since 2022, only partially passed through to sales prices, more in manufacturing than in services. In summary, the Italian economic situation remains affected by geopolitical tensions in the Middle East, which are impacting supply chains, energy prices and trade and tourism flows, in a context of a robust labour market but slowing consumption and moderately rising inflation.

MONETARY POLICY

At its meeting in June 2026, the Governing Council of the European Central Bank decided to raise interest rates. The rate on the main refinancing operations was raised to 2.40%, the rate on the marginal refinancing transactions to 2.65% and the rate on deposits with the central bank to 2.25%.

The Governing Council's assessment was influenced by inflationary pressures stemming from the conflict in the Middle East, which could complicate the process of stabilisation towards the 2% target over the medium term. In order to achieve its objective, in line with the data-driven approach, the Council reiterated that it will make decisions from one meeting to the next, carefully considering both the inflation outlook and the risks associated with it. Particular attention will be paid to the development of core inflation, new economic and financial data, and the effectiveness of the monetary policy transmission mechanism. While not committing to a predetermined rate path, the Council remains ready to intervene with all available instruments to ensure the lasting stabilisation of inflation and to preserve the smooth functioning of markets.

In terms of credit, the trend in business loans continues to vary between countries. Lending accelerated in France, Spain and Italy, while in Germany it continued to show weak dynamics. In the *Bank Lending Survey* (BLS) for the first quarter of the year, intermediaries reported a further tightening of lending criteria applied to new bank loans to businesses. This is said to be attributable to the greater perceived risks to the economic outlook and lower risk tolerance.

Credit to households continues to expand at a moderate rate. In May, the growth of loans to households remained at levels similar to those of February in all the main euro area countries. The trend in loans to households for house purchases continues to reflect overall robust demand. Banks slightly tightened the criteria for granting mortgages, mainly due to a higher perceived risk, only partly offset by increased competition among intermediaries.

As part of the joint assessment of monetary policy and financial stability, the Governing Council highlighted that euro area banks maintain an overall solid position, supported by adequate levels of capital and liquidity, good asset quality and robust profitability. However, risks remain, linked to geopolitical tensions and the possibility of a sudden price adjustment on global financial markets. In this context, macroprudential policy remains the main line of defence against the accumulation of vulnerabilities, helping to preserve the resilience of the system.

The Eurosystem staff macroeconomic projections indicate overall inflation averaging 3.1% in 2026, 2.0% in 2027 and 1.9% in 2028. The upward revision of expected inflation for 2026 mainly reflects the sharp rise in the price of energy commodities.

In the United States, at its June meeting, the Federal Reserve decided to keep interest rates unchanged for the fourth meeting in a row, leaving them in a range between 3.50 and 3.75%. The statement removed the reference to a possible easing of monetary policy and indicated a greater focus on the risks of rising inflation. The FOMC will continue to closely monitor data and forecasts, with the aim of ensuring maximum employment and stable inflation of around 2% over the long term.

As regards the money markets, both the three-month and six-month Euribor rose significantly during the half-year, reflecting the prospects of an increase in the ECB policy rates, which was actually implemented in June.

EQUITY AND BOND MARKETS

The first half of 2026 ended with a markedly positive performance for international financial markets, despite an environment marked by numerous uncertainties. Geopolitical tensions and doubts about the sustainability of the huge investments related to artificial intelligence could have generated marked instability, but the markets demonstrated a significant ability to absorb these risks.

After a particularly volatile start to the year, the main equity indices gradually regained ground, returning to near all-time highs. The rise was mainly supported by favourable expectations for corporate profits, which continued to benefit from the resilience of economic activity and the expansion of the sectors most exposed to technological innovation. The impact of the war in Iran, on the other hand, was felt more keenly in the bond and commodity markets, which, over the six-month period, experienced bouts of high volatility driven by concerns about the security of energy supplies and the evolving geopolitical landscape. Among the developed markets, the United States confirmed its dominant role. In particular, the technology sector continued to outperform, supporting the performance of the Nasdaq, while the S&P 500 index recorded an appreciation of close to 9%, confirming the strength of the US stock market. In Europe, the performance of the Italian market stood out, approaching and in some sessions exceeding the maximum levels reached during the technology bubble at the beginning of the millennium. The result reflects both the good performance of corporate profits and the renewed interest of investors in certain key sectors of the national economy. Emerging markets also showed a particularly favourable trend, with the MSCI Emerging Markets index up 21% over the period.

During the first half of 2026, international bond markets experienced a significant period of volatility. In this context, government bond yields showed a general upward movement. The yield on the 10-year German Bund rose from 2.86% at the end of 2025 to 2.95% at the end of June 2026, while the yield on the 10-year Italian BTP increased from 3.55% to 3.65%. Similarly, the yield on the ten-year US Treasury rose more sharply, climbing from 4.17% to 4.50%, reflecting expectations that monetary policy will remain restrictive for a longer period. Despite the rise in yields, Italy's sovereign risk remained under control. The spread between BTP and Bund remained at historically low levels, fluctuating mainly in the range between 75 and 90 basis points. This trend highlighted investors' confidence in the sustainability of Italy's public debt and the stability of the national macro-financial framework. The BTP-Bund spread therefore continues to be significantly below the levels observed during previous periods of tension in European markets.

Currency markets were also affected by geopolitical uncertainty and persistent inflationary pressures. In this context, the US dollar strengthened its role as the main safe-haven currency globally, benefiting from capital flows directed towards assets considered safer during phases of greater volatility in the financial markets. The appreciation of the dollar was supported both by the resilience of the US economy and by expectations of a restrictive monetary policy by the Federal Reserve over a longer time horizon. The Dollar Index (DXY) recorded an increase of more than 3% in the half-year, while the euro/dollar exchange rate fell from 1.17 to 1.14, resulting in a strengthening of the US currency against the euro by approximately 2.7%.

Indeed, commodities were one of the most dynamic asset classes during the six-month period. Geopolitical tensions and concerns about the security of energy supplies supported oil and natural gas prices, which rose by 32% and 48% respectively. Industrial metals also confirmed a positive trend. Copper appreciated by about 12% in the first half of the year, supported by growing demand from the semiconductor and data sectors. By contrast, the evolution of precious metals was different. After the significant revaluation recorded in 2025, gold and silver went through a phase of consolidation, penalised by the rise in real bond yields and the greater attractiveness of fixed-income financial assets. During the period, gold recorded a decline of approximately 3%, while silver showed a contraction of close to 10%, yet it maintained an important role in diversification and hedging strategies against geopolitical risks.

ASSETS UNDER ADMINISTRATION AND MANAGEMENT

In May 2026, the total value of securities held in custody by Italian banks reached €1,757.8 billion, an increase of 6.9% compared to the same month of the previous year, amounting to 113.8 billion more. This pool of securities includes both those under management and those held directly by customers. The distribution by category of holders shows that 29.2% is attributable to consumer households, with an annual growth of +9.9%. Financial institutions hold 21.4% of the total, up 3.7%, whilst insurance companies account for the largest share, at 36.5%, up 3.7%. Non-financial corporations hold 6.7% of the total, with a positive change of 13.3%. Public administrations and producer households hold 2.9% and 1.2% respectively. The securities held by non-residents represent 2.3% of the total and recorded growth of 24.4% in the last year.

In May 2026, the assets of open-ended funds under Italian or foreign law stood at €1,304 billion, up 1.4% compared to the previous month, representing an increase of 18.4 billion. On an annual basis, there was an increase of 7.2%, driven by a 51.9 billion increase in equity funds and a 20.9 billion increase in bond funds. The breakdown of assets by type of fund shows that the share of equity funds rose from 32.2% to 34.0%, that of bond funds fell from 38.3% to 37.4%, flexible funds fell from 14.8% to 14.3%, balanced funds fell from 10.2% to 9.7%, and money market funds remained stable at 4.5%. The share of hedge funds remained unchanged at 0.1%.

Finally, the financial assets of Italian households in December 2025 were up 7.4% compared to the previous year, rising from EUR 6,041 to EUR 6,488 billion. All the main aggregates are up, with particular emphasis on public- and bank-issued bonds and on units held in mutual funds.

THE CREDIT SYSTEM

Bank funding

During 2026, bank funding continued to show a positive trend, supported by the strengthening of customers' savings capacity and the greater attractiveness of interest-bearing instruments. In June 2026, total customer deposits of the Italian banking system reached €2,165.9 billion, an increase of 3.6% year-on-year. Growth was driven by both the favourable trend in deposits and the expansion of the bond component. Deposits from resident customers amounted to €1,882.9 billion, showing a positive change of 3.2% on an annual basis. Bond funding showed an even more sustained trend, reaching €283 billion and recording growth of 6.2% compared with June 2025. This trend reflects customers' renewed interest in medium- to long-term investment instruments that offer higher returns than traditional forms of liquidity. Indirect funding also confirmed a particularly favourable trend. Investments in securities held within the banking system increased by €105.8 billion over the past year, benefiting from the increase in assets held by both households and businesses. In May 2026, the total securities held in custody by Italian banks reached €1,757.8 billion, up 6.9% on the previous year. Households are the main holding segment, accounting for 29.2% of total assets under administration. Funding from abroad also showed significant growth, reaching €462.6 billion and recording an increase of 9.3% on an annual basis. The net flow of foreign funding was positive for €39.3 billion, confirming the banking system's ability to attract financial resources on international markets as well. With regard to funding remuneration, the overall average rate stood at 0.94%, while the yield on deposits reached 0.67%. Term deposits showed an average return of 2.31%, higher than the Euro Area average, confirming growing competition in customer deposits.

Overall, the evolution of deposits confirms the strengthening of intermediated funds and the ability of the banking sector to maintain a solid funding base, which is essential for supporting the growth of loans and ensuring adequate levels of liquidity and capital stability.

Bank loans

During the first half of 2026, the Italian banking system showed a further strengthening of lending activity, confirming the gradual recovery in demand for loans from households and businesses. In June 2026, total loans to residents amounted to €1,696.5 billion, recording a growth of 3.0% on an annual basis and showing an acceleration compared to the previous month.

The positive development was supported by both the retail and corporate segments. Loans to the private sector reached €1,464 billion, maintaining a growth trend of 3.0% compared to the previous year. The trend in loans to households and non-financial corporations was particularly favourable, reaching €1,318 billion, an increase of 3.3% on an annual basis. This result confirms the consolidation of the expansionary credit cycle that began in 2025 and reflects market conditions that are still favourable for access to financing. Business loans showed growth of 3.5%, mainly supported by investment needs and working capital requirements. At the same time, credit to households increased by 2.6%, benefiting from the continued demand for residential mortgages and the positive trend in consumer credit. In the loans to households sector, there was an increase of 3.3% in the household lending sector and 4.6% in consumer credit, confirming the resilience of private spending and household confidence. From a sector point of view, the composition of loans continues to be concentrated in the manufacturing, services and trade sectors, which represent the predominant part of the credit granted to the real economy. In terms of interest rates, the average cost of new residential mortgages stood at 3.48%, a slight decrease compared to the previous month, while the average rate on new loans to businesses was 3.76%. The overall average rate applied to loans to households and non-financial corporations stood at 4.08%.

Overall, the trend in loans shows a gradual recovery in credit intermediation and confirms the role of the banking system as the main financing channel for the Italian economy, despite a context characterised by persistent factors of geopolitical and macroeconomic uncertainty.

SIGNIFICANT EVENTS

SIGNIFICANT EVENTS OF THE SIX-MONTH PERIOD

Shareholders' Meeting

A shareholders' meeting was held on 15 April 2026.

The 2025 financial statements closed with a net profit in 2025 of €131,201,819 and a distributable net profit of €133,000,925. The Shareholders' Meeting resolved to distribute a dividend of €1.35 per share, with the "record date" on 15 April 2026 and the payment date on 22 April 2026.

In order to support the liquidity of the Bank's shares on the Vorvel trading platform, the Shareholders' Meeting also authorised the allocation of €5.25 million to the Bank's Share Buyback Fund for purchases on the Vorvel platform by the *liquidity provider,* which operates in complete independence and in compliance with the applicable regulatory provisions.

The Shareholders' Meeting approved the proposal to streamline, in a single document, the rules on the availability of time and limits on the accumulation of offices applicable to corporate officers, previously contained in two separate regulations. The new Regulation, with reference to the members of the Board of Directors, provides for a reduction in the maximum number of positions that may be held in third-party companies by the Chief Executive Officer, if appointed. With regard to the Board of Statutory Auditors, the new Regulation redefines the limits to the accumulation of offices that may be held by the Bank's Statutory Auditors in third-party companies.

The Shareholders' Meeting also approved the Remuneration Policies applicable as of the financial year 2026, as well as the 2026 Stock Grant Plan for the free assignment of ordinary shares of Banca Popolare dell'Alto Adige S.p.A. to the categories of personnel that have or may have a significant impact on the Bank's risk profile. The annual information regarding how the Remuneration Policies are implemented was also provided.

The Shareholders' Meeting also appointed, by slate vote, in accordance with the Articles of Association, the Board of Directors for the three-year period 2026-2028, which is composed of: Lukas Ladurner, Alberto Naef, Lorenzo Salvà, Giuseppe Padovan, Sabrina Rigo, Federica Vecchioni, Alexander Kiesswetter, Christina Gasser and Johannes Peer.

The Shareholders' Meeting also resolved, at the same time as the appointment, on the annual remuneration to be paid to the Directors for the duration of their mandate, as well as the attendance allowances for their participation in meetings of the Board of Directors and Board Committees, amounting to:

- €50,000.00 (fifty thousand/00), corresponding to an increase of €5,000 compared to the previous three-year period 2023-2025, to ensure an adequate balance among responsibilities, the required commitment and the remuneration provided.
- €250.00 (two hundred and fifty/00) daily allowance for attendance at board meetings and board committees (the attendance allowance does not cumulate in the event of multiple meetings on the same day). The previous attendance allowance was confirmed.

Finally, it should be noted that, in view of the expiry of the mandate for the statutory audit of the accounts entrusted to the company KPMG S.p.A., which is scheduled to expire with the approval of the financial statements as at 31 December 2027, the Shareholders' Meeting resolved to grant this mandate for the financial years 2028-2036 to the company Deloitte & Touche S.p.A.

Finally, on the proposal of the Board of Statutory Auditors, the Shareholders' Meeting resolved: (I) the extension until 2027 of the limited audit engagement for the sustainability report entrusted to KPMG S.p.A. (an assignment already given to the latter for the three-year period 2024-2026); (ii) the granting of this assignment to Deloitte & Touche S.p.A. for the period 2028–2030.

Inauguration of the new Board of Directors: resolutions on appointment and granting of powers for the three-year period 2026-2028

- At the end of the Shareholders' Meeting of 15 April 2026, the inaugural meeting of the Board of Directors was held. In line with the previous terms of office, the Board appointed the Chairman, Lukas Ladurner, as well as the two Vice-Chairmen, Lorenzo Salvà and Giuseppe Padovan.
- The General Manager, Alberto Naef, was appointed Chief Executive Officer. In accordance with Article 31 of the Articles of Association, he holds both offices.
- The Administrator Christina Gasser was appointed as the officer responsible for anti-money laundering pursuant to the Bank of Italy's Provisions on organisation, procedures and internal controls for anti-money laundering purposes, as amended by the Bank of Italy Provision of 1 August 2023.
- In addition to the aforementioned appointments, the Board of Directors also identified the members of the internal Board committees, namely the Risk Committee and the Independent Directors Committee.

- The Board of Directors for the three-year period 2026-2028 is therefore composed as follows:

Lukas Ladurner	Chairperson
Giuseppe Padovan	Vice-President
Lorenzo Salvà	Vice-President
Alberto Naef	Chief Executive Officer and General Manager
Christina Gasser	Officer responsible for anti-money laundering
Alexander Kiesswetter	Director
Johannes Peer	Director
Sabrina Rigo	Director
Federica Vecchioni	Director

The outgoing Directors are: Margherita Marin, Federico Marini, Alessandro Metrangolo and Margit Tauber.

Inspection assessment

In the period between 3 February and 17 April 2026, the Bank was subject to an inspection conducted by the Bank of Italy pursuant to Article 54 of Legislative Decree No. 385/1993 (TUB) and Article 7 of Legislative Decree 231/2007. The inspections focused on assessing compliance with the legislation on combating money laundering and the financing of terrorism, with particular regard to the adequacy and functionality of the governance, management and control arrangements for the related risks and organisational safeguards.

As a result of the inspection, the safeguards were found to be effective overall, despite certain weaknesses in the internal control system, in respect of which the Bank has already initiated the consequent remedial actions, some of which were promptly completed during the inspection, and most of which are to be completed during 2026.

Complaint Management

The sustainable development of the company is based on a strategy aimed at providing the best service to customers with a view to creating value for shareholders. The customer-centred approach, also referred to in the company's Code of Ethics, is a value that guides all the design phases of products and services, with constant focus on quality research, but above all on developing the relationship with the customer in order to provide him or her with the product or service that best suits his or her needs.

Despite the best efforts of employees, given the large number of transactions that are carried out daily, it is still possible that customer expectations are not met, hence generating dissatisfaction by those who believe that they have not received an adequate service. On such occasions, customer cooperation becomes essential in order to identify and eliminate the causes of service failure and to implement appropriate procedural improvements.

Some time ago, the company set up an internal office to handle complaints and adhered, in accordance with applicable legislation, to the relevant extra-judicial bodies to settle disputes arising between banks and their customers. With a view to the continuous improvement of the services offered to customers, third party analysis and judgement of complaints received has been guaranteed, thanks also to the position of organisational and hierarchical independence of the personnel of the complaints management office with respect to business units responsible for marketing products and services.

In cases where a customer is not fully satisfied with a proposed solution, he or she can refer to extra-judicial dispute settlement systems which, as they operate as an alternative to the ordinary judicial authorities, can provide a faster and less costly means of resolving disputes. Through its commercial network and its website, on this point the Company provides customers with information containing, inter alia, complaint regulations and information on the various extra-judicial dispute resolution systems.

With reference to the data on complaints received as at 30 June 2026, it should be noted that during the first half of 2026, 140 complaints were received and processed, 129 of which concerned banking and financial services, and 11 concerned investment services. Of the 140 complaints filed as at 30 June 2026, 27 were settled, 93 were closed pending settlement, while 20 are still being assessed.

A complaint is considered closed when a reply is sent to the customer which is signed by the Complaints Management Coordinator or the Head of the "Corporate and Legal Affairs" organisational unit, while a complaint is considered settled when it has been considered well-founded or when the reason for the complaint made by the customer has been overcome in some other way (e.g. following the settlement of the dispute by judicial or extrajudicial means).

In addition, a complaint is deemed to have been settled if the client does not reply within 12 months of its closure. However, any further reply from the customer on the same issue implies the reopening of the complaint, even beyond the 12-month limit for such settlement.

With regard to the complaints received in the first half of 2026 concerning banking and financial services, the Company reimbursed customers a total of €21,266.74.

With regard to complaints received during the first half of 2026 concerning investment services, the Company reimbursed clients a total amount of € 730.00.

In addition, in the first half of 2026, reimbursements of €18,440.38 (relating to banking and financial services) and €24,278.27 (relating to investment services) were made in respect of complaints made in previous years.

Judicial proceedings

Overall, the Bank records a small number of lawsuits brought by customers. Some individual disputes brought by shareholders and class actions pursuant to Article 140-bis of the Consumer Code (Legislative Decree No. 206/2005) constitute exceptions and are discussed below.
With reference to the class action notified on 29 December 2022: the dispute was brought by 7 shareholders, supported by 3 consumer protection associations, before the Court of Venice in relation to alleged information deficiencies concerning the "product sheets" used by the Bank for the purposes of the placement of treasury shares in the period from January 2012 to July 2015. In particular, the proposing shareholders complained of a breach of the applicable legislation on financial intermediation in providing placement, trading and investment advisory services concerning their own shares.
On 11 October 2023, the Venice Court found admissible the class action brought by the aforementioned seven shareholders, a decision that was likewise upheld by the Court of Appeal following the Bank's appeal. 644 shareholders joined the class action by the deadline of 27 July 2024. The proceedings concluded with the hearing to specify the conclusions on 12 June 2025. In a non-final judgment published on 9 June 2026, the Court: (i) ascertained that the claim for termination was time-barred with reference to each purchase made by the plaintiffs on a date prior to 29 December 2012 and, in relation to the joining parties, with reference to each purchase subscribed more than ten years before the filing of the notice of participation; (ii) ascertained the Bank's liability for the breach of disclosure obligations; (iii) reopened the case, regulating the continuation of the proceedings and ordering a court-appointed expert to identify for which plaintiffs and participants the claims are admissible in light of the criteria laid down in the judgment and to indicate for each plaintiff and joining party the amount paid for the purchase of the shares and their current value. During the hearing of 25 June 2026, scheduled for the swearing-in of the court-appointed experts, the question was supplemented with a request to ascertain any amounts paid by the Bank to the participants, thus determining the amount due to each of them by way of compensation.
The deadline for filing the expert report is set for 13 April 2027 and the next hearing is scheduled for 11 May 2027.

The Bank continues to believe that its actions in relation to the disputed transactions are correct and will continue to defend itself, also in order to protect its shareholders.

