FINANCIAL STATEMENTS 2025

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 31st December 2025 EUR 201,993,752 fully paid up
Tax code, VAT No. and Companies Register No. 00129730214
Member of the Interbank Deposit Protection Fund and the National Guarantee Fund
ABI 05856.0
www.bancapopolare.it – www.volksbank.it

Three questions for the President

What makes 2025 such a special year for Volksbank?

Every financial statement tells a piece of history – and the 2025 figures are very encouraging. Volksbank achieved a net profit of €131 million. This result also benefits the shareholders, who will receive a dividend of 1.35 Euro per share.
Volksbank's positive performance is the result of the great commitment of our employees. Over the past six years, we have distributed €224 million in dividends and granted €10 billion in new loans to households and businesses. We have actively contributed to the well-being and economic growth of our regions, with commitment to our customers, collaboration and a forward-looking strategy.

How is the Bank doing?

Volksbank is in a strong and stable position today. The latest survey showed the highest level of satisfaction among employees and customers, with a rising Net Promoter Score, from +13 points in 2023 to +31 points in
2025, an incentive to improve further in the future.
Growth is achieved through our own efforts and goes hand in hand with constant development, including in the technological field, to be increasingly efficient and future-oriented.
Furthermore, our responsibility goes beyond banking: we support projects with a social purpose, support local initiatives and promote projects that strengthen cohesion. To ensure conscious use of the environment and resources, we have improved energy efficiency by more than 20%, optimising our buildings and installing state-of-the-art systems.
As part of the decarbonisation process, we are building our first photovoltaic park and, through our contributions, we are supporting numerous social associations in the transition to low-emission mobility.

What will Volksbank focus on in the future?

Closeness to customers remains a central element. The continuous training of employees is essential to provide advice geared to their needs. We create tangible added value for our customers: we develop tailor-made products in-house – such as fund-of-funds solutions – reliably support our customers through every stage of their lives and entrepreneurial activity, and build lasting relationships. In fact, we are convinced that the future of Volksbank
is built through shared dialogue – day after day, with and for the people we serve.

Lukas Ladurner
Chairperson
Banca Popolare
(cooperative bank)
dell'Alto Adige Spa

Dear shareholders, customers, employees,

“2025 represents a key year in the journey of the “I-mpact 2026” Business Plan. A net profit of 131 million euros and a fifth consecutive year of growth confirm the soundness of the path we have taken and the effectiveness of a strategy geared towards sustainable, long-term development.

We recorded the strongest growth in intermediated volumes in recent years, with an increase of over 1.3 billion euros, expanded our customer base by approximately 3,300 and further improved the quality of credit.
credit. This growth is based on a widespread presence and a proximity banking model with a strong focus on excellence in customer service.
At the same time, we have continued to invest in the innovation of processes and services, including through the targeted introduction of solutions based on Artificial Intelligence, with the aim of increasing operational efficiency and improving the experience of customers and employees.
People remain at the heart of our strategy: in 2025, we strengthened initiatives dedicated to skills development and well-being in the workplace, while promoting inclusion and diversity policies. A bank only truly grows if the people who are part of it also grow. Inclusion, well-being and skills development are the foundations on which we build a sustainable future, capable of creating value for the organisation and for society.

Alberto Naef
General Manager
Banca Popolare
(cooperative bank)
dell'Alto Adige Spa

ANNUAL FINANCIAL REPORT FINANCIAL YEAR 2025

SUMMARY

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
www.volksbank.it
gsinfo@volksbank.it

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
Brunico – 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
Merano – Meran Via Roma 278 - Romstraße 278	tel. 0473-254420
Monguelfo – Welsberg Via Parrocchia 13 - Pfarrgasse 13	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
Racines – 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
S. Leonardo in Passiria - St. Leonhard in Passeier Via Passiria 14 - Passeirer Straße 14	tel. 0473-254380
S. Lorenzo di Sebato - St. Lorenzen Via Josef Renzler 17 - Josef-Renzler-Straße 17	tel. 0474-544780
Scena – Schenna Piazza Arciduca Giovanni 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.	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. 1	tel. 049-6950090
Piazzola sul Brenta Via dei Contarini 36	tel. 049-6950050
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 44	tel. 0461-211050
Riva del Garda Viale Damiano Chiesa 4/g-h	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

PROVINCE OF TREVISO

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 Palu' 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

PROVINCE OF VICENZA	
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

CONSULTANCY CENTRES

PROVINCE OF BOLZANO

Bolzano – Bozen Via del Macello 55 - Schlachthofstraße 55

Brunico – 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

Fié allo Sciliar – 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

CORPORATE OFFICES AND AUDITING FIRMS[1]

BOARD OF DIRECTORS

Chairperson
Lukas LADURNER

Deputy chairpersons
Lorenzo SALVÀ
Giuseppe PADOVAN

Directors
Christina GASSER
Margherita MARIN
Federico MARINI
Alessandro Giuseppe Pietro METRANGOLO
Johannes PEER
Margit TAUBER

RISKS COMMITTEE

Chairperson
Alessandro Giuseppe Pietro METRANGOLO
Christina GASSER
Margherita MARIN
Federico MARINI

COMMITTEE OF INDEPENDENT DIRECTORS

Chairperson
Margherita MARIN
Christina GASSER
Alessandro Giuseppe Pietro METRANGOLO

CREDIT COMMITTEE

Chairperson
Lorenzo SALVÀ
Giuseppe PADOVAN
Johannes PEER
Margit TAUBER

BOARD OF STATUTORY AUDITORS

Chairperson
Georg HESSE

Standing auditors
Cinzia GIARETTA
Rosella CAZZULANI

Alternate auditors
Emilio LORENZON
Nadia DAPOZ

GENERAL MANAGEMENT

General Manager
Alberto NAEF

Deputy General Manager
Georg MAIR AM TINKHOF

THE FINANCIAL REPORTING OFFICER

Alberto CALTRONI

INDEPENDENT AUDITING FIRM

KPMG S.p.A.

(1) Information updated as of the date of preparation of this document.

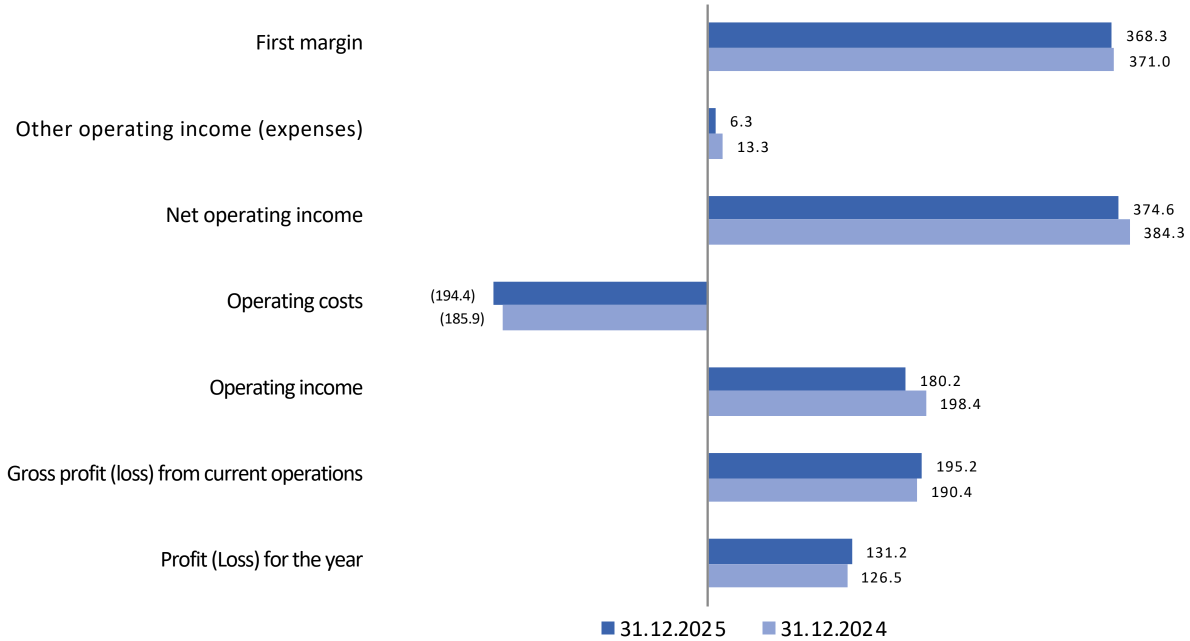
COMPANY REPORTS AND FINANCIAL STATEMENTS

SUMMARY DATA AND ALTERNATIVE PERFORMANCE INDICATORS

SUMMARY DATA AND ALTERNATIVE PERFORMANCE INDICATORS

The following table shows a summary of the Bank's key figures and indicators, calculated on the basis of the financial statements.

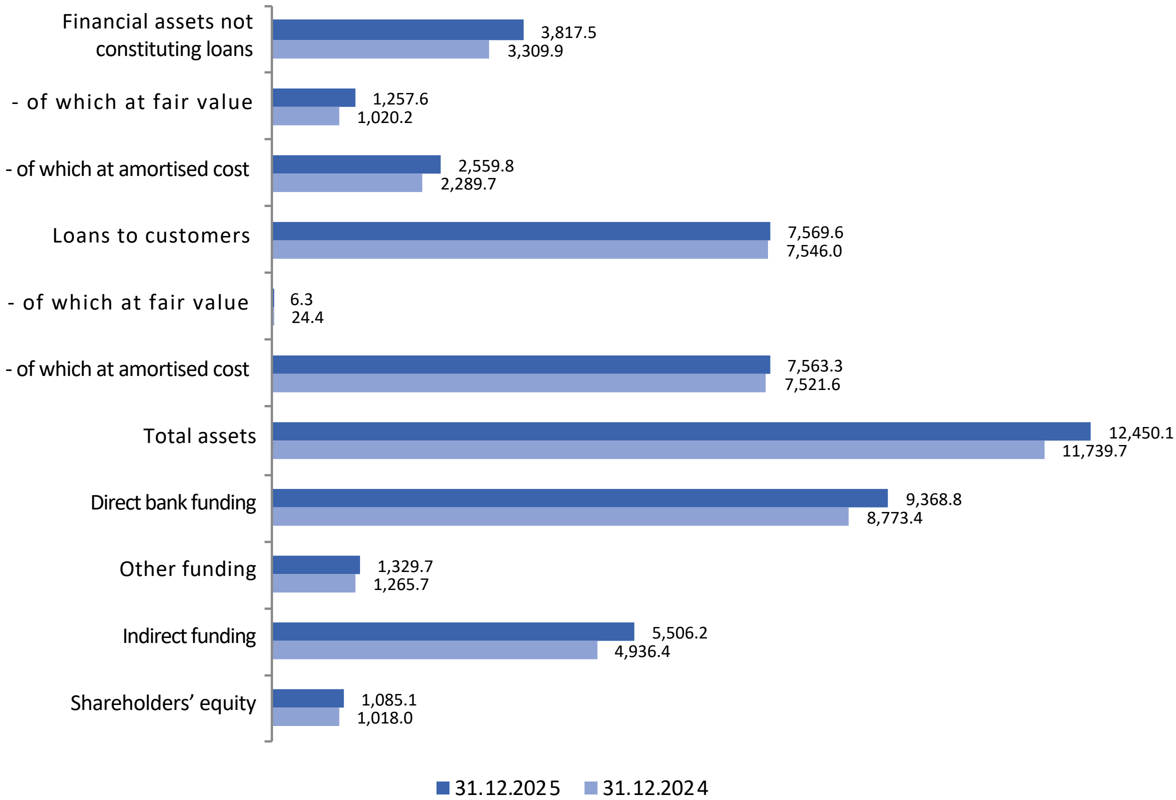
Key economic data



Economic data	**31.12.2025**	**31.12.2024**	**Changes**	
(€ million)			**Abs.**	**%**
First margin	368.3	371.0	(2.7)	-0.7%
Other operating income	6.3	13.3	(6.9)	n.a.
Net operating income	374.6	384.3	(9.6)	-2.5%
Operating costs	(194.4)	(185.9)	(8.5)	4.6%
Operating income	180.2	198.4	(18.2)	-9.2%
Gross profit (loss) from current operations	195.2	190.4	4.7	2.5%
Profit (Loss) for the year	131.2	126.5	4.7	3.7%

Please refer to paragraph 1.4.1 for a description of the reconstruction of the reclassified data.

Key balance sheet data



Balance sheet data	31.12.2025	31.12.2024	Changes	
(€ million)			**Abs.**	**%**
Financial assets not constituting loans	3,817.5	3,309.9	507.6	15.3%
- of which at *fair value*	1,257.6	1,020.2	237.5	23.3%
- of which at amortised cost	2,559.8	2,289.7	270.1	11.8%
Loans to customers	7,569.6	7,546.0	23.6	0.3%
- of which at *fair value*	6.3	24.4	(18.1)	-74.2%
- of which at amortised cost	7,563.3	7,521.6	41.6	0.6%
Total assets	12,450.1	11,739.7	710.4	6.1%
Direct bank funding	9,368.8	8,773.4	595.4	6.8%
Other funding	1,329.7	1,265.7	64.0	5.1%
Indirect funding	5,506.2	4,936.4	569.8	11.5%
Shareholders' equity	1,085.1	1,018.0	67.2	6.6%

Main indicators

Economic, financial indicators and other information	31.12.2025	31.12.2024
Financial indicators		
Structural indicators		
Financial assets / Total assets	92.5%	92.8%
Gross loans to customers / Direct funding from customers (retail)	83.3%	89.0%
Fixed assets / Total assets	1.4%	1.4%
Total risk-weighted assets (RWA) / Total assets	44.6%	49.0%
Number of employees	1,480	1,436
Number of branches	173	171
Profitability indicators		
ROE (Net profit / Shareholders' equity) (1)	12.9%	13.7%
ROTE (Net profit / Tangible equity) (1)	13.1%	13.9%
ROA (Net profit / Total assets)	1.1%	1.1%
Cost to income ratio (Operating costs/Operating net income) (2)	51.9%	48.4%
Basic EPS (earnings per share)	2.61	2.55
Diluted EPS (earnings per share)	2.61	2.55
Risk ratios		
Net non-performing loans / Net loans to customers	1.5%	1.7%
Gross non-performing loans / Gross loans to customers	3.4%	3.9%
Texas ratio (Net non-performing loans / Tangible shareholders' equity)	21.3%	25.5%
% coverage of bad debts	74.7%	76.6%
% coverage of non-performing loans	57.2%	58.9%
% coverage of performing loans	1.1%	1.2%
Supervisory capital (thousands of €) and capital ratios		
Class 1 Primary Capital (CET 1)	986,589	933,813
Total own funds	1,061,607	1,009,791
Total risk-weighted assets (RWA)	5,551,076	5,748,857
CET 1 Ratio - Common Equity Tier 1 capital (transitional)	17.8%	16.2%
Total Capital Ratio - Total own funds (transitional)	19.1%	17.6%
CET 1 Ratio - Common Equity Tier 1 capital (fully phased)	17.8%	16.2%
Total Capital Ratio - Total own funds (fully phased)	19.1%	17.5%
Liquidity Coverage Ratio (LCR)	242.7%	213.0%
Net Stable Funding Ratio (NSFR)	138.8%	135.0%
Non-Financial indicators		
Productivity Indices (in EUR)		
Direct funding per employee	6,330,270	6,109,580
Loans to customers per employee	5,114,579	5,254,889
Assets under custody - third-party products, per employee	2,723,069	2,511,097
Assets under custody - third party securities and own shares issued, per employee	1,382,586	1,252,748
Intermediation margin per employee	258,419	272,702

(1) the ROE is calculated as the ratio between net profit for the year and equity in the accounts at the beginning of the year;
the ROTE is calculated as the ratio between net profit for the year and tangible equity in the accounts at the beginning of the year;
(2) for the amount of operating Costs and net operating Income, please refer to the reclassified Profit and Loss account in paragraph 1.4.1 of the Report on Operations.

REPORT ON OPERATIONS

REPORT ON OPERATIONS

1.1 ECONOMIC ENVIRONMENT AND MARKETS ([1])

1.1.1 THE MACROECONOMIC SCENARIO

International economy

In 2025, the global economy showed greater resilience than expected, despite a context marked by the introduction of new US tariffs and a growing level of geopolitical uncertainty. Trade tensions and the evolution of the international framework have had a significant impact on various industrial sectors, but without compromising the ability of the global economic cycle to maintain a moderately positive growth rate.
The International Monetary Fund reports global economic growth of 3.3% in 2025. The economic picture remains mixed across the main economic areas. The United States displays a stronger performance than expected, albeit affected by the volatility stemming from the temporary closure of federal offices. In contrast, the euro area continues to grow at a modest pace, while demonstrating a fair capacity to absorb external shocks. Among the emerging economies, the main Asian countries maintain a robust expansion profile, while China continues to face structural sustainability challenges.
The US economy is increasingly taking the form of a "two-speed" system. On the one hand, a significant share of growth is driven by the cycle of investments in digital infrastructure and computing capacity, with benefits concentrated in a limited number of industrial supply chains. This dynamic helps to explain the asymmetry between the United States and the rest of the world, as well as the high concentration of equity returns in a few large caps, raising questions about the sustainability of current multiples. At the same time, the consumption of higher-income households continues to benefit from the wealth effect resulting from the trends in the financial markets. The high-tech investment cycle also remains strongly correlated with stock market performance. On the other hand, the slowdown in the labour market and the moderation of real wages are beginning to weigh on consumption in the lower-middle income brackets. However, the more orderly inflationary framework allows the Federal Reserve to embark on a path of gradual monetary easing, albeit at a slower pace than the expectations embedded in the markets. The acceleration of investments in the artificial intelligence sector has contributed to the expansion of equity market valuations, particularly in the technology and semiconductor sectors. The large capital flows to these companies have generated widespread capital gains, but at the same time fuelled the debate around the risk of market overheating and the possible formation of a speculative bubble in AI-related securities. The high concentration of performance in a small number of large caps is a further cause for concern.
China has reached its official growth target of 5% in 2025, driven mainly by exports. Domestic demand remains weak, held back by a sluggish labour market and the prolonged decline in property prices. Retail sales show only moderate growth, while fixed investments contracted by 3.8% in 2025, reflecting both the structural weakness of the real estate sector and the caution of companies in launching new projects. Economic expansion was mainly driven by the export-oriented manufacturing sector, fuelled by surprisingly resilient international demand. Industrial production grew by 5.2% in the last month of the year, while exports contributed about a third to the overall growth in 2025, the highest level since 1997. The trade surplus reached USD 1,189 billion (over EUR 1,000 billion), a new all-time high. Technological advancement has consolidated China's ability to compete in high-tech segments, improving the quality and average price of exported goods. At the same time, cost competitiveness remains a persistent strength. These results take on even greater significance in light of the deterioration in trade relations with the United States, following Donald Trump's rise to the presidency and the adoption of a more hostile stance towards Beijing. However, China responded

([1]) Processed by Volksbank on data from ABI, International Monetary Fund, World Economic Forum, European Central Bank, Bank of Italy, Istat, chambers of commerce, news and daily financial newspapers.

with greater assertiveness, forcing Washington to partially review some of the measures announced. At the same time, it has accelerated the diversification of its portfolio of customer countries, reducing dependence on the US market and strengthening its ability to withstand external shocks.

The Japanese economy recorded 1.3% growth in 2025, concentrated mainly in the first half of the year, driven by strong domestic demand and the front-loading of exports to the United States. The persistent labour shortage continues to sustain nominal wage growth and stimulate investment in high-productivity technologies. Inflation has slowed thanks to energy subsidies, although it remains above the central bank's target. Since August 2025, following the bilateral agreement with the United States, Japanese exports have been subject to a uniform duty of 15%. Sales to the US market weakened, particularly in the automotive sector, which absorbed part of the impact through a squeeze on margins.

The Indian economy has slowed down compared to the sustained pace of previous years. For the closing fiscal year, GDP is expected to grow by 6.4%, well below the 8.2% recorded in 2023-24. Despite this, according to the central authorities, India's nominal GDP has surpassed that of Japan, making India the world's fourth-largest economy. However, doubts remain about the medium-term outlook: domestic demand has weakened, while high inflation and a slowdown in consumption have weighed on economic performance. Despite the recent rate cut by the Reserve Bank of India, inflationary pressures remain strong, accompanied by wage stagnation and a labour market characterised by high unemployment.

2025 was an extraordinary year for commodities. Gold hit a series of all-time highs, posting its best performance since the 1970s. Silver and copper also reached record levels, supported by accelerating demand and distortions linked to a context characterised by macroeconomic uncertainty, trade tensions and geopolitical risks. Copper in particular saw a surge in prices, fuelled both by the prospects of strong growth in demand from data centres and investments in artificial intelligence, and by significant issues on the mining front. Fears of new trade restrictions, including the possible introduction of duties of up to 50% on US imports of refined copper, have generated an unprecedented build-up of metal in US warehouses, draining global stocks and exceptionally widening the premium of COMEX futures compared to those of the London Metal Exchange (LME). Energy markets were also affected by unexpected political developments. These include: OPEC+'s sudden change of course on production targets, the surprise effect of Liberation Day with the threat of across-the-board tariffs by the Trump Administration, and the tightening of Western sanctions against Russia. Geopolitical tensions reached new levels when Iran and Israel came into direct confrontation, followed by the intervention of the United States, which struck Iranian nuclear facilities. The conflict between Russia and Ukraine continues to cause casualties and damage strategic hydrocarbon extraction, refining and export infrastructure, as well as electricity generation and distribution networks in both countries.

The Eurozone

In the course of 2025, the euro area economy confirmed its considerable resilience, despite an international environment characterised by high uncertainty, global trade tensions and a progressive deterioration of the geopolitical landscape. Growth was supported by robust domestic demand, a strong labour market and a gradual easing of inflationary pressures, while structural weaknesses, national divergences and external risks continued to limit the medium-term outlook. The area's real GDP grew by 1.4%, slightly exceeding expectations and marking a more solid cyclical recovery in the second half of the year, despite the first half having been affected by volatility stemming from the front-loading of trade in response to US tariffs and sharp fluctuations in data from Ireland. In the third quarter, output increased by 0.3% quarter-on-quarter, supported by increased consumption, higher investment and inventory accumulation, whilst net foreign demand continued to have a negative impact, reflecting the persistent weakness of exports to some advanced economies and the intensification of Chinese competition across numerous industrial segments. The sectoral composition of growth saw services play a leading role, particularly in sectors related to the digital transition, such as information, communication and consultancy, as well as in tourism-related sectors, which continued to make a significant contribution after the pandemic. Industry and construction both experienced stagnation: core manufacturing was squeezed by falling global demand, the appreciation of the euro and growing competitive pressure, whilst construction stagnated due to weakness in the residential segment, only partially offset by the resilience of civil engineering. Accord-

ing to the most recent information, activity continued to grow to a limited extent in the fourth quarter as well, still driven by the tertiary sector, while confidence indicators confirmed an improvement in services and persistent weakness in manufacturing.
The labour market maintained a decisive role in supporting domestic demand, with an unemployment rate stable at 6.4%, close to the euro area's all-time lows. Employment increased by 0.2% in the third quarter and is thought to have continued to expand slightly in the final part of the year, despite a gradual slowdown in labour demand, as evidenced by the fall in vacancies to their lowest level since the start of the pandemic. This configuration suggests that the area is going through a phase of normalisation of the employment cycle, in which the ability of companies to retain labour remains high but less widespread than in the years marked by the energy and health crises.
In terms of prices, the process of disinflation has made significant progress. Harmonised inflation fell to 2.1% in November and 2.0% in December, while core inflation was between 2.3% and 2.4%, showing a cooling in both non-energy industrial goods (around 0.4–0.5%) and services (3.4–3.5%), although the latter remained the most persistent component. Energy made a negative contribution, with prices falling as a result of both the normalisation of international markets and the appreciation of the euro. Inflation expectations remained firmly fixed at the 2% target, both in market measures and in business and consumer surveys. Wage trends, although high in the first part of the year, showed signs of slowing in the autumn months, with prospects of further moderation in 2026, according to the ECB wage tracker, in a context of gradual recovery in productivity.
The ECB's monetary policy kept official rates unchanged at its meetings in October and December, with the deposit rate at 2.0%, consolidating the pause in the easing cycle that began in mid-2024. The money and bond markets are pricing in stable rates for several quarters, while the cost of credit has stabilised: between August and November, rates on new loans to businesses (3.5%) and mortgages to households (3.3%) did not change significantly. Credit to businesses showed moderate growth of around 3%, held back by still-weak demand and slightly tighter lending criteria, whilst loans to households accelerated to 2.9% thanks to the recovery in mortgages, which was particularly strong in Spain and France.
The fiscal policy of the euro area has maintained an overall neutral stance, with an aggregate deficit of 3.0% of GDP in 2025 and is expected to reach 3.3% in 2026. The European Commission's assessments of the draft budgetary plans indicate overall compliance with net expenditure trajectories for most countries, while the eurozone debt-to-GDP ratio rose to 89.2%.
In the financial markets, sovereign yields in the area rose slightly in the final part of the year, reflecting a global increase in the term risk premium and the expectation of more issues in 2026. The BTP-Bund spread fell to its lowest level since 2010, thanks in part to the improvement in Italy's sovereign rating. Equity markets showed positive trends but with episodes of volatility, particularly in the US technology sector, with spillover effects on the euro area.
Overall, 2025 is shaping up to be a year of transition towards a more balanced macroeconomic environment. The area's economy continued to grow despite significant headwinds, supported by domestic demand and the labour market, while the process of disinflation was consolidated.

The Italian economy

The macroeconomic scenario outlined by the Bank of Italy in its December update forecasts GDP growth of 0.6% for 2025. The robustness of investments, supported both by fiscal incentives and by the progress of the measures envisaged by the National Recovery and Resilience Plan (PNRR), has contributed significantly to the dynamics of economic activity. On the other hand, growth in private consumption remained moderate: the increase in disposable income did not translate into an increase in consumption due to the high degree of caution among households, who preferred to increase their propensity to save due to the high level of uncertainty that continues to characterise the international environment. This situation leads households to maintain savings levels higher than those recorded in the pre-pandemic period.
After the contraction observed in the spring, GDP returned to moderate expansion during the summer. The recovery largely reflects the increase in exports, partly attributable to temporary factors, against a more modest increase in

imports. Net of the marked destocking of inventories, the contribution of domestic demand is positive: investments in capital goods, intellectual property products and non-residential construction continued to grow, supported by fiscal measures and interventions linked to the PNRR. Household consumption showed only marginal growth, despite improvements in real incomes.

On the supply side, value added increased in the services sector, with widespread growth across its sub-sectors. In the first nine months of the year, business services were the main driver of expansion, driven by demand related to the digital and energy transition processes. In the third quarter, however, value added fell in industry proper – returning to end-2024 levels – and in construction. In the latter sector, the decline in residential construction was only partly offset by the increase in civil engineering works. Overall, the construction sector ended 2025 with signs of weakening; however, the trend in building permits, especially in the non-residential sector, suggests a potential improvement, also in view of the acceleration of infrastructure works financed by the PNRR.

The December Istat survey on service-sector confidence recorded a significant improvement for the second consecutive month, rising from 97.8 to 100, the highest value since September 2024. Progress affects all the main components and is driven mainly by tourism services, which have reached their highest level since April of the previous year; information and communication services and business services follow, with less intensity. The only exception is the transport and warehousing sector, which is closer to industrial cycles and is deteriorating.

In contrast, the December services PMI index shows a moderation: while remaining in expansionary territory, it fell to 51.5 points from 55 in November, reaching the lowest level since August. New orders are almost unchanged and hiring intentions are stable, while expectations for future activity are less favourable. There is also an easing of cost and final price pressures in the services sector, in line with what was observed in manufacturing. Overall, although the signals from the economic surveys are mixed, they do not seem to contradict the hypothesis of a gradual recovery in the services sector, which is once again expanding after a year of stagnation.

On the foreign-demand side, Istat data for November show a slight month-on-month increase in exports, whilst imports declined. The increase in exports is mainly attributable to capital goods. Export performance varies by geographical area: exports to EU countries grew (+2.6%), whilst those to non-EU countries declined (-2.8%). On the import side, the annual decline (down 3.5% in value and down 1.4% in volume) is entirely attributable to the contraction in non-EU imports (down 11.2%), against a slight increase in purchases from the EU (up 2.4%). Among the main export markets, the most marked decline concerns Turkey (-40.5%), while significant declines are also recorded for the United Kingdom, the United States (-2.9%) and the Netherlands; on the contrary, sales to OPEC countries, Switzerland, Belgium, Spain and Austria are expanding. The trade balance in November stood at +5.1 billion, a marked improvement compared to the previous year, thanks to the reduction in the energy deficit and the increase in the non-energy surplus. Overall, exports held up mainly thanks to several key sectors – pharmaceuticals, transport equipment other than motor vehicles, machinery and metals – although the effects of US tariffs could manifest themselves more gradually in the coming months.

Finally, the labour market continues to present a favourable outlook. The unemployment rate has reached new record lows, reflecting record levels of employment and an increase in participation linked to structural factors. The rising effective retirement age favours the retention of older workers in the labour market, while female participation benefits from long-term trends linked to education and sectoral composition, although it has shown recent signs of stabilisation. During 2025, the number of employed persons exceeded 24 million, reaching a new all-time high; however, the pace of job creation moderated: the average quarterly growth rate fell to 0.2% (from 0.3% the previous year and 0.5% in the two-year period 2022-23).

1.1.2 MONETARY POLICY AND FINANCIAL MARKETS

Monetary Policy

At its meeting in December 2025, the Governing Council of the European Central Bank confirmed the current stance of monetary policy, keeping the three key rates unchanged. The rate on the main refinancing operations therefore remains at 2.15%, the rate on the marginal refinancing transactions at 2.40% and the rate on deposits with the central bank at 2.00%.

The Governing Council's updated assessment continues to indicate that inflation is stabilising towards the 2% target over the medium term. In line with the data-driven approach, the Council 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 Governing Council remains ready to intervene with all available instruments to ensure the lasting stabilisation of inflation and to preserve the smooth functioning of markets.

Since the previous meeting on 30 October 2025, market rates have risen. Rates on bank loans to businesses remained broadly stable after the decline linked to the key rate cuts decided during the year. In October, they stood at 3.5%, unchanged from September. The market cost of debt stood at 3.4%, close to the previous month's level. The average rate on new mortgage loans also remained stable at 3.3%.

In terms of credit, business loans grew by 2.9% on an annual basis in October, confirming the pace of September. Corporate bond issuance increased by 3.2%, whilst mortgage loans showed a further acceleration, with growth of 2.8% compared to 2.6% in September.

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 2.1% in 2025, 1.9% in 2026, 1.8% in 2027 and 2.0% in 2028. Core inflation, excluding the energy and food components, is expected to stand at 2.4% in 2025, 2.2% in 2026, 1.9% in 2027 and 2.0% in 2028. The upward revision of expected inflation for 2026 reflects a slower expected decline in the prices of services.

The process of normalising the monetary policy portfolios continues: the APP and PEPP programmes continue to shrink gradually and predictably, as the Eurosystem no longer reinvests the principal payments on maturing securities.

In the United States, at its December meeting, the Federal Reserve approved a further rate cut of 25 basis points, setting rates in the range of 3.50-3.75%. This is the third consecutive cut in 2025. 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, the three-month Euribor remained broadly stable: 2.05% on average in December 2025 (from 2.04% in November) and 2.02% in the first 14 days of January 2026. The 10-year swap rate rose to 2.90% in December (2.72% the previous month), settling at 2.89% in the first days of January. The average difference between the 10-year swap rate and the 3-month Euribor rate was 85 b.p.

In terms of overall monetary conditions, the dedicated index shows a slight easing in the eurozone, driven by both the interest rate and exchange rate components. In the US, in the same period, monetary conditions showed a tightening, due to the combination of the same two components.

The Financial Markets

In 2025, global equity markets recorded an overall positive trend, despite a still mixed macroeconomic environment. In the United States, equities benefited from the strength of the technology sector: the S&P 500 rose by approximately 16% in local currency, whilst the Nasdaq 100 gained around 20%. However, the exchange rate effect, linked to the weakness of the dollar, reduced the performance for the European investor, compressing growth to around +2.6% and +6.1% respectively.

The European picture proved to be even more dynamic. After 2024, which was characterised by significant under-performance, 2025 marked a turnaround with a marked recovery in profits and a re-acceleration of economic activity. Euro area equities rose by around 19%, outperforming US equities thanks to the contribution of sectors more sensitive to the domestic cycle and the easing of financial conditions. Italy stood out in particular, with the main index closing the year with a gain of more than 30%, whilst Germany and the United Kingdom recorded rises of around 22–23%. France, although showing a more moderate trend, also recorded an increase of more than +11%, confirming the extent of its participation in the positive European cycle.

A divergent trend was observed in commodities: precious metals led the sector's rise with exceptional performance. Gold recorded an increase of approximately +68%, while silver more than doubled in value, with growth of over +140% and new all-time highs. In contrast, energy showed a weaker profile: Brent closed the year approximately 17% lower, whilst WTI fell roughly 19%, reflecting a rebalancing of global supply and more subdued demand expectations. Crypto-currencies, although supported at times by favourable sentiment, failed to consolidate their gains: Bitcoin ended 2025 with a contraction of around -5%, after a series of extremely volatile movements.

In parallel with the performance of traditional markets, the topic of artificial intelligence dominated the financial debate. The rally of companies exposed to AI was accompanied by intense growth in investments in technological infrastructure: global spending on data centres grew by more than 50% year-on-year in the first quarter and by more than 40% in the second, with a total capex of more than $500 billion in 2024 and projections indicating that it will exceed $1.2 trillion by 2029. This magnitude is reminiscent of historical phases of infrastructure acceleration, from the railway cycles of the 19th century to the Dot.com bubble, in which supply often preceded demand.

This dynamic has fuelled questions about the possible formation of a sectoral bubble, also in light of signals such as the increase in retail participation, the growth of leverage in trading (with an increase in US margin debt of more than 30% in a few months) and the high number of IPOs characterised by demanding valuations. Market concentration is a further focus of attention: the US technology sector now accounts for around 35% of the total capitalisation of the US market, while the top ten US companies represent more than 20% of the value of the entire global equity market, a level of concentration historically associated with phases of vulnerability.

However, compared to speculative episodes such as the one in the late 1990s, the current cycle presents significant differences. Profit growth for companies exposed to AI remains robust: for the IT sector of the S&P 500, forecasts indicate EPS growth of around +20% in 2025 and +18% in 2026, with revenues growing by more than +14% annually. The multiples, although high, are significantly lower than the levels observed during the Dot.com bubble: the P/E ratios of the leading companies range between 25x and 40x, compared to values above 80x at the peak in 2000, while the price/earnings ratio adjusted for growth remains at less extreme levels. Added to this is a decidedly more solid financial structure, with limited recourse to debt and substantial cash and cash equivalents that reduce the risk of systemic shocks.

However, some risk factors remain to be monitored, including possible overcapacity, uncertainties related to the monetisation of AI services, the variability of usage-based revenue models, and the lack of transparency in financial relationships between hyperscalers and infrastructure providers. In a context of strong market concentration, these elements could amplify correction phases if growth expectations were to be scaled back.

Overall, 2025 confirmed a constructive outlook for equity markets, supported by rising profits, gradually easing financial conditions and an acceleration of investment in advanced technologies. While not currently a speculative bubble, the artificial intelligence cycle requires a careful assessment of fundamentals and a selective approach to manage the high concentration and potential risks related to the sustainability of investments.

1.2 THE BANKING SYSTEM

1.2.1 BANK FUNDING

According to SI-ABI's initial estimates, in December 2025, total customer deposits of banks operating in Italy reached €2,137 billion, an increase of 2.0% on an annual basis. This aggregate includes deposits from resident customers consisting of current account deposits, deposits with a predetermined duration net of those connected with loan assignments, deposits redeemable at notice and repurchase agreements net of transactions with central counterparties, as well as bonds net of repurchases. In the same month, deposits from resident customers amounted to €1,869 billion, up 2.1% on the previous year, compared to +2.7% in November. Medium and long-term funding through bonds increased by 1.1% year-on-year, after +1.9% in the previous month, reaching a total stock of 268 billion.
The component of funding from abroad accounted for 16.7% of the total, up from 14.5% twelve months earlier. The share of deposits from abroad in domestic lending was 7.9%, compared to 7.4% in the previous year. Loans to foreign entities reached 371.4 billion euros, resulting in a foreign loans-to-foreign deposits ratio of 73.4%, up from 69.7% a year earlier.
Regarding interest rates on bank funding, SI ABI estimates indicate that in December 2025 the average rate on customer funding – including the return on the stock of deposits, bonds and repurchase agreements in euros of households and non-financial companies – remained stable at 0.89%. The average rate on euro deposits remained at 0.63%, a level significantly higher than the 0.32% recorded in June 2022. The bond rate stood at 2.83%, while the yield on current account deposits alone was 0.29%, in line with the typically transactional function of the instrument.
Taking new transactions into account, the average rate of bank funding from customers stood at 1.91% in December 2025. The rate on fixed-term deposits from households and non-financial companies was estimated at 2.14%, while the yield on new bonds issued during the month was 2.39%. In the third quarter of 2025, the cost of market-based financing and equity capital increased, reflecting the rise in risk-free rates. The composite cost of debt financing for eurozone banks stood at 1.5%, while yields on bank bonds remained close to 3%, according to figures available in mid-December. Interest rates on sight deposits, notice deposits and interbank transactions showed no significant changes, whilst household term deposit rates recorded a slight increase.

1.2.2 LOANS

Based on initial estimates by the SI-ABI, total loans to residents in Italy, including the private sector and public administrations, net of repurchase agreements with central counterparties, stood at €1,663.8 billion in December 2025, recording an annual growth of 1.1. The change also takes into account securitised loans not recognised in bank balance sheets and adjustments not related to transactions, such as exchange rate changes, value adjustments and reclassifications.
Within this aggregate, loans to the resident private sector reached €1,437 billion, up 1.6% on an annual basis. Loans to households and non-financial corporations amounted to €1,294 billion, up 2.3% compared to 2024.
The cost of loans to households for house purchases remained stable at 3.3%, about 70 basis points below the peak recorded in November 2023. The spread between rates applied to households and those applied to businesses remained around 20 basis points, well below the peak of 140 basis points reached in March 2024, reflecting the longer duration of fixed-rate periods in mortgage loans.
Credit dynamics continue to be below historical averages. In October 2025, business loans recorded growth of 2.9% (historical average: 4.3%), while corporate debt increased by 3.2% (historical average: 4.8%). For households, a gradual strengthening was confirmed, with a growth rate of 2.8%, although still well below the historical average of 4.1%. The recovery is driven by mortgages for house purchase and consumer credit, while other forms of financing, including those for sole proprietorships, remain weak.

The ECB's Bank Lending Survey of October 2025 indicates an increase in risk aversion among banks, with a slight tightening of lending criteria for business loans and moderate growth in demand, which nevertheless remains subdued. Households report a slight worsening of the conditions for access to credit. The trend continues to reflect a global picture characterised by high uncertainty, accentuated in the first half of 2025 by tensions related to US trade policy. Business demand for loans increased modestly, supported by less self-financing and greater needs related to investments and debt refinancing. For households, demand for mortgages has risen, while demand for consumer credit has decreased; both are expected to increase in the first quarter of 2026.

1.2.3 ASSETS UNDER ADMINISTRATION AND MANAGEMENT

In November 2025, the total value of securities held in custody by Italian banks reached €1,713 billion, including both instruments held directly by customers and those entrusted for management. This is an increase of 112.3 billion compared to the same month of the previous year, representing a growth of 7%. Within this aggregate, consumer households hold 29.1% of the total and recorded a year-on-year increase of 7.7%, whilst financial institutions accounted for 21.7%, also rising (+7.2% year-on-year). Insurance companies remain the principal holders with a 36.7% share, up 4.2%, whilst non-financial companies, although holding a smaller share of 6.6%, record the strongest growth of the year at 17.7%. Public administrations and producer households account for 2.6% and 1.2% respectively. The component of non-residents is particularly significant, with their share of 2.1% of the total showing strong growth, with an annual change of 19.2%.
In the second quarter of 2025, the growth of individual portfolio asset management attributable to banks, investment firms and UCITS management companies also strengthened, reaching a total of €1,010 billion, up 4.8% on the previous year and 2.3% on the previous quarter. Assets managed by banks, amounting to €144 billion, show a particularly marked expansion, with an annual increase of 14.8%. "SIM" investment firms, with €12.6 billion, recorded an increase of 5.3% compared to the previous year, while assets managed by "SGR" asset management companies – which represent the overwhelmingly predominant part of the sector – reached €853.7 billion, marking a growth of 3.3%.
At the same time, the assets of open-ended Italian and foreign funds showed a slight decrease in November 2025 compared to the previous month, to about €1,269 billion, with a decrease of 0.3% or 3.8 billion. The composition shows that funds under Italian law represent 24.2% of the total assets, while the remaining share is attributable to funds under foreign law. On an annual basis, however, total assets grew by 4.8%, supported by the expansion of bond funds (+34.2 billion), money market funds (+10.2 billion) and equity funds (+18.3 billion), against the contraction of balanced funds (-2.5 billion) and flexible funds (-0.9 billion). The percentage structure of the market is also evolving: the share of bond funds rises from 37.2% to 38.2%, while that of equity funds remains largely stable, going from 33.2% to 33.1%. Flexible funds fell from 15.1% to 14.3%, balanced funds from 10.6% to 9.8%, while money market funds increased from 3.9% to 4.5%. The share of hedge funds remains unchanged at 0.1%.
In this context, the financial assets of Italian households show a further strengthening: in September 2025, they were 4.6% higher than the previous year, rising from EUR 5,996 to EUR 6,271 billion. The increase affects almost all the main components of the household portfolio, with the exception of bank bonds, which continue to reduce their relative weight.

1.3 SIGNIFICANT EVENTS DURING THE YEAR

Shareholders' Meeting of 17 April 2025

A shareholders' meeting was held on 17 April 2025.
The Shareholders' Meeting of 17 April 2025 approved the 2024 financial statements which closed with a net profit of €126,477,695.36 (of which €125,578,739.16 was distributable). The Shareholders' Meeting, having heard the proposal for the allocation of the net profit for the year ended 31 December 2024, resolved to distribute a cash dividend of 1 euro per share, in two tranches: the first, of 70 Euro cents, was credited with a value date of 29 April 2025, and the second, of 30 Euro cents per share, was credited with a value date of 2 October 2025.
In addition to approving the 2024 Financial Statements, the Shareholders' Meeting resolved on the following items on the agenda.

Activities to support market liquidity

The Shareholders' Meeting held on 17 April 2025, based on the report of the Board of Directors pursuant to Articles 2357 and 2357-ter of the Italian Civil Code, drawn up pursuant to Article 73 of the Issuers' Regulation (Consob No. 11971/1999), renewed the authorisation to purchase treasury shares for 3.5 million euros, in order to keep the annual cycles aligned between the timing of the authorisation procedures (Shareholders' Meeting and Bank of Italy) and the operations of the liquidity provider.
The Bank's purchase of treasury shares and the subsequent use of such shares must be authorised by the Shareholders' Meeting pursuant to articles 2357 and 2357-ter of the Italian Civil Code. The purchase of treasury shares was authorised by the Bank of Italy, pursuant to articles 77 and 78 of Regulation (EU) no. 575/2013 and implementing rules, dated 28 July 2025.

Determination of the number of directors on the Board of Directors for the 2026-2028 term of office pursuant to Article 20 of the Articles of Association

Article 20, paragraph 1 of the Articles of Association provides for a variable number of 9 to 12 directors for the composition of the Board of Directors and entrusts the Shareholders' Meeting to determine the number of directors to be elected for the coming three-year period. In 2026, the Shareholders' Meeting will appoint the Board of Directors for the three-year period 2026-2028, to replace the Board of Directors whose terms of office expire with the approval of the financial statements for the current financial year.
The Shareholders' Meeting of 17 April 2025 resolved, at the proposal of the Board of Directors, to maintain the numerical composition of the Board of Directors at nine (9) directors for the three-year period 2026-2028. This composition is considered appropriate to the size and complexity of the bank's organisational structure and also takes into account the commitment the directors must devote to ensuring adequate strategic governance of Volksbank.

Remuneration policies

The Shareholders' Meeting of 17 April 2025 finally approved the Remuneration Policies applicable from the 2025 financial year, together with the 2025 Compensation Plan, which provides for the free allocation of ordinary shares of Banca Popolare dell'Alto Adige S.p.A. to the most significant categories of senior personnel. It also approved the Compensation Plan based on non-participating financial instruments, previously adopted by the Board of Directors, which provides for the free allocation of "virtual units" equivalent to ordinary shares to the most significant categories of personnel other than senior staff. These documents were previously approved by the Board of Directors on 21 March 2025. The Assembly also took note of the Report on the 2024 Implementation of the Remuneration Policies.

Appointment of the Board of Statutory Auditors

The shareholders' Meeting also elected the Board of Statutory Auditors for the 2025-2027 three-year period by slate vote, as regulated by the articles of association, arts. 32 and 33:

Georg Hesse - 24.08.1973 – Accountant and Statutory Auditor	President of the Board of Statutory Auditors
Cinzia Giaretta - 27.07.1960 - Accountant and Statutory Auditor	Standing Auditor
Rosella Cazzulani - 05.01.1974 - Accountant and Statutory Auditor	Standing Auditor
Emilio Lorenzon - 17.06.1962 – Accountant and Statutory Auditor	Alternate Auditor
Nadia Dapoz - 13.11.1980 – Accountant and Statutory Auditor	Alternate Auditor

Remuneration of the Board of Statutory Auditors

The Shareholders' Meeting of 17 April 2025 also decided the fees to be paid to the standing auditors appointed for the 2025–2027 three-year period as follows:
EUR 125,000: per annum for the office of Chairman of the Board of Statutory Auditors;
EUR 75,000: per annum for the office of Standing Auditor;
EUR 250: per day for attendance at meetings of the Board of Auditors, Board of Directors and Board Committees (the attendance allowance does not cumulate in the event of multiple meetings on the same day).

Shareholders' Meeting of 16 October 2025

An Extraordinary and Ordinary General Meeting was convened on 16 October 2025 to resolve on the following items.

Extraordinary Part:
Amendment of the Articles of Association

At the extraordinary session, the Shareholders' Meeting approved amendments to the Articles of Association aimed at making the Bank's governance more modern and effective, streamlining the decision-making process for the benefit of customers, expanding the range of services and providing the Board of Directors with greater scope for action.
In particular, the Articles of Association have been amended to provide for:

- the right of the Board of Directors to appoint a Chief Executive Officer, to whom specific powers may be granted for more effective ordinary management of the Bank;
- the right of the Board of Directors to decide on the payment of an interim dividend, if the conditions are met.

Ordinary part:
Amendment of the Shareholders' Meeting Regulations

With reference to the amendments to the Articles of Association, it was also resolved to amend the current Shareholders' Meeting Regulations to ensure compliance with the new provisions of the Articles of Association. At the same time, further targeted updates were made to facilitate the efficient conduct of the Shareholders' Meeting proceedings.

Free assignment of treasury shares

The Shareholders' Meeting of 16 October 2025 authorised the free assignment of BPAA shares to members in a ratio of 1 free share for every 100 shares held, and in any case within the limits of the available shares in the Bank's portfolio five working days before the moment of assignment to the shareholders. The Shareholders' Meeting resolved that the allocation should be carried out in the period between November and December 2025.
At its meeting of 7 November 2025, the Board of Directors implemented the resolution of the Shareholders' Meeting, setting the record date as 27 November 2025 and the value date as 3 December 2025.
For more details and a detailed description of the resolutions passed during the aforementioned shareholders' meeting, please refer to the related documentation available on the bank's website www.volksbank.it in the Corporate Governance section.

Judicial and arbitration proceedings

As of the date of this Financial Report, no judicial or arbitration proceedings are pending of such amount or nature as to have significant repercussions on the financial, equity or economic situation of Volksbank, even in the event of a negative outcome, that have not been considered in the provisions for contingent liabilities.
In the normal course of its business, Volksbank is a party to civil and administrative judicial proceedings, as well as

some arbitration proceedings. The disputes that arose during 2024, other than those related to credit recovery, concerned mainly the actions of the Bank. Such litigation was brought both individually by individual shareholders and through a class action.
With reference to the latter, on 29 December 2022, seven shareholders had filed a proceeding with the Court of Venice to institute a class action pursuant to Article 140-bis of the Consumer Code, (Legislative Decree No. 206/2005), in relation to alleged information deficiencies in the "product sheet" used for the purposes of the share placements made in the period from January 2012 to July 2015.
In this proceeding, the proposing shareholders formulated various complex and articulated complaints which were attributable, in their essence, to the bank having provided "false information" in relation to transactions for the purchase of treasury shares and breach of contract by the bank regarding the disclosure obligations set by the applicable legislation on financial intermediation in the provision of placement, negotiation and investment advisory services relating to its shares.
On 11 October 2023, the Court of Venice declared admissible the class action brought by the 7 shareholders of the Bank and supported by 3 consumer protection associations. This decision concerned only the procedural profile of the admissibility of the class action and not the merit of the disputes raised therein. The Bank challenged the order through a complaint. The latter was rejected on 8 February 2024 by the Court of Appeal of Venice. The order rejecting the complaint does not amount to a judgement on the merits of the action.
The hearing for the continuation of the class action before the Court of Venice, on the merits, was held on 10 October 2024, at the end of which further time limits were granted for the parties to file pleadings. At the hearing of 9 January 2025, the Court scheduled the hearing for the specification of conclusions, which took place on 12 June 2025. At its conclusion, the Court reserved the case for decision and set deadlines for the parties to file their statements of case and final submissions.
The Bank is awaiting the final decision.
On 3 February 2025, the Bank was served with a writ of summons for a second class action pursuant to Article 140-bis of Legislative Decree No. 206/2005, by which seven consumers, the associations Centro Consumatori Italia, Robin APS and the Südtirol Shareholders' Committee brought an action against the Bank complaining, in particular, of the failure to provide the shareholder with the prospectus, the summary note and the product sheet, the incorrect determination of the placement price, and more generally, violation of the rules of validity and conduct dictated by the financial regulations on the subject of information on investment under Article 21 TUF and the secondary regulatory regulations issued by Consob in relation to the placement of shares issued on the occasion of the capital increase carried out at the end of 2015. The first hearing, concerning the admissibility or otherwise of the action itself, was held on 12 June 2025 before the Venice Court, following which the panel reserved its judgment. By order of 17 July 2025, upon lifting its reservation of judgment, the Court declared the class action inadmissible due to a lack of the relevant requirements. This order was challenged by the appellants before the Venice Court of Appeal, which – after the hearing of 2 October 2025 and confirmation by the President of the assignment of the case to the Court's first civil division – scheduled a hearing for 20 November 2025 to discuss admissibility. Having reserved judgment, the Court of Appeal, at the conclusion of the hearing, rejected the appeal, confirming the inadmissibility of the action already decided at first instance, with costs awarded against the appellants.
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.

Entry of a new company into the Banca Popolare dell'Alto Adige Group

In the second half of the year, Volksbank completed the acquisition of the entire shareholding in a special-purpose vehicle established for the construction of a photovoltaic plant intended to produce electricity for its own consumption. This operation is part of the ESG initiatives included in the I-mpact 2026 Business Plan, with the aim of contributing to the Bank's decarbonisation process. Following the aforementioned acquisition, the extraordinary shareholders' meeting of the special purpose vehicle resolved to change its company name to "Volksbank Lumina 1" and to make further amendments to the Articles of Association to specify its membership of the Banca Popolare dell'Alto Adige banking group. In a communication dated 8 January 2026, the Bank of Italy announced that it had updated the composition of the Banca Popolare dell'Alto Adige Banking Group in the Register referred to in Article 64 of the TUB.

Extraordinary contribution to the reserve pursuant to Article 26 of Decree-Law No. 104 of 10 August 2023

Article 26 of Decree-Law No. 104 of 10 August 2023 (hereinafter, the "Asset Decree"), converted, with amendments, by Law No. 136 of 9 October 2023, containing "Urgent provisions to protect users, in the field of economic and financial activities and strategic investments", introduced an extraordinary tax calculated on the increase in banks' net interest income.

This tax, pursuant to paragraph 2, is determined by applying a 40% rate to the interest margin shown under item 30 of the profit and loss account for the financial year preceding the one underway on 1 January 2024, which exceeds by at least 10% the same margin for the financial year preceding the one underway on 1 January 2022.

Paragraph 3 sets a maximum limit on the amount of the extraordinary tax equal to 0.26 per cent of the total amount of the risk exposure on a solo basis, determined in accordance with paragraphs 3 and 4 of Article 92 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 (Capital Requirements Regulation, hereinafter "CRR"), with reference to the closing date of the financial year prior to the current one as of 1 January 2023.

During the conversion into law of the Asset Decree, paragraph 5-bis was introduced. It allows banks, instead of paying the tax, to allocate – upon approval of the financial statements for the year preceding the one in progress on 1 January 2024 – an amount of no less than two-and-a-half times the tax to a specifically designated non-distributable reserve. Volksbank made use of this option, recognising a reserve of €35,169,687 in the 2023 financial statements.

Paragraphs 68-73 of the 2026 Budget Law amend the aforementioned regulations by introducing:

- a legal presumption of priority distribution of the reserve established as an alternative to the payment of the extraordinary tax ("2023 Reserve"), which operates from financial years beginning after 1 January 2028 in the event of distribution of profits (including interim dividends) or reserves;
- the payment of a voluntary extraordinary contribution on the aforementioned reserve, until the financial year ending 31 December 2028, at a rate of:
  - 27.5% for reserves existing at the end of the 2025 financial year;
  - 33% for the reserves existing at the end of the subsequent financial year.

Starting from the financial year beginning on 1 January 2029, the distribution of profits or reserves in the absence of payment of the extraordinary contribution will result in the application of the tax at a rate of 40% on the "2023 Reserve", as a consequence of the application of the aforementioned legal presumption.

In light of the above, and with reference to the amount of the reserve existing as at 31 December 2025, on 23 January 2026 the Bank's Board of Directors passed a resolution providing for payment at the lower rate of 27.5%; therefore, applying this rate to the reserve for the tax on banks' windfall profits, amounting to €35,169,687, generated a payable levy of €9,671,664.

As it is applied to the reserve for the tax on extra profits of banks, regardless of the nature of the items that contributed to its formation and the methodology with which it was established, the tax constitutes a new obligation that is not linked to the original reserve. Specifically, the tax has particular characteristics that place it outside the scope of the existing IAS/IFRS.

In particular, the contribution was deemed to fall neither within the scope of IFRIC21 nor within that of IAS12:

- with reference to IFRIC21, it should be noted that this standard applies to contributions defined as disbursements of resources imposed by governments. The extraordinary contribution, for the periods 2025-2026, is optional and therefore does not meet this definition;
- with reference to IAS 12, it should be noted that this is not an income tax, as it is not levied on income.

Based on the framework outlined above, a specific accounting policy was defined by applying, by analogy, the IAS/IFRS requirements that address similar matters; in this regard, it was noted that IAS 12 requires the tax effects arising from transactions or events recognised in equity to be recognised in equity.

Assignment of non-performing loans

During the year, Volksbank completed the transfer without recourse of several non-performing positions denominated in Euro.

Assignment of non-performing loan portfolio	**2025**
No. of non-performing positions transferred	135
Gross value (EUR)	11,293,274
Default interest (EUR)	3,591,621
Total (EUR)	**14,884,895**

The transfer provides no transferor guarantee of the solvency of the transferred debtors, or of any guarantors thereof, on any grounds, hence provides no guarantee of the total or partial collection of the transferred receivables. As a result of the transfer, the receivables have been de-recognised from the financial statements as of the date of execution. The price paid by the buyers was equal to Euro 3.3 million against a net exposure in the financial statements equal to Euro 0.6 million.

1.4 OPERATING PERFORMANCE

1.4.1 FINANCIAL PERFORMANCE

Presentation of economic results

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.

Overall trend in results

Reclassified Profit and Loss Account	31.12.2025	31.12.2024	Change	
(thousands of €)			**Abs.**	**%**
Interest margin	256,394	265,210	(8,816)	-3.3%
Net commission	111,900	105,785	6,115	5.8%
First margin	**368,294**	**370,995**	**(2,701)**	**-0.7%**
Net result of the financial portfolio	11,059	17,709	(6,650)	-37.6%
Other net operating income (expenses)	(4,729)	(4,448)	(281)	6.3%
Other operating income (expenses)	**6,330**	**13,261**	**(6,931)**	**-52.3%**
Net operating income	**374,624**	**384,256**	**(9,632)**	**-2.5%**
Personnel expenses	(125,121)	(118,574)	(6,547)	5.5%
Administrative expenses	(53,768)	(52,760)	(1,008)	1.9%
Net result of tangible and intangible assets	(15,513)	(14,537)	(976)	6.7%
Operating costs	**(194,402)**	**(185,871)**	**(8,531)**	**4.6%**
Operating income	**180,222**	**198,385**	**(18,163)**	**-9.2%**
Net adjustments on loans to customers	2,000	(591)	2,591	-438.4%
Adjustments on other assets and liabilities	34	(22)	56	-254.5%
Profits (Losses) on disposal of equity investments and shareholdings	681	622	59	9.5%
Levies and charges relating to the banking system	(680)	(8,194)	7,514	-91.7%
Net provisions for risks and charges	12,896	218	12,678	5815.6%
Gross profit (loss) from current operations	**195,153**	**190,418**	**4,735**	**2.5%**
Income tax	(63,951)	(63,940)	(11)	0.0%
Profit (Loss) for the year	**131,202**	**126,478**	**4,724**	**3.7%**

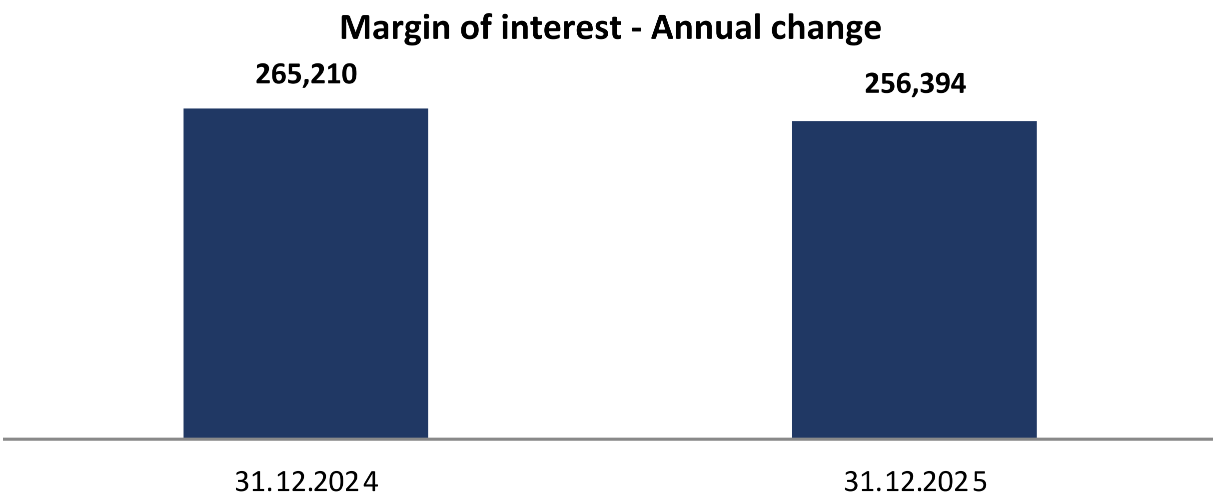
The Company closed the financial year 2025 with a net profit of 131.2 million.

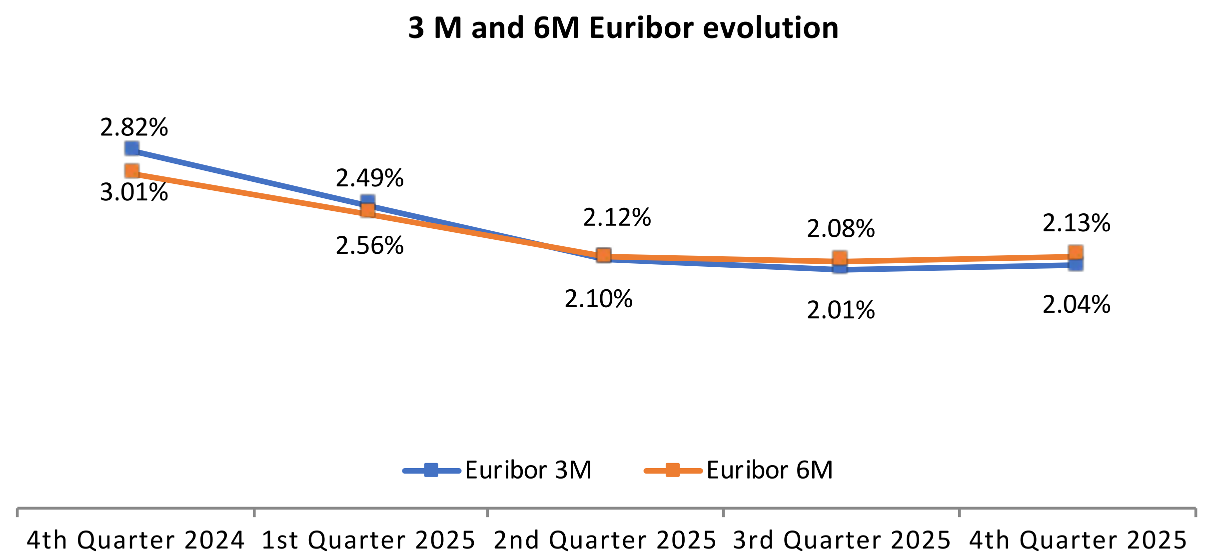
The operating result shows a decrease of -9.2% compared to 2024.

In particular, net operating income decreased by 2.5% to 374.6 million and operating costs increased by +4.6% to 194.4 million. The operating profit amounted to EUR 180.2 million.

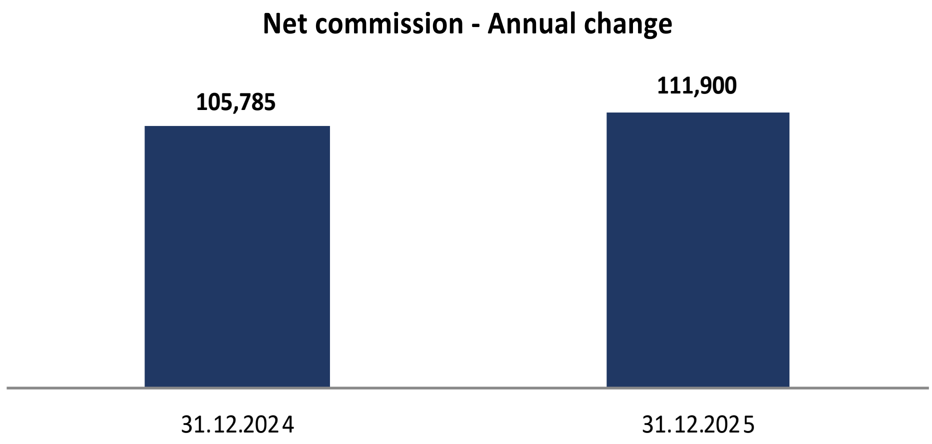
In 2025, net interest reached 256.4 million and net commissions stood at 111.9 million, leading to an initial margin which is down -0.7% compared to 2024.