With reference to the class action served on 3 February 2025: the dispute was brought by some shareholders before the Ordinary Court of Venice in connection with the subscription for Volksbank shares during the capital increase carried out by the bank at the end of 2015. In particular, the counterparty complained about the failure to provide the prospectus, the incorrectly determined placement price and the misleading nature of the product sheet.
By order of 17 July 2025, the Court declared the action brought pursuant to Article 140-bis inadmissible for lack of admissibility requirements. The proceedings were definitively concluded following the ruling of the Court of Appeal – to which the opposing party had appealed – and which confirmed the lower court's decision.

Atypical or unusual transactions

With reference to Consob Communication No. 6064293 of 28 July 2006, there were no atypical and/or unusual transactions during the first half of 2026. Atypical or unusual transactions are considered, in accordance with Consob Communications DAC/98015375 of 27 February 1998 and DEM/1025564 of 6 April 2001, as transactions that are not part of normal business operations and which, due to their significance and/or importance, the nature of counterparties, how the transfer price is calculated and event timing, may give rise to doubts as to the correctness and completeness of the information in the financial statements, conflicts of interest, the safeguarding of the company's assets and the protection of shareholders.

Rating

S&P Global

On 17 December 2025, S&P Global confirmed Volksbank's long-term *rating* at 'BBB-' and its short-term rating at 'A-3', upgrading the *outlook* to '*Positive*'. According to S&P, the current *ratings* adequately reflect the bank's credit profile compared to that of its *higher-rated peers*.

The "*Positive*" outlook reflects the agency's view that, over the next 18–24 months, Volksbank's *rating* could be upgraded if the Bank builds up a large and sustainable capital buffer and *performs* in line with its higher-rated *peers*.

Morningstar DBRS

With reference to DBRS, on 13 May 2026, the agency confirmed its assessment of Volksbank, i.e. the "Long-Term Issuer Rating" at BBB ("low"), increasing the *trend* to "positive", as well as confirming the "Short-Term Issuer Rating" of R-2 (middle).

According to DBRS, the change in the *trend* reflects the improvement in the Bank's asset quality metrics, which are now more favourably comparable with the assets of similar domestic and European banks, although weaknesses remain compared to other banks with higher ratings. This improvement is supported by the performance *trends* of Volksbank's loan portfolio and measured credit growth. The revised *outlook* also takes into account the improvement in the Bank's profitability despite the low interest rate environment, as well as Morningstar DBRS's expectations of higher credit costs and tax burdens for Italian banks, and Volksbank's solid presence in its geographical area of reference, with a stable funding and liquidity profile supported by a resilient and granular deposit base.

FITCH Ratings

On 29 April 2026, the *rating* agency Fitch Ratings upgraded the long-term issuer *rating* to 'BBB-' and the short-term issuer rating to 'F3', assigning the *outlook* 'Stable'. The long-term deposit *rating* was also revised upwards to 'BBB' and the short-term deposit *rating* was maintained at 'F3'.

According to Fitch Ratings, the '*stable*' outlook could be subject to a *downgrade* following a significant weakening of the operating environment of Italian banks resulting from a significant slowdown in economic growth compared to forecasts, which could lead to a higher default rate and a substantial deterioration in the quality of the Bank's assets, revenues and capital metrics.

ONGOING PROJECTS

Evolution of ICT systems

Core Banking System

The bank has approved its ICT strategy for the next three years. It is based on the objectives of the 2024-2026 business plan, which places particular emphasis on omnichannel and data usage, and envisages significant investments in data and digital channels with the purpose of increasing the bank's autonomy in these strategic areas, aiming, if necessary, at autonomous infrastructures decoupled from the core banking system.

In the first half of 2026, the main core banking projects consequently focused on developing the integration of the new data platform and new digital channels, hosted on the Bank's infrastructure, with the full outsourcer system.

With regard to the sourcing strategy, Volksbank adopts an ICT outsourcing strategy for the core banking system and for those applications that require significant investment and specific skills. For these services Volksbank avails itself of the support of the IT outsourcer Accenture Financial Advanced Solutions & Technology (Accenture FAST) for the management, evolution and innovation of the entire IT system that supports all banking processes, both branch and internal.

The current full ICT outsourcing contract with Afast (Accenture Financial Advanced Solutions & Technology), relating to the management of core banking services, will expire on 31 December 2027. In view of this deadline, the Bank has embarked on a strategic path aimed at ensuring business continuity and improving the quality of its technological services. ICT is indeed a fundamental pillar supporting the Bank's growth trajectory, facilitating the expansion of services offered, the improvement of quality standards and the introduction of new technologies in support of innovation. This innovation is not pursued as an end in itself, but is always oriented towards creating value for the customer and improving their experience. To this end, an in-depth assessment of the main options available on the market was conducted during 2025. The analysis concluded with the identification of CSE – Consorzio Servizi Bancari as the reference technology partner for the future. A preliminary agreement was therefore signed that provides for the migration of core banking services to CSE by the end of 2027, with the formalisation of a new full outsourcing contract by the same date.

This project represents a crucial step for the Bank, as it aims to strengthen operational resilience, improve the quality of customer service and support the objectives of innovation and technological sustainability, in line with long-term strategies. In the first half of 2026, project activities to prepare for the migration were launched.

Digital channels

In 2024, the bank analysed and evaluated the best architectural solutions on the market to improve its digital offering and consequently started a project to implement a new architecture that forms the basis for a completely revised digital channel offering starting with an App and Direct Banking for private customers. The solution initially covers the entire current functional perimeter but with a modern design and an improved omnichannel 'user experience', i.e. with interfaces aligned between web/mobile channels and integrated with consultancy processes and physical assistance if requested by the customer.

The new digital channels were successfully launched during the first half of the year, and the gradual migration of all customers is underway with a corresponding communication campaign and dedicated support processes.

The new channels also integrate remote signing and contracting processes, a sign of the greater propensity on the part of customers to carry out even more complex transactions and advice through channels without physical contact.

Progressive Transformation into a Data-Driven Bank

In the three-year period 2024–2026, Volksbank accelerated its data-driven transformation journey, consolidating data as a strategic asset of the company and a fundamental lever for sustainable growth, operational efficiency, risk management and the development of new value-added services. This evolution is based on the creation of a centralised enterprise data platform, independent of the outsourcer's systems and based on new-generation cloud technologies.

The bank is progressively moving away from a model characterised by distributed and fragmented data, evolving towards a single, governed information ecosystem, in which information from the various business domains is collected, integrated, certified and made available according to common standards of quality, security and traceability. This approach ensures a consistent and shared view of the company's information assets, reducing duplication, operational inefficiencies and technological dependencies.

In this context, a modern enterprise Data Platform has been implemented based on Microsoft Fabric and a multi-layer architectural model, which allows the entire data lifecycle to be managed in a structured manner, from acquisition to certification, through to consumption for reporting, advanced analysis and the development of Artificial Intelligence solutions. The platform is now the single point of reference for managing the company's information assets and forms the technological foundation for a bank that is increasingly oriented towards data-driven decisions.

At the same time, the bank has embarked on a structured path to strengthen the current Data Governance framework, progressively addressing the different areas of corporate information and developing common models, rules and processes aimed at standardising and normalising data management. This process involves the formalisation of corporate Data Products, the introduction of tools for cataloguing and the management of metadata, the strengthening of information traceability and the monitoring of data quality. The aim is to ensure an increasingly reliable, consistent and shared information asset over time, to support the bank's operational and decision-making processes.

A further strategic element concerns the progressive industrialisation of executive, management and operational reporting. The processing, transformation and distribution of information are increasingly centralised within the corporate platform, reducing manual tasks, individual dependencies and locally developed solutions. This approach makes it possible to transform the know-how developed over time into the bank's structured assets, promoting operational continuity, the reuse of skills, greater efficiency and speed in the evolution of information solutions.

The availability of reliable, integrated and governed data has also enabled the launch of numerous Advanced Analytics and Artificial Intelligence initiatives to support the main corporate functions. Among the most relevant areas of application during the six-month period are commercial support through potential analysis models, and the strengthening of Anti-Money Laundering (AML) processes through the use of advanced data analysis techniques with benefits in terms of effectiveness, service quality and productivity.

In 2026, the Bank is also launching the first experimental initiatives in the field of AI Agentica, with the aim of evaluating the use of intelligent assistants and software agents capable of proactively supporting business processes, automating low-value-added activities and increasing the operational efficiency of business and support structures. In view of the strong evolution of the market and the rapid evolution of Artificial Intelligence technology, Volksbank constantly monitors emerging innovations, adopting a pragmatic and progressive approach aimed at seizing the opportunities offered by new solutions, even in a context in which technological standards, operating models and best practices are still being defined and consolidated.

The implementation of this transformation journey has been accompanied by a significant investment in human capital. The Bank continues to strengthen its internal expertise by recruiting professionals specialised in the fields of Data, Analytics and Artificial Intelligence, creating a centre of expertise capable not only of designing and managing new technological platforms, but also of promoting their adoption and dissemination within the organisation. The aim is to transform technological innovation into concrete value for the bank, fostering the development of widespread skills, the evolution of business processes and the generation of sustainable economic and operational benefits over time.

Infrastructure and branch automation

The gradual upgrading of the "self-service" equipment has continued with the installation of latest-generation deposit ATMs and the replacement of coin-counters, partly with 24/7 machines in branches with a high volume of coin deposits.

Furthermore, the bank has invested in "kiosks" with the renewal of more than half of those in place and with the replacement of the software of these devices which continue to be appreciated by customers who prefer to carry out banking operations 24/7 in a protected environment of the bank as is the self-service area of each branch.

In the area of branch organisation, it should be noted that 118 branches now work with the so-called 'multi-branch' organisational model. In these branches, the role of the stationary cashier and the classic counter are no longer present, but a multi-operator cash desk is installed in the common area of the branch, which is accessible to all employees.

The client may accordingly turn to any adviser for support on cash transactions. This branch model, which is particularly suitable for small and medium-sized branches with limited cash operations, allows employees to make the most of their time and thus concentrate on consulting and services with higher added value.

Regarding the internal IT infrastructure, the initial infrastructure services have been migrated to the cloud, thereby leveraging the advantages of scalability, availability and reduced management effort that this technology offers. The Bank is continuing its strategy of gradually shifting infrastructure to cloud solutions, but is carefully assessing the cost-benefit of individual solutions.

With the renewal of the partnership with a leading Cloud Service Provider, the gradual introduction of modern collaboration tools and the experimentation with the use of artificial intelligence-based assistants in internal processes to support employees in the automation of tasks, content generation and data analysis continued in 2025. The aim is to identify areas where they can help the Bank to improve productivity, reduce working time and make better-informed decisions.

MANAGEMENT OF RISKS

RISK MANAGEMENT

With the Risk Management department mandate, the Board of Directors formalised the tasks and responsibilities of the risk control department, implementing the national and international regulatory requirements to which the Risk Management department is subject, as part of the more general Internal Control System, and which provide in particular for:

- independence requirements for all corporate control functions;
- requirements of suitable professionalism for function heads and personnel, excluding that they have responsibilities or take a direct part in the operating areas being controlled;
- specific planning and reporting of control activities to be provided annually to company bodies.

The mandate establishes that Risk Management depends hierarchically and departmentally from the Board of Directors directly. The head of the Risk Management Department communicates and reports on his/her work to the Board of Directors and fulfils the mandate granted to the function independently.

Within the Internal Control System, the risk control purpose is to implement risk governance policies.

In 2015 the Risk Committee was established - pursuant to Bank of Italy Circular 285/2013 - as an internal advisory committee within the Board of Directors to advise the Board on risks and internal control system. It is composed of between three and five non-executive directors and has the task of:

- identifying and proposing the appointment of heads of company control functions;
- examining in advance the programmes of activity and annual reports of the functions;
- providing assessments and opinions to the Board of Directors on compliance with the principles to which the Internal Control System and the company organisation must conform, and on the requirements to be fulfilled by the company control functions, drawing the Board's attention to any weaknesses and the resulting corrective actions to be taken;
- checking that company control functions comply correctly with the body's indications and lines and support the latter with drawing up the controls coordination document;
- defining and approving the strategic guidelines and risk governance policies ("RAF"), performing the assessment and proactive activity necessary for the Board, acting as a strategic supervisor, to define and approve the risk objectives and tolerance threshold;
- supporting the Board of Directors in verifying proper implementation of risk governance strategies, policies and the RAF;
- supporting the Board of Directors in defining the activities of the ICAAP, ILAAP and Recovery Plan, examining their methodologies, results and main assumptions (including stress tests), verifying their consistency with the Risk Appetite Framework and with the strategic plan as proposed by the Risk Management function;
- supporting the Board of Directors in defining the policies and processes for assessment of corporate activities, verifying that the business strategy implemented by the bank is consistent with the risk strategies.

The "*Risk Policy*" and the related Regulations set out, in an organic, systematic manner, the strategies for identifying, measuring, managing and controlling risks and the conditions for the informed assumption of such risks.

In compliance with Bank of Italy Circular No. 285/2013, the "*Risk Management Regulation*" defines the Risk Appetite Framework (RAF) in line with the Bank's business model and strategic plan, as well as the maximum risk assumable by the Bank, detailed according to risk severity:

- in the processes of reference necessary to define and implement them.

The objective is to define the risks inherent in individual business activities and in the company's business as a whole (holistic view) and to describe the changes over time in the structure of risks and their significance, in order to ensure accurate and timely risk control and management. Any unfavourable changes can thus be identified early thanks to systematic oversight, ensuring the possibility of corrective action to the risk structure. The framework adopted (RAS) provides for three levels of risk assumption based on the ability or willingness to take on risk and they depend, in particular, on its capital base, which is set aside to cover risks, the income capacity and the risk the bank is willing to take on in order to achieve economic and strategic objectives:

- maximum risk capacity, representing the maximum risk amount the Bank can take on without compromising normal business continuity ("going concern"). It reflects the ability to confront and survive adverse, emergency or stress scenarios;
- the risk appetite, which constitutes the overall (or aggregated) level of risk by risk category that the Bank intends to assume in pursuit of its strategic objectives. It reflects the risk appetite in the context of normally conducting its business;
- risk tolerance, which represents the maximum deviation permitted by risk appetite. It is the physiological risk deviation accepted compared to its appetite when conducting normal economic activities and is set to ensure sufficient margins to operate, even in stressful conditions, within the maximum risk that may be assumed.

On an annual basis, the Board of Directors, supported by the risk control department, checks the adequacy of the RAF, and its compliance with the business model, and quantifies, in compliance with strategic objectives, risk objectives and any thresholds for each financial year, in a document entitled the *Risk Appetite Statement* ("RAS"). This activity is based on the Bank's planning and on applying stress-testing scenarios to it, in order to ensure that the thresholds are consistent with business limits and targets and in line with the triggers of the Recovery Plan. On a quarterly basis, the Board of Directors is updated on compliance with the defined RAS and operational limits, and on the identification and monitoring of emerging risks, via the 'Risk Profile' document produced by the Risk Management Function.

In order to ensure prompt and accurate reporting to the Board of Directors, the Bank has a robust warning system and escalation process in place, as defined in the "*Escalation Process Regulations*", to ensure that limits are not breached or, should this occur, to immediately put in place mitigation/recovery tools.

When defining the RAS and the RAF, the Risk Management function assesses the relevance and significance of each risk using an integrated verification method common to company control functions. In particular, for each risk category, the probability that the risk will materialise and the resulting impact should be considered – where possible – taking into account the priorities of the regulator's action plans and the recommendations it provides to the banking system as a whole. Each control function, in respect of its areas of expertise, is involved and shares the outcome of the audit.

THE BANK'S RISKS

Credit risk

Credit risk is the risk of total or partial insolvency of a counterparty, or the deterioration of its credit quality, and hence the possibility of incurring losses on credit positions, both on-balance-sheet and off-balance-sheet. Credit risk is typical of the traditional business of credit intermediation and represents the greatest risk for a bank oriented towards lending to retail customers and small and medium-sized companies.

In light of the provisions on the internal control system (Circular No. 285/2013, Part One, Title IV, Chapter 3), the Bank has adopted an organisational structure for credit risk management. This structure both defines and controls credit-granting processes to ensure they are compatible with the underlying risks, and focuses on the early identification of any deterioration in the solvency of customers with credit facilities, through increasingly effective and reliable monitoring systems as required by internal regulations.

The Bank has an organisational structure designed to achieve an effective and efficient credit risk management and control process through a specific control framework, which integrates and complements the line controls (known as first-level controls) carried out by the Business Operating Units; this second-level control is the responsibility of the Risk Management Function.

In particular, the Risk Management Department carries out "single name" analytical checks, which particularly concern the main areas of control (granting, classification, collateral management, provisioning and recovery process). These checks concern both appropriately identified positions and risk groups identified as part of periodic monitoring. This approach ensures that the control framework is subject to continuous evolution, refinement and consolidation.

The Bank also makes use of credit risk mitigation techniques, also known as Credit Risk Mitigation (hereinafter also "CRM"), and considers as eligible CRM the forms of credit protection that comply with the general and specific requirements of Part 3, Title II, Chapter 4 of Regulation (EU) no. 575/2013.

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

Taking into account the regulatory developments with the entry into force of Basel 3+ (implemented in the European Union through CRR3), the Bank has strengthened the monitoring of credit risk mitigation (CRM) techniques, with particular attention to the eligibility and quality of guarantees, the processes for assessing and monitoring collateral, and the management of residual risks associated with protection techniques. The regulatory changes have also introduced a greater degree of standardisation and comparability of RWAs. In line with these developments, the Bank has updated its policies, controls and traceability of evidence to support the prudential recognition of mitigations.

Particular attention was paid to the quality of the supporting data and to the correct application of the rules for classifying, valuing and monitoring collateral.

As the requirements for the eligibility and valuation of collateral have been strengthened, the Bank has paid further attention to: (i) prudent and up-to-date assessments; (ii) completeness of documentation and certainty of safeguards; (iii) traceability of checks and evidence; (iv) checks on the continued fulfilment of requirements over time. Indeed, the prudential recognition of mitigations presupposes ongoing compliance with the conditions set out in the regulations.

In line with the prudential framework, the Bank also considers the residual risks associated with CRM (e.g. legal, operational, liquidity, market and concentration risks), which may arise even if there is a reduction in credit risk. With this in mind, robust safeguards and processes (policies, controls, monitoring and remediation) are adopted to ensure the effectiveness of mitigations and to prevent roll-off or excessive concentration.

A further relevant aspect concerns the need for the debtor's credit quality not to be materially correlated with the protection/guarantee (so-called wrong-way risk). The Bank oversees this aspect both during the appraisal phase and in ongoing monitoring, in order to ensure that the mitigation remains effective even in adverse scenarios.

In its internal regulations, the Bank defines rules and criteria relating to the entire credit process and the management of the related risk. In particular, the following areas are subject to regulation and verification: the measurement of risk during the preliminary phase and on an ongoing basis, the assessment of collateral (mainly real estate), the trend monitoring of exposures, the review of credit lines, the criteria and process for classifying risk positions and the related actions in the event of an anomaly, the provisioning policy, the assessment of credit exposures, and the management and recovery of non-performing exposures.

From an operational standpoint, the credit monitoring process is continuously guaranteed through an automatic system for classifying anomalous positions (GDC, Credit Management). This uses an early warning engine which, based on performance rating and other indicators calculated and entered on a daily basis, can report the emergence of potentially degraded situations. In addition, the system enables streamlining the internal process of classification and management of problem customers, which in turn is governed by a specific regulation that contains the details of the controls to be performed, the procedure for classifying anomalous positions, and the operating instructions for the administration and management of such positions.

In addition to the usual risk classes for non-performing loans established by the supervisory body (bad debts, unlikely to pay positions, impaired past due positions and forborne exposures), the system also establishes four classes of performing loans for customers, which are graduated according to the presence of anomaly indicators which, although not requiring classification in the category of non-performing loans, nevertheless require attentive management of the risk profile (performing, observation, medium risk, high risk). The Bank envisages that positions classified as medium-risk and high-risk be classified, from an IFRS9 perspective, as stage 2, i.e. have an impairment assessment *lifetime*; while positions classified as performing and/or observation may be classified, from an IFRS9 perspective, as either stage 1 or stage 2, i.e. either a *one-year* or a *lifetime* approach, depending on the presence or absence of changes in riskiness.

In addition, the Bank has adopted a series of regulations which, in addition to governing the process of classifying credit exposures (both on- and off-balance-sheet), define rules on the assessment of collateral to cover exposures.

With regard to transactions with related parties, the Bank has adopted a specific Regulation governing their identification, approval and execution. The Regulation also sets out the organisational structures and internal control system designed to ensure oversight of the associated risk.

The credit risk assessment process is set out in the internal regulations intended to provide an integrated set of management guidelines for all possible sub-types of risk (default risk, risk of changes in solvency, foreign currency exposure risk, loan portfolio concentration risk and residual risk) and their management. The documents also regulate:

- the organisational model, specifying the minimum responsibilities, roles and activities assigned to each of the company departments involved;
- the description of the credit risk management and control process, broken down into a number of key phases: the credit granting phase, the control and monitoring phase for assigned positions, the risk measurement and quantification phase, the adverse scenario analysis phase (stress tests), and the non-performing credit management phase;
- for each phase, the essential procedures for execution, monitoring and control are outlined, making regular reference to detailed internal documentation;
- risk mitigation techniques, i.e. the collateral collection and management process, with the related;
- implications for capital requirements;

- the credit position monitoring system, which relies on five pillars: specific monitoring assigned to periodic reviews, performance monitoring through the internal rating system, performance monitoring of individual exposures by the Risk Management Department as part of level 2 controls, the tool for detecting the first critical issues to identify positions at risk (early warning, GDC) and, finally, the monitoring of risk mitigation instruments;
- the model for recording the likelihood of default of the loan portfolio and quantifying the expected and unexpected loss.

The Risk Management function, as part of the process of defining the Risk Appetite Framework (RAF), determines the risk appetite, understood as the maximum amount of capital that BPAA is willing to expose to risk in order to pursue its strategic and profit objectives, in line with the business model and the strategic choices adopted.

With regard to credit risk, in line with prudential supervisory provisions, the Risk Management Function translates the risk objectives defined in the RAF into operational limits (Risk Limits). These objectives are monitored through indicators of asset quality, profitability and concentration, and aim to keep operations within predefined thresholds, providing for specific escalation procedures in the event of deviations or exceedances.

For prudential purposes, for the measurement and mitigation of credit risk and for the determination of internal capital against credit risk, the Bank uses the standardised methodology, with a focus on the dynamics of RWAs as provided for in Bank of Italy Circular 285/13; while for concentration risk, internal capital is used, calculated against single-name concentration risk (Granularity Adjustment, Bank of Italy Circular 285) and geo-sectoral concentration risk (ABI Model).

The application of the standardised methodology involves the division of exposures into portfolios and the application to each of them of differentiated prudential treatments, possibly also based on creditworthiness assessments (external ratings) issued by external creditworthiness assessment agencies, or by export credit agencies recognised by the Bank of Italy itself (ECAIs and ECAs respectively). In compliance with the provisions of the Basel 3+ regulations, with regard to the new ECAI requirements, the Risk Management function has put in place an internal model to carry out due diligence on counterparties in order to assess the appropriateness of the risk weight assigned when using an external rating.

For the purpose of measuring the capital requirement for credit risk, the type of customer to which the exposures attributable for reporting and prudential purposes (regulatory customer portfolio) are to be assigned is first identified. The customer classification activity is carried out not only for the activities that generate a capital requirement against credit risk, but also for those falling within the scope of counterparty risk and settlement risk.

The Risk Management Function also provides preliminary opinions on the consistency of the most significant transactions with the RAF (so-called OMR), possibly obtaining, depending on the nature of the transaction, the opinion of other functions involved in the risk management process.

Credit risk also arises in the proprietary securities portfolio, through an assessment of the issuer's creditworthiness, conducted using internal and external information systems (ratings, financial statement data, etc.).

Concentration risk

The concentration risk is defined as a risk resulting from credit exposures with counterparts, groups of connected counterparts, counterparts in the same economic sector or performing the same activity.

The concentration risk per individual borrower is measured in accordance with the provisions of Bank of Italy Circular 285 (Title III - Chapter 1 - Annex B) according to the *Granularity Adjustment* ("GA") method.

As part of ICAAP, specific methods have been developed, in accordance with applicable legislation, to calculate the concentration risk by geographical area, i.e. the risk arising from exposures to counterparts operating in the same economic sector or geographical area.

A comprehensive limit system is also in place that controls and directs guidelines for limiting the level of concentration risk in the Bank's loan portfolio.

The concentration risk in its various forms is also monitored in the Risk Profile through specific RAF indicators in the credit area.

ESG risks

The ESG (*Environmental, Social and Governance*) risk is defined as the current or prospective risk of a fall in profits or capital resulting from the direct or indirect impact of events linked to environmental (with particular attention to those linked to the phenomenon of climate change), social and *governance* factors.

The European Central Bank considers climate and environmental risks to be among the main risk factors for the Eurozone banking system, as evidenced by the fact that such risks have also been included among the priorities of the Single Supervisory Mechanism for the three-year period 2026-2028. In this view, banks are potentially exposed to climate-related financial risks, regardless of their size, complexity or business model, and the supervisory authority calls for '*accelerated action to effectively remedy deficiencies in the governance and management of climate and environmental risks*'.

The Bank pays particular attention to environmental climate risk management, having included it as an objective in its 2024-2026 strategic plan. In particular, the social, environmental and governance risks associated with the types of business activities of corporate clients, those related to the real estate securing their loans and the economic activities to which their investments are directed, are addressed. Particular attention is paid to the issue of sustainability, with the development of internal and external policies to support the region and its customers.

In keeping with the Bank of Italy guidelines and the *EBA Guidelines on management of ESG risks*, the Bank's analysis activity has focused on climate and environmental risks, comprising physical risks and transition risks, by mapping and measuring the impacts, direct and indirect, in relation to different time horizons (short, medium and long term) and according to different analysis scenarios.

Building on what was achieved in previous years, the Bank has adopted an integrated framework for the analysis of climate risks, based on the use of a dedicated application. This tool makes it possible to carry out both Climate Stress Test analyses and Climate Scenario Analyses on an ongoing and autonomous basis.

During the first half of 2026, the Bank finalised the adoption of the same tools and metrics in credit-origination processes already used by the Risk Management Function for the assessment of climate and environmental risks, in order to assess the expected impact of climate and environmental risks on both collateral properties and counterparties' activities.

Market Risk

The market risk is defined as the risk of loss on financial instruments owned resulting from possible fluctuation in financial market variables (interest rates, volatility, foreign exchange rates, share prices), considering scenarios in which each individual financial instrument is exposed to one or more of these risks. The market risk is therefore measured as a change in the value of stocks due to market movements.

The market risk measurement and control system is based on the Value-at-Risk (VaR) method, on which it bases a system of maximum tolerable risk and loss limits (risk capital) over various time horizons. The VaR method calculates the maximum potential loss of a portfolio over a given time horizon and with a given probability, under normal market conditions. The VaR is a uniform measurement system, applicable to all types of financial instruments, thus making it possible to compare risk values calculated from the point of view of both time and daily profitability. To calculate the VaR, the Bank uses the parametric model of variance-covariance provided by a leading company with widespread experience, supported by internal models used for the necessary checks, as well as for planning purposes: for example, VaR from Monte Carlo simulations and historical VaR using the *Extreme Value Theory* for the highest levels of confidence.

In addition to VaR and maximum sustainable loss analysis, market risk management is based, through specific limit systems, on the control of counterpart risk, country risk, the sensitivity of the portfolio to market rate risk ("*basis point value*") and credit risk ("*credit risk sensitivity*").

In order to avoid and prevent possible overruns in authorised risk limits, a standardised daily reporting system monitors and raises an alert when the thresholds are approached.

Thee Risk Management Department compiles a detailed, comprehensive monthly report on market risks relating to the proprietary portfolio. Finally, the Risk Management Department is tasked with continuously validating and verifying the *pricing* system for financial instruments held, in order to maintain a reliable price profile that is consistent with market prices (*fair value*).

Counterparty risk

Counterparty risk is the risk that a counterparty to a transaction will fail to fulfil its obligations by the methods and deadlines established in the contract. Counterparty risk is regulated through a specific system of operating limits, based on a series of criteria for assessing the creditworthiness of counterparties, in separate form according to their type (corporate or financial).

The general rule that all financial transactions must be carried out exclusively with contracted counterparties also applies.

The limit for each counterparty is approved by the Board of Directors and may be employed by the Treasury and Investment services on the basis of specific percentage shares of the limit assigned to homogeneous categories of financial instruments.

Interest Rate Risk

With regard to the supervisory trading book, which corresponds to the Bank's entire commercial operations in relation to the transformation of the maturities of all balance sheet assets and liabilities, including those of treasury, and hedging derivatives, changes in the structure of market interest rates may have unfavourable effects on net interest income and capital, and thus constitute a source of risk (interest rate risk).

The management and investment strategies for this portfolio are based on criteria for optimising the risk/return profile, and are implemented on the basis of expectations for interest rate trends. The Bank's investment policy is accordingly focused on optimising interest margins and minimising their volatility (Asset & Liability Management).

The guidelines and regulations for managing the interest rate risk of the supervisory trading book are in the "Finance and treasury policy" and in the "Risk management regulation", while the operational limits and delegations for financial and liquidity management are in the "Finance and liquidity limits and delegations policy". In these documents, two indicators, among others, are identified, relating respectively to the sensitivity of the interest margin and the present value of the assets in the face of unfavourable changes in the rate curve, also used in the definition of the RAF.

The interest rate control especially avails itself of quarterly processes prepared using an application module integrated with analysis and simulation supporting the ALM and risk rate process; the system has been continually refined to process all asset and liability items of the bank's portfolio in a more realistic, reliable way, in order to monitor and optimise the strategies of the financial statement asset and liability items.

The verification and control of the interest rate risk profile are discussed quarterly in the Bank's ALCO, during which a specific quarterly report is presented by the Risk management department. In particular, the report includes a so-called fixing analysis which makes it possible to illustrate the amount of the *banking book* items subject to rate change by regulatory maturity bands. This enables, inter alia, monitoring of the current natural hedging capacity of the supervisory trading book, in terms of both timing and amount, between assets and liabilities. On the basis of the evidence emerging from the periodic analyses and the evolution of market conditions, the bank's ALCO may propose the activation of hedging transactions using derivative instruments under hedge accounting, aimed at limiting interest rate risk.

The interest rate risk metrics are reported quarterly to the Supervisory Authorities. For reporting purposes, the IRRBB calculation is performed on five currencies potentially relevant to the Bank: Euro, US Dollar, Swiss Franc, British Pound and Japanese Yen.

Credit Spread Risk

The *marketable* positions of the banking book are subject to the risk of changes in the credit spread due to the combined change in the respective sub-components of:

- market credit spread: which identifies the remuneration component required by market participants for exposure to a given credit quality, excluding idiosyncratic and jump-to-default risk components;
- market liquidity spread: which identifies the remuneration component required by market participants to offset the liquidity risk of the investment.

Credit spread shocks, broken down by asset class, are estimated on a historical basis and reviewed annually by the Risk Management Function.

The capital impact of credit spread risk in the banking book (CSRBB) is monitored quarterly by the Risk Management Function, which checks that it is consistent with the Bank's risk objectives. The findings are discussed in the Bank's ALCO.

<u>Liquidity Risk</u>

Liquidity risk is the risk that the Bank may not be able to meet its payment obligations as they fall due and/or finance increases in its assets. It mainly emerges as an:

- inability to raise funds by financing itself on the market (funding liquidity risk);
- inability to mobilise funds by selling assets on the market (asset liquidity risk).

In compliance with the provisions of the Bank of Italy Circular no. 285, the Internal Liquidity Adequacy Assessment Process (ILAAP) was reviewed as well.

Liquidity management is based on the indications and operating guidelines set out in the specific internal regulations of the Function. An essential element of that management is the distinction between short-term operational liquidity (with a time horizon of up to 12 months) and medium-to-long-term structural liquidity (with a time horizon of more than 12 months). The former is aimed at avoiding situations of sudden liquidity tension, caused by specific shocks of the Bank or systemic market shocks; the latter responds to the need to ensure optimal management, from a strategic point of view, of the transformation of the maturities between deposits and loans, through an adequate balance of the maturities of the assets and liabilities, so as to prevent future liquidity crisis situations.

The measurement and control of operational liquidity and structural liquidity have been defined by means of a system of indicators, limits and periodic reporting, also on a daily basis. Furthermore, the organisational structure of the offices and departments responsible for liquidity management and the associated controls and the emergency plans to be implemented in the event of situations of stress or crisis - the so-called Contingency Funding Plan (CFP) - are also clearly defined.

Liquidity risk is calculated using the Liquidity at Risk (LaR) method which estimates - at different confidence intervals - the liquidity requirement, which cannot be directly influenced by the Bank, over pre-defined time horizons. The cash flows of interest in the LaR analysis are the daily imbalances not attributable to choices made by the Bank, i.e. flows that are “independent” of the Bank’s will and therefore attributable to the activity of customers. This approach is used to verify the level of reserves.

The liquidity situation is constantly monitored by the relevant offices on a weekly and monthly basis. The Contingency Funding Plan also foresees an alarm signal system monitored on the so-called Liquidity Monitor and based on measurement of pre-alarm indicators divided between systemic and specific crisis indicators.

The indicators are appropriately weighted in order to identify five different operating situations that can be traced back to a progressive deterioration of the Bank’s liquidity position: normal operating conditions - in turn are broken down into situations of normality, under observation, and attention - a state of stress (emergency), and a crisis situation (a grave emergency).

The Treasury Service, responsible for managing operating liquidity, also employs the so-called liquidity synoptic chart, a daily report that briefly and exhaustively describes the liquidity situation in the short- to medium-term enabling prompt identification of critical situations and the maintenance of the indicator values at the desired levels.

The liquidity metrics are reported, according to the deadlines in force, to the Supervisory Authority through COREP harmonized reporting: LCR and AMM (monthly) and NSFR (quarterly).

For what concerns the excessive financial lever risk, that is the risk that an especially high indebtedness level compared to treasury stock makes the bank vulnerable, making it necessary to adopt business plan corrective measures, including the sale of assets recognising losses which could imply value adjustments to the remaining assets, every year the Board of Directors defines, in the RAF, the bank’s risk appetite in financial lever terms establishing a minimum leverage level (ratio between Tier1 and total assets), as set forth in Basel 3.

The liquidity management policy privileges maintaining stably consistent reserve liquidity *funding*, always enough to handle stress situations. For this purpose, all available instruments are used, including those implemented by the European Central Bank and the Italian Government. The proprietary stock portfolio is configured to guarantee an ample reserve over time with which to manage liquidity; establishing, for that purpose, suitable investment regulations in terms of duration, sector, issuer risk, eligibility, etc.

The Bank therefore also measures the level of encumbrance of its assets by adopting the rules set out in the "Implementing Technical Standards" published by the European Banking Authority (EBA) and this information is subject to regulatory reporting to the Supervisory Authorities. The total book value of restricted assets compared to the total assets on the balance sheet measures the 'level of encumbrance on the assets', i.e. the so-called 'asset encumbrance ratio'. A low value of the indicator makes it possible to reduce liquidity risks in the event of stress.

Operational Risks

Operational risks are naturally inherent in the execution of processes, in the characteristics of the products and services offered, and in the possibility of being the subject of fraudulent or incidental events.

For these reasons, the Bank analyses the causes that may lead to their occurrence and the related operational losses, systematically detecting and measuring events with the aim of limiting and reducing the relevant risks.

In accordance with the definitions of the Basel Committee, the operational risk is identified as "the risk of losses arising from errors or inadequacies in internal processes, human resources, systems, or from external events". Legal risks are included but not strategic, reputational or systemic risks.

Thus the definition of operational risk does not include opportunity risks (missed business), reputational damage, or risks involving the entire banking system.

The Bank uses an internal system to detect and measure operating losses for better management of potential sources of danger that could undermine its stability.

This system is based on a similar initiative in which the Bank participates, which is promoted at national level by the Italian Banking Association (ABI). With the DIPO (Italian Operational Losses Database) project, ABI intends to raise awareness and assist banks in the implementation of these procedures, and to create a national database that will enable banks to obtain broader, more significant statistical information and data.

The operational loss collection process is based on an internal reporting process, which involves the detection and forwarding to a central collection point located with the Risk Management Department, of all listed operational loss events arising from accidents, fraud, legal action, customer complaints, disputes with staff, etc. The collection, cataloguing and systematic analysis of that information over the years has provided precious indications and suggestions for assessing and optimising Bank processes and activities.

Assessment of operational risks is also included in the *assessment* of the company control functions following the introduction of new products, services or other commercial initiatives, the introduction or modification of new operating processes, the outsourcing of functions, the implementation of new IT solutions.

On a quarterly basis, the Risk Management Function includes evidence of the Bank's operational risk situation in the monitoring of operating indicators within the *Risk Profile*.

Since 2012, capital requirements for operational risk have been calculated using the standardised approach (TSA), and from 2025 they are calculated using the new standardised approach (SA) introduced under the so-called Basel 3+ prudential regulatory framework.

The operational risk management system also includes the so-called "conduct risk", as defined in the ECB's SREP guidelines. This represents the risk of loss from the inadequate provision of financial services, including cases of wilful misconduct or negligence, and arises from any unethical conduct on the part of the Bank's executives and employees, including in violation of properly defined controls and processes: i.e. the result of an unethical corporate culture.

A risk assessment is part, among other things ex-ante, of the *assessment* by the company control functions upon the introduction or substantial modification of new products, services, or other commercial initiatives, according to the rules of *product oversight governance*.

To monitor the operational risks associated with the processes relating to payment systems, the Bank carries out a specific annual *assessment* in accordance with the provisions of the PSD2 regulation and sends the results of this assessment to the Supervisory Authority.

IT and Cyber Risks

In the area of operational risk, particular emphasis is placed on ICT/Cyber risk and outsourcing risk, which are constantly monitored and managed by the Bank. With reference to governing IT risks, the Risk management department is responsible for establishing methods and coordinating execution of management and control processes, preparing specific information flows for the competent company Bodies and Departments, in order to ensure the full knowledge and governance of risky phenomena, also potential, the bank is exposed to. The most advanced methodology for measuring the IT risk profile involves the use of the COBIT framework and the international information security standard ISO/IEC 27001. In this context, the main activity of measuring IT risk can be divided into three macro areas:

internal IT component;

IT component outsourced to the main IT outsourcer;

IT component outsourced to outsourcers other than the main IT outsourcer.

During the first half of 2026, Risk Management carried out these risk assessments with regard to the three macro-areas mentioned above. During the second half of 2026, specific assessments will continue to be carried out relating to the IT component outsourced to outsourcers other than the main outsourcer.

With reference to the governance of outsourcing risks, the Risk Management department is responsible for establishing the methods for assessing third parties and overseeing the execution of monitoring processes, preparing specific information flows for the competent company Bodies and Departments, in order to ensure the full knowledge and governance of risky phenomena, also potential, to which the Bank is exposed in the provision of services to support company processes.

In this regard, Risk Management has adopted a dedicated methodology for the evaluation of third parties, which is conducted in a risk-based manner in relation to the type of classification assumed by the outsourcer according to a logic of necessity and proportionality. In this context, during the first half of 2026 the risk-control function carried out specific design assessments of third parties, both at the stages of new acquisition and contract renewal, and in line with a pre-established schedule (Three-year third-party monitoring plan).

During the first half of 2026, the Bank's activities to comply with EU Regulation 2022/2554 Digital Operational Resilience Act (DORA) continued through specific project initiatives that will continue to be monitored during the second half of 2026. With this in mind, new Key Risk Indicators – KRIs – have been introduced in the monitoring phase to further oversee the areas of cybersecurity, data quality, fraud management, digital operational resilience and third-party management. The risk of phishing, due to its relevance, has been formally incorporated into the Risk Appetite Framework by means of a specific indicator.

During the first half of 2026, the Risk Management Department completed the annual review of the IT Risk Management Framework (QGRI), as required by Regulation (EU) 2022/2554 (DORA). The aim of the activity was to verify the adequacy, effectiveness and level of maturity of the Bank's ICT and security risk management framework, taking into account regulatory developments, the operating environment and the adaptation initiatives undertaken.

The review confirmed the substantial adequacy of the current framework and the consistency of the IT risk profile with the limits defined by the Bank, without identifying any critical issues that would require structural changes to the ICT risk management model. The measures implemented as part of the DORA compliance process were also assessed. These included strengthening ICT governance, formalising the ICT and security risk management methodology, updating the third-party management process, introducing new controls for digital operational resilience, enhancing the inventory of ICT assets, and consolidating the monitoring, incident management and operational resilience processes. The analysis highlighted some opportunities for improvement aimed at increasing the robustness and verifiability of the risk assessment process, in particular through a more structured collection of documentary evidence and a more formalised management of legacy systems and assets nearing the end of their technological support. In response to these emerging areas for improvement, specific initiatives have been planned with a deadline of 2026, including the updating of the COBIT framework aimed at evolving the model and refining it to better suit the Bank's operating context, and the definition of an assessment methodology with a view to continuous improvement.

Overall, the review of the IT Risk Management Framework confirmed a manageable and controlled level of residual IT risk, supported by a progressively maturing system of controls and a structured path to strengthen digital operational resilience.

To monitor the operational risks associated with the processes relating to payment systems, the Bank carried out an assessment in accordance with the provisions of the PSD2 regulation. The results of this assessment showed that the management of risks related to payment systems was adequate, both with regard to the component outsourced to the main outsourcer and other outsourcers, and with regard to the component managed internally by the Bank. The results were sent to the Supervisory Authority within the established deadlines.

In the first half of 2026, the Bank completed the 2026 IT Risk Questionnaire requested by the Bank of Italy as part of the Supervisory Review and Evaluation Process used by the supervisory authorities – SREP 2025. The coordination of the activities was entrusted to the Risk Management Function, involving the relevant corporate OUs and the control functions. The answers to the 175 questions in the questionnaire were formulated in line with the status of ongoing projects and with the communications already sent by the Bank to the authorities. The main findings confirm an overall picture in which the ICT risk profile is monitored and under control. The questionnaire also reveals that the process of adapting to the DORA regulation has strengthened the ICT risk-management model. This legislation was implemented by the Bank not only as a European Regulation to be complied with, but as an opportunity to substantially evolve governance and operational resilience.