Net interest from customers amounted to 188.5 million, with interest income equal to 281.9 million, while interest expense was equal to 93.4 million.



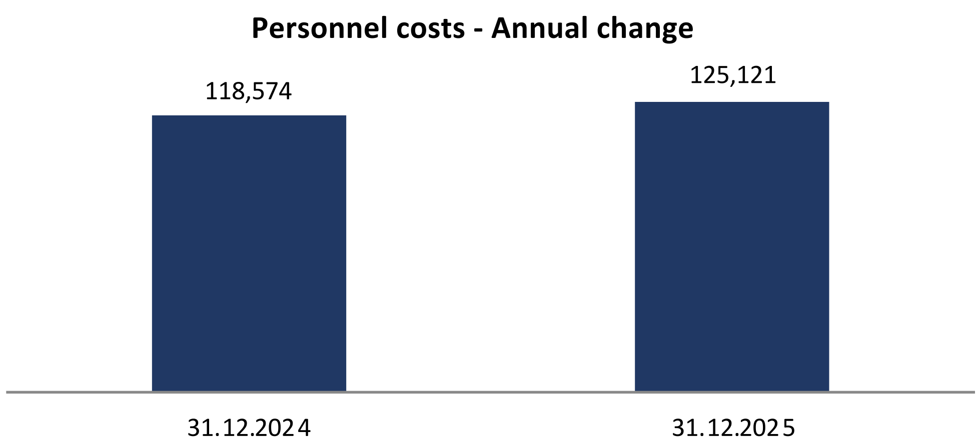


Net commission rose to 111.9 million. The management, intermediation and consultancy sector, which was affected by the volatility of the financial markets, recorded a positive performance, with growth of +14.3% to 44.9 million, mainly thanks to the contribution of the asset management product placement segment (+12.5%) to 31.6 million. The performance of commercial banking was essentially stable at 67.3 million (+0.4%), with a positive development in the e-money segment at 11.2 million (+10.9%), offset by a reduction in the loans and financing segment, which fell to 20.9 million (-2.9%), and collections and payments, which fell to 7.6 million (-4.1%).

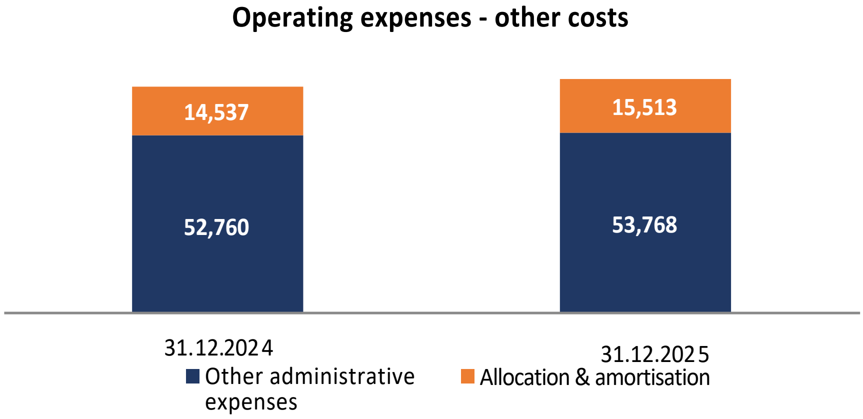


With specific reference to the proprietary portfolio, it should be noted that the dynamics of the portfolio were characterised by the growth of the government securities segment (+8.5% to 2,503.1 million) and of financial sector bonds (+56.8% to 706.6 million). The Treasury function maintained its focus on portfolio management to support short- and very short-term liquidity needs, while the Portfolio Management function continued to manage the other portfolios in order to seize market opportunities in a context of expected stable interest rates, by increasing exposure to maturities beyond the short term, thus structurally increasing the overall contribution of securities portfolio management to the Company's revenues, particularly the interest income component.
During 2025, the focus on the government securities portfolio was strengthened, also due to the favourable structural liquidity position, which also made it possible to strengthen the position in other instruments with a risk profile that remains consistent with the Bank's business model. As in previous years, overall management included the disposal of a number of assets measured at fair value, aimed at the aforementioned portfolio rebalancing. In 2025, the environment was characterised by a stabilisation of the interest rate scenario, with a trend towards maintaining levels consistent with inflation expectations, both in ECB decisions and in market expectations, with a pronounced level of uncertainty linked to the geopolitical situation, including the war in Ukraine and trade tensions.

Net income from the financial portfolio and other net operating income (expenses) amounted to +€11.1m and -€4.7m respectively, with other operating income (expenses) totalling +€6.3m. Net operating income amounted to 374.6 million. Operating costs amounted to 194.4 million and included personnel costs of 125.1 million, an increase compared to the previous year, also following the renewal of the national collective bargaining agreement and new hires.



Other administrative expenses amounted to 53.8 million, consisting mainly of costs for outsourcing of information systems of 16.7 million, costs for information and communication technologies (ICT) of 9.8 million, property management of 7.4 million, fees to professionals of 4.9 million, legal and credit recovery of 1.5 million.



The net result of tangible and intangible assets amounted to -15.5 million. It includes, inter alia, -4.3 million relating to the amortisation of properties, -4.8 million relating to the depreciation of movable and immovable property and plants, and -0.9 million relating to the amortisation of the Client relationship recorded in the accounting of the merger with Banca Popolare di Marostica.
By introducing IFRS 16, rental costs become amortisation of rights of use entered in assets; they amounted to -5.1 million in 2025 (stable compared to the previous year).
Net adjustments on loans to customers amounted to 2 million. The amount recorded in the year is essentially attributable to valuations of loans classified at *fair value*, in addition to recoveries from collections of *non-performing* loans.
The coverage levels of non-performing loans are comparable to the levels indicated by European supervision for significant banks.
Total provisions for impairment accounted for 2.99% of gross lending, compared to 3.4% in the previous year. The bad debts hedging rate is equal to to 74.7%, against 76.6% at 31 December 2024. The coverage of unlikely to pay rose to 42.0%, compared to 41.3% in the previous year. For past due loans the coverage rate rose to 30.6% compared to 27.8% twelve months earlier, while for performing loans the write-down percentage was 1.09%, compared to 1.17% at the end of 2024.

Coverage of non-performing loans	**31.12.2025**	**31.12.2024**
Coverage of Bad Debts	74.7%	76.6%
Coverage of unlikely to pay	42.0%	41.3%
Coverage of exposures past due	30.6%	27.8%
Coverage of performing exposures	1.09%	1.17%

The charges relating to ordinary contributions provided for in Directives 2014/59/EU - Recovery and Resolution of Credit Institutions and Investment Firms and 2014/49/EU - Deposit Guarantee Schemes ("DGS") and the Bank Recovery and Resolution Directive (BRRD) amounted to €-0.5 million net of taxes. This is the contribution to the Interbank Deposit Protection Fund (FITD) for the year 2025.
The net profit for the year was +131.2 million.

1.4.2 STATEMENT OF FINANCIAL POSITION

Presentation of the statement of financial position

To facilitate reading the balance sheet, the reclassified statement of financial position is shown below. The reclassification involved the aggregation and disaggregation of items in the balance sheet. 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	**31.12.2025**	**31.12.2024**	**Change**	
(thousands of €)			**Abs.**	**%**
Loans to banks	325,834	194,102	131,732	67.9%
Loans to customers	7,569,578	7,546,022	23,556	0.3%
a) Loans to customers measured at amortised cost	7,563,294	7,521,645	41,649	0.6%
b) Loans to customers valued at FVOCI and with FV in the Profit and Loss Account	6,284	24,377	(18,093)	-74.2%
CA-rated financial assets that do not constitute loans	2,559,845	2,289,711	270,134	11.8%
Financial assets valued at fair value with impact on profit and loss	49,192	38,360	10,832	28.2%
Financial assets valued at FVOCI	1,208,456	933,076	275,380	29.5%
Equity investments	9,345	5,105	4,240	83.1%
Tangible and intangible assets	170,446	165,798	4,648	2.8%
- owned goods	150,883	145,990	4,893	3.4%
- rights of use	19,563	19,808	(245)	-1.2%
Tax assets	146,683	116,054	30,629	26.4%
Non-current assets and disposal groups held for sale	896	2,228	(1,332)	-59.8%
Other assets	409,797	449,229	(39,432)	-8.8%
Total assets	**12,450,072**	**11,739,685**	**710,387**	**6.1%**

Reclassified liability items	**31.12.2025**	**31.12.2024**	**Change**	
(thousands of €)			**Abs.**	**%**
Payables to banks at amortised cost	211,005	229,126	(18,121)	-7.9%
Payables to customers at amortised cost and outstanding securities	10,698,503	10,039,063	659,440	6.6%
Financial liabilities held for trading	12	47	(35)	-74.5%
Financial liabilities designated at *fair value*	-	-	-	n.a.
Tax liabilities	78,230	63,102	15,128	24.0%
Liabilities associated with assets held for sale	-	-	-	n.a.
Other liabilities	332,923	329,783	3,140	1.0%
Provisions for risks and charges	44,252	60,587	(16,335)	-27.0%
- of which: commitments and guarantees granted	*7,861*	*8,481*	*(620)*	*-7.3%*
Capital	201,994	201,994	-	0.0%
Reserves	750,620	685,512	65,108	9.5%
Valuation reserves	1,331	3,993	(2,662)	-66.7%
Capital instruments	-	-	-	n.a.
Profit (loss) for the year (+/-)	131,202	126,478	4,724	3.7%
Total liabilities and equity	**12,450,072**	**11,739,685**	**710,387**	**6.1%**

Loans and payables to banks

Interbank relations	31.12.2025	31.12.2024	Change	
(thousands of €)			Abs.	%
Loans and advances to banks	126,568	90,783	35,785	39.4%
Payables to banks	211,006	229,126	(18,120)	-7.9%
Net position of banks	**(84,438)**	**(138,343)**	**53,905**	**-39.0%**

With regard to treasury activity, the net liquidity position in the interbank market at year-end was negative at -84.4 million, compared with -138.3 million at the end of 2024.

Direct funding

Direct customer deposits totalled 9,368.8 million, up 595.4 million (+7%) on the figure as at 31 December 2024 (8,773.4 million).

Direct funding	31.12.2025	31.12.2024	Change	
(thousands of €)			Abs.	%
Direct deposits and current accounts	9,088,072	8,572,205	515,867	6.0%
Debt securities issued	280,727	201,152	79,575	39.6%
Total direct funding from customers	**9,368,799**	**8,773,357**	**595,442**	**6.8%**
Wholesale funding	1,329,704	1,265,706	63,998	5.1%
- of which Guaranteed Banking Bonds	853,724	852,674	1,051	0.1%
- of which Securitisations placed	-	8,019	(8,019)	-100.0%
- of which subordinate liabilities	76,415	76,357	58	0.1%
- of which liability transactions on repurchase agreements on securities	143,157	190,061	(46,904)	-24.7%
- of which deposits by the MEF	150,009	50,004	100,005	200.0%
- of which Other collection	106,400	88,591	17,808	20.1%

Breaking down the figure shows an increase in forms of funding on demand, represented by current accounts and deposits (+613.5 million and +7.6%), forming 92.2% of direct funding, and a decrease in fixed-term funding (-33.6 million and -1.9%).

Repurchase agreements, which stood at 143.2 million at year-end, were down compared to the start of the year (-46.9 million and -24.7%).

Indirect funding

Indirect deposits by private customers stood at approximately 6,076.4 million at 31st December 2025, up by +12% compared with 5,404.9 million at the start of the year (+671.5 million).

Technical forms of indirect deposits	31.12.2025	31.12.2024	Change	
(thousands of €)			Abs.	%
Assets under administration - third party products	4,030,142	3,605,935	424,208	11.8%
Assets under management - third party securities and own shares	2,046,227	1,798,947	247,280	13.7%
Total	**6,076,369**	**5,404,881**	**671,488**	**12.4%**

Indirect funding under administration of third party products amounted to 4,030.1 million, up by +11.8% compared with the start of the year (+3,605.9 million).

Indirect deposits under administration of third-party securities and own shares amounted to 1,476.1 million, up compared to 1,330.4 million at the beginning of the year (+10.9%).

Indirect funding, net of the Bank's shares, amounted to 5,506.2 million, up +11.5% compared to the same aggregate at the start of the year (4,936.4 million; +569.8 million).

Customer credits represented by loans

Loans to customers totalled 7,563.3 million, an increase of +0.6% compared to the start of the year, which amounted to a balance of 7,521.6 million (+41.7 million).

Technical forms of use	31.12.2025	31.12.2024	Change	
(thousands of €)			**Abs.**	**%**
Current accounts	771,935	806,311	(34,376)	-4.3%
Advances and loans	437,471	490,140	(52,669)	-10.7%
Mortgages	6,142,782	6,013,829	128,954	2.1%
Trade receivables	**7,352,188**	**7,310,279**	**41,909**	**0.6%**
Reverse repurchase agreements	-	-	-	n.a.
Receivables represented by securities	94,209	75,948	18,261	24.0%
Non-performing loans	111,296	123,922	(12,626)	-10.2%
Other	5,600	11,496	(5,896)	-51.3%
Other loans to customers	**211,105**	**211,366**	**(260)**	**-0.1%**
Total	**7,563,294**	**7,521,645**	**41,649**	**0.6%**

The short-term technical forms (current accounts, active repurchase agreements and other transactions) amounted to 777.8 million, down -5.2% (-40.2 million) compared to 817.0 million at the start of the year. Medium and long term technical forms, primarily represented by mortgages and personal loans, are stable +1.2% to 6,785.8 million (+81.9 million) compared to the start of the year.

With regard to the breakdown of trade receivables, it should be noted that the technical forms of loans comprise 81.2% of net loans, up from 80.2% at the at the start of the year.

Current accounts represent 10.2% of net loans to customers, down compared with 10.8% in the previous year.

Gross non-performing loans stood at 260.3 million, down -13.8% compared with 301.9 million at the start of the year. The ratio of gross non-performing loans to total gross loans to customers was 3.4%, down from 3.9% at the start of the year.

Credits	31.12.2025	31.12.2024	Changes	
(thousands of €)			**Abs.**	**%**
A) bad debts				
gross amounts	124,127	155,037	(30,910)	-19.9%
value adjustments	(92,674)	(118,814)	26,140	-22.0%
net carrying amounts	31,453	36,223	(4,770)	-13.2%
% Coverage	-74.7%	-76.6%		
B) unlikely to pay				
gross amounts	128,227	135,542	(7,315)	-5.4%
value adjustments	(53,903)	(55,992)	2,089	-3.7%
net carrying amounts	74,324	79,550	(5,226)	-6.6%
% Coverage	-42.0%	-41.3%		
C) past due exposures				
gross amounts	7,948	11,292	(3,344)	-29.6%
value adjustments	(2,429)	(3,144)	715	-22.7%
net carrying amounts	5,519	8,148	(2,629)	-32.3%
% Coverage	-30.6%	-27.8%		
D) Subtotal non-performing exposures (a+b+c)				
gross amounts	260,302	301,871	(41,569)	-13.8%
value adjustments	(149,006)	(177,950)	28,944	-16.3%
net carrying amounts	111,296	123,921	(12,625)	-10.2%
% Coverage	-57.2%	-58.9%		
E) performing loans - stage 1				
gross amounts	6,680,276	6,591,031	89,245	1.4%
value adjustments	(36,847)	(41,861)	5,014	-12.0%
net carrying amounts	6,643,429	6,549,170	94,259	1.4%
% Coverage	-0.6%	-0.6%		

F) performing loans - stage 2				
gross amounts	758,587	817,517	(58,930)	-7.2%
value adjustments	(44,228)	(44,912)	684	-1.5%
net carrying amounts	714,359	772,605	(58,246)	-7.5%
% Coverage	-5.8%	-5.5%		
G) Subtotal Performing loans (e+f)				
gross amounts	7,438,863	7,408,548	30,315	0.4%
value adjustments	(81,075)	(86,773)	5,698	-6.6%
net carrying amounts	7,357,788	7,321,775	36,013	0.5%
% Coverage	-1.09%	-1.17%		
H) performing exposures represented by securities - stage 1				
gross amounts	93,463	74,937	18,526	24.7%
value adjustments	(991)	(886)	(105)	11.9%
net carrying amounts	92,471	74,051	18,420	24.9%
% Coverage	-1.1%	-1.2%		
I) performing exposures represented by securities - stage 2				
gross amounts	2,600	2,532	68	2.7%
value adjustments	(862)	(635)	(227)	35.7%
net carrying amounts	1,738	1,897	(159)	-8.4%
% Coverage	-33.2%	-25.1%		
J) Subtotal Performing loans consisting of securities (h+i)				
gross amounts	96,062	77,469	18,593	24.0%
value adjustments	(1,853)	(1,521)	(332)	21.8%
net carrying amounts	94,209	75,948	18,261	24.0%
K) Non-performing loans represented by securities				
gross amounts	-	-	-	n.a.
value adjustments	-	-	-	n.a.
net carrying amounts	-	-	-	n.a.
Total loans to customers measured at amortised cost (D+G+J+K)				
gross amounts	7,795,227	7,787,888	7,339	0.1%
value adjustments	(231,934)	(266,244)	34,310	-12.9%
Net carrying amounts	**7,563,293**	**7,521,644**	**41,649**	**0.6%**
- of which forborne performing	121,527	99,178	22,349	22.5%
– of which forborne non-performing	46,318	48,196	(1,878)	-3.9%
- of which performing past due exposures	63,353	75,462	(12,109)	-16.0%

Net bad debts decreased by -13.2% to 31.5 million, compared with 36.2 million at the start of the year. The coverage ratio was 74.7%, compared with 76.6% at the start of the year. Net bad debts accounted for 0.42% of total net loans, down from 0.49% at the start of the year.

Net unlikely to pay positions amounted to €74.3 million, down -6.6% from €79.6 million at the start of the year. The coverage ratio was 42.0%, up from 41.3% at the start of the year. The ratio of net unlikely to pay to net loans was 1.00%, compared with 1.07% at the start of the year.

Net past-due exposures stood at 5.5 million, compared to 8.2 million at the start of the year. The percentage of write-downs was 30.6%, compared to 27.8% at the start of the year.

Net non-performing loans stood at 111.3 million, down -10.2% compared to 123.9 million at the start of the year. The percentage of write-downs was 57.2%, compared to 58.9% at the start of the year. Net non-performing loans accounted for 1.49% of net loans, down from 1.66% at the start of the year.

Net performing loans stand at 7,357.8 million, up +0.5% compared with 7,321.8 million at the start of the year. The estimate of collective *impairment* of performing receivables resulted in an adjustment of 81.1 million, compared to 86.8 million at the start of the year. The percentage of write-downs was 1.09%, compared to 1.17% at the start of the year.

This section presents some key *asset quality* indicators:

Asset quality	31.12.2025	31.12.2024
Gross non-performing loans/gross loans	3.38%	3.92%
Net non-performing loans/net loans	1.49%	1.66%
Gross bad debts/gross loans	1.61%	2.01%
Net bad debts/net loans	0.42%	0.49%
Gross unlikely to pay/gross loans	1.67%	1.76%
Net unlikely to pay/net loans	1.00%	1.07%

The ratio between gross non-performing loans and gross loans including financial assets measured at *fair value* constituting loans was 3.38%, whereas the ratio calculated on net values was 1.49%.

Financial assets

Financial assets	31.12.2025	31.12.2024	Change	
(thousands of €)			**Abs.**	**%**
Financial assets valued at FV through CE	55,476	62,737	-7,261	-11.6%
- financial assets held for trading	15,267	1,700	13,567	798.1%
- financial assets designated at FV	0	0	0	n.a.
- financial assets compulsorily measured at FV	40,209	61,037	-20,828	-34.1%
Financial assets valued at FV through OCI	1,208,456	933,076	275,380	29.5%
CA-rated securities that do not constitute loans	2,559,845	2,289,711	270,133	11.8%
Total	**3,823,777**	**3,285,524**	**538,253**	**16.4%**

The financial assets section is as follows:

- financial assets designated at *fair value* with impact on the Profit and Loss Account, for 55.5 million, are made up of 15.3 million in financial assets held for trading, almost entirely consisting of debt securities, 40.2 million financial assets compulsorily measured at *fair value*, represented by 33.9 million in UCITS units, and 6.3 million from receivables that do not pass the SPPI test;
- financial assets designated at *fair value* through other comprehensive income of 1,208.5 million are made up of 1,123.4 million in debt securities and 85.04 million in equity securities;
- securities measured at amortised cost that do not constitute loans amount to 2,559.8 million, up +11.8% compared to 2,289.7 million at the start of the year, and are fully composed of debt securities.

Tangible fixed assets

Tangible fixed assets totalled 156.4 million, up 3.3 million from 153.2 million at the start of the year (+2.10%). A total depreciation of 14.2 million was recorded, also considering that of rights of use.

Intangible fixed assets

As part of the incorporation of the Banca Popolare di Marostica Group in 2015, customer-related intangible assets, known as "*client relationships*", were identified. These related to the enhancement of assets linked to asset management, including the placement of insurance contracts as well as funding through the management of "*core deposits*".
At year end, this item amounted to 14 million, after depreciation of 1.3 million.
There were no significant investments in intangible assets during the year. Depreciation is negligible.

Shareholders' equity

At year-end, the share capital amounted to €202.0 million, divided into 50,498,438 ordinary shares with no indication of par value.

Shareholders' equity, including the result for the period of +131.2 million, stood at a balance of 1,085.2 million. Own funds stand at 1,061.6 million.

Total own funds	**31.12.2025**
(thousands of €)	
Class 1 Primary Capital (CET 1)	986,589
Class 1 Primary Capital (TIER 1)	986,589
- TIER 2 instruments	75,019
Transitional regime - Impact on T2	-
- Items to be deducted from TIER 2	-
Total class 2 Capital	75,019
Total own funds	**1,061,607**

The ratio between Class 1 primary Capital ("CET 1") and the total weighted risk activities (*Common equity Tier 1 Ratio*) was 17.8% compared to 16.2% at 31st December 2024. The ratio between Treasury Shares and the total weighted risk activities (Total Capital Ratio) is 19.1%, up compared to 17.6% in the previous year.

Total own funds	**31.12.2025**	**31.12.2024**
(thousands of €)		
Common Equity Tier 1 Ratio	17.77%	16.24%
Total capital ratio	19.12%	17.57%
Risk-weighted assets (RWA)	5,551,076	5,748,857

For further information, please refer to the shareholders' equity movement table and section F in the Notes related to capital and, for treasury shares, to the Public Disclosure (Pillar III).

1.5 THE DISTRIBUTION MODEL

1.5.1 INTEGRATED APPROACH TO CUSTOMERS, MULTICHANNEL AND MULTICHANNEL STRATEGY APPLICATION

Volksbank is dedicated to providing credit intermediation, financial and investment services to its customers, through its presence in the area of reference, maximum enhancement of the bank-customer, bank-company relationship and of specific local aspects.

The distribution model is based on the concept of the integrated omnichannel, a key element of the overall business strategy. A customer-centric approach that integrates multiple channels and adopts an omnichannel strategy is crucial to ensure a seamless, high-quality experience for the customer in all dealings with the bank, including with regard to seeking information, advice and support and purchasing products.

The multi-channel strategy continued to be implemented in 2025. This approach foresees four distribution channels: branch and advice centre, online banking, contact centre and out-of-office offer. The customer chooses the channel to be used according to his needs and preferences.

The distribution network focuses on consulting and customer service with a view to ensuring the best possible service for each customer segment. This is achieved with specific segmentation criteria and established service and advisory models which are assigned to duly trained employees, as well as specialised advisory centres for specific customer groups. Private customers of high standing and corporate customers are served by consultants at the respective consultancy centres.

Advisory services continue to be provided in accordance with defined service standards, based on structured periodic meetings supported by advanced advisory tools and an integrated Customer Relationship Management (CRM) system. Each customer is managed comprehensively, with an approach aimed at identifying and meeting their needs in a timely and personalised manner.

In 2025, the “Focus Colloquio Commerciale” project, launched as part of the Business Plan, was extended to all private customer segments, strengthening Volksbank's reputation as a retail bank rooted in the local community and focused on personal relationships. The aim was to ensure the quality and consistency of the advice provided through a structured process that starts with an analysis of the individual customer's needs and results in targeted solutions.

The technological prerequisites (CRM and business intelligence applications) have been enhanced and the advisory skills of the managers have been developed, with a strong investment in the training and engagement of all the advisors. Particular attention was paid to the role of the supervisor, as a key figure for commercial leadership and for the organisation of activities within the operating units. Continuous monitoring through dedicated dashboards made it possible to measure the quantity and quality of interviews, facilitating timely corrective action.

The results achieved are significant both qualitatively and quantitatively, with a clear impact on cross-selling and customer satisfaction. This approach has proved to be one of the key enablers of the year's commercial results, in line with the sustainable growth strategy and with ongoing efforts to strengthen customer trust.

Customer care is ongoing: the customer is contacted by a consultant for after-sales support, particularly for some more complex products to ensure that the service sold to the customer has created the desired added value.

To meet the needs of an increasingly digital clientele, the Bank offers a wide range of virtual channels, such as smartphones, tablets and PCs, through which most transactions can be carried out in total autonomy. At the same time, to ensure a comprehensive and accessible experience for all, customers can also make use of the self-service kiosks in the branch (Self Area). Rounding off this integrated system of services, the Contact Centre once again confirmed its fundamental role in 2025: supported by a team of highly qualified consultants, it continues to offer timely responses and personalised solutions, assisting customers both in resolving issues and in carrying out banking transactions. In response to growing customer demand, the services provided by the Contact Centre have been further expanded. After the successful introduction of chat on CoBa Web, the service was extended in 2025, with a dedicated chat also being integrated on the corporate website. This new feature, designed to provide general information to both private and corporate customers, has made it possible to improve the accessibility and usability of services, making support even more immediate and inclusive. The implementation of the chat was a further step forward in the Contact Centre's innovation journey, consolidating its role as a point of reference for comprehensive, efficient support that is increasingly close to customers' needs. The multi-channel nature and automation of services is progressively "freeing time", to the benefit of the consultancy services, improving the customer experience, allowing for more in-depth and personalised support, as well as increasing Volksbank's flexibility in adapting to the needs of the market.

1.5.2 THE TERRITORIAL NETWORK AND COMMERCIAL ACTIVITY

Volksbank's commercial network is divided into geographical areas with a territorial division made up of the following areas (Bolzano/Merano, Bressanone/Brunico, Venice/Padua, Trento, Vicenza/Marostica, Belluno, Treviso/Pordenone) divided into individual "markets".

THE BRANCHES	31.12.2025	31.12.2024
Territorial branch distribution		
Trentino Alto Adige	**69**	**69**
- Bolzano	52	52
- Trento	17	17
Veneto	**93**	**92**
- Belluno	18	18
- Treviso	18	18
- Venice	15	15
- Verona	1	0
- Vicenza	32	32
- Padua	9	9
Friuli Venezia Giulia	**3**	**3**
- Pordenone	2	2
– Udine	1	1
Total	**165**	**164**

Within the individual areas, the geographic market is divided into market areas and branches with any detached offices ("spoke"). The Corporate Centres and Private Centres distributed throughout the territory in which the Bank operates report to the territorial areas. These centres provide specialised consultancy services for private and corporate customers.
The Headquarters Manager as a fundamental element of the territorial network to strengthen the presence in the territory; all peripheral structures represented by the Corporate and Private Consultancy Centres, the Area Lead Branches, the Hub and Spoke Branches report thereto.

Volksbank's purpose is to constantly strengthen its territorial roots as a regional bank. It offers its services as an economic operator ensuring a significant contribution to local economic growth. During 2025, the San Bonifacio branch – the first in the province of Verona – and the Montecchio Maggiore branch in the province of Vicenza were inaugurated; both report to the lead branch at Vicenza/Corso Palladio within the Vicenza/Marostica area.

THE COMMERCIAL NETWORK	31.12.2025	31.12.2024
Traditional branches	165	164
Advice points	8	7
Self Area	12	13
Corporate Consultancy Centres	11	10
Private Consultancy Centres	11	6
ATMs	214	210
Physical POSs	11,242	11,423
Virtual POSs	226	218
Pay by Link (virtual terminals activated directly via Nexi)	516	209

1.5.3 THE CLIENTELE

About 253,000 private customers, 30,500 corporate customers and 6,660 customers belonging to other types are followed in the branches and consultancy centres of Volksbank.

Private customers

Volksbank’s advisors maintain consistent and dedicated relationships with customers, accompanying them throughout their entire life cycle, identifying their needs and proposing comprehensive and practical solutions in line with their specific requirements.
The Bank provides professional and specialised advice tailored to the specific needs of the customer, aiming to carry out regular, accurate and analytical assessments of those needs in order to respond appropriately and promptly and offer targeted solutions. Consultancy talks are placed at the centre of the commercial activity through which the consultant identifies and analyses the customer’s needs and brings added value by proposing structured and customised solutions. The offer ranges from basic products, such as current accounts, debit cards and online banking, to wealth planning and financial advice, insurance coverage against various risks (both damage and life) and pension solutions, as well as support for first-time home buyers and personal loans. In particular, the new Green Mortgage has been operational since 15 October 2025, featuring dedicated financial conditions and specific incentives. The product is intended for private mortgage loans for residential purposes for the purchase, construction or renovation of properties in energy class B or higher, or in cases where, upon completion of the work, a reduction in energy consumption of at least 30% is certified.
Private customers of high standing are assisted by Private Advisors, professionals specialised in wealth planning and financial advice. These professionals mainly operate in Private Centres or branches with dedicated expertise. The Wealth Management organisational unit has assumed responsibility for the commercial management of the financial services and products segment aimed at high-standing clients, developing and coordinating the related service models. The aim is to identify customers’ needs and propose targeted solutions, characterised by a high degree of customisation, through scheduled regular meetings.

Business customers

Volksbank’s objectives and services for corporate customers are based on a Global and Sustainable approach.
Volksbank is committed to providing companies with all-round advice and assistance, respecting the specific needs of each one. To achieve this goal, the bank organises regular discussions with companies to identify not only short-term needs, but also medium- to long-term ones.
Corporate customers are given close and frequent assistance. They are invited to an interview by their consultant at least once a year. During these meetings, the customer’s current situation is analysed and future plans are discussed.

The aim is to identify the company's needs from all angles, covering aspects such as financing, subsidised finance, risk management, payment and collection systems, and the development of foreign markets. Business Managers have access to the ESG Evaluation Tool, which assesses the ESG aspects of the customer. This tool, aligned with the current European Taxonomy, allows the company to be analysed across the three dimensions: Environmental, Social and Governance.
In the course of 2025, Volksbank trained Corporate Advisors and Business Advisors to offer targeted, highly professional advice with a special focus on sustainability. In addition, analyses were carried out and activities undertaken to extend the Business Meeting to corporate customers as well, starting from January 2026, in particular to companies belonging to the Small Business segment.
To support Corporate customers, the "Corporate Finance" organisational unit within the Sales Department was strengthened. This unit has been dedicated to providing qualified assistance to the bank's commercial network in the management of structured finance transactions, such as the underwriting of mini-bonds and the active and passive participation and structuring of pooled financing. Also in 2025, the role of Subsidised Finance Expert was introduced. In collaboration with our partners (Confidi, Crediti Data Research and Euroservis), this expert offers specialised advice to support Corporate Managers and Business Advisors, to assist corporate customers with subsidised financing and business grants.

Volksbank continues to evolve to provide innovative and sustainable financial solutions, putting the needs of corporate customers first and foremost.