The Risk Management Function also participated in professional development and specialised training activities, both regulatory and technical, on specific topics of the DORA regulation, fraud, risk management related to third-party ICT providers, Artificial Intelligence and risk management methodologies applied to IT governance. Further training will take place in the second half of 2026, also covering the regulatory and management aspects of AI and operational risk.

Other Risks

The risk Policy identifies and defines the following additional categories of risk that are periodically analysed and assessed:

- the strategic risk divided into the following sub-types in terms of the time horizon of the event:
- the short-term risk (business or commercial risk), i.e. the risk of losses due to unexpected changes in sales volumes (lower revenues) and/or expected margins (higher costs due to technological innovation, the tightening of the tax treatment, a change in the regulatory environment, etc.);
- the strategic risk in the strict sense, or positioning risk, i.e. the risk of current or prospective losses, a fall in profits or capital arising from changes in the operating context or bad company decisions, inadequate implementation of decisions or insufficient reaction to changes in the competitive environment;
- risks deriving from securitisation transactions, with particular reference to those that entail the Significant Transfer of Risk;
- the equity investment risk, i.e. the risk that the book value of an equity investment may decrease as a result of a reduction in its price stock markets price, in the case of listed companies, or of the equity default of the investee, which renders it necessary or advisable to revise its carrying value in the financial statements, in the case of unlisted companies;
- the reputational risk, i.e. the current or prospective risk of a decline in profits or capital arising from a negative perception of the Bank by stakeholders or by any person with whom the Bank has had a relationship.

The Bank is also paying close attention to emerging risks such as geopolitical risk, which was also the subject of stress tests in the 2024 and 2025 ICAAP and ILAAP exercises and which will be further developed during 2026, and the risks related to cryptocurrencies and stablecoins under MiCAR (Markets in Crypto-Assets Regulation), EU Regulation 2023/1114.

Annual Reports of the Control Departments (Compliance and Risk Management)

The compliance and risk control departments submit annually to the corporate bodies, each according to their respective competences, a report on the activity carried out, which illustrates the checks carried out, the results that have emerged, the weaknesses detected and the measures to be taken proposed for their removal, as well as a programme of measures that takes into account both any deficiencies that have emerged in the controls and any new risks identified.

In its annual report, the Risk Management Function provides a detailed account of all the activities carried out in the field of risk monitoring and control, in accordance with the provisions of current legislation and with what was communicated to the regulator in the RAS/RAF for the year 2026, as well as with the operational limits that Bank itself has set. The document also includes a description of the project and support activities carried out by the function, aimed at guiding the Bank's initiatives in line with the risk profile that the institution intends to assume. The flow of information to the regulator is also ensured through the quarterly sharing of the monitoring report on the RAF and Operational indicators that the function submits to the Risk Committee and the Board of Directors and sends to the Supervisory Authority.

In compliance with the relevant external and internal regulations, the Bank's Compliance and Risk Management departments presented their respective annual reports to the Board of Directors and subsequently forwarded them to the Supervisory Authorities.

MANAGEMENT OF EMERGING RISKS

As part of its activities to identify and prioritise risks, including emerging risks, the Risk Management Function adopts an integrated approach that considers the assessment of the Bank's risks on the basis of the "Risk Assessment" carried out at the end of 2025 and the Bank's risk materiality matrix.

Within this assessment, the ECB's 'Supervision Priorities' for 2026-2028 are also taken into account and override the other assessments.

Taking into account the regulator's requirements, the utmost attention was paid to DORA and adjustments concerning ICT providers and to geopolitical risk.

Although Volksbank SpA is a Less Significant bank and the regulator did not did not specifically request a Geopolitical Stress Test during the ICAAP and ILAAP phases, 3 different scenarios were envisaged, which were assessed and reported to the regulator. The scenarios analysed led to specific economic and capital impacts, with the aim of defining the institution's ability to anticipate and manage situations of systemic stress.

Although ESG risks are no longer considered emerging, the Bank continues to pay particular attention to their governance and measurement. To this end, it has adopted a uniform methodology for measurement both in the Origination phase and in the context of Risk Management and stress tests, measuring the impacts at both ICAAP and ILAAP level.

Considering the entry into force of the 51st update of Bank of Italy Circular 285/2013, the Risk Management Department has planned an update of the ICT and Cyber risk assessment framework and has directed a specific project to integrate processes, assets, incidents and assessments.

EXPOSURE IN DEBT SECURITIES AND LOANS TO SOVEREIGN STATES

With the "Communication on disclosure of information to be disclosed in financial reports about exposures of listed companies in sovereign debt securities", no. DEM/11070007 of 5 August 2011, Consob draws attention to the application of document no. 2011/266 of 28 July 2011 of the European Securities and Markets Authority (ESMA) on the disclosure of sovereign debt to be included in annual and interim financial reports prepared by listed companies adopting IAS/IFRS.

As stated in the ESMA document, "sovereign debt" relates to bonds issued by central and local governments and government bodies, as well as loans granted to them. Below is more detailed information on the exposure in sovereign debt securities by the accounting portfolio to which they belong, by maturity bracket and by *fair value* hierarchy.

The table below shows the balance sheet value of sovereign credit risk exposures by country.

Composition of sovereign debt securities portfolio - by issuing country

(thousands of €)

	30.06.2026	31.12.2025
EU countries		
- Italy	2,228,509	2,238,445
- Other EU	215,058	157,190
Non-EU countries		
- United States of America	21,560	30,657
Total portfolio	**2,465,126**	**2,426,292**

Composition of sovereign debt securities portfolio – Financial assets measured at fair value with impact on the income statement

At the date there were no sovereign debt securities measured at *fair value* with an impact on the income statement.

Composition of sovereign debt securities portfolio - Financial assets measured at fair value with impact on comprehensive income

State	expiry by 2026	expiry in 2027	expiry in 2028	expiry in 2029	expiry in 2030	expiry after 2030	Total	LEVEL 1	LEVEL 2	LEVEL 3
Italy	-	169,091	1,044	10,325	-	38,442	218,902	218,902	-	-
France	-	-	23,984	25,206	-	9,447	58,637	58,637	-	-
Spain	-	-	-	14,291	-	-	14,291	14,291	-	-
Croatia	-	-	-	-	-	2,500	2,500	2,500	-	-
United States of America	-	-	-	-	-	21,560	21,560	21,560	-	-
Total	**-**	**169,091**	**25,028**	**49,822**	**-**	**71,948**	**315,889**	**315,889**	**-**	**-**

Composition of sovereign debt securities portfolio - Financial assets measured at amortised cost

State	expiry by 2026	expiry in 2027	expiry in 2028	expiry in 2029	expiry in 2030	expiry after 2030	**Total**	LEVEL 1	LEVEL 2	LEVEL 3
Italy	-	157,286	191,838	159,511	308,970	1,192,002	2,009,607	1,748,847	260,760	-
Spain	-	-	-	23,976	-	37,538	61,514	61,514	-	-
France	-	-	-	-	-	78,116	78,116	78,116	-	-
Total	**-**	**157,286**	**191,838**	**183,487**	**308,970**	**1,307,655**	**2,149,237**	**1,888,477**	**260,760**	**-**

DISCLOSURE OF EXPOSURE TO STRUCTURED CREDIT PRODUCTS AND SPECIAL PURPOSE ENTITIES

In accordance with the recommendations of the Financial Stability Forum (now the Financial Stability Board) and the Bank of Italy (communication no. 671589 of 18 June 2008), the following disclosures are provided on risks related to exposures to structured credit products, Asset Backed Securities and Collateralised Debt Obligations as well as special purpose entities for securitisation transactions originated by Volksbank or consequent to the issue of Covered Bank Bonds.

It should be noted that third-party bond issues backed by guarantees based on loan portfolios are not considered relevant for the purposes of the disclosure required in this paragraph, as they are instruments in which the underlying structure constitutes an additional guarantee to the issuer's solvency.

EXPOSURES TO SPECIAL PURPOSE ENTITIES

Special Purpose Entities (SPEs) are entities set up on an ad hoc basis to achieve a specific objective, normally the securitisation of receivables and operations for the issue of Covered Bonds.

For securitisation transactions, reference is made to special-purpose vehicles incorporated pursuant to article 3 of Law No. 130 of 30 April 1999, which place the debt instruments issued on the market to finance the purchase of the securitised loans. These receivables are used to guarantee repayment of liabilities issued by the vehicle company.

Covered Bond transactions, governed by Law 130 of 30 April 1999, are issues of debt securities by credit institutions specifically guaranteed by a portfolio of assets identified and separate from the issuer's assets. These assets are sold by the issuer to a duly incorporated special-purpose vehicle.

It should be noted that the Company holds a senior tranche of the VIVERACQUA 11.34 TF security and a senior tranche of the VIVERACQUA 09.42 TF security, which were recorded among the instruments measured at amortised cost for €6.9 million and €15.1 million respectively, related to a bond securitisation.

STRUCTURED PRODUCT EXPOSURES

As at 30 June 2026, the total exposure to covered bonds amounted to €370.4m, which was limited compared to the overall portfolio (about 9.1% of the total). They are all financial instruments issued by EU and non-EU (UK) banks or financial companies and are classified as HTCS ("*Hold To Collect And Sell*") for €312.0m and as HTC ("*Hold To Collect*") for €58.4m. All these instruments have residual maturities by 2035.

Structured securities with a balance sheet value of €456.1 million (or 11.2% of the total portfolio), of which €220.4 million are measured at amortised cost ("*HTC - Hold To Collect*"), €234.3 million are measured at *fair value* with impact on comprehensive income ("*HTCS - Hold To Collect And Sell*"), and €1.5 million are measured at *fair value* with impact on the profit and loss account. All these instruments have residual maturities by 2035.

DISCLOSURE OF RELATED PARTY TRANSACTIONS

This interim financial report takes into account the regulatory amendments to IAS 24 — Disclosure of related party transactions — introduced by Regulation (EU) No. 1803/2023 of 13 August 2023, concerning the definition of the related-party scope.

Please refer to the section 'Related Party Transactions' in the Notes to the Condensed Interim Financial Statements for details on existing transactions.

BUSINESS OUTLOOK

The global macroeconomic picture is characterised by heightened international tensions and persistent cyclical weakness in the Eurozone. The current phase suggests an environment of greater volatility in the financial markets and pressure on costs, with possible repercussions on long-term yields.

In the second half of 2026, the US economy appears to still be in a growth-friendly environment, but with increasing signs of an imbalance between solid fundamentals, high valuations and liquidity absorption. The US economy continues to benefit from strong growth in corporate profits and financial conditions that, at least for now, remain compatible with the continuation of the stock market rally. However, the picture is becoming more complex. The huge investment cycle linked to artificial intelligence, the resumption of IPOs, increased defence spending, the higher cost of public debt and the replenishment of strategic oil stocks are contributing to a gradual absorption of global liquidity.

The central theme for the second half of the year will therefore be to understand whether profit growth will be sufficient to compensate for very high valuations and a potentially rising cost of capital. The monetary policy is once again a key factor for the sustainability of the rally. The new governor of the Federal Reserve reiterated the need to keep inflation under control and return it steadily to around the 2% target. In this context, if inflationary pressures remain persistent, the Fed may be forced to raise rates once or twice in the second half of 2026. This would represent a major change from market expectations. The minutes of the Federal Open Market Committee reveal a picture of uncertainty, with differing positions among members. Some members of the Committee are in favour of a rate cut in the short term, while others prefer to wait for further evidence of inflationary developments. The prevailing position remains in a wait-and-see stance, with monetary policy still considered to be appropriately calibrated.

The euro area economy is moving towards a phase of moderate growth, in a context characterised by high uncertainty. The Eurosystem staff baseline scenario forecasts real GDP growth of 0.8% in 2026, accelerating to 1.2% in 2027 and 1.5% in 2028. In the short term, economic activity is affected by rising energy prices and deteriorating household and business confidence, factors that are constraining private consumption and slowing investment. However, the economic weakness should be temporary if energy prices return to normal in the coming quarters. In the medium term, growth will be supported by the recovery of real disposable income, the resilience of the labour market and the increase in public spending on infrastructure and defence, particularly in Germany. On the external front, exports continue to face structural competitiveness challenges and a loss of market share globally. Overall, the scenario for 2026 remains one of moderate but positive growth, supported by domestic demand and a resilient labour market, while the normalisation of inflation and the gradual recovery of confidence are the main conditions for a strengthening of the economic cycle in the coming years.

According to the estimates contained in the latest macroeconomic scenario published by the Bank of Italy in June for the period 2026–2028, Italy's GDP growth will remain at moderate levels over the next three years. The GDP is expected to increase by 0.5% in 2026, 0.4% in 2027 and 0.9% in 2028. In the baseline macroeconomic projection, the prices of energy goods rise markedly in 2026, and then gradually fall during 2027, in line with futures contract prices. World trade, held back this year by increased uncertainty and higher commodity prices, is expected to gradually strengthen over the next two years. Financing costs for households and businesses are expected to increase throughout the forecast period. Domestic demand would be affected by higher energy prices, deteriorating confidence and rising financing costs; it would only pick up again in 2028, as inflationary pressures ease. The increase in exports would be modest in 2026, due to the slowdown in global demand and the appreciation of the euro, and would strengthen over the next two years. Employment would continue to expand, at a moderate rate. The unemployment rate would remain almost stable over the forecast period, at levels close to record lows. Consumer inflation is expected to rise to 3.1 per cent this year, mainly reflecting the sharp rise in energy prices, and to return to 2 per cent over the next two years. Net of energy products and food products, the growth in consumer prices would be close to 2 per cent over the entire forecast period. More favourable developments could result from a faster decline in commodity prices than incorporated in the baseline projections following the recent memorandum of understanding between the United States and Iran, from positive spillovers from higher defence spending in Europe, and from the possibility of an acceleration in investment as a result of the digital and energy transition process. On the other hand, continued tensions between the United States and Iran and delays in the restoration of trade flows could increase inflationary pressures, further weakening international trade and the climate of confidence, with particularly pronounced negative impacts on growth, especially in the presence of tensions on the financial markets. However, possible consequences of alternative developments in the Middle East crisis and its effects on commodity price trends could lead to less favourable scenarios.

The monetary policy of the European Central Bank is currently in a phase of observation and assessment of inflationary dynamics, in line with the inflation target. After the increase in official rates in June, the ECB confirmed a prudent and data-driven approach, reserving the right to assess the adequacy of future monetary policy decisions based on the economic and financial evidence that emerges over time, without setting out a predefined interest rate path.

In the first quarter of 2026, eurozone banks reported a slight tightening of credit supply conditions to businesses, albeit with a lower intensity than expected. This development was mainly driven by a greater perception of risk related to both the macroeconomic environment and the specific situation of the applicant companies. In this context, credit institutions have adopted a more cautious approach, especially towards energy-intensive companies and those most exposed to international trade tensions.

In the second quarter of 2026, there was an improvement in financing conditions for households and businesses, supported by the trend in rates applied to mortgages and loans. This trend helped to support the supply of credit, particularly to the retail segment, encouraging a recovery in private investment in the residential sector. Overall, despite an economic environment still characterised by elements of uncertainty, the trend in financial conditions shows signs of a gradual strengthening of the capacity to access credit and support economic activity.

In the coming quarters, the outlook for the credit market remains closely linked to the evolution of the macroeconomic and geopolitical scenario. Although the gradual improvement in financing conditions may continue to support credit demand and investment by households and businesses, risk factors remain linked to international trade tensions, the trend in economic growth and financial market volatility. In this context, it is reasonable to expect credit institutions to maintain a prudent approach to risk assessment. The ability of the banking system to support the recovery in investment and sustain the real economy will be a key element in consolidating growth and addressing the uncertainty that continues to characterise the economic situation in the coming months.

The Bank expects the interest margin to remain broadly stable, supported by the level of market rates and the growth in loans, while the commission income will continue to benefit from the development of asset management and financial advisory activities.

In the remainder of the year, in line with what was observed in the first half of the year, strict monitoring of credit risk is confirmed, supported by a strengthening of monitoring activities and the development of early warning systems, aimed at the timely detection of any signs of deterioration in credit quality. In a potentially worsening macroeconomic environment, an increasing impact on the risk profile is expected, which could require a strengthening of the adjustment safeguards. However, these measures will benefit from the stability of the performing loan component, helping to mitigate the negative effects on the overall loan portfolio.

FINANCIAL STATEMENTS

Balance Sheet as at 30 June 2026

	Assets and liabilities	**30.06.2026**	**31.12.2025**
(in €)			
10.	Cash and cash equivalents	72,192,911	283,718,666
20.	Financial assets measured at fair value through profit or loss	53,743,020	55,476,038
	a) financial assets held for trading	13,721,142	15,266,696
	b) financial assets designated at fair value	-	-
	c) other financial assets that must be measured at fair value	40,021,878	40,209,342
30.	Financial assets measured at fair value through other comprehensive income	1,358,194,716	1,208,455,985
40.	Financial assets measured at amortised cost	10,439,083,598	10,249,706,743
	a) due from banks	471,360,014	376,375,723
	b) receivables from customers	9,967,723,584	9,873,331,020
50.	Hedging derivatives	-	-
60.	Value adjustment of hedged financial assets (+/-)	-	-
70.	Equity investments	9,301,282	9,345,252
80.	Tangible fixed assets	159,225,100	156,438,443
90.	Intangible fixed assets	13,365,778	14,007,459
	of which:	-	-
	- goodwill	-	-
100.	Tax assets	103,469,710	146,682,623
	a) current	59,680,647	100,895,913
	b) anticipated	43,789,063	45,786,710
110.	Non-current assets and disposal groups held for sale	-	896,267
120.	Other assets	269,824,391	325,344,929
	Total assets	**12,478,400,506**	**12,450,072,405**

	Liabilities and equity items	**30.06.2026**	**31.12.2025**
(in €)			
10.	Financial liabilities measured at amortised cost	10,800,904,776	10,909,508,988
	a) due to banks	225,045,599	211,005,705
	b) due to customers	9,286,055,665	9,487,636,991
	c) debt securities issued	1,289,803,512	1,210,866,292
20.	Financial liabilities held for trading	52,015	12,429
30.	Financial liabilities designated at fair value (IFRS 7 par. 8 lett. e))	-	-
40.	Hedging derivatives	2,465,587	2,431,007
50.	Value adjustment of hedged financial liabilities (+/-)	-	-
60.	Tax liabilities	41,876,430	78,229,867
	a) current	38,264,443	73,735,412
	b) deferred	3,611,987	4,494,455
70.	Liabilities associated with assets held for sale	-	-
80.	Other liabilities	520,113,432	330,492,286
90.	Employee severance indemnities	10,672,458	10,604,977
100.	Provisions for risks and charges	25,964,375	33,646,809
	a) commitments and guarantees issued	8,536,433	7,860,773
	b) pensions and similar obligations	-	-
	c) other provisions for risks and charges	17,427,942	25,786,036
110.	Valuation reserves	(3,008,029)	1,330,561
120.	Redeemable shares	-	-
130.	Capital instruments	-	-
140.	Reserves	561,836,830	498,354,140
150.	Share premium reserves	254,710,748	254,650,671
160.	Capital	201,993,752	201,993,752
170.	Treasury shares (-)	(3,437,239)	(2,384,900)
180.	Profit (Loss) for the year (+/-)	64,255,371	131,201,819
	Total liabilities and equity	**12,478,400,506**	**12,450,072,406**

Profit and Loss Account as at 30 June 2026

	Profit and Loss Account	**30.06.2026**	**30.06.2025**
(in €)			
10.	Interest receivable and similar income	193,767,029	199,138,619
	of which: interest income calculated according to the effective interest method	174,529,999	183,834,731
20.	Interest paid and similar charges	(63,523,063)	(71,677,671)
30.	**Interest margin**	**130,243,966**	**127,460,948**
40.	Commission income	64,428,849	61,624,690
50.	Commission expense	(6,310,051)	(5,659,698)
60.	**Net commission**	**58,118,798**	**55,964,992**
70.	Dividends and similar income	3,875,644	4,254,064
80.	Net result of trading	1,971,527	(1,989,974)
90.	Net result of hedging	(28,112)	(39,658)
100.	Profits (losses) on disposal or repurchase of:	5,520,686	6,762,529
	a) financial assets measured at amortised cost	4,822,741	180,664
	b) financial assets measured at fair value through other comprehensive income	697,945	6,581,865
	c) financial liabilities	-	-
110.	Net profit/loss from other financial assets and liabilities measured at fair value through profit and loss	(6,391,339)	(25,524)
	a) financial assets and liabilities designated at fair value	-	-
	b) other financial assets compulsorily measured at fair value	(6,391,339)	(25,524)
120.	**Net banking income**	**193,311,170**	**192,387,377**
130.	Net adjustments/write-backs on credit risk:	3,104,289	509,856
	a) financial assets measured at amortised cost	3,077,754	443,259
	b) financial assets measured at fair value through other comprehensive income	26,535	66,597
140.	Profits/losses from contractual amendments without write-downs	(36,795)	(255,336)
150.	**Net profit from financial activities**	**196,378,664**	**192,641,897**
160.	Administrative expenses:	(105,460,077)	(101,393,229)
	a) personnel expenses	(65,821,205)	(62,997,894)
	b) other administrative expenses	(39,638,872)	(38,395,335)
170.	Net provisions for risks and charges	6,328,746	2,522,805
	a) for credit risk relating to commitments and guarantees issued	(675,660)	(477,983)
	b) other net provisions	7,004,406	3,000,788
180.	Net adjustments/write-backs on tangible assets	(7,244,312)	(6,940,302)
190.	Net adjustments/write-backs on intangible assets	(1,282,334)	(497,779)
200.	Other operating charges/revenue	10,774,144	9,339,497
210.	**Operating costs**	**(96,883,833)**	**(96,969,008)**
220.	Profits (Losses) on equity investments	(145,639)	(390,401)
230.	Net result of measurement at fair value of tangible and intangible assets	-	-
240.	Goodwill value adjustments	-	-
250.	Profits (Losses) on disposal of investments	(950,821)	372,812
260.	**Pre-tax profit (loss) for the period from continuing operations**	**98,398,371**	**95,655,300**
270.	Income taxes on current operations	(34,143,000)	(31,940,315)
280.	**Profit (Loss) from current operations after tax**	**64,255,371**	**63,714,985**
290.	Profit (Loss) on discontinued operations after tax	-	-
300.	**Profit (Loss) for the year**	**64,255,371**	**63,714,985**