CUSTOMERS	**31.12.2025**	**31.12.2024**
Number of customers		
Private individuals	253,075	250,249
Corporate	30,452	30,046
Others (public administration, associations, etc.)	6,669	6,610
Total	**290,196**	**286,905**

1.6 BANKING BUSINESS

1.6.1 BANK PRODUCTS

The supervision of the following areas continued during 2025:
- continuous monitoring and analysis of the product range and optimisation of the product catalogue;
- introduction of new products in response to inputs received from the commercial network in particular;
- updating of internal regulations in the area of Product Oversight & Governance (POG) and Transparency;

strategic projects, primarily in the Bancassurance area, with the introduction of new products, the evaluation of additional ones and confirmation of the strong performance of the partnership relating to personal finance and salary-backed loans; in this context, the launch of the Leasing project should also be noted, which will see the new Leasing product come to market in 2026;
- digitalisation of sales and after-sales processes;
- expansion of service provision on online and mobile channels;
- support and assistance for the commercial network;
- Continuation of the project for the graphic restyling and functional enhancement of the Volksbank app and Direct Banking platform, dedicated to private customers, which will significantly improve the user experience.

From an organisational point of view, in order to further streamline and strengthen the structures responsible for the management and development of products and services offered to customers, 2025 saw the creation of the Financing and Basic Products (FBA) organisational unit, which reports to the Banking, Insurance & Customer Investment Products Governance (PAI) organisational unit, as well as the decision to establish the new "Claims Management" Team within the Bancassurance (BAS) organisational unit, which will be fully operational from January 2026.

1.6.2 PROVISION OF INVESTMENT SERVICES

During 2025, activities related to regulatory compliance with the "SFDR directive" (EU regulation 2019/2088) continued, including the so-called Principal Adverse Impacts "PAI" (effects of investment decisions and investment advice which produce negative effects on sustainability factors), with the "Taxonomy" (EU regulation 2020/852), as well as with 2021/1253 regulation amending the "Mifid II" (EU Delegated Regulation 2017/565) which will continue in 2026 with the introduction of a new set of adequacy checks. Refinements were also made on an ongoing basis to other activities (such as, for example, transparency of ex-post costs and charges, periodic assessment of adequacy), which had already been consolidated in previous years.

The process of providing investment services was further developed/consolidated, introducing product lines (three funds of funds) for which the Bank is an advisor, actively contributing to the allocation in terms of asset classes and underlying products. To improve oversight of the activity, a dedicated committee – the so-called "Investment Committee" – has also been established, with roles and responsibilities relating to the definition of the product range, the asset allocation of portfolios within the investment advisory service and the formalisation of advisory proposals for the aforementioned lines.

The Bank provides investment advice at various levels of depth (light, full, plus) through its branch network, while for high value customers, consultancy is provided through dedicated centres. The difference between the various levels of depth relates to the greater structuring of the portfolio models offered, Activities were also launched to redefine the existing service model, in anticipation of developments in the regulatory framework for retail investments (RIS – Retail Investment Strategy) promoted by the European Council and the Commission.

Our primary objective of supporting our customers in making rational and informed investment decisions through simple and sustainable solutions has been further enhanced: particular attention has been paid to asset management products (in conjunction with capital protection insurance products) in response to conditions which are difficult to interpret and which can therefore be met with products characterised by high levels of diversification and varying risk/return profiles, and with a view to providing customers with comprehensive advice in response to their needs.

As in the previous year, meetings continued during the year with the various fund houses in order to assess the quality of financial instruments and identify any new services and products that could enhance our offer.

Given the bank's desire to provide our customers with investment solutions characterised by sustainability, the range of products on offer was consolidated during the year with the inclusion among the products available of further products that enrich the traditional range of products but above all improve the quality of the portfolios of the "ethical" line which, designed for customers who are attentive and interested in this important strategic area for the Bank.

In order to develop further technical and specialist knowledge, training for MiFID II certification (and maintenance) was conducted throughout the year for the approximately 750 network consultants authorised to provide all investment services to customers, as required by legislation.

In addition to the "mandatory" courses for financial consultants required under MiFID2, it was decided to extend the training to internal training/classroom sessions, provided over several days by the Customer Investments service reserved to financial consultants, aiming to deepen knowledge about financial contents (with, for example, a particular focus on the bond market). These courses are structured at three levels (basic, advanced, evolved) depending on the employee's level of knowledge of economic/financial matters.

Again in relation to training, with a view to improving the skills and knowledge of financial consultants on the range of products offered to better meet customer investment needs, training sessions were organised during the year that included our leading asset management partners in collaboration with the Customer Investments service.

Finally, in Vorvel's Equity Auction segment, 2,325,756 own-issue ordinary shares were exchanged during 2025 for a value of €31,569,788.85.

Of these shares, 133,529 (for a countervalue of €1,832,487.60) were purchased by the Bank as part of its treasury share liquidity support activity (with Equita Sim appointed by the Bank to execute it).

1.7 GOVERNANCE ACTIVITIES

1.7.1 MANAGING LIQUIDITY AND FUNDING

The 2025 Liquidity and Funding Operational Plan, prepared in accordance with the strategic guidelines of the I-mpact 2026 Business Plan, was drawn up on the basis of the institutional refinancing schedule, the development of the proprietary securities portfolio and the planning of customer movements. These components were constantly updated during the year. The plans thus prepared contributed to the definition of the liquidity requirement for the year and guided operational decisions on the financial markets.
In 2025, the Bank recorded an increase in direct funding, also supported by bond issues placed through the commercial network, in a highly competitive environment marked by the continuation of the period of declining market rates that began in 2024, with a slight reversal in the last quarter of 2025. The liquidity needs – limited and mainly attributable to the repayment of securitisations for approximately 24 million and to the amortisation of loans granted by the European Investment Bank (EIB) for approximately 16 million – were covered thanks to a new loan granted by the EIB, to the growth of direct customer funding and to short-term deposits made available by the Ministry of Economy and Finance (MEF). As a result, there was no need to resort to strategic transactions on the financial markets.
The amount of eligible securities not pledged as collateral was further strengthened by the expansion of the owned securities portfolio.
At 31st December 2025, Volksbank had an LCR ratio of 138.8%.
The fully phased-in leverage ratio as at December 31st 2025 is 7.58%.

1.7.2 LOANS DEPARTMENT

The loans department is responsible for the process of disbursing, monitoring and managing the loan portfolio according to the principles of sound and prudent management.
The Bank’s standards for origination and monitoring of credit risk throughout the entire credit process (acquisition, appraisal, creditworthiness analysis, resolution) are uniform throughout the reference territory. The standards, where necessary, are aligned with the new regulations and expectations of the Regulatory Authorities (e.g. EBA) and Supervisory Authorities (e.g. ECB, Bank of Italy). In particular, the Bank fully complies with the requirements of the recently introduced “Loan Origination & Monitoring” regulation.
Around 40% of the credit portfolio regards credit to retail customers (private individuals and small entrepreneurs) and about 60% credit to corporate customers.
The households located in bank’s reference area remain the primary target of reference, both as private individuals and as owners of family-run businesses. The aim is to take on a role of a bank of reference for individuals with the “home loan” strategic product, with particular attention being paid to mortgages for properties with a high degree of energy efficiency (e.g. CasaClima).
With a view to remaining a Bank who is firmly rooted in the territory, the “special loans” section gives small and medium-sized enterprises better and easier access to credit, exploiting opportunities related to facilitated loans with interest rate subsidies pursuant to the Sabatini bis Law, loans through revolving funds, or to public guarantees granted by the Guarantee Fund pursuant to (It.) Law 662/96. In this context, cooperation continued with finance companies in support of territorial economic growth with the various Credit Guarantee/Underwriting Consortia with which the relative agreements were concluded. These bodies manage various concessional instruments for the development of regional companies.
The key criterion for granting credit remains the customer’s ability to honour the contractual commitments undertaken (repayment of principal and payment of interest), thanks to the income/savings generated with his production activities. These criteria are supported by appropriate guarantees calibrated on the perceived credit risk, in order to minimise any losses in the event of reductions/interruptions in the income flow.

The collection of real guarantees, public guarantees and the granting of credit to small and medium-sized enterprises (SMEs - which benefit from the so-called support factor for SMEs), in addition to mitigating the credit risk, also reduces the absorption of equity capital (reduction of risk weighted assets - RWA) that the bank must make available for the concession.

For selected business customers, the Bank grants syndicated loans with other banks or other corporate structured finance products, for various purposes, including the acquisition of other businesses (M&A), strategic investments in patents/machinery, or the evolution of corporate governance in the context of generational change.

The "I-mpact 2026" business plan envisages a moderate annual compound growth rate of the total volume of loans, in order to guarantee constant growth, which in 2025 was just over 1% in terms of stock and 2% in terms of new approvals. This growth is accompanied by a progressive alignment of productivity levels in the credit processes of all areas. Specific projects (e.g., restructuring of the rating system, enhancement of the early warning system, refinement of the analysis of the financial statements) have been launched for this purpose.

In line with the business plan, the 2025 credit policy has extended the scope of application of sustainability measurement (ESG) for corporate clients both for the company as a whole and for its ecological transition projects (decarbonisation, circular economy, preservation of biodiversity) in line with the European taxonomy (a classification system aimed at identifying environmentally sustainable economic activities), which are the subject of financing.

The portfolio is monitored using a set of automated indicators and individualised assessments to ensure suitable ongoing monitoring of credit risk and prompt identification of exposures that require restructuring and/or credit classification interventions.

The Loans Department also deals with the prevention and proactive management of deteriorating receivables from the earliest critical stage, by means of targeted interventions depending on the type of individual customer, e.g. through partial or total payments, through rescheduling of contractual payments, continuously providing for adequate levels of coverage with respect to the time-by-time assessment of the inherent credit risk of individual positions.

If, despite the efforts made by the customer and the Bank, the loan should be classified as "non-performing", it passes to the Problem Loan Management Service, which proactively manages the portfolio, proceeding to the recovery of positions classified as non-performing both out-of-court and in court. The setting of the recovery strategy and its implementation are elaborated by the team of internal managers, who make use of the support of external lawyers where it is necessary to proceed judicially to the consolidation of the credit and following start of the movable and/or immovable asset enforcement procedures.

In order to optimise the bad debt portfolio, during 2025 Volksbank took part in a new pro soluto multi-originator securitisation transaction which made for the sale of 105 positions for a gross book value of approximately €10.2 million. A number of single-name transactions were also finalised.

The management activities of the Lending Department were particularly effective in 2025, with around €1.9 billion of new loans approved and a further reduction in the problem loan portfolio, which was further reduced by around €40 million to around €260 million.

1.7.3 PERSONNEL

Male and female employees

The most important resource available to the Bank is represented by personnel, who, as such, require special attention and specific management that takes into account their specific characteristics. Personnel determines the business result and is the real competitive factor, personifying the specific characteristics and ethical values, which belong to the tradition and code of ethics of Banca Popolare – Volksbank as a regional bank.

The primary objective of the Human Resources department is to implement strategies that allow all employees to develop and consolidate their professional and personal skills.

The development of these skills is also pursued through the continuous and progressive training of personnel, as well as through planning the evolution of one's role with a view to being able to make a concrete contribution and feel proactively part of Volksbank's development.
The Human Resources department of the Bank ensures, through internal rotation, new hires and personalised professional paths and continuous training, as well as the resources employees for the consolidation of the organizational units and branches located in the various provinces. The HR department also guarantees the strengthening of the workforce in keeping with the sizing policies adopted annually by the company and the timely replacement of both employees who have ceased work and those absent for an extended period (maternity, injury or illness). The Bank values the exchange of experience and professionalism between internal offices and the commercial network based on the organizational needs to be implemented from time to time.
In order to achieve personnel management strategies, specific training courses have been defined in keeping with the Business Plan and the company's strategy and values and responding to employees' professional and personal development needs.
At the end of 2025, Banca Popolare - Volksbank had 1,480 employees (1,436 at the end of 2024). Maintaining staffing levels, in line with the objectives set out in the business plan, involved the hiring of 123 new employees over the course of 2025, many of whom (60.97%) are under the age of 30. This favoured the generational turnover in the company structures, a process that has already been underway for some years.
Of the hires in 2025, 83 employees are included in the commercial network and 40 employees in the internal organisational units.
The following table shows the number of employees active in internal services and branches, broken down by province, compared with the preceding year:

Figures per province	**31.12.2025**		**31.12.2024**	
	Number of units	**%**	**Number of units**	**%**
Bolzano - internal services and branches	730	49.32%	719	50.07%
Trento	88	5.95%	88	6.13%
Belluno	87	5.88%	86	5.99%
Venice	80	5.41%	81	5.64%
Treviso	121	8.18%	114	7.94%
Vicenza	318	21.49%	298	20.75%
Padua	40	2.70%	38	2.65%
Pordenone	12	0.81%	12	0.84%
Verona	4	0.27%		

Great importance has always been attributed to the creation of work groups diversified by gender and generation. The percentage of female personnel in the company's workforce is currently 45%, up slightly from previous years.
In Italy, participation in the world of work by people with disabilities is governed by law.
Volksbank considers it essential to ensure that people with disabilities also have employment opportunities and interprets its role within local communities as an opportunity to allow these employees to provide a concrete contribution and not simply as a fulfilment of legal obligations.
The Bank is aware of how the balancing and reconciling of work-related needs with the personal and family needs of its employees constitutes a fundamental aspect for the creation of conditions which permit the full expression and development of their professional potential, favouring the creation of a shared, lasting and sustainable value over time. Therefore, with a view to building the loyalty of its employees and increasing their wellbeing and work-life balance, the Bank adopts innovative incentive policies and tools for its personnel, including those that are not strictly monetary in nature, such as, for example, the adoption of a corporate welfare system, the possibility of smart working when the assigned duties permit, and the presence of a company crèche at its headquarters in Bolzano with places reserved for female employees, and the introduction of paid leave in addition to that provided for by law and by the national collective bargaining agreement.

Without prejudice to the provisions of the Code of Ethics and code of conduct and discipline, the Bank refrains from engaging in prejudicial behaviour against its workers and promotes behaviours aimed at establishing a serene work environment, in keeping with the Bank's values, which do not hinder the enhancement of their individuality and diversity. To this end, it should also be noted that since the 2024 financial year, special internal rules of conduct have been adopted for the prevention and handling of reports of sexual harassment, discrimination, moral and psychological violence, mobbing and straining in the context of work activities. In addition, the gender equity certification under the UNI/PdR 125:2022 standard has been maintained, with a particular focus placed on gender equity, inclusion and diversity through various initiatives, including training, with the aim of increasing staff awareness and strengthening managerial safeguards and skills.
In order to ensure a certain amount of attention to the issue of reconciling life and work, in recent years the Bank has established, among other things, a particular sensitivity for requests for part-time work and the return to work for employees who finish their period of compulsory maternity leave. The Bank guarantees the latter the possibility of requesting and obtaining a reduction in working hours with various forms of part-time work.
Every year, as part of the review of the remuneration and incentive policies, the Bank conducts a specific analysis of the gender pay gap at least once a year, according to the criteria and guidelines established by the regulations at various levels, in order to implement any corrective actions with respect to wage gaps characterising the less represented gender.
Over the years, Volksbank has implemented various safeguards aimed at increasing the welfare of its workers. Among these, in addition to the regulatory obligations (such as, for example, those deriving from the information obligations of the employer, safety at work, the application of the regulations relating to parental leave), the Bank has introduced a structured system aimed at giving precise indications on the values that workers must follow as well as the behaviours to be followed and those that, conversely, must not take place. In this regard, the Bank has adopted a corporate welfare system, flexible hours, a precise process for requesting part-time work and introduced work-from-home even after the emergency of the pandemic. In order to encourage a serene working atmosphere, the HR department implements various activities aimed at continuously listening to the needs of workers by increasing sensitivity to issues such as diversity by coordinating, among others, the DEI project (Diversity, Equity and Inclusion). The HR department constantly monitors the effect of the activities implemented with particular reference to the consequences impacting the well-being of the workers. More specifically, especially as regards regulatory obligations or obligations required for various reasons by the Italian regulator, in close collaboration with the corporate control departments, the level of adequacy of the safeguards put in place by the Bank are periodically evaluated through a risk-based approach. Furthermore, with specific reference to the obligations deriving from collective bargaining at all levels, the HR department is in constant contact with the trade union organizations represented in the company. The Bank and, in particular, the HR department, is constantly looking for the best solutions to compatibly satisfy the reconciliation of life and work balance with organizational and business needs.
In addition to the National Collective Labour Agreement, the Bank also applies company supplementary contracts and specific trade union agreements which regulate particular matters such as part-time contracts, the reorganization of the commercial network, the establishment of the Contact Center, the introduction of the Welfare system and the Ethical Bank of the Hours.

Personnel training and development

The training and updating of employees is an aspect that the Bank has always valued and continues to value as of primary importance in the professional development of its personnel. The Bank annually prepares an extensive training program aimed at all personnel to encourage constant professional development and updating of technical, behavioural and relationship management skills, as well as at fulfilling the professional updating obligations established by law. In 2025, the training activity was organised both through digital means by arranging sessions in webinar or e-learning modules, and through coaching, on-the-job training and in-person classrooms.
The professional development of the sales network employees was mainly oriented towards training of a technical-banking nature, through the offer of in-depth preparation in the areas of finance, securities, loans and banking products, and the development of skills related to leadership and business. In particular, an in-depth course was prepared for

newly hired employees aimed at introducing topics useful for carrying out their duties and for the typical activity of the banking sector. On issues related to leadership, the bank annually provides a course for employees who have taken on a role of responsibility during the year, to help them settle into their new role.

Annual interview with each employee

The professional contribution of each employee is evaluated on an annual basis in accordance with the provisions of the regulations and, where necessary, in compliance with the provisions of first and second level collective bargaining. The assessment of work performance and professional contributions takes into account the position held and the professional profile assigned and is therefore based on the criteria defined by the company, the assignment and, where applicable, the (qualitative and/or quantitative) individual objectives assigned. In the context of the annual interview, the evaluation takes the form of an analysis of the work performance and untapped potential of each employee.
The annual interview constitutes an opportunity to establish an equal dialogue between the supervisor and each employee, allowing the supervisor to gain feedback on the work carried out during the reporting period, and the employee to clearly express his or her degree of satisfaction. This occasion is of primary importance as it is the main, formal moment to state the degree of achievement of the objective and assignment and to assess future potential.
A professional and personal development plan is agreed upon, as is also the training required to realise this plan, bearing in mind the individual's particular situation. The individual's potential is identified through the analysis of strengths, areas for improvement and possibilities for development. By way of example, the following are taken into account: above-average performance, the ambition shown in holding positions with multiple responsibilities, a necessary and recognisable set of skills and strong identification with the Bank's strategy and values, its digital mindset, predisposition to collaboration and teamwork as well as the ability to correctly manage the dynamics between colleagues.
HR supervises and coordinates the activities related to the annual interview and implements specific training activities addressed to supervisors and all staff to transmit correct methodologies and appropriate tools to be used for the interview, and monitors the entire evaluation process.

1.7.4 EVOLUTION OF ICT SERVICES

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 2025, 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.

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 will form the basis for a completely revised digital channel offering starting with an App and Direct Banking for private customers. The solution will initially cover 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.
In this regard, the bank is continuing to focus on the use of remote signing and contracting processes. This is 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.
The development and preparation of the new architecture is proceeding as planned, and at the end of 2025 a version of the App and Direct Banking was released to a small group of users (Family & Friends phase), with the release to all customers and the start of the process of migrating users from the current product to the new one in the first half of 2026.

Use of data

In 2025, Volksbank strengthened its commitment in the field of Digital, Data & AI, continuing the digital transformation journey already outlined in the 2024 Notes to the Financial Statements. The bank has invested significantly in the development of a corporate data platform, capable of enabling advanced analytics and supporting increasingly informed decisions regarding customers and the services offered. As evidence of the focus on innovation, the first Artificial Intelligence-based chatbots have been introduced, tools that improve operational efficiency and risk control, as well as facilitating the personalisation of services.
At the same time, a structured internal training programme was launched, aimed at strengthening the digital skills of employees and disseminating the culture of data within the organisation. 2025 was a year of setting up and building the technological and organisational foundations; 2026 will be dedicated to consolidating the solutions introduced and generating new value, with the aim of making the Data-Driven approach increasingly central to the corporate strategy and the experience offered to customers.

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 116 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.
With regard to the internal IT infrastructure, the first infrastructure services have been migrated to the cloud, thus

exploiting the advantages of scalability, availability and reduced management effort of this technology. 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.

1.7.5. Sponsorships and donations

Sponsorships

Volksbank's sponsorship activity financially supports events, activities and organisations for certain advertising and/or economic benefits in accordance with a specific marketing plan, in order to achieve specific image and/or commercial objectives.
Sponsorships promote the image and popularity of the company, but also tend to consolidate a bond with the customer and constitute a strategic means of facilitating the establishment of new relationships.
In 2025 Volksbank invested a total of €1,467,636 including VAT in sponsorships.
The sectors that have benefited from its sponsorship range from sport, culture, social affairs and training. Support for youth sections of sports associations is particularly important.
In 2025, Volksbank sponsored around 150 associations. The investment was approximately 85% in sports activities, while the remaining 15% benefited cultural, social and environmental and category associations.
Sums managed directly by the branches in support of local small/medium-sized enterprises can be added to this total. In 2025 this totalled €229,500.

Sponsorships in 2025	**Amount**	**% of total**
(in €)		
Sports	1,246,066	84.9%
Culture	98,380	6.7%
Social	100,660	6.9%
Other	22,530	1.5%
Total	**1,467,636**	**100.0%**

Donations

Volksbank also supports the territory through donations in to entities worthy of support. Usually donations are intended for the common good and can also be provided to cultural institutions. Traditionally, the Company contacts the local structures donated to directly, in the user basin. In 2025, donations amounted to a total of about €280,477. The recipient institutions include parishes, voluntary secular associations and local institutions.

1.7.6 BANCA POPOLARE DI MAROSTICA • VOLKSBANK FOUNDATION

The Banca Popolare di Marostica Volksbank Foundation aims to promote and support initiatives with cultural, educational, training, recreational, social and healthcare, worship or scientific research objectives for the benefit of the civil and social fabric in the area where the former Banca Popolare di Marostica, now incorporated into Volksbank, operated.
In 2025, the Bank disbursed €308,000 to the Foundation for initiatives to support the local area.

1.8 RISK MANAGEMENT

In view of the significant regulatory changes and the complexity of the operating environment, the Company attaches special importance to risk management and control, which must be safeguards for the creation of value in a context of controlled risk, in line with the objectives of current and prospective profitability as defined by the competent decision-making bodies.

INTERNAL AUDIT

Consistent with what is set forth in the Supervisory Provisions issued by Bank of Italy and in line with the Joint Bank of Italy - Consob Regulation implementing art. 6, paragraph 2-bis of the TUF of 29 October 2007, the Internal audit function holds the internal auditing function.
The purpose of the function in question, based on Supervisory regulations, is twofold: to ascertain, by means of so-called third level checks and on-site audits, carried out both remotely and within the premises of the Bank/of its key suppliers, the propriety of transactions and the evolution of risks; and to assess the completeness, adequacy, functionality and reliability of the organisational structure and other components of the Internal Control System, bringing possible improvements to the attention of corporate bodies, particularly with regard to the risk management process, and the instruments for measuring and controlling them.
The Internal Audit function operates within the context of an integrated assessment model for the internal control system, pursuing a "*risk-based*" - "process-oriented" approach, primarily designed to enable company departments to conduct integrated risk analysis and organisational and control measures.
The integration is, above all, made possible by the use of information shared amongst all structures involved (*in primis*, the control functions, but also the operating ones involved each time), and on the growing interaction between company control functions. Besides establishing specific mutual information flows, of importance in this regard was the creation of the internal control Committee, formed by the corporate control departments, to facilitate operational coordination and the exchange of information and to generate synergy when performing their respective tasks.
In accordance with the provisions of the Bank of Italy's Supervisory Authority, the Internal Audit function does not report hierarchically to any Head of business units, but reports directly to the Board of Directors, also through the Risks Committee, thus preserving its independence. The corporate bodies are systematically informed of the results of audits carried out, with special evidence of any critical issues detected.
The Function concerned has *budget* autonomy which enables it, amongst other things, to use external consultancy services. It also has the right to access all Bank activities performed in Central Offices, branches and by outsourcers.
The appointment and revocation of the Head is among the sole, non-delegable responsibilities of the Board of Directors, having sought the opinion of the Board of Statutory Auditors. The Board also approves the internal regulations establishing the Internal Audit Function (Mandate).
The Function operates in line with an annual/multi-year audit plan drawn up by its Head through a "*risk based*" and "*process oriented*" approach approved by the Board of Directors. By carrying out the activities envisaged in the plan, the Function does the following:

- it assesses the completeness, adequacy, functionality, reliability of the organisational structure and of the other components of the Internal Control System, of the risk management and company processes, also considering the ability to identify errors and irregularities. In this context, it audits, inter alia, the company's Risk Management, Compliance and Anti-Money Laundering departments;

- assesses the effectiveness of the process of defining the RAF (*Risk Appetite Framework*), the internal consistency of the overall scheme, and the compliance of the company's operations with the RAF;
- it verifies through audits as well:
    - the regularity of the various corporate activities, including those outsourced, and the evolution of risks in both internal Organisational Units and commercial network units (Branches, Private Centres, Corporate Centres);
    - the monitoring of compliance with regulations of the activities at all company levels;
    - compliance, in the different operating sectors, of limits set by delegation mechanisms, and the full, correct use of information available in the various activities;
    - the effectiveness of the powers of the risk control function to provide preliminary opinions on the consistency of the most significant transactions with the RAF;
    - lthe adequacy and correct functioning of processes and methods for assessing corporate assets, in particular, financial instruments;
    - lthe adequacy, overall reliability and security of the information system (by means of ICT audit);
    - the elimination of anomalies detected in the operation and functioning of controls ("*follow-up*" activities);
- performs regular tests on the functioning of operating and internal control procedures;
- performs detection duties, including in relation to specific irregularities;
- regularly controls the business continuity plan;
- if it should gain knowledge of critical issues emerging during the independent audit during its collaboration and exchange of information with the party appointed to carry out the independent audit, it takes action so that the company functions responsible take the necessary action to overcome those issues.

In order to perform its activities correctly, effectively and efficiently, the Internal Audit function:
- has access to all company documentation and information;
- may use external support, where necessary, to obtain technical and specialist skills not available within the function, on the basis of a formal agreement, which in any case does not determine the delegation of responsibilities by the Function;
- in cases where it has not participated directly, it is kept informed of relations with the Authorities, and the Supervisory one in particular;
- collaborates with the different levels of the organisation, with the Board of Statutory Auditors and with the other subjects appointed to carry out controls (especially with the Risk Management, Compliance and Anti-Money Laundering Functions, and with the Reporting Officer).

The Function pursues its "*mission*" according to the rules laid down by the *Board of Directors* of the Institute of Internal Auditors (hereinafter also referred to as "IIA"). These rules are based on the four principles briefly described below:
- integrity: *internal auditing* is carried out with the utmost adherence to moral and ethical principles, with honesty and the courage to act even in the presence of external pressure. Those engaged in *internal auditing* must not knowingly engage in any illegal activity, nor take any action that brings discredit to the profession or the organisation for which they work; they must also understand, respect and contribute to the legal and ethical expectations of the organisation and be able to recognise conduct contrary to those expectations;
- objectivity: the assessments made take into account all significant facts and are not influenced by other people or particular interests that could conflict with the *audit*. The subject expressing the assessment maintains his/her independence of opinion, analysis and constructive criticism. The internal *auditor* must report all significant facts of which he becomes aware in carrying out his duties, the omission of which could provide an altered picture of the activities analysed;
- confidentiality: persons operating within the Internal Audit function are bound by the confidentiality of the information that they disclose during their work and are therefore required not to disclose such information without prior authorisation, unless there are legal and/or ethical reasons. Information obtained must be protected and not used for personal benefit or in a manner that is contrary to law or to the ethical and legitimate objectives of the organisation;
- competence: *Internal Audit* operators must only perform services for which they have the necessary knowledge, expertise and experience. They must also continually improve their professional preparation and the effectiveness

and quality of their services. On this point, please note that the resources of the Function follow a skills growth and development path by taking part in courses and conventions of specific subjects/regulations and through continual professional updating, also through self-training;

- professionalism: the *internal* auditor must apply the necessary professionalism and care in the performance of his or her duties, in full compliance with the International Standards of the Institute of Internal Auditors; he or she must also exercise critical scepticism when assessing the reliability of the information received and request additional evidence to support his or her analyses, in order to arrive at a professionally sound judgement.

COMPLIANCE DEPARTMENT

The regulatory compliance department oversees, according to a *risk-based* approach, the management of the risk of non-compliance with regard to all company activities, verifying that the internal procedures are adequate to prevent this risk. To this end, it has access to all the bank's central and peripheral activities and to any information relevant to that purpose.

The Compliance department operates independently and autonomously within the structure, reporting functionally only to the Board of Directors for its operations. The current mandate of the Compliance department was approved by the Board of Directors at its the meeting of 28 June 2024.

The main obligations that the Compliance department is called upon to perform are as follows:

- assistance to corporate structures for the definition of methodologies for assessing the risks of non-compliance with regulations;
- the identification of suitable procedures for the prevention of the risk detected, with the possibility of requesting their adoption as well as the verification of their adequacy and correct application;
- the continuous identification of the rules applicable to the Bank and the measurement/evaluation of their impact on the Bank's internal processes and regulations;
- the proposal of organisational and procedural changes aimed at ensuring adequate control of the identified non-compliance risks;
- the preparation of information flows directed to the Corporate Bodies and the structures involved (for example, operational risk management and internal audit);
- the verification of the effectiveness of the organisational adjustments (processes/internal regulations) suggested for the prevention of the risk of non-compliance with the rules.

In addition, in the specific area of ICT and security risk management and supervision, the Compliance function contributes to the definition of the information security policies adopted by the Bank, and is promptly informed of any activity or event that materially affects the Bank's ICT risk profile, the occurrence of significant operational or security incidents, and any substantial changes to the Bank's ICT systems and processes; lastly, the department ensures compliance with outsourcing contracts and with suppliers of ICT relevance.

During the 2025 financial year, the Compliance department systematically monitored the legislative and regulatory changes applicable to the Bank, informing the internal services which were involved; it interacted continuously with the corporate bodies (providing them with advice and assistance in all matters in which the risk of non-compliance was relevant) and with the organisational units through consultancy activities and ex-ante verification of the adequacy of safeguards put in place to mitigate the risks of non-compliance; they also communicated with them through ex-post verification activities related to the consistency of operational conduct. These activities were identified, structured and formalised through:

- lannual planning of ordinary activities;
- lalerts to internal organisational units;

- lanalytical reports on the organisational impact of new regulations;
- lordinary verification reports in implementation of the annual plan and activities, and extraordinary reporting if necessary;
- lreports on regulatory consultancy, requests to the various company departments for development of new service products or organisational changes and, as a result of those reports, indications to company structures of organisational measures needed to achieve and maintain regulatory compliance;
- lcontrol of correct adoption by company departments of organisational measures following compliance reports (follow up);
- periodic interim reporting to the Board of Directors and its committees;
- lthe annual report for the 2024 financial year, submitted to and approved by the Board of Directors.

The Compliance Department acts as part of the "Internal control system" whose activities are coordinated by the internal controls Committee, composed of the heads of the company's second and third level control departments to whom are added the Financial Reporting Officer and the Data Protection Officer; the objective is to increase, through common rules and methodologies, the risk awareness level of the bodies managing the company.
Its activities mainly concerned the following areas:

- lProduct oversight and governance (POG);
- lStrategies, company policies and internal organisation;
- lRemuneration and incentive systems;
- lManagement of conflicts of interest;
- lInvestment Services and Market Abuse;
- lCredit process;
- Taxation;
- Labour law;
- Verification of supervisory reporting;
- New products and services;
- Transparency, customer protection and payment systems;
- Insurance distribution and management of related potential conflicts of interest;
- Verification of management of the handling of complaints;
- Secretariat of the Supervisory Board pursuant to Legislative Decree 231/2001
- Monitoring of the Code of Ethics;
- Internal controls system;
- Privacy and Data Protection;
- ICT and information systems;
- Sustainability issues (ESG);
- Logical and physical security;
- Relationships with the authorities.

The Compliance function plays a decisive role in protecting the Bank's image vis-à-vis its stakeholders by ensuring compliance with the Code of Ethics, which the Board of Directors has adopted since 2005, and by managing, directly by the head of the function, the internal system for reporting violations (so-called Whistleblowing).

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 activity programmes 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 reference processes necessary to define and implement it.

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 the 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.

As part of the SREP process, and specifically in the risk control and mitigation process, the ICAAP process (*Internal Capital Adequacy Assessment Process*) plays a fundamental role, provided for by current legislation and aimed at verifying the adequacy of the Bank's capital endowment, also from a prospective perspective and in situations of system and/or internal stress.

Similarly, in compliance with the information needs established in the Bank of Italy circular no. 285, which transposed the SREP guidelines of the European Banking Authority, the *Internal Liquidity Adequacy Assessment Process* (ILAAP) is carried out in conjunction with the ICAAP process; the results of which are periodically transmitted to the Supervisory Authority in April as part of a specific report drawn up jointly with the ICAAP report.

The control activity includes, among other things, the verification of ongoing compliance with all regulatory prudential requirements and those indicated by the Supervisory Authority as part of the SREP process. Starting from 2023, the process also considers the minimum requirements for capital and eligible liabilities in case of resolution (*MREL, Minimum Requirements for own funds and Eligible Liabilities*).

The Risk Management Function also proceeds, in compliance with the provisions of Directive 2014/59/EU of 15 May 2014 (BRRD), as incorporated into Delegated Regulation No. 2016/1075 of 23 March 2016 and Legislative Decrees No. 180 and 181 of 2015, and following the Technical Standards published by the EBA, to draw up the Recovery Plan in accordance with the framework providing for the adoption of measures aimed at restoring the Bank's financial position following a significant deterioration, and submits it to the regulator.

RISKS THE BANK FACES

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 their 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.).
During 2025, the recalibrated version of the performance rating models was put into production, incorporating the main changes made with the 2024 recalibration activities. The main interventions were:

- update of the historical time series of default rates up to 2023;
- greater granularity of the financial statement component for the Business segment;
- refinement of the rating calculation methods for the so-called Sole Traders;
- introduction of the concept of PD Single Name, i.e. a specific probability of default for each counterparty in addition to the average class PD;
- update of the historical series by including two additional years, which improved the accuracy of the model, allowing for more detailed and accurate evaluations.

The rating models make it possible to assess individuals, small enterprises and medium-sized enterprises in a diversified manner using different drivers and weights depending on the economic sector they belong to.
The rating models not only calculate the class for each entrusted customer, but specific modules have been created that also assign a rating to nonentrusted customers. Based on the internal rating system, the Bank is therefore able to assign a specific PD to each customer.
During 2025, the internal validation activities for the Rating System were also carried out and the following areas of investigation were analysed:

- Governance of the framework for the development and monitoring of the corporate rating system;
- Design of the overall methodological architecture for rating models;
- Model performing to assess the performance of the rating models on an out-of-sample validation set;
- Data Quality to assess the system of input and output data controls for the rating models.

Concentration risk

The concentration risk is defined as a risk resulting from credit exposures with counterparties, groups of connected counterparties, counterparties 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.
Within the ICAAP process, specific methodologies have been developed, in compliance with the relevant regulatory provisions, to calculate geo-sectoral concentration risk, i.e. the risk arising from exposures to counterparties 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. In particular, the projects carried out during 2025 led to the completion of the activities set out in the "Intervention Plan" agreed with the Bank of Italy in line with the "Supervisory Expectations on Climate and Environmental Risks".
In addition, following the publication by the EBA of the Guidelines on the management of ESG risks, the Bank conducted, with the support of an external consultancy firm, a "gap analysis" activity aimed at identifying the areas and actions required in order to align with the provisions of the guidelines. Based on the analyses conducted, a number of areas for action have been identified that will be launched from 2026 onwards, in particular with regard to the materiality assessment framework, in order to incorporate the changes introduced by the EBA.
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.
The internal adoption of these "climate engines" strengthens the Bank's independence in assessment processes and fosters a better understanding of climate risk dynamics. In addition, the assessment of climate and environmental risks is increasingly cross-cutting and is progressively integrated into the analysis of the main categories of banking risk (e.g. credit risk, liquidity risk, market risk, etc.).
The quantitative analyses conducted during the year showed that the Bank has an overall moderate exposure to climate and environmental risks. The main areas of potential impact are: (i) loans and deposits to/from non-financial companies, (ii) real estate collateral mitigating credit risk, and (iii) the Bank's movable and immovable assets. Specific in-depth studies and assessments were carried out on these areas. In particular, the analyses carried out covered:

- assessment of the impacts of physical (climate) risk on the non-financial corporate (NFC) portfolio and on the credit portfolio secured by real estate collateral, through the use of different calculation engines and information providers. The assessment of physical risk is based on the geolocation of properties pledged as collateral and/or the main production sites of NFC customers, and takes into account exposure to various adverse climatic events (hazards), both acute and chronic;
- extending the analyses to liquidity risk, with the aim of assessing how climate events, phenomena and/or trends may influence the Bank's main liquidity parameters and related funding capacity;

- conducting a Climate Stress Test, as a continuation of the previous year's exercise, to assess the short-term and long-term impacts of physical and transition risk on the credit portfolio. These analyses make it possible to integrate risks and opportunities related to climate change into the corporate strategy and to highlight trends and potential vulnerabilities not only of the loan portfolio, but of the Bank's entire balance sheet. As part of the SREP process, the results of the Climate Scenario Analyses were included in ICAAP, in order to assess the impacts of climate risks over different time horizons (short, medium and long term) and according to scenarios consistent with market best practices and NGFS guidelines. In particular, the transition risk is also analysed by reading the balance sheets of individual counterparties under different scenarios and time horizons; in addition, the energy efficiency level of the residential and commercial real estate pledged as collateral is considered;
- "ordinary conditions" (non-stress) scenario analysis to assess the impact of physical risk on real estate collateral relating to mortgage loans measured at amortised cost, with the aim of estimating a possible "managerial overlay" to be used, if deemed appropriate, to determine additional provisions for IFRS9 impairment purposes;
- monitoring of specific limits and Key Risk Indicators (KRIs) within the Risk Appetite Framework (RAF).

In addition, with support from the Risk Management Function, the Bank carried out a project to integrate tools and metrics into credit origination processes in order to assess the expected impact of climate and environmental risks on both collateral properties and counterparties' activities, using the same methodology employed by the Risk Management Function in the Base scenarios.

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 risk is 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 banking 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 model has been continually refined to process all asset and liability items of the supervisory trading book in a more realistic, reliable way, in order to 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. 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.

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.

Liquidity Risk

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 finding funds 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 Eu-

ropean 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 "encumbrance". "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

The Risk Management department annually prepares the annual reports "ICT Risk Questionnaire", "Payment services: results of the analysis of operational and security risks" and "Summary report on the ICT and security risk situation" as required by Bank of Italy Circular no. 285.
When the DORA and NIS2 regulations came into force, the assessment methodology and related controls for ICT and security risk were updated in line with regulatory and market standards, with the inclusion of a risk analysis of the infrastructure perimeter.
The risk analysis includes the assessment of the residual risk of individual applications, incorporating aspects related to strategic and reputational risk and also updating the methodology for carrying out level II controls in the ICT and Security area.
In 2025, this type of risk was also monitored, both through the inclusion of specific KRIs in the RAF and at the operational monitoring level, making it possible to monitor the specific risk with respect to the main outsourcer A-Fast SpA and the other outsourcers, as well as the Bank's risk on proprietary applications.
With regard to the provisions of the regulator in Circular 285 Part One – Title IV – Chap. 3 (Section I, IV, V, IX), Chap. 4 (Section VI) for *Essential or Important Functions,* the Bank proceeded to review the classification of suppliers by building a matrix identifying which suppliers are relevant, including from the FEI DORA perspective, and planning a multi-year review programme accordingly. This activity was also analysed considering the provisions of the *Draft EBA Guidelines on sound management of third-party risk*.
With a view to integrating processes, a project is underway to link all Bank procedures with the ICT and Cyber risks and incidents associated with each procedure, defining the economic impact for the Bank for each attack. This methodology provides a holistic view of the tools in use in the Bank, taking into account all impacts.
During the year, special attention was also given to new applications based on artificial intelligence and those using cloud computing services, an area that is progressively expanding.

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.

THE ANTI-MONEY LAUNDERING OFFICE

Money laundering and financing terrorists are phenomena that, partly because of their possible transnational dimension, pose a serious threat to the legal economy and may have destabilising effects, particularly on the banking and financial system.

The articulated legal bases that the international and internal fight against money-laundering and the financing of terrorism is based on are intended to protect the banking system against the risk of being exploited, even unknowingly, to perform illegal actions, calling on operators to perform so-called "active collaboration", reporting any transactions suspected of an illegal origin of funds transferred to the Authority responsible.

To enable the anti-money laundering system to be fully effective, an international harmonising process for prevention was necessary to avoid that, in an increasingly more open and competitive market, those moving illegal funds can take advantage of gaps in the protection nets established by the different countries.

However, some geographical areas and territories remain where legislation is not yet in line with international best practice and where stricter anti-money laundering controls, calibrated to the highest risk level, must be applied.

In this context, the establishment of the European Anti-Money Laundering Authority (AMLA), pursuant to EU Regulation 2024/1620 in force since 19 June 2024, is noteworthy, as it aims to facilitate the creation of an integrated and harmonised system for combating money laundering at EU level. In particular, the AMLA will essentially have two main competences: in the area of supervision (governed by Chapter IV of the AML6 Directive) and in the area of coordination and support to EU FIUs (governed by Chapter V of the AMLD6). The supervisory activity will in turn be carried out for three categories of entities: selected, non-selected and non-funded. The coordination and support activity, on the other hand, will be aimed at promoting more effective cooperation between the authorities.

On this point, primary and secondary legislation is abundant and is continuously expanded by Authorities appointed to do so. In brief, the system of obligations incumbent on intermediaries and which Volksbank is careful to implement continuously, is still focused on the following three fundamental institutions:

- customer due diligence;
- data storage;
- reporting suspicious transactions.

Below are the main elements that characterise the anti-money laundering legislation:

- the obligation to adopt suitable strategies, policies, procedures and processes to identify, assess and monitor the money laundering risk;
- the obligation to conduct a periodical assessment of the money laundering (ML risk) and financing of terrorism risk (TF risk) it is exposed to, with attention for risk factors associated to its customer type, the operational geographical area and distribution channels, products and services offered;
- the obligation to adopt measures deemed the most suitable to prevent the money laundering risk, consistent with the exposure to the money laundering risk;
- the clear definition, at different role, task and responsibility levels, and the preparation of procedures to guarantee compliance with customer due diligence obligations, preservation of documents and proof of relations and transactions, and the obligation to report suspicious transactions;
- a control function architecture with coordinated components, also through suitable information flows, while being consistent with the company structure, complexity and size, type of services offered and the entity or risk that can be associated with customer characteristics;
- a control activity whose purpose is the compliance by personnel and employees with internal procedures and all regulatory obligations; with special attention for ongoing analysis of customer transactions, the "active collaboration" and protection of confidentiality over reporting;

- customer due diligence obligations, with indication of "when" (e.g. establishing an ongoing relationship, execution of an occasional transaction for an amount exceeding the legal thresholds) and "how" (e.g. how we identify a customer, the effective owner, the purpose and nature of an ongoing relationship) fulfil those obligations;
- the risk-based approach, for which the customer due diligence obligations are structured at different due diligence levels based on the customer's risk profile, that of the transactions and the ongoing relationship;
- the obligation to apply enhanced customer due diligence methods when faced with a high money laundering or financing of terrorism risks, considering the risk factors related to the customer, products, services, transactions and distribution channels and the geographical area involved.
- related to "politically exposed persons", an extensive approach for those holding public offices or in any case who administer public assets, with no longer any distinction between domestic and international PEPs;
- the obligation to abstain from opening a new continual account, to maintaining an existing account or executing a transaction if it is objectively impossible to perform a customer due diligence;
- the obligation to report suspicious transactions when you know, suspect or have reasonable motives for suspecting they are in progress or money laundering or financing of terrorism transactions have been committed or attempted or, in any case, the funds, regardless of their amount, come from criminal activities;
- the obligation to periodically transmit to the UIF data and information identified based on objective criteria, concerning transactions risking money laundering or the financing of terrorism (so-called "objective communications");
- the obligation to store documents, useful data and information to prevent, identify or ascertain money laundering or financing of terrorism activities and to enable audits to be conducted, for their respective attributions, by the UIF or another competent Authority;
- the limits established for use of cash and bearer bonds;
- the obligation to send the UIF the aggregated figures for transactions, to enable targeted analyses and bring forth any money laundering or financing of terrorism phenomena in certain territorial areas;
- carrying out permanent training programmes for all employees, for the correct application of provisions, to recognise transactions connected to money laundering or the financing of terrorism and for the adoption of behaviour and procedures;
- carrying out permanent specialist training programs for the members of the anti-money laundering department;
- introduction for the prevention of money laundering and the financing of terrorism of the so-called "whistleblowing" procedure, to protect those who report breaches of the provisions to prevent the risk of money laundering and financing terrorism in the intermediary;
- obligation to adopt enhanced control measures to contain the risk of involvement in terrorist activities or proliferation (e.g. monitoring the accounts, freezing funds).

Finally, it notes that the Bank of Italy Provisions on organisation, procedures and internal controls, in transposing the EBA Guidelines on policies and procedures relating to compliance management and the role and responsibilities of the anti-money laundering manager (EBA/GL/2022/ 05) in force from 14 November 2023, provide for the appointment of a Director as "Exponent responsible for anti-money laundering" upon the first renewal of the corporate bodies and in any case by 30 June 2026. This Director has the task of overseeing anti-money laundering matters, in a logic of ever greater commitment and involvement of the Board of Directors.

COMPLAINT MANAGEMENT

Volksbank is convinced that real and lasting growth and development are possible only if the customer is at the heart of every strategic decision taken by the company. This customer-centred approach, the basis of which can be found in the company's Code of Ethics, emerges straight from the design phase of products and services, with constant focus on quality research, but above all on managing 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 concluded daily, it is not possible to avoid possible cases in which, from time to time, 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; and the personnel of the complaints management office are in a position of organisational and hierarchical independence of 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.

During the year, 262 complaints were received and processed, 210 of which concerned banking and financial services, and 52 concerned investment services.

Of the 262 complaints filed as at 31 December 2025, 55 were settled, 192 were closed pending settlement, while 15 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 2025 concerning banking and financial services, the Company reimbursed customers a total of €36,482.22.

With regard to complaints received in 2025 concerning investment services, the Company reimbursed clients for a total of €4,121.63.

In 2025, reimbursements of €12,009.51 were made relating to complaints about banking and financial services presented in previous years and €170,172.18 relating to complaints about investment services presented in previous years. Also during the year, allocations were made to the provision for risks and charges for civil cases, bankruptcy clawbacks, banking and financial services and for investment services and other charges for a total of €1.8 million.

THE CODE OF ETHICS

The reflection on business ethics - the sphere of values and the system of rules that guide the behaviour of the company towards its stakeholders (customers, shareholders, employees, communities) - for banks is initially found in the principle of healthy and prudent management, which requires them to operate according to criteria of functional efficiency and risk mitigation with professionalism and fairness, respecting the legislation, guidelines, supervisory provisions and other regulators and the recommendations and expectations that the authorities address to supervised entities.

Rapid and significant changes in the context continually confront banks with new risks and may increase known risks, even in circumstances where the regulatory framework may not be a sufficient guide to govern operational and reputational risks; in this context, the first safeguard is the Code of Ethics, which is adequately formalised and approved by the Board of Directors and made public and disseminated at all levels of the organisation.

It expresses the values and principles of conduct that constitute the foundation of the corporate culture in Volksbank and is a top-level governing document of the Bank and the companies of the group. Listening to interests and balancing them with company strategies (stakeholder engagement) are oriented towards the values and principles indicated in the Code.

The Code of Ethics approved by the Board of Directors in 2022 is linked to the values that Volksbank activities are based on including:

- **Integrity**: we pursue our objectives with honesty, fairness and responsibility, in full and substantial compliance with legislation, professional ethics and the spirit of the agreements we have signed.
- **Transparency**: we operate with transparency – with respect to rules, communication, and conduct – to enable our counterparties to make informed and conscious decisions for themselves.
- **Quality**: we always try to improve, looking at changes as opportunities to learn. We use our merit - which for us is knowledge, method and relational competence - to redesign the value chain of products and services on the basis of the new habits of households and businesses and the opportunities of technological innovation and digital transition.
- **Value of the person**: We orient our conduct towards the principle of personal dignity. We adopt attitudes and behaviours of inclusion and equal opportunities, with full and substantial respect for the diversity of gender, sexual orientation and identity, origin, culture and language, social class, age, different abilities, political and trade union membership, religion.
- **Relationship with the territory**: we pursue close and lasting relationships of trust with the local communities in which we operate and we never lose sight of the legitimate interests that people have in what we do. We promote the development of the territory and we want to be an active part of stable growth over time, in terms of economic value with a positive, measurable influence on society and the natural environment.
- **Responsibility in the use of resources and sensitivity to ESG issues**: we cultivate an awareness of the social and environmental effects of our choices: we promote a responsible use of resources, trying to avoid waste and wastefulness, we pursue a better protection of the natural environment, favouring sustainable choices over time and encouraging virtuous behaviour.

The rules of conduct set out in the Code of Ethics derive from these ethical principles (the "values") sustained and actively experienced by persons operating, for any purpose, at the Bank and in group companies.

CERTIFICATION PURSUANT TO ART. 154 BIS TUF

(It.) Legislative Decree 195 of 6 November 2007 implementing Directive 2004/109/EC on the harmonisation of transparency requirements (the "Transparency Directive"), partially extended the provisions of Law No. 262 of 28 December 2005 to companies that issue securities which are admitted to trading on a regulated market. The Law establishes "Provisions for the protection of savings and regulation of financial markets", as amended by Legislative Decree 58/1998 (Consolidated Finance Act).

These provisions establish an obligation for the Financial Reporting Officer to produce corporate accounting documents that provide a true and fair representation of the Issuer's financial position, results and cash flows.

To this end, in a specific report the Financial Reporting Officer certifies that the administrative and accounting procedures for the preparation of the annual financial statements and all other financial communications have been adequately and effectively applied, and that the documents correspond to the results as stated in company accounting books and records.

In order to issue this certification, the Financial Reporting Officer reviews the adequacy and efficacy of the internal control system for Financial Reporting:

- by means of a concise, comprehensive analysis at company level, designed to verify the existence of a corporate climate that is committed to reducing the risks of errors or improper conduct accounting and financial reporting purposes;
- at a process level, through analysis and audits of company operations generating and supplying Financial Reporting, also conducted using results produced by other control functions. For that purpose, they identify the scope of area activities in order to identify significant processes that need to be checked.

Accordingly, Volksbank has embarked on an organisational process to define a reference model, in line with national practice; with a view to strengthening the processes underlying the reliability of financial reporting, i.e. of activities related to the collection, processing and publication of economic and financial information flows.

Sustainability reporting has been defined and implemented with the aim of ensuring the integrity, completeness, reliability and accuracy of sustainability data and information subject to external disclosure, also with a view to compliance with legal requirements.

To this end, in accordance with Article 154-bis of Legislative Decree No. 58/1998, paragraph 5-ter, the delegated administrative bodies and the manager responsible for preparing the company's financial reports (or other manager with specific expertise in sustainability reporting) shall certify, in a special report, that the sustainability reporting included in the management report has been prepared in accordance with the reporting standards applied pursuant to Directive 2013/24/EU of the European Parliament and of the Council, of 26 June 2013, and the Legislative Decree adopted in implementation of Article 13 of Law 15 of 21 February 2024, and with the specifications adopted pursuant to Article 8(4) of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

The Financial Reporting Officer was appointed for the above-mentioned attestation.

The framework of the internal control system on sustainability was defined by mirroring the existing framework on financial reporting adopted by the Bank and adapting it to the characteristics of sustainability reporting.

In particular, the model adopted envisages, also in evolutionary terms, taking into account the continuous evolution of the subject matter:

- identification of reporting processes, value chain analysis, assessment of double materiality, information gathering and disclosure of data to be disclosed, reconciliation of information between financial reporting and sustainability reporting that have a significant impact on sustainability reporting through the assessment of risks and controls;
- the identification, for these processes, of the controls and the persons responsible for first-level controls, through formalisation in process narratives that also include the matrix of risks and controls and any proposed remedial actions. In particular, managers are first and foremost required to ensure that the effectiveness of the controls is assessed and to report any actions needed to reduce the associated risk levels.

1.9 OTHER INFORMATION

1.9.1 INFORMATION PURSUANT TO BANK OF ITALY/CONSOB/ISVAP DOCUMENTS No. 2 OF 06.02.2009 and No. 4 OF 03.03.2010

On 6 February 2009, the Bank of Italy/Consob/ISVAP issued document No. 2 on application of the IAS/IFRS, in order to recommend the inclusion in financial reports of information on a going concern basis, the financial risks borne by the company, audits of the possible existence of asset impairments and uncertainties regarding the use of estimates. The importance of making every effort to assess the applicability of the "going concern" assumption and the related financial statement disclosures was further highlighted in document No. 4 of 3 March 2010 issued by the same authorities. This stresses the need to ensure a high degree of transparency in disclosures on the valuation of goodwill and other intangible assets with an indefinite useful life, on equity investments, the valuation of equity securities, and the classification of financial liabilities backed by special contractual clauses.
With regard to the going-concern principle, the Directors have not detected in the operating performance or in the evolution of their financial position any situations that could jeopardise the company's ability to continue operating normally. The Directors therefore believe that the capital and financial structure is suitable to guarantee business continuity in the near future. On the basis of this reasonable expectation, the financial statements as at 31st December 2025 were therefore prepared on a going concern basis.
With respect to reporting financial risks, please note that they were analysed both in the report on operations and in Chapter E of the explanatory notes: "Information on Risks and Risk Management Policies".
When preparing its year-end financial statements, Volksbank performed an audit on the possible impairment of its assets, including equity investments recorded in the balance sheet and equity investments. The description of how the audits were conducted and their results is specifically illustrated in the Explanatory Notes where single assets are dealt with.
With reference to the uncertainties on the use of estimates when drafting the financial statements, in the Notes "Part A – Accounting policies, A. 1 – General Part", there is a specific paragraph entitled "Uncertainties related to the use of estimates".
Finally, with regard to the classification of its financial payables, it should be noted that there is no medium/long-term liability to be classed as "current" due to the forfeiture of an acceleration clause or failure to comply with the contractual clauses governing the liability.

1.9.2 INFORMATION ON STRUCTURED CREDIT PRODUCTS AND ON EXPOSURE WITH SPECIAL PURPOSE ENTITIES

On the basis of the recommendations made in 2008 by the *Financial Stability Forum* (now the *Financial Stability Board*) and by the Bank of Italy, the following information is provided on exposures as at 31st December 2025 for those financial products that the market considers to be high-risk, such as, in particular, *Collateralised Debt Obligations* ("CDOs"), real estate mortgage-backed securities ("RMBS"), commercial mortgage-backed securities ("CMBS"), other special-purpose entities ("SPEs") and *leveraged finance*.

EXPOSURE WITH SPE ("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.
The overall exposure to *covered bonds* is minimal and, in terms of book value, amounts to 391.1 million, of which 77.9 million classified at amortised cost ("HTC") and the remaining EUR 313.2 million classified at *fair value* with impact on overall profitability ("HTCS"), with limited exposure compared to the overall portfolio (at 10.0%).
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 €7.5 and €15.2 million respectively, related to a bond securitisation.

STRUCTURED PRODUCT EXPOSURES

As at 31st December 2025, the main positions in structured credits issued by third parties were corporate bonds, in addition to a number of corporate minibonds.
Structured securities, which have a carrying amount of €403.2 million (equivalent to 10.3% of the total portfolio) are classified at amortised cost ("HTC") for an amount of 185.25 million and *fair value* through other comprehensive income ("HTCS") of 216.46 million and among financial assets held for trading for 1.5 million. All these instruments have a residual maturity of ten years or less.

1.9.3 EXPOSURES WITH SOVEREIGN DEBT SECURITIES

In accordance with the recommendations of the European Securities and Markets Authority (ESMA) in document 2011/226 of 28 July 2011, and Consob in communication DEM/11070007 of 5 August 2011, the company's exposure to sovereign debt, consisting mostly of Italian government debt securities, is reported. 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.

Exposure to sovereign debt securities - by due date

(thousands of €)

	2026	2027	2028	2029	After 2029	Total
FVTPL	-	-	-	-		-
HTCS	24,765	120,738	23,851	40,855	30,671	240,880
HTC	-	234,828	303,228	240,368	1,406,988	2,185,412
Total	**24,765**	**355,566**	**327,079**	**281,223**	**1,437,659**	**2,426,292**

A breakdown by accounting category and issuing country is shown below.

Exposure to sovereign debt securities - by issuing country

(thousands of €)

	FVTPL	HTCS	HTC	Total 31.12.2025
EU countries				
- Italy	-	132,075	2,106,370	2,238,445
Other EU	-	78,149	79,041	157,190
Non-EU				
- USA	-	30,657	-	30,657
Other Non-EU countries	-	-	-	-
Total portfolio	**-**	**240,881**	**2,185,411**	**2,426,292**

There are no additional exposures in sovereign debt securities. A percentage of 40.75% of the overall exposure held has a residual maturity of less than 5 years.

At 31 December 2025, the sensitivity to a 1bp increase in the credit spread of the Republic of Italy on securities classified in FVOCI Debt (including not only government bonds in the strict sense but also, conservatively, securities issued by public sector entities and regional governments closely correlated with Italian sovereign bonds) amounted to -35,025 euros/bp, with an implied spread-duration of approximately 2.3 years.

1.9.4 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 financial year. 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.

1.9.5 INFORMATION ON PUBLIC DISBURSEMENTS PURSUANT TO ART. 1, PARAGRAPH 125 OF LAW 124 OF 4 AUGUST 2017 ("ANNUAL LAW ON THE MARKET AND COMPETITION")

A reformulation of the regulations on transparency of public disbursements contained in Article 1, paragraphs 125-129 of Law No. 124/2017 was introduced in Article 35 of Decree-Law No. 34/2019 ("Growth" Decree), converted by Law No. 58/2019. The rewording indicates, as the object of the transparency obligations, information on subsidies, grants, benefits, contributions or aid, in cash or in kind, "not of a general nature and without consideration, remuneration or compensation", actually disbursed by public administrations as well as by the entities referred to in Article 2-bis of Legislative Decree No. 33/2013.
In light of this rewording, further interpretative clarifications provided by Assonime Circular No. 32 of 23 December 2019 confirmed that the object of the transparency obligations is the allocation of economic advantages arising from a bilateral relationship between a public entity and a specific beneficiary. Amounts received by the enterprise as consideration for a service rendered or as remuneration for an assignment received or due for compensation purposes are expressly excluded. Also excluded are economic advantages received in application of a general scheme, such as tax benefits or contributions accessible to all persons meeting certain conditions.
In view of the above, there were no matters to report for the Bank in the financial year 2025.
For the sake of completeness, reference is also made to the National Register of State Aid, publicly available on the relevant website, in which the Aid measures and the related individual Aid granted and registered in the system by the Managing Entities are published; even though for the Bank the cases indicated therein for the year 2025 do not represent, in light of the above, the object of the obligations of transparency in the financial statements set forth in paragraphs 125 and 125-bis.

1.10 BUSINESS OUTLOOK

According to the OECD Economic Outlook, the world economy is going through a phase of cyclical moderation, with growth set to slow down in 2026 before starting a gradual recovery in 2027. In this context, the euro area presents a relatively more favourable picture: 2026 is expected to deliver slightly stronger growth momentum than 2025, supported by German fiscal expansion, the easing of global tariff tensions and the resilience of private consumption. However, some structural constraints remain, such as increasing competition from Chinese exports and a weak potential growth rate. Forecasts indicate an expansion of 1.4% for the euro area in 2026, a slight increase compared to 1.3% in the previous year and in line with the market consensus.
At the national level, the macroeconomic projections for Italy prepared by the Bank of Italy outline a moderate but consolidating growth profile. According to the most recent estimates, the GDP will increase by 0.6% in 2026, accelerating to 0.8% in 2027 and 0.9% in 2028. Growth is driven by the expansion of consumption, favoured by the improvement

in real disposable income, and by the contribution of investments, significantly supported by the measures provided for in the National Recovery and Resilience Plan (PNRR). The trajectory of exports, on the other hand, appears weaker: in 2026, they will be affected by the tightening of international trade policies, and then realign with the pace of foreign demand in the following two years.

On the price front, the Bank of Italy expects inflation to rise to 1.4% in 2026 and accelerate further to 1.6% in 2027 and 1.9% in 2028. The expected increase in the last year of the forecast horizon reflects the full implementation of the new European Emissions Trading System (ETS2), which will tend to exert upward pressure on the prices of regulated energy products. Core inflation, excluding food and energy components, is projected to stand at 1.6% over the three-year period 2026–28.

The improvement in the eurozone in 2026 is largely due to three cyclical factors. First of all, fiscal support is expected to strengthen, driven mainly by Germany: German fiscal policy, in fact, appears to be oriented towards expansion focused on defence, social programmes and subsidies, with a deficit that is expected to rise to 3.7% of GDP in 2026, generating a stimulus of around half a percentage point of growth. Outside Germany, the fiscal stance tends to remain more cautious, but a widespread increase in defence spending – also supported by European initiatives and the joint issuance of EU debt planned for the second half of 2026 – should contribute to an overall neutral fiscal stance in the area, a marked improvement on previous years.

This moderately more favourable European scenario is part of the global picture outlined by the OECD, characterised by the gradual normalisation of inflation, a progressive weakening of labour markets and an uncertain evolution of global value chains. The organisation expects G20 inflation to fall to 2.8% in 2026 and 2.5% in 2027, with a return to monetary policy targets by mid-2027. However, the forecasts remain subject to significant risks: trade tightening, sudden corrections in the prices of financial assets and vulnerabilities linked to non-bank intermediaries. In addition, there are geopolitical variables of increasing importance.

The international picture is in fact further complicated by the tensions resulting from the kidnapping of Venezuelan President Nicolás Maduro, an event that has generated political instability in Latin America and introduced additional risks for the energy markets. At the same time, the strengthening of the US military presence in the Persian Gulf, linked to the deterioration of relations with Iran, increases the risk of escalation in a region that is crucial for the balance of global energy supplies. Although not included in the OECD forecasts, these elements represent additional risk factors that could dampen confidence, increase financial volatility and negatively affect global and European growth prospects.

On 28 February 2026, the Iran-focused conflict initiated by the United States and Israel disrupted the dynamics of the Middle East. The initial salvo struck the heart of the Iranian regime, eliminating Supreme Leader Ali Khamenei, and triggered a barrage of hundreds of retaliatory missiles and thousands of drones from Iran across the region. The attacks caused enormous damage, with more than 2,000 deaths in Iran, Lebanon and Israel, hundreds of thousands of people displaced in Lebanon and hundreds of thousands of travellers stranded throughout the Middle East.