Statement of comprehensive income

Items		30.06.2026	30.06.2025
(in €)			
10.	**Profit (Loss) for the year**	**64,255,371**	**63,714,986**
	Other profit components net of taxes not reversed to the Profit and Loss Account	-	-
20.	Equity securities designated at fair value through other comprehensive income	56,827	(24,382)
30.	Financial liabilities designated at fair value through profit or loss (changes in credit rating)	-	-
70.	Defined benefit plans	(191,209)	31,924
	Other income net of taxes reversed to the profit and loss account	-	-
140.	Financial assets (other than equity securities) measured at fair value through other comprehensive income	(4,204,208)	201,649
160.	Share of valuation reserves of equity accounted investments	-	-
170.	**Total other income net of taxes**	**(4,338,590)**	**209,191**
180.	**Comprehensive income (Item 10+170)**	**59,916,781**	**63,924,177**

Statement of changes in equity

Statement of changes in shareholders’ equity from 1st January to 30th June 2026

(in €)	Balance as at 31.12.2025	Change in opening balances	Balance as at 01.01.2026	Allocation of result for previous year		Changes in the year								Shareholders' equity as at 30.06.2026
						Reserve changes	Transactions on equity						Comprehensive Income as at 30.06.2026	
				Reserves	Dividends and other allocations		Issue of new shares	Purchase of treasury shares	Extraordinary distribution of dividends	Variation to capital instruments	Derivatives on treasury shares	*Stock Options*		
Capital	**201,993,752**	**-**	**201,993,752**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**201,993,752**
a) ordinary shares	201,993,752	-	201,993,752	-	-	-	-	-	-	-	-	-	-	201,993,752
b) other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share premium reserves	**254,650,671**	**-**	**254,650,671**	**-**	**-**	**60,077**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**254,710,748**
Reserves	**498,354,140**	**-**	**498,354,140**	**63,388,782**	**-**	**93,909**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**561,836,830**
a) of profits	498,247,577	-	498,247,577	63,388,782	-	93,909	-	-	-	-	-	-	-	561,730,267
b) other	106,563	-	106,563	-	-	-	-	-	-	-	-	-	-	106,563
Valuation reserves	**1,330,561**	**-**	**1,330,561**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(4,338,590)**	**(3,008,029)**
Capital instruments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Treasury shares	**(2,384,900)**	**-**	**(2,384,900)**	**-**	**-**	**-**	**564,085**	**(1,616,425)**	**-**	**-**	**-**	**-**	**-**	**(3,437,239)**
Profit for the year	**131,201,819**	**-**	**131,201,819**	**(63,388,782)**	**(67,813,038)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**64,255,371**	**64,255,371**
Shareholders’ equity	**1,085,146,043**	**-**	**1,085,146,043**	**-**	**(67,813,038)**	**153,986**	**564,085**	**(1,616,425)**	**-**	**-**	**-**	**-**	**59,916,781**	**1,076,351,433**

Statement of changes in equity

Statement of changes in shareholders' equity from 1st January to 30th June 2025

(in €)	Balance as at 31.12.2024	Change in opening balances	Balance as at 01.01.2025	Allocation of result for previous year: Reserves	Allocation of result for previous year: Dividends and other allocations	Changes in the year: Reserve changes	Changes in the year: Transactions on equity: Issue of new shares	Transactions on equity: Purchase of treasury shares	Transactions on equity: Extraordinary distribution of dividends	Transactions on equity: Variation to capital instruments	Transactions on equity: Derivatives on treasury shares	Transactions on equity: *Stock Options*	Comprehensive Income as at 30.06.2025	Shareholders' equity as at 30.06.2025
Capital	**201,993,752**	**-**	**201,993,752**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**201,993,752**
a) ordinary shares	201,993,752	-	201,993,752	-	-	-	-	-	-	-	-	-	-	201,993,752
b) other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share premium reserves	**259,774,069**	**-**	**259,774,069**	**-**	**-**	**(5,579)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**259,768,490**
Reserves	**431,261,161**	**-**	**431,261,161**	**76,377,051**	**-**	**87,843**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**507,726,055**
a) of profits	431,154,598	-	431,154,598	76,377,051	-	87,843	-	-	-	-	-	-	-	507,619,492
b) other	106,563	-	106,563	-	-	-	-	-	-	-	-	-	-	106,563
Valuation reserves	**3,992,533**	**-**	**3,992,533**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**209,191**	**4,201,724**
Capital instruments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Treasury shares	**(5,522,835)**	**-**	**(5,522,835)**	**-**	**-**	**-**	**41,825**	**(467,250)**	**-**	**-**	**-**	**-**	**-**	**(5,948,260)**
Profit for the year	**126,477,695**	**-**	**126,477,695**	**(76,377,051)**	**(50,100,644)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**63,714,986**	**63,714,986**
Shareholders' equity	**1,017,976,375**	**-**	**1,017,976,375**	**-**	**(50,100,644)**	**82,263**	**41,825**	**(467,250)**	**-**	**-**	**-**	**-**	**63,924,177**	**1,031,456,747**

Cash flow statement

A.	OPERATING ACTIVITY	30.06.2026	30.06.2025
(in €)			
1	**Management**	**68,465,991**	**68,743,210**
	- interest revenue received (+)	193,767,029	199,138,619
	- interest expense paid (-)	(63,523,063)	(71,677,671)
	- dividends and similar income (+)	3,875,644	4,254,064
	- Profit/loss on hedging activities (+/-)	(28,112)	(39,658)
	- net fees (+/-)	58,118,798	55,964,992
	- personnel costs (-)	(65,559,126)	(62,725,358)
	- other costs (-)	(41,698,448)	(40,127,362)
	- other revenues (+)	17,656,271	15,895,899
	- taxes and duties (-)	(34,143,000)	(31,940,315)
	- costs/revenues relating to discontinued operations net of tax effect (+/-)	-	-
2	**Cash generated/utilised by financial assets**	**(243,230,076)**	**(475,808,153)**
	- financial assets held for trading	3,517,081	(1,958,689)
	- financial assets designated at fair value	-	-
	- other assets necessarily measured at fair value	(6,203,875)	3,436,320
	- financial assets measured at fair value through other comprehensive income	(153,161,632)	(132,440,335)
	- financial assets measured at amortised cost	(186,335,706)	(366,168,423)
	- other assets	98,954,058	21,322,977
3	**Cash generated/utilised by financial liabilities**	**43,672,940**	**430,932,184**
	- financial liabilities measured at amortised cost	(108,604,212)	227,312,834
	- financial liabilities held for trading	39,586	2,026,936
	- financial liabilities designated at fair value	34,580	(1,107,556)
	- other liabilities	152,202,986	202,699,970
	Net cash provided by/used in operating activities	**(131,091,145)**	**23,867,241**
B.	**INVESTMENT ACTIVITY**		
1	**Cash flows generated by**	**(950,821)**	**372,812**
	- sales of equity investments	-	-
	- dividends received on equity investments	-	-
	- sales of tangible assets	(950,821)	372,812
	- sales of intangible assets	-	-
	- sales of business units	-	-
2	**Cash absorbed by**	**(10,773,291)**	**(8,289,941)**
	- purchases of equity investments	(101,669)	-
	- purchases of tangible assets	(10,030,969)	(7,064,274)
	- purchases of intangible assets	(640,653)	(1,225,667)
	- purchases of business units	-	-
	Net cash generated/utilised by investment activities	**(11,724,111)**	**(7,917,129)**
C.	**FINANCING ACTIVITIES**		
	- issues/Purchases of treasury shares	(1,052,339)	(425,425)
	- issues/Purchases of capital instruments	150,966	80,238
	- distribution of dividends and other	(67,809,130)	(34,949,087)
	Net cash generated/utilised by funding	**(68,710,503)**	**(35,294,274)**
	NET LIQUIDITY GENERATED/ABSORBED DURING THE YEAR	**(211,525,759)**	**(19,344,162)**

RECONCILIATION	**30.06.2026**	**30.06.2025**
Cash and cash equivalents at beginning of year	283,718,666	187,922,220
Total net cash generated/utilised during the year	(211,525,759)	(19,344,162)
Cash and cash equivalents: effect of changes in exchange rates	-	-
Cash and cash equivalents at end of year	**72,192,907**	**168,578,058**

NOTES

DECLARATION OF CONFORMITY WITH THE INTERNATIONAL ACCOUNTING STANDARDS

The Half-Year Financial Report is prepared in accordance with the current International Financial Reporting Standards (IFRS - formerly known as IAS), as adopted by the European Union, and the relevant interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). The Bank of Italy defines the formats and rules for compiling financial statements in Circular no. 262 of 22 December 2005, including subsequent updates. The international accounting standards are also applied with reference to the "Framework for the preparation and presentation of financial statements".

In particular, the condensed Interim financial statements are prepared in accordance with the requirements of IAS 34, which regulates interim financial statements.

In preparing the Report, the IAS/IFRS in force at the time were applied, including the SIC and IFRIC interpretations as endorsed by the European Commission.

The accounting principles adopted for the preparation of this Report, with reference to the phases of classification, recognition, measurement and derecognition of assets and liabilities in the financial statements, as well as the methods of recognition of revenues and costs, have remained unchanged with respect to those adopted for the preparation of the 2025 Financial statements of Volksbank, to which reference is made for a complete presentation.

It should be noted that, following the completion of the endorsement procedure, various amendments to existing IAS/IFRS and IFRIC interpretations were implemented as of 1 January 2026, and new interpretations were also issued. The standards and interpretations that came into force in 2026 did not have a material impact on the Bank's balance sheet and income statement.

International Accounting Standards endorsed in previous years and entering into force in 2026	**Approval regulation**	**Publication date**	**Date of entry into force**
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024)	2025/1047	28/05/2025	01/01/2026
Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7 (issued on 18 December 2024)	2025/1266	01/07/2025	01/01/2026
Annual Improvements Volume 11 - IAS 7, IFRS 1, IFRS 7, IFRS 9, IFRS 10 (issued on 18 July 2024)	2025/1331	09/07/2025	01/01/2026
International Accounting Standards endorsed but not yet effective			
IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024)	2026/338	16/02/2026	01/01/2027

BASIS OF PREPARATION

The Interim Financial Report, prepared pursuant to Art. 154-ter of Italian Legislative Decree 24 February 1998 no. 58 (TUF) and subsequent updates, consists of the condensed interim financial statements and is accompanied by an interim management report containing the significant events of the half-year, the disclosure on related party transactions and a description of the main risks and uncertainties, including those related to the foreseeable development of operations.

The condensed interim financial statements (hereinafter also referred to as 'Condensed Financial Statements') consist of the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in equity, the cash flow statement, and the notes to the financial statements and comments on the results for the period.

In accordance with the provisions of Article 5 of Italian Legislative Decree No. 38/2005, the Financial Statements are prepared using the Euro as the accounting currency.

The reclassified balance sheet and income statement contained in the Condensed Interim Financial Statements have been prepared on the basis of the new financial statement formats. The reclassification criteria are detailed in the specific section of the Condensed Financial Statements. The purpose of the above reclassified statements is to provide a more immediate reading of the balance sheet, financial position and economic result for the six-month period.

The Half-Year Report as at 30 June 2026 is prepared using the Euro as the accounting currency. The amounts indicated in the Financial Statements and Notes are expressed in euros, unless otherwise specified.

The Interim Report as at 30 June 2026, approved by the Board of Directors on 7 August 2026, is accompanied by the attestation of the Manager in charge, pursuant to Art. 154-bis of the TUF, and is subject to a limited audit by the auditing firm KPMG S.p.A.

UNCERTAINTIES SURROUNDING THE USE OF ESTIMATES IN THE PREPARATION OF THE INTERIM REPORT

The preparation of financial information also requires the use of estimates and assumptions that can have a significant effect on the values recorded in the Balance Sheet and the Income statement, as well as on the information relating to potential assets and liabilities recorded in the financial statements. The preparation of such estimates involves the use of information available and adoption of subjective evaluations, also based on historical experience, used to formulate reasonable assumptions for the recognition of operating events. Due to their nature, the estimates and assumptions used may vary from year to year and, accordingly, it cannot be excluded that in subsequent years the values recorded in the financial statements may vary significantly as a result of changes in the subjective assessments used.

The main cases for which the use of subjective assessments by management is most required are:

- the quantification of impairment losses on loans, equity investments and, in general, other financial assets;
- the use of valuation models for recognition of the *fair value* of financial instruments not listed on active markets;
- the assessment of the fairness of the value of goodwill and other intangible fixed assets;
- quantification of the *fair value* of the properties;
- the quantification of provisions for personnel and provisions for risks and charges;

- estimates and assumptions on the recoverability of deferred tax assets;
- estimate of the recoverable value of property held for investment purposes.

For some of the cases listed above, the main factors, subject of estimates, can be identified and accordingly contribute to determining the book value of assets and liabilities in the financial statements. Without claiming to be exhaustive, it should be noted that:

- to calculate the *fair value* of financial instruments not listed on active markets, where it is necessary to use parameters that cannot be inferred from the market, the main estimates concern, on the one hand, development of future financial flows (or even revenue flows, in the case of shares), possibly subject to future events and, on the other, the level of certain input parameters not listed on active markets;
- for allocation of receivables and debt securities classified under Financial assets at amortised cost and Financial assets at fair value to the three credit risk stages envisaged by IFRS 9 through other comprehensive income and the calculation of the related expected losses, the main estimates concern:
  - calculation of parameters for a significant increase in credit risk, based essentially on models for measuring the *Probability of Default* (PD) at the origination of financial assets and at the financial statement date;
  - the inclusion of forward looking factors, including macroeconomic factors, for the determination of PDs and LGDs;
  - the determination of the probability of sale of impaired financial assets, by realising the positions on the market;
- to determine estimates of future cash flows from impaired loans, certain elements are taken into consideration: the expected recovery time, the estimated realisable value of any guarantees as well as the costs that are expected to be incurred for the recovery of the credit exposure;
- for the determination of the value in use of intangible fixed assets with an indefinite useful life (goodwill) with reference to the Cash Generating Unit (CGU), the future cash flows in the analytical forecast period and the flows used to determine the so-called "terminal value'', generated by the CGU. The cost of capital is also included in the estimates. As at 30 June 2026, there is no goodwill recognised in the financial statements;
- to determine the use value of intangible fixed assets with a finite life ("client relationship"), the useful life is estimated, on the one hand, and the future cash flows from the asset, on the other. In the case of intangible fixed assets with a finite useful life, the cost of capital is also included in the estimates;
- determination of the *fair value* of real estate is performed through the preparation of special valuations. In order to prepare the valuations relating to the properties, the rental prices, sale prices, discount rates and capitalisation rates were estimated;
- for quantification of provisions for pensions and similar obligations, the present value of obligations is estimated, taking into account the flows, suitably discounted, deriving from historical statistical analyses, and the demographic curve;
- for quantification of provisions for risks and charges, an estimate is made - where possible - of the amount of disbursements needed to meet the obligations, taking into account the actual probability of having to invest resources;
- for determination of the items relating to deferred taxation, the probability of future taxes effectively incurred (taxable temporary differences) is estimated and the degree of reasonable certainty - if any - of future taxable amounts at the time when the tax deductibility will become apparent (deductible temporary differences).

ACCOUNTING PRINCIPLES ADOPTED FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

During the first half of 2026, no significant changes or additions were made to the accounting policies adopted by the Bank. The accounting principles adopted for the preparation of the Condensed Interim Financial Statements at 30/06/2026, with reference to the phases of classification, recognition, measurement and derecognition of the various asset and liability items, as well as the methods of recognition of revenues and costs, are therefore the same as those already applied for the preparation of the Financial Statements at 31 December 2025, to which reference should be made in full for a complete explanation.

The financial statements and the accompanying explanatory notes must therefore be read together with the accounting standards set out in these financial statements.

SIGNIFICANT EVENTS AFTER THE END OF THE SIX-MONTH PERIOD

Interim dividend for the 2026 financial year

Today, 7 August 2026, the Board of Directors is meeting to approve, among other things, the distribution of an interim dividend for the 2026 financial year totalling €25,249,219 to be allocated to each of the 50,498,438 shares issued. The record date is set for 24 September 2026, and the payment date is set for 1 October 2026.

FAIR VALUE DISCLOSURE

Assets and liabilities measured at fair value on a recurring basis: breakdown by fair value level

(thousands of €)		30.06.2026			31.12.2025	
Financial assets/liabilities measured at fair value	**L1**	**L2**	**L3**	**L1**	**L2**	**L3**
1. Financial assets currency at fair value through profit or loss						
a) financial assets held for trading	-	13,720	-	-	15,267	-
b) financial assets designated at fair value	-	-	-	-	-	-
c) other financial assets that must be measured at fair value	-	33,111	6,911	-	33,886	6,323
2. Financial assets measured at fair value through other comprehensive income	315,889	1,032,211	10,094	240,881	957,537	10,038
3. Hedging derivatives	-	-	-	-	-	-
4. Tangible fixed assets	-	-	-	-	-	-
5. Intangible fixed assets	-	-	-	-	-	-
Total	**315,889**	**1,079,042**	**17,005**	**240,881**	**1,006,690**	**16,361**
1. Financial liabilities held for trading	-	52	-	-	12	-
2. Financial liabilities designated at fair value	-	-	-	-	-	-
3. Hedging derivatives	-	2,466	-	-	2,431	-
Total	**-**	**2,518**	**-**	**-**	**2,443**	**-**

	Key:
L1	= Level 1
L2	= Level 2
L3	= Level 3

Annual changes in assets measured at fair value on a recurring basis (level 3)

	Financial assets measured at fair value through profit or loss							
	Total	of which: a) financial assets held for trading	of which: b) financial assets designated as at fair value	of which: c) other financial assets that must be measured at fair value	Financial assets measured at fair value through other comprehensive income	Hedging derivatives	Tangible fixed assets	Intangible fixed assets
(thousands of €)								
1. Opening balance	**6,323**	**-**	**-**	**6,323**	**10,038**	**-**	**-**	**-**
2. Increases	**4,264**	**-**	**-**	**4,264**	**56**	**-**	**-**	**-**
2.1 Purchasing	-	-	-	-	56	-	-	-
2.2 Profits attributed to:	139	-	-	139	-	-	-	-
2.2.1 Profit and Loss Account	139	-	-	139	-	-	-	-
- of which capital gains	139	-	-	139	-	-	-	-
2.2.2 Shareholders' equity	-	X	X	X	-	-	-	-
2.3 Transfers from other levels	-	-	-	-	-	-	-	-
2.4 Other increases	4,125	-	-	4,125	-	-	-	-
3. Decreases	**3,677**	**-**	**-**	**3,676**	**-**	**-**	**-**	**-**
3.1 Sales	-	-	-	-	-	-	-	-
3.2 Refunds	-	-	-	-	-	-	-	-
3.3 Losses attributed to:	2,900	-	-	2,900	-	-	-	-
3.3.1 Profit and Loss Account	2,900	-	-	2,900	-	-	-	-
- of which capital losses	2,900	-	-	2,900	-	-	-	-
3.3.2 Shareholders' equity	-	X	X	X	-	-	-	-
3.4 Transfers to other levels	-	-	-	-	-	-	-	-
3.5 Other decreases	776	-	-	776	-	-	-	-
4. Closing inventories	**6,911**	**-**	**-**	**6,911**	**10,094**	**-**	**-**	**-**

Annual changes in liabilities measured at fair value on a recurring basis (level 3)

At the date, there were no financial liabilities measured at level 3 *fair value* on a recurring basis.