With the escalation of the conflict in the Middle East, the estimates for the world economy and the Italian economy will have to be revised, also depending on the duration of the conflict. If hostilities continue in the coming weeks, with the Strait of Hormuz only partially reopened around mid-May, inflation could rise significantly, with a negative impact on GDP growth. In a more favourable scenario, with normalisation of transits as early as mid-April, the impacts would be smaller. In the new scenario, the energy shock would mainly affect consumption, with a possible contraction in GDP also in the second quarter and a recovery only towards the end of the year, while the public deficit could be higher than pre-conflict expectations.

In 2026, the Italian credit market shows a positive trend in lending thanks to demand that remains solid in the lower-risk segments. According to the projections of the Prometeia Economic Scenario Service, adjusted loans for sales transactions will continue to grow by 1.8%, supported in particular by loans to households and, to a more limited extent, by loans to non-financial corporations.

In terms of credit quality, there is a reversal in the trend: 2026 marks a return to growth, albeit moderate, in non-performing loans. This trend is accompanied by a slight increase in sales transactions. Despite this, credit risk is expected to remain broadly stable, indicating a banking system that continues to benefit from the reforms of recent years and the adoption of more selective and calibrated risk management models.

On the funding side, household behaviour shows signs of a gradual rebalancing. The high preference for liquidity, which emerged as a prudent response in the years of greatest uncertainty, tends to decrease moderately. This phenomenon encourages a reallocation of savings to instruments other than at sight deposits, with potential benefits in terms of diversification and broader support for the real economy's financing channels.
Overall, the picture outlined by the Prometeia Economic Scenario Service forecasts for 2026 indicates a credit system characterised by orderly growth, controlled risk and a gradual normalisation of the financial behaviour of households and businesses.
In this context, the Bank's profitability will be underpinned by the interest margin component, both in relation to the customer segment and the financial portfolio, as well as in the maintenance of the margin on the commission component, which could benefit from a still favourable trend, both in traditional banking services and in investment services. With regard to credit cost, the conservative approach adopted over the last three years in the valuation of both performing and non-performing credit exposures puts the Bank in a position to manage a possible increase in the dynamics of impaired flows and the risk profile of customers. The focus for 2026 remains on making further progress in consolidating asset quality, while continuing the risk reduction process and maintaining solid coverage levels. Barring any significant worsening of the scenario, which is possible in light of the extreme uncertainty and complexity of the current situation, the overall performance in 2026, which could also rely on the sustainability of the results achieved in the last three years, can be expected, at present, to be consistent with the trend outlined in the Strategic Plan and with the related short-term targets.

1.11 SIGNIFICANT EVENTS OCCURRING AFTER THE YEAR ENDED

In accordance with the special regulations issued by the Bank of Italy, significant events occurring after the end of the financial year are illustrated in Part A, Section 3 of the Explanatory Notes.

1.12 REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE

1.12.1 SHARES AND EXERCISING RIGHTS

Banca Popolare dell'Alto Adige S.p.A. is a public limited company resulting from the transformation of the "Banca Popolare dell'Alto Adige società cooperativa" decided by the Shareholders' Meeting of 26.11.2016 pursuant to (It.) Law no. 33/2015.
The Bank's share capital amounts to EUR 201,993,752, fully paid in and divided into 50,498,438 ordinary shares with no indication of nominal value. The shares are traded on the multilateral trading system called Vorvel (Equity Auction segment) organised by Vorvel Sim Spa (formerly Hi-MTF Sim Spa) and divided into three sections, called Gates.
At its meeting on 12 April 2024, the Bank's Board of Directors resolved to move from the "Gate 2" compartment to the "Gate 3" compartment of the Equity Auction segment. The new "Gate 3", introduced by Vorvel as of 1 January 2024, was developed by Vorvel itself as the ideal segment for shares that have a good balance between buy and sell orders. Gate 3 is characterised by greater dynamism and a recalculation frequency of the Reference Price that occurs at least 6 times every 12 months, while still maintaining a +/- 8% fluctuation band with respect to the Reference Price itself.
Pursuant to and for the purposes of Articles 2357 et seq. of the Italian Civil Code, the Shareholders' Meeting of 30 March 2019 authorised the purchase of treasury shares, as a reduction of equity, up to a maximum amount of €5 million. This authorisation was subsequently renewed from year to year by the Shareholders' Meeting without interruption with respect to the expiry of the previous shareholders' resolution, up to a maximum amount respectively equal to €3.5 million.
The aforementioned buyback plans, authorised by the Bank of Italy from time to time pursuant to the applicable regulatory provisions, are aimed at:

- operating in the market, through intermediaries, to support the liquidity of the Bank's stock;

- establishing/maintaining the "Share Warehouse" from which BPAA shares may be obtained, e.g. for share exchanges in the event of corporate transactions and share or option rights for members of the Board of Directors and employees in accordance with the provisions of the Remuneration Policy adopted by the Bank from time to time;
- acquire treasury shares for the purposes envisaged by Article 5 of (EU) Regulation 596/2014 (Market Abuse Regulation or MAR) - i.e. the fulfilment of the obligations deriving from share option programs or other assignments of shares to employees and corporate officers or any other purpose that may be contemplated by this regulation in the pro tempore version in force - and/or for the purposes contemplated by market practices accepted pursuant to Article 13 MAR, under the terms and in the manner that may be resolved by the Board of Directors.

In relation to the purpose referred to in subparagraph a) above, it should be noted that in order to ensure maximum transparency and correctness of market behaviour, Consob requires that transactions involving the purchase and sale of treasury shares are carried out, on the basis of a service contract oriented towards the market practices accepted by the Authority, by an experienced third party intermediary which operates independently, within the limits of the resources transferred to it by the issuer under a mandate agreement. To this end, on 25 October 2019, the Bank signed a mandate agreement with Equita SIM SpA, registered in the Register of Investment Firms held by Consob under No. 67 ("Equita") – subsequently renewed on an annual basis – under which the agent, within the limits of the resources provided by the Buyback Fund, operates on the Vorvel market to support the liquidity of BPAA shares (the "Liquidity Provider").

The contract, in line with the practices adopted by comparable issuers, is inspired by the principles of the "Market Practice relating to market-liquidity support activity (Practice No. 1)" as per Consob Resolution No. 21318 of 7 April 2020, although it does not constitute a liquidity support contract within the meaning of the aforementioned Practice.

With effect from 8 November 2019, Equita SIM SpA has therefore been acting as liquidity provider, purchasing the shares listed on the trading platform in accordance with, and within the limits of, the mandate granted by the Bank.

In the period from 8 November 2019 to 31 December 2025 (value date 29 December 2025) Equita SIM Spa intervened on the Vorvel market by purchasing a total of no. 1,183,202 BPAA shares. The disclosure to the market was provided on the emarketstorage.com website and by publication on the Bank's website.

It should also be noted that, as of 1 January 2026, Equita will be able to place trading proposals on both sides of the trading book; therefore, liquidity support may also take place through sales of BPAA shares.

It should be noted that as of 31 December 2025 the Bank held 218,524 treasury shares, deriving from purchases made as part of the mandate to support the liquidity of the stock.

Each BPAA share entitles the holder to one (1) right to vote in the Shareholders' Meeting, except for treasury stock held by the Bank, for which the right is suspended. Voting rights are certified pursuant to art. 83-sexies of the Consolidated Finance Act, based on deposit accounts, related to closure of the accounting day on the seventh market day open prior to the date set by the Shareholders' Meeting. Credits and debits recorded on accounts after that term do not count to legitimise exercising the right to vote in the Shareholders' Meeting.

Exercising the right to vote is not limited.

Volksbank is owned by a widespread shareholder base of approximately 47,000 shareholders. The considerable fragmentation of share ownership, the legacy of the form of governance which foresaw the capita vote and strict legal limiting for acquiring shares in co-operative banks results in the presence at the Shareholders' Meeting of a capital share that is, usually, relatively low with regard to the shareholders who only participate in person. Therefore, for corporate activities to take part in an orderly manner, voting proxies and the forms of joint representation of shareholder interests take on a certain importance and, in general, as does organisational simplification to take part and vote at the Meeting.

On the proposal of the Board of Directors, the Shareholders' Meeting of 30 March 2019 introduced some amendments to the Articles of Association aimed at ensuring greater numbers of voting rights at the Shareholders' Meetings:

- the proxy to attend and vote may be conferred with a simple signature and no longer just to shareholders;
- Volksbank may have designated one or more independent third parties to whom the shareholders could confer a voting proxy with instructions in accordance with the procedures established by law for listed companies in Italy, without prejudice to the number of proxies exercisable pursuant to art. 2372, paragraph 6 of the (It.) Civil Code;

- Volksbank could organise the proxies and the participation and vote in the Shareholders' Meeting electronically.

It is understood that the directors, statutory auditors and employees of the Bank and its subsidiaries may not take on proxies.

The legitimacy of the right to participate and vote is certified by the custodian bank of the shares in favour of the person who has the right to vote pursuant to art. 83-sexies of the Consolidated Law on Finance.

For the purpose of exercising the vote, the holders of rights can aggregate - typically, depending on the specificity of the associated interests, in:

- an association of shareholders: it exercises the voting proxies obtained from its members;
- a shareholder voting agreement (voting syndicate): it expresses the vote agreed by a majority;
- a vote holding company: voting is decided by the Board of Directors of the holding company.

On 18 November 2019, the Bank was notified of the existence of a shareholders' agreement between some shareholders with commitment for consultation and vote in the Shareholders' Meetings, to define some limits to the circulation of Volksbank shares owned by the associates and establish terms and methods for other shareholders requesting it to adhere to the agreement (the "Agreement"). This shareholders' agreement after the expiration date of 13 November 2024 was not renewed.

On 17 July 2024, the Bank was informed about the formation of a vehicle company for the purpose of purchasing and holding shares in Volksbank spa.

As far as the Bank knows, when this document was drafted, the voting rights held directly or indirectly by the shareholders singly or aggregated in forms permitted by law, do not reach any relevant threshold for Supervisory purposes.

1.12.2 THE SHAREHOLDERS' MEETING

The call of the Shareholders' Meeting is published with an advance notice of at least twenty (20) days, as per the Articles of Association. The Meeting is normally held, by legal and statutory methods, in a single call in ordinary and extraordinary session and is, in a single call, validly constituted whatever the part of share capital present in ordinary and extraordinary session when at least 1/5 of voting rights are present or represented or, on share capital subscribed to and paid up of EUR 201,993,752, divided into number 50,498,438 shares, when at least 10,099,688 rights are present. The high number of voting rights required for the valid constitution of an extraordinary Shareholders' Meeting reflects concerns that an adequate quorum be reached and the importance of establishing proxies and correct organisation in the interests of shareholders for the orderly management of the company.

The Articles of Association allow for multiple convocation of the Shareholders Meeting, at the discretion of the Board of Directors. In that case, with special constitutional and decision-making quorums; and a reinforced quorum regulates matters indicated in art. 16, paragraph 3 of the articles of association.

The Shareholders' Meeting adopts resolutions openly, by a majority of the established voting rights, with the exception of the appointment of the Board of Directors and the Board of Statutory Auditors, which takes place by list voting in accordance with the procedures established in the articles of association: art. 21 for the Board of Directors and art. 34 for the Board of Statutory Auditors. The renewal of the corporate bodies takes place every three years, with the expiry of terms in force, for the Board of Directors, with the approval of the financial statements for the year ending 31 December 2025; for the Board of Statutory Auditors, with the approval of the financial statements for the year ending 31 December 2027.

Lists of candidates for the election of directors and statutory auditors are validly submitted, in accordance with legislation, including regulatory and statutory provisions governing the matter, with signature authenticated by a Notary or signed in Volksbank, in the presence of employees authorised to receive it, of shareholders who, together, hold voting rights equal to at least one per cent (1%) of share capital. The threshold of voting rights (capital) necessary and sufficient for the presentation of a list of candidates (directors or statutory auditors) is represented by 504,984 Volksbank shares. To present candidate lists, the shareholders consult the articles of association, the Shareholders' Meeting regulation, the regulation of time availability and limits to the accumulation of roles in third-party companies, and the appointing Meeting notice of call, as well as documents published on the Bank website when Bank Bodies are renewed.

For the purposes of the criterion for drawing from the lists of candidates to form the Board of Directors or the Board of Statutory Auditors, the list that obtains the highest number of votes at the Shareholders' Meeting is considered the "majority" list, while the second and third most voted lists for the election of the Board of Directors or the second most voted list for the election of the Board of Statutory Auditors are deemed to be the "minority" list when they have obtained a vote of at least one per cent (1%) of share capital.

1.12.3 THE SIZE PROFILE AND GOVERNANCE MODEL OF THE BANK

NOTES ON SIZE PROFILE

Volksbank is a commercial retail bank for families and small and medium-sized enterprises. Established in South Tyrol through the merger of the three local credit cooperatives dating back to the second half of the 1800s, as at the end of 2025 it operates with a distribution network in the Northeast of 173 branches and advice points integrated into an advanced multi-channel system for the use of banking services.
Volksbank is the issuer of financial instruments that are widely distributed among the public, traded on the multilateral trading facility Vorvel.
It is subject to surveillance by the Bank of Italy in the context of guidelines and supervision in any case under the responsibility of the European Central Bank. As the issuer of widespread financial instruments, the Bank is required to comply with the related obligations set out in the Consolidated Finance Act ((It.) Legislative Decree no.58/1998) and the Issuers' Regulation (Consob Regulation no.11971/1999).
As part of the harmonisation process of banking supervision at European level with the entry into force in 2014 of the Single Supervisory Mechanism (SSM), Volksbank is one of the "*Less Significant Institutions*", which remain subject to the supervisory powers of the National Authority.
With the 35th Update to Circular 285/2013, the Bank of Italy replaced Chapter 1 of Part One, Title IV, containing the supervisory provisions on "Corporate Governance", making, inter alia, changes to the quantitative criteria for classifying banks (larger banks and banks of operational complexity, intermediate banks and smaller banks). These changes have no impact on Volksbank which falls into the category of "intermediate banks", i.e. banks with assets of between 5 billion (compared to 3.5 billion previously) and 30 billion.

CORPORATE GOVERNANCE MODEL

Quality of organisational and corporate governance design is an essential requirement for ensuring that the Bank is *managed in a sound and prudent* manner, that it is capable of generating profitability, and that it can foster the confidence of its economic partners. Based on the assumption of *sound and prudent management*, the Bank of Italy establishes the general principles and application lines for enhancement of governance structures, with particular attention to the:

- financial structure and relationship with owners;
- configuration and functioning of corporate bodies;
- requirements for company representatives and the role of directors;
- organisational architecture and monitoring of internal controls and risk management;
- control of conflicts of interest.
- remuneration and incentive policy;
- fight against money laundering and terrorist financing;
- disclosure obligations to investors and the market.

The governance regulations of Volksbank are based on Articles of Association and on the organisational and corporate governance project. The latter is considered as the group, updated from time to time, of Company control documents based on Supervisory guidelines and provisions.

With the 35th Update to Circular 285/2013, some provisions were introduced to strengthen the governance structures, which include, inter alia, gender diversity in the administration and control bodies; the extension of the non-delegable powers of the Board of Directors; strategic planning profiles; accountability for standards of ethical conduct; the command documents under the purview of the Board.
Volksbank adopts the so-called "traditional" corporate governance model, characterised by the presence of:
- a Board of Directors which defines the strategic lines and objectives, monitors their implementation and supervises the management of the Bank (body in charge of strategic supervision and management);
- a Board of Statutory Auditors which monitors compliance with regulations, the adequacy of the organisational structure and the proper administration of the Bank.

THE BOARD OF DIRECTORS

Pursuant to Article 28 of the Articles of Association, the Board of Directors is responsible for strategic and management supervision and is vested with all powers of ordinary and extraordinary administration for the pursuit of the corporate object, without prejudice to the requirement for specific authorisation in the cases required by law, and without prejudice to acts that come within the competence of the Shareholders' Meeting.
The strategic Supervision involves the definition of the Group's strategic guidelines and objectives and the verification of their implementation and includes, in particular:
- the commercial model;
- the Business Plan;
- the risk objectives, their relation with the Business Plan and the external context, and the risk governance policies;
- the guidelines of the internal control and risk management system, such as to ensure that the main Bank risks are correctly identified and adequately measured, managed and monitored in order to assess their compatibility with business management consistent with the strategic objectives;
- guidelines and coordination of subsidiaries;
- transactions and provisions of strategic importance and which cannot be delegated.

The Board of Directors is also responsible for taking decisions concerning the design of the organisational structure and the verification of its adequacy and appropriateness with respect to the Bank's size profile, as well as the conduct of operations in the area of:
- the Bank's organisational, administrative and accounts structure;
- the delegation and the directional information flow systems;
- the risk management process and IT security;
- Internal controls system;
- the process for introducing services, products and new activities and for entering new markets;
- policy for the outsourcing of corporate functions.

Management supervision includes monitoring and coordination of guidance and verification area to ensure:
- internal consistency between decisions in the Business Plan, RAF, risk objectives, ICAAP, budget and internal control system;
- the consistency between supply of capital, liquidity reserves and risk appetite, risk governance policy and resulting management processes.

With the 35th Update to Circular 285/2013, the powers of the body with strategic oversight function that cannot be delegated were extended to cover the main command regulations and crisis management.
Pursuant to the principle of proportionality, given the size and operational complexity of the Bank and the corporate governance structure adopted – currently based, in particular, on the delegation of powers concerning the management of current affairs to the General Manager and the delegation of powers concerning the granting of credit to the Credit Committee – the Board of Directors decided not to establish the Executive Committee.

The Shareholders' Meeting of 16 October 2025 approved the draft amendment to the Articles of Association, which introduces, among other things, the power to appoint a Chief Executive Officer.

As part of the annual self-assessment for 2025, with specific reference to the aforementioned amendment to the Articles of Association, the outgoing Board of Directors expressed a favourable view on the advisability of introducing the role of Chief Executive Officer in order to ensure a proper balance between strategic supervision and management functions. Therefore, in view of the 2026 Shareholders' Meeting called to appoint the Board of Directors for the three-year period 2026-2028, the outgoing Board of Directors suggested that Shareholders consider including on the list a candidate with a profile suitable for the role of Chief Executive Officer, without prejudice to the powers reserved to the exclusive competence of the newly appointed Board of Directors pursuant to the law and the Articles of Association.

<u>The number of directors.</u>

Pursuant to art. 20 of the Articles of Association, the Board of Directors may consist of a minimum of nine and a maximum of twelve directors, elected by the Shareholders' Meeting for a period not exceeding three years. Directors may be re-elected. The number of directors to be elected is determined by the Shareholders' Meeting in the year preceding the appointment, on proposal of the Board of Directors in compliance with the Supervisory instructions and in accordance with the procedures set out in the Supervisory Provisions, Circular 285/2013.

The proposal is based on the self-assessment carried out by the Board of Directors with regard to the body's composition deemed optimal.

<u>The professional qualification of directors.</u>

The Shareholders' Meeting of 1 April 2023 elected the directors for the 2023 - 2025 term with a list vote governed by articles 20 and 21 of the Articles of Association. Directors must hold the position requirements established by the law, by bank supervision provisions and by the articles of association and have the "competence" and "time" appropriate to the professional diligence required by the position.

In preparing the lists of candidates, the promoting members take into account the requirements and suitability criteria established by the legislation, including regulatory provisions, in force pro tempore as well as the provisions of the Articles of Association.

Without prejudice to the possession of the aforementioned requirements and criteria, the quality of the Board of Directors as a whole is given, among other things, by the balanced combination of skills and professional paths, appropriately diversified between the individual directors, who are in any case asked to contribute with independent judgment and analytical and evaluation skills to resolutions in all areas of the board's remit.

Furthermore, personality factors of the individual directors and dynamics that can facilitate the effective performance of the tasks entrusted to them as well as an appropriate degree of diversity of the group of directors (e.g. in terms of gender, culture, age, seniority in office and geographical origin) also contribute to the high quality profile of the Board of Directors. In order for the Shareholders to be able to select and appoint suitable members of the Board of Directors for the various duties concerned, the sector regulations also require "each body" to identify in advance its optimal qualitative and quantitative composition in order to facilitate the search for suitable individual profiles and their optimal collegial combination. The results of this analysis are brought to the attention of the shareholders in sufficient time for the information to be taken into account during the process of selection and appointment of the candidates. This remains without prejudice to the possibility for members to carry out their own assessments on the optimal composition of the Board of Directors and to present candidatures consistent with these, justifying any differences compared to the analyses carried out by the outgoing Board. The document "optimal qualitative and quantitative composition of the Board of Directors" – guidelines for Members on the appointment of the Board of Directors for the three-year period 2023 - 2025 – was approved by the outgoing administrative body on 10 February 2023 and published on the Bank's website. The "Optimal qualitative and quantitative composition" takes into account the provisions of the Regulation on the diversity of the Board of Directors, introduced in order to define and formalise certain criteria and objectives to be considered to encourage the achievement of an appropriate level of diversity within the Board of Directors, in accordance with the provisions of the legislation, including regulations, in force at the time, the statutory provisions, and sector best practices. As part of the process of assessing the suitability of the members, the Board of Directors compares the composition deemed optimal with the actual one resulting from the appointment process, fully justifying any deviations. The results of this are made known to the members.

In addition to specific induction sessions aimed at facilitating the induction of newly appointed corporate officers, the Bank periodically organises further in-depth sessions (so-called continuous training), in order to consolidate the skills/knowledge required to perform the role knowledgably.

Roles in the Board of Directors.

Directors are required to act in an informed manner and make collective decisions, each with full autonomy of judgement.

The chairman is required to ensure the effective functioning of corporate governance and the effectiveness of Board discussions so that the decisions that the Board takes are the result of a genuine dialectic process, based on the informed and reasoned contribution of all directors.

Executive directors are currently organised in Board committees with executive mandates for the granting of credit.

Non-executive directors shall participate in the Board's resolution process with specialist expertise, in particular to analyse the risk associated with major decisions.

Independent directors are non-executive directors who have been formally assessed as meeting the independence requirements established from time to time by the sector regulations and by the Articles of Association. They participate in Board discussions on potential conflicts of interest with authority and autonomy that is not influenced by relations with the Bank or persons connected with the Bank.

The Board of Directors (appointed by the Shareholders' Meeting of 1 April 2023) has established:

- the Risks Committee (RC) - art. 30 of the Articles of Association- assists the Board of Directors with risk assessment and matters relating to the internal control system;
- the Independent Directors Committee (CAi) – Articles of Association, Article 28, paragraph 2, letter (r) – which handles the risk mitigation procedures pursuant to and for the purposes of the company regulations implementing the legislation on transactions with related parties and shareholdings that can be held; it also assists the Board of Directors in which sector regulations to delegate to the Remunerations Committee and the Appointments Committee, the establishment of which is not mandatory for intermediate banks;
- the Credit Committee (CC) – Articles of Association, Article 32, paragraph 2 – which exercises deliberative powers regarding the granting of credit to facilitate the discussion of the board agenda, through the reduction of the discussion of loan procedures to the advantage of the strategic direction activities of the plenary meeting of directors. The aforementioned powers are exercised within the limits of the executive delegations granted to him by the Board to which he reports at the first available meeting. As a result of the appointment, the members of the Credit Committee assume the status of "executive" directors. The Credit Committee also advises the Board of Directors in matters regarding credit operations within the latter's competence. It is made up of three to five directors, one of whom comes from the Veneto Region; the General Manager is also a member of the Credit Committee with voting rights. The appointments of the members of the Committees are normally decided in the first board meeting held after the appointment of the directors or, during the mandate, when their replacement becomes necessary or appropriate. The resolution appoints the chairpersons of the Committees from among their members and defines the methods for replacing them in the event of impediment or absence.

The Committees remain in office for the duration of the mandate of their members.

The members of the Committees are required to have (even general) knowledge, skills and experience in the matters pertaining to the respective Committees. The directors accept appointment to the Committees if they believe they can dedicate the time necessary to effectively carry out their duties.

Each Committee has a secretariat in the Bank's internal functions/departments who provides the documentation and information required for the committee to effectively perform its duties.

The role and organisation of the Committees are governed in detail by the respective internal regulations, approved by the Board of Directors and updated from time to time.

For more information on the *pro tempore* composition of the corporate bodies and committees, please refer to the document "Information on corporate governance" published on the Bank's website.

The Board of Directors (appointed by the Shareholders' Meeting of 1 April 2023)

Number of components	9 directors
Number of meetings (2025)	16
Gender balance	6 M and 3 F
Average age	52 years old
Average years in office	10 years old
Directors drawn from minority lists	no minority lists were submitted

The 2024 Board Committees (appointed by the Board of Directors of 1 April 2023)

Risks Committee	
Number of components	4 non-executive directors, of whom 3 are independent
Number of meetings	19
Committee of Independent Directors	
Number of components	3 independent non-executive directors
Number of meetings	12
Credit Committee	
Number of components	4 Executive Directors
Number of meetings	17

Self-assessment by the Board of Directors

In accordance with the provisions of the Bank of Italy's Supervisory Authority - Circular no. 285/2013, in the first months of 2025, the Board of Directors carried out its annual self-assessment (referring to the previous year) with the support of a specialised consultancy firm.
As part of this process, the information needed for the assessment was collected by means of a questionnaire, followed by individual in-depth interviews with the interested parties in order to gather further insights.
During the meeting of 28 February 2025, the Board of Directors discussed the results of the analyses carried out and subsequently drew up a conclusive document.
The self-assessment for the 2024 financial year showed an overwhelmingly positive judgement from all directors regarding the scope of the areas reviewed, confirming the proper functioning and dynamics of the Board of Directors. In addition, the self-assessment had highlighted a particular focus on the possible introduction of a Chief Executive Officer role into the Bank's governance. As mentioned above, the power to provide for the appointment of a Chief Executive Officer was approved by the Shareholders' Meeting on 16 October 2025 (see new Article 31 of the Articles of Association). The advisability of proceeding with the appointment of this figure was also confirmed in the self-assessment for the 2025 financial year, which was conducted in the first few months of 2026. Based on this self-assessment, and taking into account the experience gained during the three-year term that is about to expire, the outgoing Board of Directors also prepared the document "Optimal Qualitative and Quantitative Composition of the Board of Directors – Guidance to Shareholders on the Appointment of the Board of Directors for the Three-Year Period 2026–2028".

THE BOARD OF STATUTORY AUDITORS

The Board of Statutory Auditors supervises compliance with the legislation governing the activities of Volksbank and the proper administration and adequacy of the Bank's organisational, administrative and accounting structure. The Board of Statutory Auditors is required to report to the Bank of Italy on matters it becomes aware of when exercising the mandates provided for in art. 35 of the Articles of Association, where such facts may constitute an irregularity in Bank management or, in general, an infringement of the rules governing proper banking conduct.
The incumbent Board of Statutory Auditors was elected by the Shareholders' Meeting of 17 April 2025 for the three-year term 2025-2027.

The Board of Statutory Auditors (appointed by the Shareholders' Meeting of 17 April 2025)	
Number of components	3 standing auditors, 2 alternate auditors
Number of meetings (2025)	25(*)
Gender balance	2 M and 3 F
Age – standing auditors (average)	56 years old
Length of office – standing auditors (average)	6 years old
Statutory auditors drawn from the minority list	no minority lists were submitted

(*) 9 meetings relating to the previous Board of Statutory Auditors in office until the approval of the financial statements as at 31 December 2024.

Board of Auditors Self-assessment

In accordance with the provisions of the Bank of Italy's Supervisory Authority - Circular no. 285/2013, in January and February 2025, the Board of Statutory Auditors carried out its self-assessment with reference to the 2024 financial year with the support of an external consultant. At the end of this process, overall the auditors did not detect any specific critical issues in the functioning and composition of the Board of Statutory Auditors. Based on this self-assessment, while also taking into account the experience gained during the expiring three-year period, the outgoing Board of Statutory Auditors prepared the document "Optimal qualitative and quantitative composition of the Board of Statutory Auditors – Guidelines for Members on the appointment of the Board of Statutory Auditors for the three-year period 2025-2027".
In the first few months of 2026, the Board of Statutory Auditors carried out a self-assessment covering the first year of its term of office (2025); the results showed that all the statutory auditors expressed a broadly positive opinion regarding the scope of the areas under review.

1.12.4 REFORM OF ART. 26 OF THE CONSOLIDATED BANKING ACT (TUB)

Article 26 of the Italian Consolidated Banking Act ("TUB" - (It.) Legislative Decree 385/1993) provides that persons performing administrative, management and control functions at banks must be suitable for the performance of their duties and grants the Minister for the Economy and Finance a mandate to identify, by means of a decree adopted following consultation with the Bank of Italy, the requirements and eligibility criteria to be met by the officers, the limits on the number of positions they may hold in third party companies, the grounds on which they may be temporarily suspended from office and the duration of any such suspension, and the cases in which the requirements and eligibility criteria also apply to the heads of the main corporate departments in major banks.
On 15 December 2020, the decree of the Minister of Economy and Finance was published in the Official Journal containing the regulation on the requirements and criteria for suitability for carrying out the duties of the corporate officers of the banks, the provisions of which were applied in full to the appointments made after the date of its entry into force.
The main changes in the decree, compared to the superseded regulatory framework of 1998, are inspired by the guidelines of the European Central Bank (*Guide to fit and proper assessments* - May 2017) and propose some new parameters for the suitability of corporate officers, including:

- new criteria for propriety, independence, and independence of judgement, in addition to good reputation requirements;
- greater professionalism and competence, based on the principle of proportionality in relation to the size of the Bank;
- an exhaustive indication of the criteria of independence, under penalty of forfeiture of office;
- stricter criteria for assessing the commitment of company representatives, including their availability and the time they intend to dedicate to their mandate and stricter limits the holding of multiple positions;
- a review of the criteria for adequacy of the Board's collegiate composition.

The regulation significantly strengthens the standards of suitability of officers, partly by raising the requirements already envisaged by the previous regulations but above all through the introduction of new profiles (fairness, competence, independence of judgement, availability of time, limits on the accumulation of offices and search for a balanced collective composition by factors of diversity and complementary skills).

1.12.5 INTERNAL CONTROLS RELATED TO ACCOUNTING AND FINANCIAL REPORTING

The Internal Control System for corporate reporting can be understood as a process that, as it involves multiple corporate functions, can provide reasonable assurances as to the reliability of financial reporting, the reliability of accounting documents, and compliance with applicable legislation.
There is a close and clear correlation with the risk management process, which is the process of identifying and analysing those factors that may compromise the achievement of the company's objectives, in order to determine how these risks can be managed. In fact, an appropriate, effective risk management system can mitigate any negative effects on the company's objectives, including the reliability, accuracy, reliability and timeliness of accounting and financial information.
In order for the Bank to establish and maintain an adequate system of control over corporate reporting and assess its effectiveness, a comparative model must firstly be identified to which reference can be made. It must generally be accepted, rigorous, complete and therefore serve as a guide to proper implementation and evaluation of the control system.
The presence of an adequate system of administrative and accounting procedures and its proper functioning over time is verified according to specific methodologies defined in internal regulations and is partly achieved by the appropriate organisational unit established for this purpose, and partly by the same unit with the support of other corporate functions.
The scope of analysis must also take account of the components of the internal control structure at company level that affect financial reporting; these controls operate across the single line business processes.
Below please find a description of the main characteristics of the existing risk management and internal control systems in relation to the financial reporting process.