Assets and liabilities not valued at fair value or valued at fair value on a non-recurring basis: breakdown by fair value level

(thousands of €)	30.06.2026				31.12.2025			
	BV	**L1**	**L2**	**L3**	**BV**	**L1**	**L2**	**L3**
1. Financial assets measured at amortised cost	10,439,084	1,856,792	636,958	8,085,801	10,249,707	1,911,108	585,950	7,913,901
2. Tangible assets held for investment purposes	9,127	-	-	15,510	8,795	-	-	15,021
3. Non-current assets and disposal groups held for sale	-	-	-	-	896	-	-	-
Total	**10,448,211**	**1,856,792**	**636,958**	**8,101,311**	**10,259,398**	**1,911,108**	**585,950**	**7,928,922**
1. Financial liabilities measured at amortised cost	10,800,905	-	1,210,078	9,511,927	10,909,509	-	1,134,451	9,700,892
2. Liabilities associated with assets held for sale	-	-	-	-	-	-	-	-
Total	**10,800,905**	**-**	**1,210,078**	**9,511,927**	**10,909,509**	**-**	**1,134,451**	**9,700,892**

	Key:
BV	= Book value
L1	= Level 1
L2	= Level 2
L3	= Level 3

Reclassified financial statements

The reclassified balance sheet and profit and loss account are presented below, in which the economic and financial data are presented according to management criteria that are quicker and easier to interpret, in order to allow for a more immediate reading of the situation and the result for the period.

Reclassified balance sheet

To facilitate reading the balance sheet, the reclassified statement of financial position is shown below. Reclassification only involved the aggregation of Balance Sheet items. In particular, note as follows:

- Cash and cash equivalents are included in the residual Other asset item;
- the separate evidence of financial assets that constitute Loans to banks regardless of the respective allocation accounting portfolios and Loans to customers broken down on the basis of the valuation at amortised cost or at fair value;
- financial assets that do not constitute loans are entered separately, distinguishing between financial assets measured at amortised cost, financial assets measured at fair value with impact on the Profit and Loss Account, financial assets measured at fair value through other comprehensive income, net of the reclassification to Loans to banks and Loans to customers;
- tangible and intangible assets are aggregated into a single item;
- separate indication of assets and liabilities for Right of use as established in IFRS 16;
- payables to banks at amortised cost are entered separately;
- the total sums due to customers at amortised cost and of outstanding securities are aggregated into a single item;
- "Provisions for risks and charges" groups funds designated for a specific use (employee severance benefits, provisions for risks and charges, provisions for commitments and financial guarantees issued) into a single item;
- reserves are indicated in an aggregated manner, net of any own shares.

Reclassified asset items	**30.06.2026**	**31.12.2025**	**Change**	
(thousands of €)			**Abs.**	**%**
Loans to banks	199,794	325,834	(126,040)	-38.7%
Loans to customers	7,664,503	7,569,578	94,925	1.3%
a) Loans to customers measured at amortised cost	7,657,630	7,563,294	94,336	1.2%
b) Loans to customers valued at FVOCI and with FV in the Profit and Loss Account	6,873	6,284	589	9.4%
CA-rated financial assets that do not constitute loans	2,585,178	2,559,845	25,333	1.0%
Financial assets valued at fair value with impact on profit and loss	46,870	49,192	(2,322)	-4.7%
Financial assets valued at FVOCI	1,358,195	1,208,456	149,739	12.4%
Equity investments	9,301	9,345	(44)	-0.5%
Tangible and intangible assets	172,591	170,446	2,145	1.3%
- owned goods	152,925	150,883	2,042	1.4%
- rights of use	19,666	19,563	103	0.5%
Tax assets	103,470	146,683	(43,213)	-29.5%
Non-current assets and disposal groups held for sale	-	896	(896)	-100.0%
Other assets	338,499	409,797	(71,298)	-17.4%
Total assets	**12,478,401**	**12,450,072**	**28,329**	**0.2%**

Reclassified liability items	**30.06.2026**	**31.12.2025**	**Change**	
(thousands of €)			**Abs.**	**%**
Payables to banks at amortised cost	225,046	211,006	14,040	6.7%
Payables to customers at amortised cost and outstanding securities	10,575,859	10,698,503	(122,644)	-1.1%
Financial liabilities held for trading	52	12	40	333.3%
Financial liabilities designated at fair value	-	-	-	n.a.
Tax liabilities	41,876	78,230	(36,354)	-46.5%
Liabilities associated with assets held for sale	-	-	-	n.a.
Other liabilities	522,580	332,922	189,658	57.0%
Provisions for risks and charges	36,637	44,252	(7,615)	-17.2%
- of which: commitments and guarantees granted	8,536	7,861	675	8.6%
Capital	201,994	201,994	-	0.0%
Reserves	813,110	750,620	62,490	8.3%
Valuation reserves	(3,008)	1,331	(4,339)	-326.0%
Capital instruments	-	-	-	n.a.
Profit (Loss) for the year (+/-)	64,255	131,202	(66,946)	-51.0%
Total liabilities and equity	**12,478,401**	**12,450,072**	**28,330**	**0.2%**

Reclassified Profit and Loss Account

A reclassified Profit and Loss Account is presented below to facilitate reading of the results for the year.

As provided in Consob communication No. DEM/6064293 of 28 July 2006, a description of the reclassifications and aggregations made is provided below:

- the item "Net financial result" of the portfolio is made up of the Profit and Loss Account items "Dividends and similar income", "Net result from trading activities", "Net result of hedging", and the items "Profits (Losses) from disposal or repurchase", "Net profit/loss from other financial assets and liabilities measured at fair value through Profit and Loss" excluding the components referable to financial assets that constitute financing, and the item "Profit (Losses) on equity investments";
- the item "Other net operating income (expenses)" includes the item "Other operating expenses/income" net of recovered costs;
- the item "Administrative expenses" shows the balance of item 160 b) of Profit and Loss net of recovered costs and excluding taxes and charges relating to the banking system, which are reported in a specific item of the reclassified income statement;
- the item "Net adjustments on loans to customers" includes the items "Net adjustments/write-backs for credit risk of financial assets valued at amortised cost", "Profits (losses) from disposal or repurchase", "Net result from other assets" and financial liabilities measured at fair value with impact on the income statement" limited to the components referable to financial assets that constitute loans, "Profits/losses from contractual amendments without cancellations" and the "Net provisions for risks and charges for credit risk relating to commitments and guarantees given";
- the item "Adjustments on other assets and liabilities" includes "Net adjustments/write-backs for credit risk of financial assets measured at amortised cost", "Net adjustments/write-backs for credit risk of financial assets measured at fair value with impact on comprehensive income", both limited to the components referable to financial assets that do not constitute loans;
- the item "Net provisions for risks and charges" shows the balance of item 170 b) of the Profit and Loss Account.

Reclassified Profit and Loss Account	30.06.2026	30.06.2025	Change	
(thousands of €)			*Abs.*	*%*
Interest margin	130,244	127,461	2,783	2.2%
Net commission	58,119	55,965	2,154	3.8%
First margin	**188,363**	**183,426**	**4,937**	**2.7%**
Net result of the financial portfolio	7,564	8,089	(525)	-6.5%
Other net operating income (expenses)	(1,085)	(1,809)	724	-40.0%
Other operating income (expenses)	**6,479**	**6,280**	**199**	**3.2%**
Net operating income	**194,842**	**189,706**	**5,136**	**2.7%**
Personnel expenses	(65,821)	(62,998)	(2,823)	4.5%
Administrative expenses	(27,780)	(27,214)	(566)	2.1%
Net result of tangible and intangible assets	(8,527)	(7,438)	(1,089)	14.6%
Operating costs	**(102,128)**	**(97,650)**	**(4,478)**	**4.6%**
Operating income	**92,714**	**92,056**	**658**	**0.7%**
Net adjustments on loans to customers	(434)	257	(691)	-268.9%
Adjustments on other assets and liabilities	65	2	63	3150.0%
Profits (Losses) on disposal of equity investments and shareholdings	(951)	373	(1,324)	-355.0%
Levies and charges relating to the banking system	-	(34)	34	-100.0%
Net provisions for risks and charges	7,004	3,001	4,003	133.4%
Gross profit (loss) from current operations	**98,398**	**95,655**	**2,743**	**2.9%**
Income tax	(34,143)	(31,940)	(2,203)	6.9%
Profit (Loss) for the year	**64,255**	**63,715**	**540**	**0.8%**

In accordance with the indications of Consob Communication no. DEM/6064293 of 28 July 2006, information has been provided below on the effects that events or transactions of a non-recurring nature have had on the economic result for the periods under comparison.

The following criteria are generally used to identify non-recurring items:

- The results of sales transactions of all fixed assets (investments, tangible assets) are considered non-recurring;
- Profits and losses of non-current assets held for sale are considered non-recurring;
- non-recurring components are considered to be those related to efficiency-boosting operations, restructuring, etc. (e.g. redundancy costs, redundancy incentives);
- economic components of a significant amount that are not expected to recur frequently (e.g. penalties, impairment of fixed assets, effects related to changes in regulations, exceptional results) are considered non-recurring;
- on the other hand, economic impacts, even though significant, arising from valuation issues and/or changes in parameters in the application of valuation methodologies adopted on an ongoing basis are considered recurring.

Where deemed significant, information on the impact that events or transactions that are non-recurring or do not occur frequently in the ordinary course of business have on the Bank's balance sheet, financial position and cash flows is provided in the specific sections of the Notes to the Financial Statements that illustrate the evolution of balance sheet and income statement items.

RESULTS AS AT 30 JUNE 2026

The Profit and Loss Account

In a macroeconomic environment characterised by persistent international uncertainty, Volksbank recorded broadly positive results in the first half of the year in terms of profitability, liquidity and capital strength.

Gross profit for the first half of the year amounted to €98.4 million, up by 2.9% on the €95.7 million for the corresponding period of 2025. This trend was mainly driven by the substantial stability of the interest margin – despite significantly falling rates – and by higher net commissions, effects that were partly offset by lower other operating income and higher operating costs.

Composition of net interest	**30.06.2026**	**30.06.2025**	**Changes**	
(thousands of €)			*Abs.*	*%*
Net interest from customers	94,326	94,852	(526)	-0.6%
Net interest on the property portfolio	54,625	46,776	7,849	16.8%
Net interest from banks	(1,962)	(810)	1,152	142.4%
Net interest from institutional counterparties and outstanding securities	(16,574)	(13,236)	3,338	25.2%
Other net interest	(172)	(122)	50	40.6%
Interest margin	**130,244**	**127,461**	**2,783**	**2.2%**

Net interest, amounting to 130.2 million, rose by 2.2% compared with the first half of 2025. In particular, there was a marginal reduction in the contribution from customer brokerage (-0.6%, equal to -0.5 million) in a context that saw a reduction in rates by the ECB, which led to a reduction in customer lending rates, substantially offset by a reduction in the cost of customer deposits.

Net interest on the proprietary portfolio increased by +16.8% to +54.6 million, mainly due to the contribution of financial assets at *fair value* through other comprehensive income (amounting to 18.8 million and +4.0 million compared to June 2025) and financial assets measured at amortised cost (amounting to 35.5 million and +4.3 million compared to June 2025).

Net interest on transactions with banks amounted to -€2.0 million, up from -€0.8 million in the first half of 2025.

The dynamics of relations with banks also incorporate the impact of changes, in terms of both amounts and interest rates applied, of transactions with the ECB. In the first half of 2026, these transactions concerned only the sight deposit of available liquidity, as the funds obtained through TLTRO operations were progressively repaid during 2024.

More specifically, in the first six months of 2026, transactions with the ECB generated 2.3 million in interest income, against an average overnight liquidity deposit of 227.6 million, remunerated at an average applied rate of 2.0%. In the corresponding period of 2025, interest income amounted to 4.1 million, due to average deposits of 317.5 million and an average rate applied of 2.5%.

Net interest from institutional counterparties amounted to -€16.6 million, an increase (+€3.3 million) compared to -€13.2 million in the first six months of 2025.

Net commission	**30.06.2026**	**30.06.2025**	**Changes**	
(thousands of €)			***Abs.***	***%***
Current account and Debit account expenses	12,596	12,449	147	*1.2%*
Credits and Financing	10,096	10,630	(534)	*-5.0%*
Monetics	5,073	5,817	(744)	*-12.8%*
Receipts / payments	3,677	3,751	(74)	*-2.0%*
Internet Banking	1,286	1,083	203	*18.7%*
Abroad	307	299	7	*2.4%*
Commercial banking activity	**33,035**	**34,030**	**(995)**	***-2.9%***
Placement of savings products	17,723	15,177	2,546	*16.8%*
Bancassurance	5,066	4,625	441	*9.5%*
Securities Administration	1,196	1,175	21	*1.7%*
Personal finance	1,062	1,144	(81)	*-7.1%*
Brokerage and consultancy activities	**25,048**	**22,122**	**2,926**	***13.2%***
Other net commissions	37	(186)	(223)	*n.a.*
Net commission	**58,119**	**55,965**	**2,154**	***3.8%***

Net commissions earned in the first half of 2026 amounted to 58.1 million, up 3.8% compared to 56.0 million in the same period of 2025.

This result was mainly driven by the increase in commissions on brokerage and consultancy activities (+13.2% and +€2.9 million). Specifically, the contribution from the placement of savings products increased (+16.8%, equal to +2.5 million) as did commissions from the distribution of insurance products (+9.5% and +0.4 million).

Conversely, commissions on commercial banking activity fell 2.9% (-1.0 m), notably in loans and financing (-5.0% or -0.5 m) and e-money (-12.8% or -0.7 m), partly offset by stronger commission income from current- and deposit-account fees (+1.2% or +0.1 m) and internet banking (+18.7% or +0.2 m).

The item in the first six months of 2026 showed an overall value higher than in previous periods, continuing the growth trend already seen in 2025 and 2024.

The net result of the financial portfolio, which includes the overall performance of the property portfolio, was +€7.6 million, compared to +€8.1 million in the first half of 2025. Net trading income amounted to €+2.0 million, compared to €-2.0 million in the first half of 2025. The result from the sale of financial assets measured at amortised cost other than receivables amounted to +€4.8 million, compared to +€0.2 million in the first half of 2025. The contribution of financial assets measured at fair value with an impact on comprehensive income was +€0.7 million, compared to +€6.6 million in the first half of 2025. The component relating to the net result of other assets and liabilities at fair value other than loans amounted to -€3.6 million, compared with a result of -€0.5 million in the first half of 2025. Dividends amounted to +€3.9 million, compared to a result of +€4.3 million in the first half of 2025.

Other net operating income and expenses amounted to -€1.1 million, compared to -€1.8 million in the first half of 2025.

The aggregate of other operating income (expenses) therefore recorded a result of +€6.5 million, compared to +€6.3 million in the first half of 2025.

Net operating income was +194.8 million, compared to +189.7 million in 2025.

Operating expenses, which include personnel expenses, administrative expenses net of expense recoveries and depreciation and amortisation of property, plant and equipment and intangible assets, amounted to -€102.1 million compared to -€97.7 million in the first half of 2025; personnel expenses stood at -€65.8 million compared to -€63 million in the first half of 2025; while administrative expenses amounted to -€27.8 million (+2.1% compared to -€27.2 million in the first half of 2025); and the net result from property, plant and equipment and intangible assets amounted to -€8.5 million compared to -€7.4 million in the first half of 2025.

Consequently, the result from operations amounted to +€92.7 million, compared to +€92.1 million in the first half of 2025.

Net adjustments on loans to customers including the result of the sale and valuation of loans measured at amortised cost and *fair value* amounted to -€0.4 million, compared to +€0.3 million in the first half of 2025. Adjustments on other assets and liabilities, which include adjustments and reversals on financial assets and liabilities other than loans to customers, amounted to €+65,000, compared to €+2,000 in the first half of 2025. Net provisions for liabilities and charges amounted to €+7 million, compared to €+3 million in the first half of 2025.

Profits (Losses) on disposal of equity investments and shareholdings are -€1 million.

Fees and charges related to the banking system before tax amounted to zero, compared to €34,000 in the first half of 2025, and were entirely attributable to the charge related to the management of the Italian Interbank Deposit Protection Fund.

Income taxes amounted to -€34.1 million.

The net result was +64.3 million.

The Balance Sheet

a) Credit brokerage

Direct funding

Direct funding	**30.06.2026**	**31.12.2025**	**Change**	
(thousands of €)			**Abs.**	**%**
Direct deposits and current accounts	8,905,785	9,088,072	(182,287)	-2.0%
Debt securities issued	345,434	280,727	64,707	23.0%
Total direct funding from customers	**9,251,219**	**9,368,799**	**(117,580)**	**-1.3%**
Wholesale funding	1,324,640	1,329,704	(5,064)	-0.4%
- of which Guaranteed Banking Bonds	864,644	853,724	10,920	1.3%
- of which Securitisations placed	-	-	-	n.a.
- of which subordinate liabilities	79,725	76,415	3,310	4.3%
- of which liability transactions on repurchase agreements on securities	273,562	143,157	130,406	91.1%
- of which deposits by the MEF	-	150,009	(150,009)	-100.0%
- of which Other collection	106,708	106,400	309	0.3%

Direct funding as at 30 June 2026 amounted to €9.3 billion, a decrease of -1.3% compared to the figure of €9.4 billion as at 31 December 2025.

The decrease relates to the component represented by current accounts and savings deposits, which fell by -2.0% (-€182 million), while securities issued amounted to €345.4 million, compared to €280.7 million at the end of 2025 (+23%).

Wholesale funding comprised €864.6 million in covered bonds, €273.6 million in repurchase agreements, €106.7 million in other funding and €79.7 million in subordinated liabilities.

The latter consist of 2 issues with the following characteristics:

	Issue 01.08.2017	**Issue 09.09.2022**
Level of Subordination	Subordinate liabilities qualified as Tier 2	Subordinate liabilities qualified as Tier 2
ISIN	XS1663201942	XS2530769921
Amount	5,000,000	70,000,000
Date of Issue	17.08.2017	09.09.2022
Expiry Date	17.08.2029	09.09.2032
Currency	EUR	EUR
Rate	5.6%	9.0% per annum, payable in arrears until 09.09.2027 (equal to 5yr MS + 673.4 bps), then reset of the rate at the mid-swap fixing + margin of 673.4 bps
Price	100	100
Listing	Luxembourg Stock Exchange	Luxembourg Stock Exchange

Indirect funding

Indirect deposits consisted entirely of assets under administration and amounted to €6.6 billion as at 30 June 2026, up by +8.2% compared to 31 December 2025.

Technical forms of indirect deposits	**30.06.2026**	**31.12.2025**	**Change**	
(thousands of €)			**Abs.**	**%**
Assets under administration - third party products	4,338,996	4,030,142	308,854	7.7%
Assets under management - third party securities and own shares	2,235,260	2,046,227	189,033	9.2%
Total	**6,574,256**	**6,076,369**	**497,887**	**8.2%**

In more detail, the component of assets under administration relating to third-party products amounted to €4,339 million, an increase of +7.7% compared to €4,030.1 million as at 31 December 2025. Mutual funds increased by +8.2% to €3,313 million, pension funds and pension policies increased by +11% to €290.9 million, and third-party life insurance increased by +4% to €734.5 million.

The component of assets under administration consisting of securities under administration amounted to €1,679.9 million, an increase of €203.8 million. Specifically, equities rose by +12.6%, bonds rose by +34.7%, while government bonds increased by +12.7%.

As a result of the above trends, customer financial assets increased to €15.3bn, up 2.7% from €14.9bn at the end of 2025.

The figures relating to customer financial assets alone are shown below.

Loans to customers at amortised cost

Technical forms of use	**30.06.2026**	**31.12.2025**	**Change**	
(thousands of €)			***Abs.***	***%***
Current accounts	804,275	771,935	32,340	4.2%
Advances and loans	457,201	437,471	19,730	4.5%
Mortgages	6,194,918	6,142,782	52,136	0.8%
Trade receivables	**7,456,394**	**7,352,188**	**104,206**	**1.4%**
Reverse repurchase agreements	-	-	-	n.a.
Receivables represented by securities	93,057	94,209	(1,152)	-1.2%
Non-performing loans	101,936	111,296	(9,360)	-8.4%
Other	6,244	5,600	644	11.5%
Other loans to customers	**201,236**	**211,105**	**(9,869)**	**-4.7%**
Total	**7,657,630**	**7,563,294**	**94,337**	**1.2%**

Net loans to customers amounted to €7.7bn as at 30 June 2026, a slight increase from the end of 2025 (+1.2%).

The aggregate of performing loans rose slightly compared to 31 December 2025 (+1.4%) while that of non-performing loans fell by -8.4%.

b) Credit quality

The tables below show the situation of cash loans to customers as at 30 June 2026 compared to the similar exposure as at 31 December 2025.