Identification of risks to financial reporting

Risks are identified primarily by analysing the risks that reside alongside the business processes from which financial reporting originates.
This activity involves defining quantitative and qualitative criteria.
Significant processes identified are defined as such if associated with material data and information, i.e. accounting items for which there is no possibility that they could contain errors that could potentially have a significant impact on financial reporting.
In each significant process, the most significant "assertions" are also identified, again according to assessments based on risk analysis. Assertions in the financial statements consist of the existence, completeness, need and valuation of rights, obligations, presentations and disclosures. The risks are therefore associated with the possibility that one or more assertions in the financial statements are not correctly recognised, with a consequent impact on reporting.

Assessment of financial reporting risks

Risk assessment is performed both at the overall corporate level and at the level of the specific process. The first category includes, with particular regard to financial reporting, risks of fraud and risks of IT systems functioning incorrectly or of failure to separate functions. At process level, the risks associated with financial reporting (operational errors, underestimation or overestimation of items, inaccurate reporting, etc.) must be analysed at the level of the activities making up the processes.
An assessment of relevant risks and controls associated with the critical processes of the Financial Reporting Officer is conducted using a risk-based approach, which has as a fundamental prerequisite the precise mapping of company processes.
The potential risk index is a summary assessment of the single risk event, the occurrence of which could cause direct/indirect economic and financial damage, damage to assets, sanctions, or damage to the company's reputation. It is recognised as part of the process and is independent of existing controls. The risk index is assessed on the basis of the intensity of potential damage and its frequency, i.e. the number of times the risk may occur. A combination of intensity and frequency gives rise to an indication of an inherent or potential risk.

Identification of controls for the identified risks

In the first instance, the focus centres on controls at company level that can be linked to data/information and the relevant assertions, identified and evaluated by monitoring the impact both at process and general level.
Company-wide controls can prevent or detect any significant errors although they do not operate at the process level. Having adopted a "risk based" approach, determination of critical processes and, within them, of accounting risks at process level, guides the analysis and involves the subsequent identification and evaluation of controls, which can mitigate the level of inherent risk and bring the residual risk within acceptable levels.

Assessment of controls in response to identified risks

An assessment of the control system used is carried out based on various elements: virtuous controls; timing and frequency; adequacy; operational compliance; organisational evaluation. An overall analysis of the controls of each risk is defined independently as a synthesis of the process of assessing the level of adequacy and compliance of the controls. These analyses summarise subjective considerations regarding the effectiveness and capacity of controls to control single risks. The overall assessment of risk management may be broken down into assessments of existence, adequacy and compliance.
The risk assessment process ends with a determination of the level of residual risk as a value resulting from application of the overall assessment of controls in relation to the inherent risks.
Information flows with the results of assessments are made available to the administrative bodies on a half-yearly basis as operating reports of the Financial Reporting Officer. These reports include: the results of determination of the critical scope of analysis, identification of accounting risks with related final valuation scores, a focus on the deficiencies and points for improvement detected and the relevant mitigation procedures, together with a summary of the adequacy and effectiveness of controls at the company level.
The Financial Reporting Officer is essentially at the top of the system overseeing the drafting of financial reporting. In order to pursue his mission, the Financial Reporting Officer has the power to lay down the organisational guidelines for an adequate structure within his remit.
Various company departments contribute to providing economic and financial information. Accordingly, the Financial Reporting Officer must establish a systematic and fruitful relationship with these offices.
The Board of Directors is responsible for ensuring that the Financial Reporting Officer has adequate powers and means to perform the tasks assigned to him, as well as ensuring actual compliance with administrative and accounting procedures.
The Financial Reporting Officer is required to inform the Board of Statutory Auditors promptly if any problems of an accounting, asset and financial nature arise.

The above model is being progressively refined as part of a project to formalise the administrative, accounting processes and relative controls. The subsequent integration of processes and controls in a specific application will enable the financial information controls system to evolve towards better management of growing company complexity.
The model used during 2025 is believed to provide sufficient guarantees for correct accounting and financial reporting. It should be noted, however, that we cannot be certain that dysfunctions or anomalies with an impact on accounting and financial reporting cannot occur, even if the internal control systems are established and functioning correctly.

1.12.6 THE INDEPENDENT AUDITING FIRM

The Shareholders' Meeting of 30 March 2019 appointed, pursuant to art.13 of Legislative Decree 39/2010 based on the motivated proposal by the Board of Statutory Auditors, the company KPMG S.p.A. to conduct the independent auditing of the accounts of Banca Popolare dell'Alto Adige S.p.A. for the years 2019 – 2027, within the terms and under the conditions contained in the Board Report for the Shareholders' Meeting decision.

1.12.7 MANAGEMENT OF CONFLICTS OF INTEREST AND TRANSACTIONS WITH RELATED PARTIES

The "Group Regulation for management of Transactions with related parties and connected Subjects" updated by the Board of Directors on 19 December 2023 sums up, in a single body of rules:
- prudential limits on risk activities by an individual related party;
- the constraints of overall exposure to all connected parties: the determination of the maximum ceiling is defined in the Risk Appetite Framework;
- procedures for the identification, approval and execution of transactions with related parties and internal rules to ensure the transparency and substantive and procedural propriety in making decisions on transactions, together with procedures for the fulfilment of public disclosure obligations, financial reporting requirements, and any other reporting requirement established by applicable legislation, including regulatory provisions;
- supervision of transactions in which an employee is a bearer of his own interest or of that of third parties, even when not in conflict with that of the BPAA;
- internal policies for controls on risk activities and conflicts of interest involving related parties;
- the responsibilities of the corporate departments involved.

The Regulation illustrates the procedures that, in compliance with the relevant rules and regulations, the Bank adopts to identify the "related parties" and their "connected" parties and to oversee the transactions carried out with related and connected counterparties and ensure compliance with the prudential limits for risk activities in relation to such transactions. This safeguard is designed to capture the risk that any proximity of certain parties to the decision-making centres could compromise the objectivity and impartiality of decisions on the granting of loans and other transactions with such parties, with possible distortions in the resource allocation process and the consequent exposure of the Bank to risks that are not adequately measured, to the potential detriment of depositors and shareholders.
The Bank uses IT systems for the automatic acquisition and reporting of the agreements and transactions entered into with the counterparties, Related Parties and Connected Subjects, identified in accordance with the Implementation Regulations of the relevant Provisions.
For further details on the management of transactions with related parties and connected persons, please refer to the documentation available on the Bank's website in the corporate-governance-documents section.

1.12.8 REMUNERATION POLICIES

On 18 November 2014, the Bank of Italy supplemented the Supervisory Provisions for banks (Circular no.285 of 17 December 2013) with a new chapter on remuneration and incentive policies that implements European Directive 2013/36/EU (CRD IV). In particular, the 25th update of the Circular, published on 23 October 2018, introduced a series of provisions mainly aimed at adapting the Italian regulatory framework to the EBA Guidelines on sound remuneration policies. The 37th update of the Circular published on 25 November 2021, implemented the changes introduced by Directive 2019/878/EU (CRD V) on this matter and the Guidelines of the European Banking Authority implementing the Directive (EBA/GL/2021/04). Starting from 2015, Volksbank has therefore launched an annual review process of the Remuneration Policies in order to guarantee the constant update and regulatory adaptation thereof. On 17 April 2025, the Shareholders' Meeting approved the Report on the Remuneration and Incentive Policies 2025, updated due to the changed regulatory context mentioned above, with the goal of pursuing its medium- and long-term company objectives. In particular, the Remuneration Policies in force include a bonus and incentive system anchored to the long-term performance of "key personnel" who have a greater impact on Bank risk. Therefore, in compliance with European legislator principles and Bank of Italy regulations, the Remuneration and Incentive Policies applied by Volksbank foresee payment of a part of variable remuneration in the form of financial instruments, deferment over time of a part of those variable payments, the prohibition to sell (for a set period of time) the financial instruments paid and a series of ex post corrective mechanisms, if the performance assumptions the remuneration received are based on prove to be wrong or, in worse cases, depended on the non-compliant conduct (or even fraudulent) of beneficiaries - so-called malus and claw-back mechanisms.

Neutrality of the gender pay system

With reference to the Remuneration Policies adopted or in compliance with national legislation and the most recent EBA Guidelines on sound and prudent remuneration policies, Volksbank aims to ensure, for the same activity carried out, that the personnel have an equal level of remuneration, also in terms of conditions for recognition and payment.

In terms of remuneration, therefore, Volksbank adopts the principle of neutrality which is duly set out in the annually reviewed remuneration and incentive policies. Therefore, objective and uniform criteria are applied for the assessment and disbursement of remuneration in compliance with the provisions of the remuneration policies applied by the Bank and the underlying code of ethics. In particular, the Bank's remuneration policies envisage and regulate a variable part of the remuneration linked to the achievement of individually assigned objectives which also take into account the professional profile covered by individual employees and, consequently, the responsibilities assumed by them. Specifically, the Volksbank Board of Directors - on the proposal of the Committee of Independent Directors and with the support of Human Resources - launched a formal process aimed at pursuing the highest level of pay parity within the structure. This process, aimed at the entire corporate population, was launched in 2021.

In 2025, as in previous years, as part of the analysis of best market practices (benchmarking) conducted in relation to the annual update and review of the remuneration policies applied in Volksbank, a precise process of analysis and evaluation of the gender pay was conducted gap (GPG) within the Bank. In this analysis, in addition to an analysis of roles and job classifications, a statistical approach was also used which divided the Bank's personnel into quartiles. In identifying the clusters for this approach, the personnel was therefore sorted in ascending order from the lowest to the highest gross overall remuneration.

In 2025, as in previous years, as part of the analysis of best market practices (benchmarking) conducted in relation to the annual update and review of the remuneration policies applied in Volksbank, a precise process of analysis and evaluation of the gender pay was conducted gap (GPG) within the Bank. In this analysis, in addition to analysing roles and job classifications, a statistical approach was used to divide the Bank's personnel into quartiles. In identifying the clusters, therefore, the personnel were sorted in ascending order. This approach was used on the basis of the indications contained in the EBA Guidelines "on benchmarking exercises on remuneration practices, the gender pay gap and higher ratios approved pursuant to directive 2013/36/EU" of 30 June 2022.

For the purposes of calculating any remuneration gaps, the Annual Gross Remuneration (RAL) and Annual Overall Remuneration (AOR) of the personnel was taken into consideration, which is calculated as the sum of the fixed component plus the variable bonus coming from the employee's performance. The GPG was analysed with respect to the mean and the median data of each quartile. The results did not bring to light any critical issues. It should be noted that, compared to the average RGL, the indicative threshold of 5% is not exceeded, excluding senior management:

- the first quartile presents a figure of -0.98%;
- the second quartile shows a figure of 0.80%;
- the third quartile shows a figure of 1.85%;
- the fourth quartile presents a figure of 4.61%.

1.12.9. INTERNAL CONTROL SYSTEM AND CONTROLLING RISKS

A detailed description of the single components of the internal control System and management and risk control activities is contained in this Report on Operations in paragraph 1.8 Management of Risks and in the Notes to the Financial Statements.

SUSTAINABILITY REPORTING

1.13.1 GENERAL INFORMATION

CRITERIA FOR DRAFTING

General Criteria for Sustainability Reporting (BP-1)

This document constitutes the Sustainability Report of Banca Popolare dell'Alto Adige S.p.A. (hereinafter also referred to as "Volksbank"), the parent company of the Banca Popolare dell'Alto Adige Banking Group, whose registered office is located at Via del Macello 55 in Bolzano. The Bank operates within the Italian national perimeter.
The document was drafted pursuant to Article 2 of Legislative Decree No. 125 of 6 September 2024, which transposed Directive (EU) 2022/2464 (the so-called Corporate Sustainability Reporting Directive or "CSRD").
The document has been prepared in order to ensure the comprehensibility of the information relating to the Bank's activities, as well as the other qualitative characteristics of the company as set out in ESRS 1, Appendix B, of Delegated Regulation (EU) 2023/2772, implementing the aforementioned European Directive.
The document provides information on Volksbank's sustainability according to the scope and reporting period adopted in the Annual Financial Report 2025 (1 January to 31 December). The document is therefore drawn up on an individual basis for the Parent Company alone. Any deviations in the data are reported with appropriate footnotes. With the exception of scope 3 GHG emissions and total emission intensity, all metrics related to relevant sustainability issues are provided on a comparative basis for the three financial years 2023, 2024 and 2025.
In accordance with the analysis carried out with reference to economic-financial reporting, Volksbank does not consolidate the investee companies in its Sustainability Report because of its assessment of their immateriality from the point of view of both economic-financial matters and impact, risks and opportunities.

List of investee companies and reasons for exclusion from the Sustainability Reporting [2]:

Valpolicella Alta Società Agricola S.r.l.	this is a company that holds leased agricultural land (a vineyard), over which the Bank does not exercise operational control.
Quartiere Brizzi S.r.l.	this is part of a real estate operation set up to develop a residential complex in the district of S. Zeno in Verona; the development of the complex is finished, the sale of the housing units is still to be completed.
Voba CB S.r.l.	the business is a securitisation vehicle for the purposes of issuing covered bank bonds. Collateral receivables are included in the Bank's assets.
Verona Green Living	this was a property development supported by a credit transaction with the bank acting as lender, and was subsequently acquired by the Bank. During FY2025, the only business carried out was in relation to the sale of the properties.
Tre S.r.l.	this company was set up to develop a plot of land in the province of Trento. The company is currently inactive and the Bank holds a 30% share.
Volksbank Lumina 1 S.r.l.	this is a special-purpose vehicle company established to build a photovoltaic plant intended to produce electricity for its own consumption. The acquisition of the entire shareholding in this company was completed in the second half of 2025.

Sustainability Reporting does not include information prescribed by other legislation containing sustainability reporting requirements or generally accepted sustainability provisions.
This Accountability Report took into account the Bank's upstream and downstream value chain in conducting the dual

(2) As of FY 2024, the company Tre S.r.l. is no longer included in the scope of financial consolidation.

materiality analysis, including information on impacts, risks and opportunities (i.e. "IRO") generated in the context of the Bank's direct and indirect business relationships, including investments and credit relationships with its customers. In accordance with the principle of materiality, the information included in the Report covers the most significant aspects of the upstream and downstream value chain.
Volksbank did not avail itself of the option to omit information corresponding to intellectual property, know-how or innovation results nor of the exemption from disclosure of information concerning upcoming developments or matters under negotiation.

Disclosure in connection with specific circumstances (BP-2)

With regard to medium- and long-term time horizons, the company has not deviated from the European regulations governing this report. In particular, the Bank has adopted the following ranges:
- short-term time horizon: the period adopted by the company as the reference period for its financial statements;
- medium-term time horizon: up to five years from the end of the short-term reference period defined in the previous point;
- long-term time horizon: beyond five years.

The Sustainability Report also includes the information required by Article 8 of Regulation (EU) 2020/852 of 18 June 2020 (the so-called "Environmental Taxonomy Regulation") and the related Delegated Regulations (EU) 2021/2178, 2021/2139, 2023/2485 and 2023/2486. The Communication of the EU Commission of 8 November 2024 (C/2024/6691) with reference to disclosure pursuant to Article 8 of the Taxonomy Regulation was taken into consideration when drafting the document.
In line with the provisions of Article 4, third paragraph, of the amending Delegated Regulation (the so-called Omnibus Delegated Act) adopted on 4 July 2025, for reporting relating to FY 2025, Volksbank has decided to apply the reporting rules in force until 31 December 2025 (i.e. the reporting rules provided for in the Delegated Regulation on disclosure in the version prior to the amendments introduced by the Omnibus Delegated Act).
The Bank presents, in the relevant chapter ("Environmental Disclosures", par. "Disclosure pursuant to Article 8 of Regulation (EU) 2020/852"), a description of the analyses carried out in FY 2025 in order to disclose to its stakeholders, through the templates provided by the Legislator, the data on exposures to eligible economic activities aligned with the Taxonomy for the 6 environmental objectives.
As not all the necessary information was available at the reporting date, the Bank applied the transitional provisions (so-called "phase-in") for this second reporting year with regard to information on its value chain associated with sustainability issues relevant to it.[3]. In order to include such information in future reporting exercises, the Bank has adopted a tool that will enable it to collect the relevant information across its value chain as well. Detailed information on this instrument, the so-called ESG Evaluation Tool, is given in the paragraph "Actions and resources related to sustainability issues relevant to sustainable finance and responsible lending (MDR-A)".
Due to the application of these transitional provisions, with the exception of Scope 3 GHG emissions, the metrics indicated by the Bank in this report do not include value chain estimates. It should also be noted that only for the metrics relating to GHG emissions, estimates[4] were used, for which, however, no major causes of uncertainty can be found.
In addition, with regard to the calculation of scope 3 GHG emissions from Business Loans granted by the Bank, it should be noted that this report includes a change to the preparation and presentation of information compared with the previous reporting period, following the switch from Exiobase to the CEDA database and the migration of the Bank's

(3) Article 19 bis, paragraph 3, Directive (EU) 2013/34/EU, transposed by Article 3, paragraph 4 of Legislative Decree 125/2024. For details of the relevant impacts along Volksbank's value chain, see the section entitled: "Relevant impacts, risks and opportunities and their interaction with the strategy and business model (SBM-3)".
(4) In detail, we refer to natural gas consumption (for the month of December 2025), as the precise figure was not yet available at the time of preparation of this document, and to scope 3 GHG emissions. Detailed information about the methods used for calculating GHG emissions is provided in the section entitled: "Gross scope 1, 2 and 3 GHG emissions and total GHG emissions (E1-6)".

counterparty mapping from the Ateco 2022 classification to Ateco 2025[5]. For more details on the advantages of the new methodology adopted and the revised comparative data, see section "Gross scope 1, 2 and 3 GHG emissions and total GHG emissions (E1-6)".

Information included by reference

The following is a list of ESRS disclosure requirements, or specific items of information required by a disclosure obligation, that have been included in the Sustainability Report by reference to other sections of the Management Report or other documents:

- Composition and diversity of the administrative, management and control bodies (ESRS 2, GOV-1, §21);
- Strategy, business model and value chain (ESRS 2, SBM-1);
- Generation and distribution of economic and financial value (ESRS 2, MDR);
- Cross-reference between the number of employees and the most representative figure in the balance sheet (ESRS S1-6, §50, f));
- Actions and resources related to sustainability issues relevant to sustainable finance and responsible lending (ESRS 2, MDR-A).

Governance

Volksbank is a joint-stock company with a "traditional" model of governance, consisting of two corporate bodies appointed by the Shareholders' Meeting, which expresses the will of the Shareholders through its resolutions: the Board of Directors (which in turn appoints the Board Committees) and the Board of Statutory Auditors.

The Statute assigns the exercise of social functions, according to their respective remits, to the:

- Shareholders' meeting;
- Board of Directors;
- Chairman of the Board of Directors;
- Executive Committee, currently not appointed;
- Chief Executive Officer, currently not appointed;
- Board of Statutory Auditors;
- General management.

The Bank's corporate governance is also expressed through various committees with deliberative or advisory and propositional functions vis-à-vis the Board of Directors. The committees described are:

- the Credit Committee (consisting of executive directors and the General Manager);
- the Independent Directors' Committee (composed of independent directors);
- the Risk Committee (composed of non-executive directors, the majority of whom are independent).

Finally, the Bank's Corporate Governance structure is implemented through further structures, among which the following are of particular importance:

- the Internal Audit O.U. [6];
- the Compliance O.U.
- the Anti-Money Laundering Operational Unit;
- lthe Risk Management Operational Unit

(5) And the consequent migration from the NACE Rev. classification. NACE Rev. 2 2.1.

(6) Organisational unit.

- The Manager in charge of preparing the corporate accounting documents;
- The Supervisory Board pursuant to Legislative Decree 231/2001

The organisational, procedural and control safeguards are defined in the internal regulations governing, in particular: the delegation of powers, the incentive and remuneration system, the conflict of interest management system, the information flow system.
For more details on the organisational model adopted by the Bank, please refer to the information on corporate governance published on the Bank's website (corporate governance section).

Role of the administrative, management and control bodies (GOV-1)[7]

The shareholders' meeting

The Shareholders' Meeting resolves in ordinary and extraordinary session on matters reserved to it by law and the Articles of Association.

Board of Directors

The Board of Directors is vested with the broadest powers for the ordinary and extraordinary management of the Bank, with the power to perform all appropriate acts for the achievement of the corporate purposes, with the exclusion of acts reserved by law and by the Articles of Association to the Shareholders' Meeting. The Board of Directors consists of 9 members, 44% of whom are independent.

With reference to the composition of the Board of Directors[8] in office for the three-year period 2023 - 2025[9] please refer to section 1.12.3 "The size profile and governance model of the Bank".

Composition of the BoD [10]		**2025**			**2024**			**2023**	
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Total members of the BoD (number)	3	6	9	3	6	9	3	6	9
Total member of the BoD (%)	33%	67%	-	33%	67%	-	33%	67%	-
Breakdown by age									
< 29 years old (number)	-	-	-	-	-	-	-	-	-
< 29 years old (%)	0%	0%	-	0%	0%	-	0%	0%	-
30-50 years old (number)	1	3	4	2	3	5	2	3	5
30-50 years old (%)	11%	33%	-	22%	33%	-	22%	33%	-
> 51 years old (number)	2	3	5	1	3	4	1	3	4
> 51 years old (%)	22%	33%	-	11%	33%	-	11%	33%	-

(7) This section on DR GOV-1 of ESRS 2 also covers requests for information for ESRS G1 GOV-1.
(8) The Board of Directors currently in office has established among its members: (i) the Risk Committee, which supports the Body with strategic supervision of the risks and internal control system (Statute, Art. 30); (ii) the Independent Directors Committee, which offers advice and gives opinions to the Board of Directors on how to minimise the risk to the Bank arising from potential resolutions with a conflict of interest (Statute, Art. 28 (2) (r); (iii) the Credit Committee which decides on the granting of credit within the limits of the executive powers conferred on it by the Board, to which it reports at the first useful meeting (Statute, Art. 32 (2)).
(9) For more information regarding the number of executive and non-executive members and the percentage of independent Board members, please refer to section 1.12.3 "The Size Profile and Governance Model of the Bank". Currently, there are no members representing employees on the administration, management and control bodies.
(10) The Board of Directors Diversity Regulation defines and formalises the criteria and objectives to be considered in relation to the individual relevant diversity drivers (in terms of age, seniority in office, gender diversity, background, collegial suitability), in order to foster an adequate degree of diversity within the Board of Directors, in compliance with the provisions of the law, including regulations in force at the time, the provisions of the Articles of Association and the best practices in the sector.

In accordance with the provisions of the sector regulations, the Board of Directors undergoes a periodic self-assessment process [11] at the end of which the Board identifies in advance, for appointment purposes, the collegiate composition deemed "optimal" with respect to the Bank's profile.
The directors must also meet the requirements of honourableness, professionalism and independence and must satisfy the criteria of competence aimed at proving their suitability to hold office (particularly with reference to their knowledge of the sector in which the Bank operates and the products and services offered) as well as the criteria of correctness in their personal and professional conduct in the past, as provided for by the laws in force, including regulations and bylaws. At least three directors, who may be non-executive directors, must meet the independence requirements of the law, including regulations, in force at the time.

The Board of Directors' role in overseeing relevant impacts, risks and opportunities

The Bank has adopted a Strategic and Operational Planning Policy to govern the set of principles and rules on which the entire planning process is based.
Strategic planning follows a top-down approach, involving first and foremost the Board of Directors which, as the body with strategic supervisory functions, defines the strategic guidelines and approves the Business Plan [12]. The Policy in force stipulates that multi-year non-financial objectives are also defined through the definition of specific ESG strategies. The Board of Directors, as the body with a management function (Board of Directors with General Management), is therefore responsible for the implementation of the strategic guidelines.
In this context, the role of the Board of Directors lies in the constant monitoring of the implementation status of the projects set out in the "I-mpact 2026" Business Plan, which consists of seven project streams outlining the strategic projects and the related detailed measures to be implemented over the course of the plan. The actions included in the Plan are considered a central strategic element in defining relevant impacts, risks and opportunities for the Bank.
In addition, the Bank has a Sustainability Policy that outlines strategies in terms of sustainability, both in compliance with the current regulatory framework and for the long-term development of the Bank and the ecosystem in which it operates. The Policy, the latest update of which was approved by the Board of Directors in July 2025, indicates: the regulatory framework, the functions involved and the main strategic choices concerning relevant sustainability issues. The Policy is drafted in accordance with the corporate strategy promoted by the Board of Directors and the values inspiring the Bank's operations. It is approved by the Board of Directors following a preliminary investigation by the Risk Committee and after obtaining the opinion of the control functions. The Sustainability/ESG O.U. is responsible for verifying the consistency of the Policy with the strategic guidelines in force at the time, for proposing the periodic updating of the document to the Board of Directors and for making minor changes, after obtaining the opinion of the control functions. The indications contained in the Policy apply to all processes that have as their object the implementation, supervision and monitoring of sustainability projects and objectives in the Bank, with precise reference to the provisions of the Business Plan. The scope therefore concerns the overall governance of sustainability issues in the Bank, which by its nature is transversal and pervasive as it involves all areas of operations, including the value chain. The integration of sustainability principles into day-to-day actions in all business areas is, in fact, a fundamental element for the Bank's positioning and reputation with respect to all its stakeholders.
The Policy is aligned with the core principles of sustainable finance, outlined at EU and national level, and is also inspired by international principles and initiatives, such as:

- OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, published by the Organisation for Economic Co-operation and Development (OECD);

(11) The self-assessment consists of gathering information through a questionnaire and individual interviews with the directors. The results of this analysis are brought to the attention of the shareholders in sufficient time for the information to be taken into account during the process of selection and appointment of the candidates, and are published on the Bank's website.
(12) The Finance Department, through the Strategic Planning and Controlling Organisational Unit, coordinates the entire strategic planning process, which includes the involvement of the Corporate Control Functions.

- United Nations Guiding Principles on Business and Human Rights (UNGPs), adopted by the United Nations Human Rights Council in 2011;
- ILO Conventions on fundamental human rights for the promotion of social justice and labour rights;
- ISO 37000:2021 "Governance & Organisation" certification;
- United Nations Global Compact (2000);
- United Nations Sustainable Development Goals (2015);
- Paris Agreement on Climate Change (2015);
- Recommendations of the Task Force on Climate-related Financial Disclosures (2017);
- UNEP FI Principle for Responsible Banking (PRB) (2019);
- Standard ISO 26000, a standard that provides guidelines on Corporate Social Responsibility (CSR) of companies and organisations;
- ISO 14001, a voluntary standard, applicable to any type of public or private organisation, which specifies the requirements for an environmental management system.

The Sustainability Policy addresses the areas of sustainability in terms of:

- resource management and environmental protection;
- people management and protection of universal rights;
- support for the local community;
- sustainable finance;
- ethical and transparent governance.

The Policy describes how the Bank intends to integrate these areas into its business in a responsible and respectful manner, whilst at the same time generating positive impacts for the environment and society, as well as opportunities for the Bank itself. In addition, as stated in the Policy, the Board of Directors in exercising its functions ensures the integration of impacts, risks and opportunities arising from sustainability issues into the business strategy, governance, processes, procedures and system of internal controls. In this context, the directors have the task of defining the strategic directions and guidelines in the ESG sphere, assuming responsibility for what the Bank has actually and concretely achieved in the monitoring of ESG risks, and of structuring a system of internal controls that allows for the effective identification and management of risks relevant to the business as well as the collection of non-financial information.

The Bank considers the interests of all stakeholders when defining its business strategy, in order to act as a responsible actor in the socio-economic-environmental fabric in which it operates and offer products/services in line with the needs of the community.

The Sustainability Policy is disseminated to internal stakeholders via the company intranet and to external stakeholders through publication of the principles on the Bank's website [13].

In December 2025, the Board of Directors also approved the Operational Sustainability Plan, which defines quantitative and qualitative targets, monitoring KPIs, operational levers and responsibilities for the achievement of the Bank's strategic objectives. It is based on the I-mpact 2026 Business Plan and translates the areas and strategic guidelines resulting from the Sustainability Policy into clear objectives and measurable targets, also in line with ongoing regulatory updates, representing a fundamental lever for strengthening the Bank's resilience and competitiveness [14].

Delegation of responsibility for the management of relevant impacts, risks and opportunities

The Board of Directors set up the Sustainability/ESG OU function, a staff function for the General Management, with the mission, inter alia, to support the General Management in defining the Bank's sustainability strategy and its implementation, as well as to define the plan to put into practice the sustainability strategy defined by the Top Management through the formalisation of a specific operational Roadmap. The control of the alignment of the Bank's performance with the

(13) Sustainability - G for Governance | Volksbank.
(14) For details on the areas of focus and the objectives defined in the Sustainability Policy and Operational Plan, please refer to the specific thematic sections.

multi-year planning follows the same procedure as for the economic-financial planning and is carried out through the evaluation of the main quantitative indicators and through the monitoring of the actual progress of the planned activities with respect to that envisaged in the plan. It should be noted that, where the monitoring activity reveals events or circumstances that may significantly hinder the achievement of the strategic objectives, the Bank assesses whether to revise the strategic plan or plan appropriate corrective actions.
The other bodies involved in the management of sustainability issues are: the General Manager, the Risk Committee, the Committee of Independent Directors and the individual relevant departments.
The General Management contributes to the management of impacts, risks and opportunities in the area of sustainability and supports the Board of Directors in the approval of the associated objectives, supervising their integration and defining suitable organisational structures for achieving them.
The Risk Committee, to which the Board of Directors has formally delegated oversight of sustainability issues as part of the plan to align with the Bank of Italy's supervisory expectations, plays a central role in monitoring relevant impacts, risks and opportunities. The Risks Committee supports the Board of Directors, providing advice on the risks and internal control system. In particular, in exercising the powers delegated to it, it is responsible for approving the results of the double relevance analysis once it has been shared by the relevant functions. At the same time, the Independent Directors Committee ensures that the incentives underlying the Bank's remuneration and incentive system also cover ESG risks, consistent with the RAF. The Bank also entrusted the Planning, Administration and Budget O.U. the task of overseeing the Sustainability Reporting process to be submitted for approval to the competent bodies, planning, designing and defining activities to identify and monitor impacts, risks and opportunities and to coordinate them at the level of the entire Organisation, with the support of the Sustainability/ESG O.U. These roles and responsibilities are formalised in the Regulations on the preparation of the Corporate Sustainability Report, drawn up by the Bank in 2025 [15].
Finally, the Sustainability/ESG O.U. coordinates the activities to define and implement the Bank's sustainability strategy, translating the strategic guidelines into operational elements and verifying that the measures implemented make it possible to achieve the objectives set out in the Operational Sustainability Plan, in compliance with the resolutions of the Board of Directors.
As regards the information flows addressed to the Board of Directors, it should be noted that, in addition to the quarterly monitoring of key quantitative indicators, the Bank monitors the implementation of the I-mpact 2026 Business Plan. In this regard, a qualitative monitoring of the individual macro-areas outlined in the Business Plan is submitted for the attention of the Board of Directors.
Regular reporting to the Board of Directors on the definition and management of the organisation's impacts on the economy, the environment and people, and on risks and opportunities, is also foreseen.

Remits of the Board of Directors on sustainability issues

In order to fulfil their role of managing and controlling sustainability issues, those involved in the reporting process, including Board members, data owners and Directors, attend annual training meetings on current regulatory developments held with the support of external experts. Some of these meetings take place in conjunction with the start of projects concerning the identification of relevant sustainability issues and their respective impacts, risks and opportunities, so as to ensure their proper identification and assessment.
In particular, as part of the continuing education plan for the Board of Directors, an in-depth session on ESG was held for the year 2025, with particular reference to the roles and responsibilities of corporate bodies on sustainability issues (also in light of the changes introduced by the CSRD Directive). This programme had already started in 2023, with a training session on ESG issues held by external speakers focusing on climate and environmental risks. In 2025, an induction session was also held to provide an understanding of developments in the ESG regulatory landscape (among others, the Omnibus Directive, taxonomic simplification, EBA ESG Risk Guidelines, and the development of VSMEs).