Credits	**30.06.2026**	**31.12.2025**	**Changes**	
(thousands of €)			*Abs.*	*%*
A) bad debts				
gross amounts	119,097	124,127	(5,030)	-4.1%
value adjustments	(90,998)	(92,674)	1,676	-1.8%
net carrying amounts	28,099	31,453	(3,354)	-10.7%
% Coverage	-76.4%	-74.7%		
B) unlikely to pay				
gross amounts	118,520	128,227	(9,707)	-7.6%
value adjustments	(48,625)	(53,903)	5,278	-9.8%
net carrying amounts	69,895	74,324	(4,429)	-6.0%
% Coverage	-41.0%	-42.0%		
C) past due exposures				
gross amounts	5,750	7,948	(2,198)	-27.7%
value adjustments	(1,810)	(2,429)	619	-25.5%
net carrying amounts	3,940	5,519	(1,579)	-28.6%
% Coverage	-31.5%	-30.6%		
D) Subtotal non-performing exposures (a+b+c)				
gross amounts	243,367	260,302	(16,935)	-6.5%
value adjustments	(141,433)	(149,006)	7,573	-5.1%
net carrying amounts	101,934	111,296	(9,362)	-8.4%
% Coverage	-58.1%	-57.2%		
E) performing loans - stage 1				
gross amounts	6,849,693	6,680,276	169,417	2.5%
value adjustments	(40,715)	(36,847)	(3,868)	10.5%
net carrying amounts	6,808,978	6,643,429	165,549	2.5%
% Coverage	-0.59%	-0.55%		
F) performing loans - stage 2				
gross amounts	695,556	758,587	(63,031)	-8.3%
value adjustments	(41,895)	(44,228)	2,333	-5.3%
net carrying amounts	653,661	714,359	(60,698)	-8.5%
% Coverage	-6.02%	-5.83%		
G) Subtotal Performing loans (e+f)				
gross amounts	7,545,249	7,438,863	106,386	1.4%
value adjustments	(82,610)	(81,075)	(1,535)	1.9%
net carrying amounts	7,462,639	7,357,788	104,851	1.4%
% Coverage	-1.09%	-1.09%		
H) performing exposures represented by securities - stage 1				
gross amounts	92,208	93,463	(1,255)	-1.3%
value adjustments	(910)	(991)	81	-8.2%
net carrying amounts	91,298	92,471	(1,174)	-1.3%
% Coverage	-1.0%	-1.1%		
I) performing exposures represented by securities - stage 2				
gross amounts	2,590	2,600	(10)	-0.4%
value adjustments	(831)	(862)	31	-3.6%
net carrying amounts	1,759	1,738	21	1.2%
% Coverage	-32.1%	-33.2%		

J) Subtotal Performing loans consisting of securities (h+i)				
gross amounts	94,798	96,062	(1,264)	-1.3%
value adjustments	(1,741)	(1,853)	112	-6.0%
net carrying amounts	93,057	94,209	(1,152)	-1.2%
K) Non-performing loans represented by securities				
gross amounts	-	-	-	n.a.
value adjustments	-	-	-	n.a.
net carrying amounts	0	0	0	n.a.
Total loans to customers measured at amortised cost (D+G+J+K)				
gross amounts	7,883,414	7,795,227	88,187	1.1%
value adjustments	(225,784)	(231,934)	6,150	-2.7%
Net carrying amounts	7,657,630	7,563,293	94,337	1.2%
- of which forborne performing	108,547	121,527	(12,980)	-10.7%
– of which forborne non-performing	46,675	46,318	357	0.8%
- of which performing past due exposures	79,673	63,353	16,320	25.8%

As at 30 June 2026, the total of gross impaired loans (non-performing loans, probable defaults and exposures past due and/or in arrears including securities) amounted to €243.4m, down -6.5% (-€16.9 million compared to €260.3 million at end-2025). The ratio of the impaired portfolio to total gross loans to customers stood at 3.12%, down from 3.38% at the end of 2025. Specifically:

- Gross non-performing loans fell (-4.1%) to €119.1 million (-€5.0 million), while net non-performing loans stood at €28.1 million, down by -10.7% from €31.5 million at the end of 2025 (-€3.4 million). Gross non-performing loans as a percentage of total gross loans stood at 1.5 %, compared to 1.6% at the end of 2025. The coverage ratio for non-performing loans was 76.4%, up from 74.7% as at 31 December 2025;
- Gross probable defaults, which totalled €118.5 million, were down by -7.6% from €128.2 million at the end of 2025. Net probable defaults amounted to €69.9 million, a decrease of 6.0% compared to the end of 2025. The coverage level for probable defaults stood at 41.0%, down from 42.0% at the end of 2025;
- Gross past due exposures amounted to €5.8 million, a decrease of €2.2 million (€7.9 million at the end of 2025). Net past-due exposures amounted to 3.9 million, down by 1.6 million from 5.5 million at the end of 2025. The coverage ratio for past due exposures stood at 31.5%, up from 30.6% at the end of 2025.

Adjustments on a collective basis amounted to 1.09% of performing loans, as at the end of 2025. In detail, the coverage of performing loans classified in '*Stage 1*' is 0.59% (it was 0.55% at end-2025), while loans in '*Stage 2*' have a coverage of 6.02% (it was 5.83% at end-2025).

Coverage of non-performing loans	30.06.2026	31.12.2025
Coverage of Bad Debts	76.4%	74.7%
Coverage of unlikely to pay	41.0%	42.0%
Coverage of exposures past due	31.5%	30.6%
Coverage of performing exposures	1.09%	1.09%

The main credit asset quality indices are shown below:

Asset quality	30.06.2026	31.12.2025
Gross non-performing loans/gross loans	3.12%	3.38%
Net non-performing loans/net loans	1.35%	1.49%
Gross bad debts/gross loans	1.53%	1.61%
Net bad debts/net loans	0.37%	0.42%
Gross unlikely to pay/gross loans	1.52%	1.67%
Net unlikely to pay/net loans	0.92%	1.00%

c) Financial assets

Financial assets	30.06.2026	31.12.2025	Change	
(thousands of €)			Abs.	%
Financial assets valued at FV through CE	53,743	55,476	-1,733	-3.1%
- financial assets held for trading	13,721	15,267	-1,546	-10.1%
- financial assets designated at FV	0	0	0	n.a.
- financial assets compulsorily measured at FV	40,022	40,209	-187	-0.5%
Financial assets valued at FV through OCI	1,358,195	1,208,456	149,739	12.4%
CA-rated securities that do not constitute loans	2,585,178	2,559,845	25,334	1.0%
Total	**3,997,116**	**3,823,777**	**173,339**	**4.5%**

Financial assets other than loans to customers totalled €3,997.1 million, up by 4.5% from €3,823.8 million as at 31 December 2025. This aggregate mainly includes debt securities of €3,871 million (compared to €3,698.4 million at the end of 2025), equity securities and OICR units of €118.2 million, and trading derivative contracts of €1 million.

The overall increase compared to the end of 2025 is attributable to the growth in debt securities classified in the '*Hold to Collect*' portfolio (+€25.3m) and the increase in securities classified as '*Hold to Collect & Sell*' (+€149.7 million). Government bonds totalled €2,580.0 million (+€77 million vs. 31 December 2025).

As at 30 June 2026, valuation reserves, net of tax effects, on all securities classified in the *Hold to Collect & Sell* portfolio were negative by a total of -€2.1 million (they were +€3 million at the end of 2025).

Financial assets measured at fair value through profit or loss

Financial assets valued at FV through CE	**30.06.2026**	**31.12.2025**	**Change**	
(thousands of €)			**Abs.**	**%**
Bonds and other debt securities	12,750	15,175	-2,425	-16.0%
Equities, UCITS and Policies	33,119	33,895	-776	-2.3%
Net value of trading derivative contracts	1,001	123	878	713.8%
Cash assets	6,873	6,284	589	9.4%
Total financial assets measured at FV through profit and loss	**53,743**	**55,477**	**-1,734**	**-3.1%**

Most of these assets consisted of equity securities, funds and policies, amounting to €33.1 million (vs. €33.9 million), as well as cash assets of €6.8 million (vs. €6.2 million).

Financial assets measured at fair value through other comprehensive income

Financial assets valued at FV through OCI	**30.06.2026**	**31.12.2025**	**Change**	
(thousands of €)			**Abs.**	**%**
Equity securities	85,095	85,038	57	0.1%
Debt securities	1,273,100	1,123,418	149,682	13.3%
- of which stage 1	1,273,100	1,123,418	149,682	13.3%
- of which stage 2	0	0	0	n.a.
- of which stage 3	0	0	0	n.a.
Total financial assets at FV through OCI	**1,358,195**	**1,208,456**	**149,739**	**12.4%**

Financial assets measured at *fair value* with an impact on comprehensive income amounted to €1,358.2 million, up +12.4% (+€149.7 million) compared to the figure at the end of 2025 (€1,208.5 million).

The item comprises bonds and other debt securities amounting to €1,273.1 million, up from €1,123.4 million at the end of 2025, and equity securities amounting to €85.1 million, stable compared to €85.0 million at the end of 2025.

The debt securities of governments and central banks comprise €218.9 million of Italian securities, €75.43 million of EU securities and €21.6 million of securities issued by the United States of America.

Financial assets measured at amortised cost that are not loans

CA-rated securities that do not constitute loans	**30.06.2026**	**31.12.2025**	**Change**	
(thousands of €)			**Abs.**	**Change %**
Debt securities	2,585,178	2,559,844	25,334	1.0%
- of which stage 1	2,585,178	2,559,844	25,334	1.0%
- of which stage 2	0	0	0	n.a.
- of which stage 3	0	0	0	n.a.
Total valued at CA that do not constitute loans	**2,585,178**	**2,559,844**	**25,334**	**1.0%**

Financial assets measured at amortised cost other than loans comprise €2,009.6 million in Italian government bonds, €61.5 million in Spanish government bonds and €78.1 million in French government bonds.

Investments

Company Name	**Registered office**	**Investment %**	**Voting rights %**
A. Wholly controlled subsidiaries			
1. Valpolicella Alta Società Agricola S.r.l.	Bolzano	100.00%	100.00%
2. Quartiere Brizzi S.r.l.	Bolzano	100.00%	100.00%
3. Volksbank Lumina 1 S.r.l.	Bolzano	100.00%	100.00%
B. Jointly controlled subsidiaries			
C. Companies subject to significant influence			
1.Tre S.r.l.	Trento	30.00%	30.00%
2. Voba CB s.r.l.	Conegliano (TV)	60.00%	60.00%
3. Verona Green Living	Bolzano	49.00%	49.00%

The following table shows the accounting information on the subsidiaries, as shown in the latest available financial statements:

Company Name	Book value of investments	Total assets	Total liabilities	Total revenues	Profit (Loss) from current operations after tax	*Profit (Loss) on discontinued operations after tax*	*Profit (Loss) for the year (1)*	*Other income components after tax (2)*	*Comprehensive income (3) = (1)+(2)*
(thousands of €)									
A. Wholly controlled subsidiaries									
1. Valpolicella Alta Società Agricola S.r.l.	4,141	3,360	848	62	(10)	-	(10)	-	(10)
2. Quartiere Brizzi S.r.l.	-	5,635	5,523	(563)	(893)	-	(893)	-	(893)
3. Volksbank Lumina 1 S.r.l.	4,985	4,990	3,800	-	(9)	-	(9)	-	(9)
B. Jointly controlled subsidiaries									
C. Companies subject to significant influence									
1. Tre S.r.l. (*)	165	367	285	1	(2)	-	(2)	-	(2)
2. Voba CB S.r.l. (*)	6	64	54	38,601	-	-	-	-	-
3. Verona Green Living (*)	5	6,667	2,370	428	(162)	-	(162)	-	(162)

(*) The data on the investee companies refers to the last available financial statements.

d) Tangible and intangible assets

At the end of the half-year, tangible assets amounted to €159.2 million, slightly up from €156.4 million at 31 December 2025.

Intangible assets amounted to €13.4 million and consisted mainly of the customer relationship recognised on the merger of the Banca Popolare di Marostica Group.

e) Impairment test of intangible assets with indefinite life

As of the date, the Bank does not hold any intangible assets with indefinite lives.

Shareholders' equity

Equity as at 30 June 2026, including valuation reserves and the net result for the period, amounted to €1,076.4 million, compared to €1,085.2 million at the end of 2025.

The following table shows the composition of assets and reserves in relation to their possible use.

Type/description (thousands of €)	Amount	Possible use	Available quota	Summary of use in the three previous years	
				Loss coverage	Other uses
Capital	**201,994**	**-**	**-**	**-**	**0**
Treasury shares	**(3,437)**	**-**	**-**	**-**	**0**
Share premium reserves	**254,711**	**A, B, C (1)**	**254,711**	**-**	**(38,953)**
Earnings reserves					
- Legal reserve	138,200	A, B (2)	97,801		
- Extraordinary reserve	406,477	A, B, C	406,477		
- Reserve unavailable pursuant to art. 6 Legislative Decree 38/2005	544	B, (*)	-		
- other:					
a) Special reserve pursuant to (It.) Law 218/90	8,584	A, B, C (3)	8,584		
b) Reserve from FTA	(16,384)	A, B, C	-		
c) Reserves from sale of equity securities measured at fair value with an impact on overall profitability	(1,312)	A, B, C	-		
d) IFRS 2 reserve for employee incentive plan	230	A	-		
e) Extraordinary tax reserve pursuant to Art. 26 of Legislative Decree 104/2023	25,498	A, B, C (4)	25,498		
Capital instruments	-				
Valuation reserves	-		-		
Equity securities designated at fair value through other comprehensive income	(2,639)	(*)	-		
Financial assets (other than equity securities) measured at fair value through other comprehensive income	587	(*)	-		
Actuarial gains (losses) on defined-benefit pension plans	(956)	(*)	-		
Special revaluation laws	-		-		
Capital instruments	**-**				
Profits/Losses carried forward	**64,255**				
Total	**1,076,352**			**-**	**(38,953)**

A = for free increase in capital
B = to cover losses
C = for distribution to shareholders
(*) the reserve is non-distributable pursuant to Article 6 of (It.) Legislative Decree 38/2005
(1) the reserve may only be distributed for the sole part exceeding the amount needed for the legal reserve to reach one fifth of share capital (art. 2431 Italian civil code)
(2) the reserve may only be used for the part that exceeds one fifth of share capital (art. 2430, par. 1 Italian civil code)
(3) If not attributed to capital, the reserve may only be reduced in compliance with provisions in the second and third paragraphs of art. 2445 Italian Civil Code. If the loss coverage reserve is used, no profits may be distributed until the reserve has been integrated or reduced to the corresponding extent. The reduction may take place through extraordinary shareholders' meeting resolution, without compliance with the provisions in the second and third paragraphs of art. 2445 Italian Civil Code. If it is distributed to shareholders it will be considered part of the company's taxable income.
(4) the reserve is subject to a non-distributability restriction as described in the last sentence of Art. 26 Para. 5bis of Legislative Decree 10/08/2023 no. 104.

Dividends distributed

Dividends of €67.8 million were distributed during the period.

Earnings per share

The methods used to calculate basic earnings per share are defined by IAS 33 - Earnings per Share. The basic earnings per share is established as the ratio between the economic result attributable to the owners of ordinary capital instruments and the weighted average of ordinary shares outstanding in the year.

Average number of outstanding shares	**30.06.2026**	**31.12.2025**
Weighted average of ordinary shares	50,247,389	50,263,863

As at 30 June 2026, there were no outstanding dilutive effects.

Earnings per share	**30.06.2026**	**31.12.2025**
Annualised basic earnings per share	2.56	2.61
Annualised diluted earnings per share	2.56	2.61

Own Funds and Solvency Ratios

As of 1 January 2014, the reforms of the Basel Committee agreements ("Basel 3") have been transposed into European Union law. These are aimed at strengthening the ability of banks to absorb shocks arising from financial and economic tensions, regardless of their origin, at improving risk management and governance, and at increasing the transparency and disclosure of the banks themselves.

In doing so, the Committee maintained the three-pillar approach on which the previous agreement on capital ('Basel 2') was based. It integrated and strengthened it in order to increase the quantity and quality of the capital position of intermediaries, and introduced countercyclical supervisory instruments, regulations on liquidity risk management and leverage limits.

That said, within the European Union, "Basel 3" measures have been transposed into two legislative acts:

- **Regulation (EU) no. 575/2013 of 26 June 2013** ("CRR, Capital Requirements Regulation") and subsequent amendments, applicable from 1 January 2014, which regulates the prudential supervisory institutions of the First Pillar and the rules on public disclosure (Third Pillar);
- **Directive 2013/36/EU of 26 June 2013** ("CRD IV, Capital Requirement Directive") and subsequent amendments, which concerns, inter alia, the conditions for accessing banking activities, the freedom of establishment and the freedom to provide services, the supervisory review process, and additional capital buffers.

On 7 June 2019, following the publication in the Official Journal of the European Union of Regulation (EU) 2019/876 ("CRR2"), which forms part of the broader package of regulatory reforms also known as "*Risk Reduction Measures*" ("RRM"), which also includes CRD V (Capital Requirements Directive), BRRD II (Banking Recovery and Resolution Directive) and SRMR II (Single Resolution Mechanism Regulation), significant changes were introduced to the Union framework defined by the two aforementioned regulations.

On 19 June 2024, Regulation (EU) 2024/1623 ("CRR3") was published in the Official Journal of the European Union. In transposing the Basel 4 principles into the European legislative framework, it amends Regulation (EU) No. 575/2013 with regard to the requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the *output floor*. The most significant changes in the new regulatory framework came into force on 1 January 2025.

The European Union legislation has been supplemented by the provisions issued by the Bank of Italy, in particular with Circular no. 285 of 17 December 2013 and subsequent amendments, which contains the prudential supervisory provisions applicable to Italian banks and banking groups, revised and updated in order to adapt internal regulations to the changes in the international regulatory framework, with particular regard to the new regulatory and institutional framework for EU banking supervision, as well as to take into account the needs identified to ensure supervision of banks and other intermediaries. As of 1 January 2025, Regulation (EU) 2024/1623 entered into force (the so-called CRR3), which implements the Basel 4 principles in European legislation.

The Basel 4 reform project entailed a thorough revision of the prudential framework, with the first supervisory report, with a reference date of 31 March 2025.

In particular, in accordance with the principles and guidelines formalised by the Basel Committee, the European Commission put forward a legislative proposal in 2021 (i.e. the CRR3/CRD4 package) to implement the standards provided for by the new Basel 4 framework, taking into account the specificities of the European banking sector and harmonising the supervisory regimes adopted by the Member States.

The final text was promulgated on 6 December 2023, following the completion of the negotiation process in the trilogue between the European Commission, Parliament and Council, with the subsequent publication of Regulation (EU) 2024/1623 in the Official Journal of the European Union on 19 June 2024.

The directive aimed to strengthen the level of confidence in the representativeness of capital ratios and in the soundness of the banking sector, including through measures aimed at limiting the volatility of the results of the internal models used by institutions.

The main legislative measures, which amended Regulation (EU) No 575/2013, concerned the requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the *output floor*.

In more detail, with reference to the provisions concerning the determination of capital requirements for credit risk, the main changes introduced involve:

- the loss of the possibility to use:
  - the Advanced Internal Ratings-Based (AIRB) approach for the Large Corporate, Financial Institutions and Other Financial Sector Entities portfolios;
  - the Internal Ratings-Based (IRB) approach for the Equity portfolio with the obligation to treat it according to the standardised approach (SA-CR);
- the revision of measurement criteria based on IRB approaches, with:
  - introduction/recalibration of floor levels for certain internally estimated risk parameters (i.e. PD, LGD, Credit Conversion Factor – CCF);
  - elimination of the multiplicative factor (value of 1.06) in the formula used to determine the Risk Weight;
- the revision of the measurement criteria based on the standardised approach with substantial changes made:
  - to the logics for assigning weightings to exposures in the Real Estate portfolio;
  - the introduction of subcategories for the Retail and Specialised Lending portfolios;
  - to the determination of CCF values for off-balance sheet exposures;
  - in the process of valuing exposures for unrated banks;
  - to the validation process, carried out through internal due diligence, of the ratings obtained from ECAIs for the Corporate, Institutions and Covered Bond portfolios.

Please note that, on 6 February 2025, the Company, following the results of the Supervisory Review and Evaluation Process (SREP), received the Bank of Italy decision concerning capital requirements to be met as of 31 March 2025:

- CET 1 ratio: 8.00%, including a binding measure of 5.50% (of which 4.50% for minimum regulatory requirements and 1.00% for additional requirements calculated based on the SREP results) and, for the remaining part, a capital conservation reserve component;
- Tier 1 ratio of 9.80%, including a binding measure of 7.30% (of which 6.00% for minimum regulatory requirements and 1.30% for additional requirements calculated based on the SREP results) and, for the remaining part, a capital conservation reserve component;
- Total Capital ratio of 12.20%, including a binding measure of 9.70% (of which 8.00% for minimum regulatory requirements and 1.70% for additional requirements calculated based on the SREP results) and, for the remaining part, a capital conservation reserve component.

The overall requirement to be met in terms of the Common Equity Tier 1 ratio includes the Capital Conservation Buffer, Countercyclical Capital Buffer and Systemic Risk Buffer requirements.

On 26 April 2024, the Bank of Italy announced the introduction of the new Systemic Risk Buffer (SyRB) equal to 1% of risk-weighted credit and counterparty risk exposures to residents in Italy. The Systemic Risk Buffer is calculated on a fully-loaded basis considering domestic exposures as of June 2026.

Treasury shares

	30.06.2026	31.12.2025
A. Common Equity Tier 1 - CET1 prior to the application of prudential filters	**1,038,190**	**1,014,522**
- of which CET1 instruments subject to transitional provisions	-	-
B. Prudential filters of the CET1 (+/-)	**(1,424)**	**(1,276)**
C. CET 1 gross of items to be deducted and the effects of the transitional regime (A+/-B)	**1,036,766**	**1,013,246**
D. Deductions from CET1	**(25,365)**	**(26,657)**
E. Transitional regime - Impact on CET1 (+/-)	-	-
F. Total Common Equity Tier 1 (CET1) primary capital (C - D +/-E)	**1,011,401**	**986,589**
G. Additional Tier 1 capital (Additional Tier 1 - AT1) gross of the elements to be deducted and the effects of the transitional arrangements	-	-
of which AT 1 instruments subject to transitional provisions	-	-
H. Elements to be deducted from AT1	-	-
I. Transitional regime - Impact on AT1 (+/-)	-	-
J. Total additional Tier 1 capital (Additional TIER1 - AT1) (G-H+/-I	-	-
K. Tier 2 capital (Tier2 - T2) gross of the elements to be deducted and the effects of the transitional arrangements	**77,771**	**75,019**
of which T2 instruments subject to transitional provisions	-	-
L. Items to be deducted from T2	-	-
M. Transitional regime - Impact on T2 (+/-)	-	-
N. Total Tier 2 capital (Tier 2 -T2) (M - N +/- O)	-	-
O. Total own funds (F + L + P)	-	-

As at 30 June 2026, Own Funds amounted to €1,089 million (they were €1,061 million at the end of 2025).

Although the IFRS 9 transitional period has ended, own funds take into account the provisions of the 2019 Budget Law, which temporarily provided, until 2028, for the tax-deductible amortisation in instalments of the value adjustments made at the time of First Time Adoption of the accounting standard, with the consequent recognition of DTAs, fully included, over the same period, in the calculation of the thresholds provided for in Article 48 of the CRR.

Own funds also take into account the applicable amount, which is deducted from Tier 1 capital and relates to the minimum loss coverage for non-performing exposures, so-called Minimum Loss Coverage, based on the provisions of Regulation (EU) no. 630/2019 of 17 April 2019.

The treasury share purchase programme, aimed at supporting continuity and liquidity in trading in the company's shares and containing any abnormal price fluctuations in the short term in the interest of all shareholders, amounted to 5.3 million. It was authorised by the Supervisory Authority and approved by the Shareholders' Meeting held on 15 April 2026, and was also deducted from the amount of equity.

Furthermore, in accordance with Article 3 of the CRR ("Application of stricter requirements by institutions"), the deduction from CET1 of *calendar provisioning* on non-performing exposures is included.

Risk-weighted assets

As at 30 June 2026, risk-weighted assets amounted to €5,657 million, mainly deriving from credit risks and, to a lesser extent, from counterparty, operational and market risks.

Risk assets and capital requirements		**Unweighted amounts**		**Weighted amounts / requirements**	
		30.06.2026	**31.12.2025**	**30.06.2026**	**31.12.2025**
	Categories/Values				
A.	**RISK ACTIVITY**				
A.1	**Credit, counterparty and credit valuation adjustment risk**	**13,034,008**	**12,869,493**	**4,993,596**	**4,879,812**
	1. Standardised methodology	13,034,008	12,869,493	4,993,596	4,879,812
	2. Methodology based on internal ratings	-			-
	2.1 Basis	-	-		-
	2.2 Advanced	-	-		-
	3. Securitisations	-	-		-
B.	**REGULATORY CAPITAL REQUIREMENTS**				
B.1	**Credit and counterpart risk**			**399,388**	**390,320**
B.2	**Credit assessment adjustment risk**			**100**	**65**
B.3	**Settlement risk**				
B.4	**Market risk**			**3,307**	**3,921**
	1. Standard method			3,307	3,921
	2. Internal models			-	-
	3. Concentration risk			-	-
B.5	**Operational risk**			**49,781**	**49,781**
	1. Basic method			-	-
	2. Standardised method			49,781	49,781
	3. Advanced method			-	-
B.6	**Other prudential requirements**			**-**	**-**
B.7	**Other elements of the calculation**			**-**	**-**
B.8	**Total prudential requirements**			**452,576**	**444,086**

Capital ratios

Based on the foregoing, the capital ratios as at 30 June 2026 are set at the following values: Common Equity ratio 17.9% (including the aforementioned impact of the first application of CRR3 / Basel 4, equal to just over 40 basis points), Tier 1 ratio 17.9% and Total capital ratio 19.3%.

REGULATORY CAPITAL RATIOS	**30.06.2026**	**31.12.2025**
Primary capital class 1/Risk-weighted assets (CET 1 capital ratio)	17.9%	17.8%
Tier 1 capital/Risk-weighted assets (Tier 1 capital ratio)	17.9%	17.8%
Total capital/risk weighted assets (Total capital ratio)	19.3%	19.1%

SECTOR INFORMATION

Criteria for identifying and aggregating operating sectors

Sector reporting is based on the elements that management uses to make its operating decisions (so-called "*management approach*") and is consistent with the information requirements established in IFRS 8. The segments were identified by management and approved by the Board of Directors:

- Private individuals;
- Businesses;
- Finance.

In addition to these operating segments, there are also support structures represented by other central departments and internal services.

The allocation of economic and financial results to the various business sectors is based on criteria that are independent of those used to prepare the financial statements. Accordingly, their breakdown for the purposes of segment reporting is based on the management logic used internally by the Bank to assess the results of individual operating segments. To prepare segment information, the figures shown in the "Total" column of this section are reconciled with the data in the interim report.

Distribution by sector of activity: economic data

Economic data (thousands of €)	**Private individuals**	**Businesses**	**Financial/ALM BL**	**reconciliation**	**Total**
Net interest revenue on assets	48,367	87,295	58,105	-	193,767
Net interest expense	(17,517)	(25,114)	(20,892)	-	(63,523)
Interest margin	**30,850**	**62,181**	**37,213**	**-**	**130,244**
Net commission	33,818	24,265	36	-	58,119
Financial margin	-	-	4,948	-	4,948
Net banking income	**64,668**	**86,446**	**42,197**	**-**	**193,311**
Net value adjustment on receivables and financial transactions	486	2,582	-	-	3,068
Net profit from financial activities	**65,154**	**89,027**	**42,197**	**-**	**196,379**
Administrative expenses	(47,960)	(57,500)	-	-	(105,460)
Provisions for risks and charges	6,897	(569)	-	-	6,328
Amortisation on tangible and intangible assets	-	-	-	(8,527)	(8,527)
Other operating charges/revenue	6,269	4,505	-	-	10,774
Operating costs	**(34,794)**	**(53,563)**	**-**	**(8,527)**	**(96,885)**
Gains (losses) on equity investments/on disposal of investments	-	-	-	(1,096)	(1,096)
Profit (loss) from continuing operations before tax	**30,360**	**35,464**	**42,197**	**(9,623)**	**98,398**

The amounts included in the reconciliation column refer to structural costs and revenues that are not attributable to the reported segments.

Distribution by business segment: Balance Sheet data

Balance sheet data *(thousands of €)*	Private individuals	Businesses	Financial/ALM BL	reconciliation	Total
Loans and advances to banks	-	-	471,360	-	471,360
Receivables from customers	3,891,520	6,076,203	-	-	9,967,723
Financial assets measured at fair value	-	6,873	1,414,366	-	1,421,239
Payables to banks	-	-	225,046	-	225,046
Direct funding	5,105,813	4,180,243	1,289,804	-	10,575,860
- Payables to clients	5,105,813	4,180,243	-	-	9,286,056
- Securities issued	-	-	1,289,804	-	1,289,804
Indirect funding	5,370,716	648,173	-	-	6,018,889

It should be noted that the company's activities are carried out in Italy, where the operating income is generated, confirming its roots in the area of reference, of strategic importance for the company's growth.

With reference to geographical segment information, please note that Volksbank operates on a regional geographical basis and does not have a territorial structure whose division into distinct areas takes on economic and strategic relevance. Moreover, the characteristics and opportunities of the reference market are also homogeneous. Accordingly, the segment information by geographical area is not presented, as it is of no particular value.

INFORMATION ON VOLKSBANK SHARES

As at 30 June 2026, 50,202,891 shares are outstanding. As at the same date, there were 295,547 treasury shares in portfolio. Therefore, a total of 50,498,438 shares have been issued.

PAYMENT AGREEMENTS BASED ON OWN CAPITAL INSTRUMENTS

A. Qualitative information

The reference regulatory framework for payment agreements based on treasury shares is represented by Supervisory provisions for Banks, Bank of Italy Circular no. 285/2013, Part One, Title IV, Chapter 2 "Remuneration and Incentive Policies and Practices", which implements the European Directives 2013/36/EU (CRD *IV-Capital Requirements Directive) and 2019/878/EU* (CRD *V-Capital Requirements Directive)* and most recently by the Directive (EU) 2024/1619 of 31 May 2024 (CRD VI).

The following are also relevant:

- the joint Bank of Italy-Consob communication concerning "Implementation of guidelines issued by ESMA", to promote greater consistency with interpreting and fulfilling obligations in force concerning conflicts of interest pursuant to the MIFID directive on remuneration published on 29 January 2014;
- Delegated Regulation (EU) No. 923, adopted on 25 March 2021 pursuant to Article 94(2) of the CRD on a proposal by the EBA, supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards setting criteria for defining managerial responsibilities, control functions, the relevant business unit/company and the significant impact on the risk profile of the business unit/company in question, and the appropriate qualitative and quantitative criteria for identifying the categories of staff whose professional activities have an impact on the risk profile of the institution that is comparatively as significant as that of the categories of staff mentioned in Article 92(3) of the CRD;
- the EU Delegated Regulation 527/2014 which specifies the categories of financial instruments suitable for use for the purposes of variable remuneration.

It should be noted that Law No. 21 of 5 March 2024, concerning measures to support capital competitiveness and delegating the Government to carry out a comprehensive reform of the provisions on capital markets contained in the consolidated text referred to in Legislative Decree No. 58 of 24 February 1998, and of the provisions on joint-stock companies contained in the Italian Civil Code, also applicable to issuers, has repealed paragraph 2 of Article 114-bis of the T.U.F., without prejudice in any case to the regulatory provisions, with specific reference to those set out in the Circular 285/2013 of the Bank of Italy.

On 15.04.2026, the Volksbank Board of Directors proposed a new incentive plan to the Ordinary Shareholders' Meeting which envisages, among other things, the enhancement of a portion of the variable component of the remuneration of "key personnel" through the assignment of ordinary shares of Volksbank, conditional on the achievement of specific goals to be reached during the year.

The recipients of the plan are the persons identified and defined by the Bank's Remuneration and Incentive Policies and with annual incentives (total variable remuneration) awarded exceeding €50,000 or exceeding one third of their total annual remuneration, or employees, even if not Key Personnel, who hold "severance" incentives as governed by the Remuneration Policies.

The free allocation of the shares of the Financial instruments compensation plan is subject to the achievement of the performance targets for the year 2026 as well as to the respect, for the individual periods of the plan, of the economic-financial, equity and liquidity bank indices (cc.dd. entry gates), as indicated by the remuneration policies.

Allocation can take place if and only if, at the end of each period of the plan, the Bank's economic-financial, equity and liquidity indices, which constitute the "conditions of access" to the incentive system, are reached. Under these conditions, 50% of the 2025 incentives are recognised in shares.

The shares are subject to a retention commitment with unavailability equal to one (1) year from the date of allocation.

For the shares to be recognised in relation to the financial year 2026 together with the shares of one or more periods of the plan, the unavailability interval is equal to 1 year from the date of the Board's resolution to ascertain the existence of the Bank's equity and liquidity indices needed to access the portion of the deferred incentive respectively for each deferral period.

For severance actions agreed by an individual agreement for early termination of employment, the retention commitment has an annual duration, for spot assignments, and a duration of 1 year for deferred assignments for each period of reference under the plan.

Lastly, it should be noted that for the year 2025, the previously applicable and approved remuneration and incentive plan was characterised by the same regulations as mentioned above.

B. Quantitative information

With regard to the result for the financial year 2025, the bonuses to be paid out in the form of shares were calculated at €299,460.68 gross. Of these, €70,770.70 net was disbursed in June 2026 in the form of 5,555 shares, at a value of €12.74 per share. The remaining amounts due will be paid out in the period 2027-2030 if the conditions for the bonus are met.

Concerning the result for the financial year 2024 of the remaining part of €126,748.10 gross, €15,070.80 net was disbursed as a first deferred portion in April 2026 in the form of 1,322 shares. The remaining parts of the incentive will be paid out in the period 2027-2029 if the conditions for the bonus are met.

Concerning the result for the financial year 2023 of the remaining part of €68,547.35 gross, €10,981.65 net was disbursed as a second deferred portion in April 2026 in the form of 1,227 shares. The remaining parts of the incentive will be paid out in the period 2027-2028 if the conditions for the bonus are met.

Concerning the result for the financial year 2022 of the remaining part of €52,060.89 gross, €14,068.50 net was disbursed as a third deferred portion in April 2026 in the form of 1,695 shares. The remaining parts of the incentive will be paid out during the 2027 financial year if the conditions for the bonus are met.

With regard to the 2021 financial year result, of the remaining gross amount of €20,669.67, a net amount of €11,196.00 was paid in April 2026 as the fourth and final deferred instalment in the form of 1,244 shares, thus completing the incentive plan in financial instruments for the financial year 2021.

MERGER TRANSACTIONS INVOLVING COMPANIES OR COMPANY BRANCHES

Operations carried out during the period

No business combinations took place during the half-year.

Transactions carried out after the end of the period

No business combinations were carried out after the end of the six-month period.

RELATED-PARTY TRANSACTIONS

Information on the remuneration of Directors, Statutory Auditors and key employees

The following table summarises the remuneration paid to directors, statutory auditors and the remaining key employees, i.e. to the category of persons who, by function, role, professional activity or remuneration structure have a significant impact on the Bank's risk profile. The remuneration paid is governed by the Remuneration policies approved by resolution of the shareholders’ meeting.

It should be noted that, pursuant to the “Group Regulation for management of transactions with Connected Subjects”, the Bank includes among the managers with strategic responsibilities the Directors (executive or otherwise), the Statutory Auditors (standing and alternate), the General Manager, the Deputy General Manager, the Directors of the Central Department, the Heads of the corporate control departments and the Manager in charge of preparing the accounting documents.

(thousands of €)	**30.06.2026**
Directors	548
Statutory Auditors	218
Relevant persons	3,416
Total	**4,183**

Remuneration of key personnel	**30.06.2026**
(thousands of €)	
of which	
short-term benefits	3,058
benefits after employment	282
long-term benefits	76
benefits payable on termination	-
share-based payments	-
Total	**3,416**

The amount refers to the total cost sustained by the Company. In the case of fees to directors and statutory auditors, the amounts also include any VAT.

Information on transactions with related parties

Below is the information on transactions with related parties pursuant to IAS 24 and Part Three, Chapter 11 of the Bank of Italy Circular no. 285 of 17 December 2013 and subsequent updates

Transactions with subsidiaries

(thousands of €)	Receivables for loans granted	Bonds underwritten	Payables for loans/deposits received	Bonds issued	Guarantees	Commitments
30.06.2026	4,180	-	741	-	-	-
Incidence	0.05%	0.00%	0.01%	0.00%	0.00%	0.00%

	Interest income on loans granted	Interest income on bonds underwritten	Interest expenses on loans/deposits received	Interest expenses on bonds issued	Commissions and other income	Commissions and other costs
30.06.2026	22	-	5	-	-	-
Incidence	0.01%	0.00%	0.01%	0.00%	0.00%	0.00%

Transactions with associated companies

(thousands of €)	Receivables for loans granted	Bonds underwritten	Payables for loans/deposits received	Bonds issued	Guarantees	Commitments
30.06.2026	4,180	-	741	-	-	-
Incidence	0.05%	0.00%	0.01%	0.00%	0.00%	0.00%

	Interest income on loans granted	Interest income on bonds underwritten	Interest expenses on loans/deposits received	Interest expenses on bonds issued	Commissions and other income	Commissions and other costs
30.06.2026	22	-	5	-	-	-
Incidence	0.01%	0.00%	0.01%	0.00%	0.00%	0.00%

Transactions relating, directly or indirectly, to directors, statutory auditors, members of the general management and managers with strategic responsibilities

(thousands of €)		Directors		Statutory Auditors		Strategic executives		Total
		Direct	Indirect	Direct	Indirect	Direct	Indirect	
Credit line granted*		12,767	-	-	13,162	-	-	25,929
Loans*		2,121	127	-	76	1,040	294	3,658
	incidence	*0.03%*	*0.00%*	*0.00%*	*0.00%*	*0.01%*	*0.00%*	*0.05%*
Unsecured loans*		157	-	-	1	-	-	158
	incidence	*0.03%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.03%*
Direct funding*		11,364	2,675	1,567	447	440	151	16,643
	incidence	*0.12%*	*0.03%*	*0.02%*	*0.00%*	*0.00%*	*0.00%*	*0.18%*
Indirect funding*		195	4,130	353	164	1,442	495	6,779
	incidence	*0.00%*	*0.06%*	*0.01%*	*0.00%*	*0.02%*	*0.01%*	*0.10%*
Interest revenue**		26	2	-	2	10	3	43
	incidence	*0.01%*	*0.00%*	*0.00%*	*0.00%*	*0.01%*	*0.00%*	*0.02%*
Interest expense**		89	26	7	2	5	1	130
	incidence	*0.14%*	*0.04%*	*0.01%*	*0.00%*	*0.01%*	*0.00%*	*0.20%*
Commissions and other revenue**		14	6	2	3	1	1	27
	incidence	*0.02%*	*0.01%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.04%*

Management of Transactions with related parties

At the reference date of this report, related-party transactions are governed by Part Three, Chapter 11 of Bank of Italy Circular no. 285 of 17 December 2013 and its subsequent updates, by Title II, Chapter 3, Section I of Bank of Italy Circular No. 229 of 21 April 1999 and its subsequent updates, by Article 2391 of the Italian Civil Code and by Directive 2013/36/EU, as amended by Directive 2019/878/EU (CRDV).

The Bank approved – through Board of Directors resolution of 20.03.2026, with prior positive approval from the Committee of Independent Directors and the Board of Statutory Auditors – the “Group Regulation for management of transactions with Connected Subjects”, published on the website www.volksbank.it.

Transactions with related parties, identified in accordance with the above regulations, are part of the Bank's normal operations.

No related party transaction carried out during the period under review had a material impact on the Bank’s Balance Sheet or results of operations. In addition, there were no changes and/or developments in related party transactions completed by 30.06.2026.

In the first half of 2026, no "significant" transactions were carried out as defined by the legislation governing related parties. In addition, during the same period, there are no positions or transitions deriving from atypical or unusual transactions, meaning those that are not part of normal business operations, which, due to their significance/relevance, the nature of the counterparties, the way in which the transfer price is determined and the timing of the event, may give rise to doubts as to the completeness of the information in the financial statements, the safeguarding of the company's assets and the protection of shareholders.

ATTESTATION OF THE CONDENSED INTERIM BALANCE SHEET

ATTESTATION OF THE CONDENSED INTERIM BALANCE SHEET IN ACCORDANCE WITH ART. 81-TER OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999 AS AMENDED AND SUPPLEMENTED

1. The undersigned Alberto Naef, as Managing Director, and Alberto Caltroni, as Financial Reporting Officer, of Banca Popolare dell'Alto Adige Società per Azioni, hereby certify, also taking into account the provisions of Article 154-bis, paragraphs 3 and 4, of Legislative Decree No. 58 of 24 February 1998:

   - that the accounts are consistent with the characteristics of the company, and

   - the effective application

   of the administrative and accounting procedures for the preparation of the condensed interim financial statements during the first half of 2026.

2. We also certify that:

   2.1 the condensed interim financial statements:

   a) have been produced in accordance with the international accounting standards recognised by the European Community pursuant to Regulation (EC) 1606/2002 of the European Parliament and of the Council of 19 July 2002;

   b) correspond to the results of the accounts and records;

   c) provide a true and fair view of the issuer's financial position and profit performance.

   2.2 The interim management report includes a reliable analysis of the significant events that took place in the first six months of the financial year and their impact on the condensed interim financial statement, together with a description of the main risks and uncertainties for the remaining six months of the financial year. The interim management report also includes a reliable analysis of information on material transactions with related parties.

Bolzano, 7 August 2026

The Chief Executive Officer	The Manager in charge of preparing the corporate accounting documents
Alberto Naef	*Alberto Coltroni*

INDEPENDENT AUDITORS' REPORT

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

Report on review of condensed interim financial statements

To the Board of Directors of
Banca Popolare dell'Alto Adige S.p.A.

Introduction

We have reviewed the accompanying condensed interim financial statements of Banca Popolare dell'Alto Adige S.p.A. comprising the balance sheet, the profit and loss account and statement of comprehensive income, the statement of changes in equity and the cash flows statement and notes thereto, as at and for the six months ended June 30, 2026. The company's parent's directors are responsible for the preparation of these condensed interim financial statements in accordance with the IFRS Accounting Standard applicable to interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and endorsed by the European Union. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim financial statements of Banca Popolare dell'Alto Adige S.p.A. as at and for the six months ended June 30, 2026 have not been prepared, in all material respects, in accordance with the IFRS Accounting Standard applicable to interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and endorsed by the European Union.

Bolzano, 7 August 2026

KPMG S.p.A.

(signed on the original)

Vito Antonini
Director of Audit