(15) For more information, please refer to the section "Risk Management and Internal Controls over Sustainability Reporting (GOV-5)".

The Board of Directors' self-assessment process for the 2025 financial year highlighted some areas for development, with particular reference to the opportunity to increase the Board's awareness of certain issues of particular importance. The continuing education programme for the year 2026 is therefore currently being planned, taking into account the findings of the Board of Directors' self-assessment process.

Board of Statutory Auditors

The Board of Auditors represents the controlling body of the Bank. It verifies the adequacy of administrative accounting and sustainability processes in accordance with the regulations in force. The auditing body, within the scope of the functions assigned to it by the regulations, monitors compliance with the provisions of the regulations and reports to the Assembly in its annual report. In addition, the Board of Statutory Auditors monitors the adequacy of the organisational structures defined by the directors for the pursuit of the strategic objectives identified in the socio-environmental field, as well as the system of internal controls and the procedures implemented by the directors for risk management and for the collection of data to be included in the sustainability reporting.

Information provided to the company's administrative, management and supervisory bodies and sustainability issues addressed by them (GOV-2)

Please refer to the sections "The Board of Directors' role in overseeing relevant impacts, risks and opportunities" and "Description of the process to identify and assess relevant impacts, risks and opportunities".

Integrating sustainability performance into incentive systems (GOV-3)[16]

As far as the Board of Directors is concerned, remuneration is divided into fixed and variable. The latter is only granted to directors with executive powers, i.e. members of the Credit Committee. The fixed remuneration for directors is approved by the Shareholders' Meeting when appointing the Board of Directors. In addition to the fixed remuneration, any remuneration for taking up positions on the Board of Directors and Board-appointed committees is added. These allowances are calculated in application of the Remuneration Policies that are approved annually by the Shareholders' Meeting.
The fixed remuneration of senior executives and the theoretical value of the variable part are determined by the Board of Directors, while the mechanisms for accessing and determining the bonus are set out in the remuneration policies. From 2023, Volksbank's Remuneration Policies include qualitative/quantitative ESG parameters in the performance evaluation of the most senior personnel. These Policies were updated and approved by the Board of Directors during the 2025 financial year: in line with 2024, 5% of the variable remuneration of the General Manager and Central Managers is assessed against the achievement of targets for the reduction of GHG emissions (scope 1+2) by 2.5% and the reduction of paper consumption by 5%. Therefore, compared with the previous year, specific target values have been set to achieve the objectives, rather than simply improving the figure.[17]. As of 2025, the Bank has also formalised in its Operational Sustainability Plan the objective of increasing the share of F2[18] level staff with ESG-linked remuneration components to 100% by 2026.
In the actual measurement of performance and the consequent quantification of the variable component, a weighting was therefore also introduced for ESG indicators, aimed at safeguarding the environment, in relation to which the Bank intends to achieve ever better performance. The Governance ("G") dimension is also intrinsically valued in the variable remuneration of all Key Personnel, integrated into the "pillars" of the Business Plan approved by the Board of Directors and, therefore, aligned with the overall performance of the Bank and its Staff.

(16) This section on DR GOV-3 of ESRS 2 also covers requests for information for ESRS E1 GOV-3.
(17) For further information on the updated Remuneration Policies, see the section "Policies relating to its own workforce (S1-1)"
(18) Second lines.

Duty of Care Statement (GOV-4)

Duty of care is the process by which companies identify, prevent and mitigate their actual and potential negative impact and account for how they address that impact. The duty of care can be included in broader business risk management systems.
The Bank is committed to integrating, in accordance with the OECD Guidelines and the United Nations Guiding Principles on Business and Human Rights, the duty of care into its policies and procedures. Its aim is to establish a system of rules for the identification and management of negative impacts on people and the environment, as well as the elimination or mitigation of the effects of any adverse events.

FUNDAMENTAL ELEMENTS OF THE DUTY OF CARE	SECTIONS IN SUSTAINABILITY REPORTING
a) Integrating the duty of care into the governance, strategy and business model	Role of the administrative, management and control bodies (GOV-1) Information provided to the company's administrative, management and supervisory bodies and sustainability issues addressed by them (GOV-2) Relevant impacts, risks and opportunities and their interaction with the strategy and business model (SBM-3) Description of the process to identify and assess relevant impacts, risks and opportunities (IRO-1)
b) Involving stakeholders at all key stages of the duty of care	Stakeholders' interests and opinions (SBM-2) Description of the process to identify and assess relevant impacts, risks and opportunities (IRO-1) Processes for engaging own workforce and workers' representatives with regard to impacts (S1-2) Processes for engaging consumers and end-users with regard to impacts (S4-2) Processes for engaging communities affected by impacts (S3-2) Processes for engaging employees in the value chain with regard to impacts (S2-2)
c) Identifying and assessing negative impacts	Description of the process to identify and assess relevant impacts, risks and opportunities (IRO-1)
d) Intervening to address negative impacts	No negative impacts were recorded for which the Bank had to intervene.
e) Monitoring the effectiveness of interventions and communication	The Bank communicates its due diligence systems and results through the annual Sustainability Report.

Risk Management and Internal Controls over Sustainability Reporting (GOV-5)

In 2025, the Bank formalised its Regulation on corporate sustainability reporting. It defines the bodies and functions involved in the process of preparing, interpreting, approving, supervising, publishing and updating the document as a whole, in addition to what has already been defined for the control functions in the Sustainability Policy.
In this document, the Bank has established a structured process of internal controls related to sustainability reporting. In order to reduce the risk of concentration[19], the individual data owners[20] carry out a first-level qualitative-quantitative check on the data collected, also through the operational contact persons [21], with regard to the topics falling within their remit.

([19]) With regard to the concentration risk in connection with sustainability reporting, risks such as the completeness and integrity of data, the accuracy of estimation results, the availability of upstream and/or downstream value chain data and the timeframes with which information is made available are considered (see ESRS 2, RA 11).
([20]) Data owners are the Bank's internal resources in charge of executing, implementing and coordinating the activities involved in the Sustainability Reporting process.
([21]) The operational contact persons are the internal resources of the Departments involved in the Reporting Process. They act as contact persons in the collection of data related to their duties and are accountable to the data owners.

The Planning, Administration and Budget O.U.s, in collaboration with the Sustainability/ESG O.U., performs a plausibility check on the consistency and completeness of the data provided, comparing it where possible with other sources and verifying its continuity, investigating any significant discrepancies.
The Compliance and Internal Audit O.U.s constitute the second and third level control functions as defined in the Internal Control System (ICS) Policy. They carry out, each within their respective remits and in accordance with their respective business plans, ex-post controls in the field of data governance and data quality.
The Financial Reporting Officer, with the support of the Internal Audit function, is responsible for communicating to the Board of Directors his or her considerations regarding the adequacy and reliability of the administrative-accounting and sustainability reporting procedures. Therefore, they are also responsible for identifying any critical issues and defining any areas for improvement in terms of content and process for subsequent reporting.
The Board of Statutory Auditors, among other duties, oversees the system of internal controls and procedures implemented by the directors for risk management and for the collection of data for the Sustainability Report[22]. The role of the Board of Directors is also fulfilled in the constant monitoring of this process aimed at structuring a system of internal controls that allows the effective identification of risks relevant to the company as well as the preparation of a document without significant errors due to fraud or unintentional conduct or events.

Strategy

Strategy, business model and value chain (SBM-1)

Volksbank's I-mpact 2026 Business Plan sets out the objectives that the Bank intends to achieve as elements of its strategy, in line with the 10 fundamental principles that guide its business.[23] It details the 21 strategic initiatives that the Bank plans to pursue within five vertical streams and two cross-functional streams, broken down as follows:
- A – Evolution of service models;
- B – Geographic growth;
- C – Quality banking;
- D – Asset liability management;
- E – Human capital;
- F – Social responsibility and closeness to the community;
- G – Digital transformation.

This Plan intends to continue along the virtuous path followed by the previous "Sustainable 2023" Business Plan, capitalising on its results and promoting ESG initiatives. In fact, the two cross-functional streams include the strategic measures that the Bank intends to pursue in the areas of environmental protection, people and the local community.
As a defining pillar of Volksbank's activities, the double materiality analysis carried out to identify the sustainability issues on which the annual sustainability reporting will focus begins by mapping, where possible, the streams in the Business Plan to the topics set out in the ESRS, in order to identify the impacts, risks and opportunities that are the subject of the materiality assessments.
This analysis, in turn, is a key tool for defining the operational objectives towards which the Bank directs its initiatives, which are included in the broader Operational Sustainability Plan.
Volksbank's Operational Sustainability Plan is, in fact, the result of the experience gained by the Bank in 2024, at the end of the work on the first reporting under the CSRD, and of the joint work of cross-functional working groups, set up with the aim of defining quantitative targets, monitoring KPIs, operational levers and responsibilities for the achievement of the strategic objectives, subject to approval by the Board of Directors and after consulting the Risk Committee.

(22) For more information on the role of the Board of Statutory Auditors, see section "Role of the administrative, management and control bodies (GOV-1)".
(23) More details on the strategic guidelines and, specifically, on the I-mpact 2026 Business Plan are also available on the Volksbank website.

The strategic areas detailed here have therefore been translated into clear objectives and measurable targets, which will be updated from time to time based on the new needs that emerge from the strategic direction adopted by the Bank, the evolution of the regulatory and market environment, and the expectations of stakeholders. These guidelines, identified in Volksbank's Sustainability Policy, cover the following aspects:

- Resource Management;
- People Management;
- Local Communities;
- Sustainable Finance;
- Ethical Governance.

Below are the details of the operational objectives and targets defined in the Bank's Operational Sustainability Plan:

STRATEGIC AREAS	OPERATIONAL OBJECTIVES	TARGET	YEAR TARGET
Resource management	GHG reduction	a) 42% reduction in scope 1 and scope 2 GHG emissions compared to the baseline (2021) b) Completion of scope 3 GHG emissions baseline	a) 2030 b) 2026
	ESG supply chain criteria	ESG assessment of 100% of suppliers within the defined scope	2026
	Digitalisation	5% reduction in paper purchases	2026
People management	Diversity, Equity & Inclusion (DEI)	a) Women to represent 30% of leadership roles among new appointments b) Reduction of the Gender Pay Gap by job category to ±5%	a) 2028 b) 2027
	Employee well-being	Maintaining voluntary turnover below 3.5%	2026
Local communities	Support for vulnerable people, families, the environment	a) 150,000 km social green mobility projects b) 500 beneficiaries of projects on fragility, family and childcare	a) 2026 b) 2026
	Creating value for the local area	a) 3,000 participants in physical events b) 1.8 million views for the 4th season of the financial education programme c) Maintenance or increase in the number of access points in areas at risk of financial exclusion	a) 2026 b) 2026 c) 2026
Sustainable finance	Green lending	a) Corporate green lending €120 M b) Private green loans €50 M	a) 2026 b) 2026
	ESG counterparty profiling	ESG score for 40% of companies within the set scope	2026
	ESG investments for retail customers	75% of funds under Articles 8 and 9	2026
	Financial inclusion	Development of a framework for physical, digital and communication accessibility	2026
Ethical governance	ESG governance	a) Improvement of the Bank's MSCI entity rating to "AA" b) 100% F2 staff with ESG KPIs	a) 2027 b) 2026
	Integration of ESG risks	Portfolio exposure limit for high climate and environmental risk (regulatory development)	2026
	ESG data management	Activation of the ESG data portal	2026
	Ethical policies	Achievement of ISO 30415 and ISO 14001 certifications	2026

For detailed objectives and activities, please refer to the discussion in the respective thematic sections. For further information on Volksbank's activities and business model, please refer to sections 1.3 "Significant events during the year", 1.5 "The distribution model" and 1.6 "Banking activities".

Stakeholder interests and opinions (SBM-2)[24]

Volksbank has implemented over the years a process of mapping and identifying the categories of stakeholders of key interest to the Bank. The analysis was carried out with reference to the criteria defined by the AccountAbility 1000 Standard (AA1000). The level of relevance for each category of stakeholders was defined on the basis of two variables: the influence exercised by the stakeholder on the Bank and the dependence of the stakeholder on the Bank's activities and decisions. This made it possible to prepare a map of the main stakeholders.

Already in 2021, the Bank conducted a workshop with a team representing the banking business as a whole and subsequent discussion with the Management, with a view to defining the Stakeholder Relationship Management Matrix, a tool for mapping and prioritising the most relevant categories of stakeholders for the company, considering their degree of dependence and influence on the Bank. The most relevant stakeholders identified are listed below:

- Customers
- Employees
- Suppliers
- Shareholders
- Institutional investors
- Business partners
- Commercial network
- Other financial intermediaries

Based on the analysis carried out in 2021 with the involvement of all main functions of the Bank, the stakeholder tree, i.e. the list of categories and subcategories of the main stakeholders of Volksbank, was updated in 2024. This mapping was also considered valid for 2025.

The Bank considers the opinions and interests of its main stakeholders as key elements in defining its strategy and, for this reason, promotes opportunities for shareholders, customers, employees and other stakeholders to enter into active dialogue with the Bank.

In order to collect and make the most of this information, Volksbank has implemented several initiatives to listen to and structurally involve its main stakeholders, aimed, in particular, at employees and customers, which it involves through biannual surveys and opportunities to meet and talk with its suppliers and strategic partners. In 2025, the Bank also carried out a customer satisfaction survey and a brand awareness survey. This type of activity is normally carried out every two years. The results of these surveys are key tools for assessing the effectiveness of the Bank's strategy and identifying possible areas for improvement.

Furthermore, the interests and opinions of the main stakeholders were analysed and duly taken into account during the dual relevance assessment process, and the results of this activity were shared with the Risk Committee and the Board of Statutory Auditors and approved by the Board of Directors. For more details, see the section "Description of the process to identify and assess relevant impacts, risks and opportunities (IRO-1)".

Relevant impacts, risks and opportunities and their interaction with the strategy and business model (SBM-3)[25]

Volksbank identified relevant impacts, risks and opportunities for its organisation and along the value chain through the double relevance analysis as prescribed by the ESRS Standard. The results of the analysis were reported in a summary table in the section "Description of the process to identify and assess relevant impacts, risks and opportunities (IRO-1)".

(24) This section on DR SBM-2 of ESRS 2 also covers requests for information for: ESRS S1 SBM-2, ESRS S2 SBM-2, ESRS S3 SBM-2 and ESRS S4 SBM-2.

(25) This section on DR SBM-3 of ESRS 2 also covers requests for information for: ESRS E1 SBM-3, ESRS E4 SBM-3, ESRS S1 SBM-3, ESRS S2 SBM-3, ESRS S3 SBM-3 and ESRS S4 SBM-3.

Managing impacts, risks and opportunities

Description of the process to identify and assess relevant impacts, risks and opportunities (IRO-1) [26]

For FY 2025, Volksbank has identified the sustainability issues on which to focus its reporting by updating the double relevance analysis carried out in FY 2024[27] , analysing and evaluating both the impacts that the company's activities are able to generate on the environment and people ("impact materiality"), and the implications of a more or less effective management of ESG aspects on the resilience and business continuity of the Bank ("financial materiality").

A sustainability issue is relevant from the point of view of impact when it concerns the relevant effects of the company, negative or positive, actual or potential, on people or the environment in the short, medium or long term. Impacts include those related to the company's own operations and to the upstream and downstream value chain, including through its products and services and business relationships. Business relationships include those in the enterprise value chain, upstream and downstream, and are not limited to direct contractual relationships.

A sustainability issue is relevant from a financial point of view if it entails, or can reasonably be expected to entail, significant financial effects on the company. This is the case when a sustainability issue generates risks or opportunities that have, or can reasonably be expected to have, a material influence on the company's development, its financial position, results of operations, cash flows, access to financing or cost of capital in the short, medium or long term. Risks and opportunities may arise from past or future events. The financial relevance of a sustainability issue is not limited to aspects within the control of the company, but includes information on material risks and opportunities attributable to business relationships that are outside the scope of consolidation used in preparing the financial statements.

A sustainability issue is relevant if it is prioritised from the perspective of impact materiality, financial materiality or both.

The process

The materiality assessment was carried out in response to the mandatory requirements of the European Sustainability Reporting Standards (ESRS), in line with the guidelines for the implementation of the double materiality assessment issued by the European Financial Reporting Advisory Group (EFRAG)[28] and with the recommendations of the European Securities and Markets Authority (ESMA) [29].

Since the industry standard for financial institutions is currently not available [30], the Bank conducted a benchmark analysis to identify sustainability issues relevant to its segment. This analysis identifies the context of the sector in which the Bank operates and provides valuable information for the subsequent stages of the process.

Specifically, 15 competitors and peers of Volksbank were identified and evaluated. The analysis was carried out by examining the positioning of the companies in the sample with reference to publicly available information on impacts, risks and opportunities relevant to the industry [31]. In order to further corroborate the robustness of the results that emerged and to refine the analysis from a *financial* perspective, a consistency analysis was carried out with respect to the Sustainability Accounting Standard Board (SASB) as an internationally recognised tool to identify potential material areas and issues in the reference sectors. By affinity with the reality of Volksbank, the reference segment identified by the SASB is "Commercial Banks".

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(26) This section on DR IRO-1 of ESRS 2 also covers requests for information for: ESRS E1 IRO-1, ESRS E3 IRO-1, ESRS E4 IRO-1, ESRS E5 IRO-1 and ESRS G1 IRO-1.

(27) The dual materiality analysis approach was implemented for the first time during FY 2024 to meet new regulatory requirements and therefore differs from what was carried out in previous periods (based on the GRI standard).

(28) EFRAG IG 1: Materiality Assessment Implementation Guidance.

(29) European common enforcement priorities for 2025 corporate reporting and the survey "Materiality matters (!)", dated 14 October 2025.

(30) In its mandate, EFRAG was also tasked with developing the so-called ESRS Sector Standards, which describe impacts, risks and opportunities that are likely to be material for companies in a specific sector and are not sufficiently covered by ESRS Topical Standards.

(31) For the purposes of the analysis, the information published in the section on Sustainability Disclosure in the Annual Reports of the competitors under analysis was taken into account.

The sustainability issues that emerged from the benchmark confirmed the areas of interest for Volksbank and constituted the areas to focus on with respect to the themes, sub-themes and sub-sub-themes listed by the standard itself and associated with the ESRS Topical Standards. In addition, Volksbank has identified a number of "entity-specific" issues, on the basis of which it has then drawn up an entity-specific disclosure on relevant impacts, risks and opportunities. For each entity-specific topic not covered by the ESRS disclosure requirements, all minimum disclosure requirements[32] under ESRS 2 with reference to specific policies, actions and objectives were reported within the respective sections[33].

Impact relevance

In making the impact relevance assessment, Volksbank considered the list of sustainability issues covered in the thematic ESRS, starting with the table in ESRS 1, Appendix A, RA 16. Consistent with the same ESRS requirement, the Bank also considered its specific situation by assessing the business and market environment, as detailed below:

- analysis of relevant corporate documentation evidencing the Bank's impacts on the external environment, as well as the resulting ESG commitments and policies, including first and foremost the project streams identified in the I-mpact 2026 Business Plan, within which a number of objectives related to cross-cutting ESG spheres have been identified, the Operational Sustainability Plan and the latest surveys conducted among private and corporate customers;
- focus groups and interviews with representatives of the main functions involved in Sustainability Reporting;
- analysis of sectoral documentation published by international bodies[34].

The analysis thus made it possible to identify a sample of potentially significant direct impacts arising from the Bank's business.

At the same time, an analysis was carried out to identify indirect impacts that are generated or could be generated along the Bank's value chain. In application of the materiality principle, the analysis was conducted in particular on the part of the value chain that concerns the Bank's customers, who account for the largest share of the loan portfolio, i.e. companies (60%)[35]. Compared with FY2024, the analysis was extended to the entire scope of companies operating in sectors that contribute to climate change, the so-called Climate Policy Relevant Sectors (or CPRS), which account for 75%[36] of total corporate receivables. The analysis also included the upstream value chain, in order to identify potentially relevant impacts arising from the activities undertaken by the Bank's strategic suppliers. These aspects were discussed at workshops organised with the relevant departments. To identify potentially relevant impacts, risks and opportunities along the value chain, in addition to ESRS benchmarking, it was also decided to consult the international SASB standard. For each high climate impact sector or CPRS, the relevant sector standards were therefore consulted and specific sustainability issues of potential relevance were identified.

On the basis of this initial screening, a total of 61 potentially relevant impacts were identified, of which 17 were indirect impacts associated with the above-mentioned sectors, attributable to the topics included in the table of ESRS 1, Appendix A, RA 16 (in particular ESRS E1, E2, E3, E4, E5, S2, S4, G1).

Each impact identified was classified in terms of: direct/indirect, positive/negative, actual/potential. The perimeter of the impact itself was also defined, understood as the perimeter within which impacts, whether positive or negative, actual or potential, occur (with consequent effects on the stakeholders concerned).

(32) The sections dealing with "entity specific" topics are, respectively: "Technological innovation and digitisation" and "Sustainable finance and responsible lending".
(33) Minimum Minimum Disclosure Requirement (MDR).
(34) OECD - 2017, Responsible Business Conduct for Institutional Investors; 2019, Due Diligence for Responsible Corporate Lending and Securities Underwriting; 2022, Responsible Business Conduct Due Diligence for Project and Asset Finance and information from Business & Human Rights Resource Centre. TNFD – 2025, Evidence review on the financial effects of nature-related risks; 2025, Discussion paper on identification, assessment and disclosure of dependencies and impacts on nature in financial portfolios (open for consultation).
(35) Figure as at 31.12.2023 (source: Volksbank's 2023 DNF).
(36) Figure as at 31.12.2023 (source: Volksbank's 2023 DNF).

Two complementary stakeholder engagement approaches were adopted to assess the relevance of the impacts:

- all impacts, direct and indirect, were assessed through an online survey by the Bank's restricted internal working group, composed of representatives of the Sustainability/ESG and Planning, Administration and Budget Operational Units (direct stakeholder engagement);
- all impacts, direct and indirect, were assessed by an expanded internal working group at the Bank, composed of the main representatives of the various corporate functions,[37] based on their specific areas of responsibility and taking into account the interests of the main categories of stakeholders with whom each representative interacts on a daily basis (indirect stakeholder engagement). The assessment took place during a workshop, during which the identified representatives were divided into working groups according to their specific areas of competence. On this occasion, the opinions of all the representatives involved were collected, as well as any ideas for reflection on the long-list of identified impacts.

For more details, see the section "Stakeholders' interests and opinions (SBM-2)".

Once all evaluations were collected, they were aggregated and appropriately (numerically) reprocessed to obtain the list of relevant impacts for Volksbank. The results of this aggregation were reviewed and validated by the Management. In particular, the relevant impacts were defined on the basis of specific materiality thresholds identified with reference to the nature of the impacts themselves: actual negative impacts were assessed according to the severity of the impact, while potential negative impacts were assessed according to the severity and likelihood of the impact. The assessment of severity was further broken down into the evaluation of the following factors:

- the magnitude: how serious is the negative impact on people or the environment;
- scope: how widespread the negative impacts are. In the case of environmental impacts, the scope can be understood as the extent of environmental damage or a geographical perimeter. In the case of impacts on persons, the scope can be understood as the number of persons adversely affected;
- the irremediable nature of the impact: whether and to what extent the negative impacts can be remedied, i.e. by restoring the environment or affected persons to their original state.

In the case of a potential negative impact on human rights, the severity of the impact outweighs its likelihood.

With regard to positive impacts, relevance was assessed according to the following aspects:

- the magnitude and extent of the impact with regard to actual impacts; and
- the magnitude, extent and likelihood of the impact with regard to potential impacts.

Financial relevance

In making the financial relevance assessment, Volksbank considered the list of sustainability issues covered in the thematic ESRS, starting with the table in ESRS 1, Appendix A, RA 16. A list of potentially significant risks and opportunities associated with the Bank's business was drawn up in line with the same ESRS requirement.

To this end, Volksbank considered its specific situation by assessing the business and market environment, as detailed below:

- consultation, in October 2025, of the ENCORE[38] platform, which enabled the Bank to assess its dependencies on natural and social resources. This initial screening did not reveal any significant dependencies for Volksbank's business;

(37) The functions were identified based on the results of the updated stakeholder mapping carried out in FY 2024, starting with the categories in the AccountAbility 1000 standard and subsequently related to the stakeholders identified by Volksbank during the reporting process in previous years. These categories were then evaluated according to the criteria of influence and dependence in order to identify the level of relevance and therefore stakeholder engagement.

(38) Platform recognised by the European Commission and promoted by the UN with the aim of identifying impacts and dependencies on natural and social resources for financial institutions and companies. The platform allows one to select the type of sector, sub-sector and activity to narrow the scope of analysis and identify the specific dependencies of a particular business. Please note that ENCORE only lists direct potential dependencies and impacts of production processes on ecosystem services and natural capital, excluding dependencies and impacts occurring through the supply chain.

- consideration of the analyses carried out during impact identification to pinpoint potential opportunities related to the Bank's dependencies and value chain, as well as any risks or opportunities arising from the identified impacts;
- benchmark analysis relative to the sector39;[39];
- consistency analysis with respect to what is reported by the SASB;
- analysis of the main international frameworks, particularly those defined by the TNFD[40].
- analysis of relevant corporate documentation evidencing ESG risks identified by the Bank, including primarily ICAAP and ILAAP assessments, RAF/RAS, Atlante and Risk Management Regulations, and relevant to opportunities that may arise from sustainability issues, primarily the I-mpact 2026 Business Plan and the Operational Sustainability Plan in which targets and related initiatives are reported;
- focus group with key stakeholders involved in sustainability reporting, particularly the Risk Management, Strategic and Operational Planning, and ESG/Sustainability operating units.

With particular reference to the risk assessment, for FY 2025, the update of the analysis of the significance of ESG risks pursuant to the CSRD was carried out in line with the information available at the time relating to the analyses already conducted by the Bank as part of its risk management processes.

In parallel with the double materiality analysis, the Bank has also initiated a gap analysis with respect to the EBA Guidelines on ESG risk management, with a view to defining an action plan aimed at the gradual alignment of ESG risk management processes, including the related materiality assessment, with the provisions of the European Banking Authority.

The definition of the list of potentially significant risks subject to assessment therefore included a refinement in the characterisation of the risks analysed, with particular reference to physical climate and transition risks with respect to the Bank's traditional risks. For each risk, the risk driver was identified, attributable to the Bank's own operations or its value chain, as well as the nature of the financial effect and its time horizon.

The assessment of materiality, in terms of inherent risk, therefore involved the assignment of a qualitative judgement of the potential magnitude of the financial effects and of their probability of occurrence by the Bank's Risk Management OU, taking into account the nature of the associated financial effects and their respective time horizons.

At the same time, with regard to the assessment of opportunities, potentially relevant opportunities were assessed on the basis of their potential magnitude and probability of occurrence, involving the Strategic and Operational Planning O.U. in this regard, in order to assign a specific degree of relevance to each of them in line with the Bank's strategic and operational sustainability planning, taking into account the nature of the financial effects associated with the individual opportunities and their time horizons.

The results of the double materiality analysis were subsequently reviewed and validated by the Management of Volksbank, then approved by the Board of Directors[41] and shared with the Board of Statutory Auditors.

Below is the list of impacts, risks and opportunities related to sustainability issues that emerged as relevant as a result of the above-mentioned update process.[42]

(37) The functions were identified based on the results of the updated Stakeholder Mapping carried out in FY 2024, starting with the categories in the AccountAbility 1000 standard and subsequently related to the stakeholders identified by Volksbank during the reporting process in previous years. These categories were then evaluated according to the criteria of influence and dependence in order to identify the level of relevance and therefore stakeholder engagement.

(38) Platform recognised by the European Commission and promoted by the UN with the aim of identifying impacts and dependencies on natural and social resources for financial institutions and companies. The platform allows one to select the type of sector, sub-sector and activity to narrow the scope of analysis and identify the specific dependencies of a particular business. Please note that ENCORE only lists direct potential dependencies and impacts of production processes on ecosystem services and natural capital, excluding dependencies and impacts occurring through the supply chain.

(39) In line with, and as a complement to, the analysis carried out on the relevance of the impact.

(40) TNFD – 2025, Evidence review on the financial effects of nature-related risks; 2025, Discussion paper on identification, assessment and disclosure of dependencies and impacts on nature in financial portfolios (open for consultation).

(41) On 19.12.2025.

(42) With regard to all information related to the value chain but not available at the time, the Bank applies the phase-in provided for by the CSRD and Legislative Decree 125/2024; evidence is given in the Sustainability Report of the efforts and plans the Bank has put in place to collect this information with a view to disclosing it in future years.

IMPACTS RELATED TO SUSTAINABILITY ISSUES RELEVANT TO VOLKSBANK								
ESRS TOPIC	**ESRS SUB-TOPIC**	**ESRS SUB-SUB-TOPIC**	**RELEVANT IMPACTS**	**NATURE OF THE IMPACT**			**PERIMETER OF IMPACT**	**TIME HORIZONS OF OCCURRENCE[43]**
				Direct/ Indirect	**(Positive/ Negative)**	**(Actual/ Potential)**		
ESRS E1	Climate change adaptation	-	Promotion of the climate transition through the provision or promotion of projects aimed at implementing measures to adapt to climate change (e.g. securing buildings, urban redevelopment to combat heat islands, etc.)	Direct	Positive	Actual	Pervasive	Long
	Climate change mitigation	-	Generation of direct and indirect Scope 1 and 2 GHG emissions	Direct	Negative	Actual	Pervasive	Long
			Generation of indirect GHG emissions (Scope 3) related to the securities and receivables portfolio, corporate travel and purchases of goods and services	Indirect	Negative	Actual	Pervasive	Long
	Energy	-	Supporting the energy transition through efficiency enhancement processes, the use of renewable energy and the promotion of targeted initiatives (e.g. the creation of energy communities, the construction of photovoltaic systems, etc.)	Direct	Positive	Actual	Pervasive	Long
			Failure to reduce GHG emissions into the atmosphere due to high electricity consumption and failure to adopt innovative technologies	Indirect	Negative	Actual	Pervasive	Long
ESRS E3	Waters	Water consumption / withdrawal	Supporting the responsible management of water resources aimed at reducing the impact of production activities in areas with high water stress (e.g. in Veneto)	Indirect	Positive	Actual	Value chain	Long
ESRS E4	Factors with a direct impact on biodiversity loss	Change in the use of land, freshwater and the sea	Promoting the protection of the Alpine landscape by financing companies (e.g. active in the Construction, Accommodation Services, etc. sectors) that are careful to preserve the conditions of ecosystems	Indirect	Positive	Actual	Value chain	Long
ESRS E5	Waste	-	Contribution to the generation of large quantities of waste, leading to pollution problems and disposal difficulties, due to the significant financing of particular sectors (e.g. Manufacturing, Wholesale, Construction, etc.)	Indirect	Negative	Actual	Value chain	Medium

(43) With reference to the time horizon defined for significant impacts, account was taken of the assessment provided through an online survey by the Bank's restricted internal working group. In the event of conflicting assessments, the evaluation provided by the Sustainability/ESG unit's contact person was taken into account, given their specific area of expertise.

IMPACTS RELATED TO SUSTAINABILITY ISSUES RELEVANT TO VOLKSBANK								
ESRS TOPIC	ESRS SUB-TOPIC	ESRS SUB-SUB-TOPIC	RELEVANT IMPACTS	NATURE OF THE IMPACT			PERIMETER OF IMPACT	TIME HORIZONS OF OCCURRENCE
				Direct/ Indirect	(Positive/ Negative)	(Actual/ Potential)		
ESRS S1		Adequate salaries	Guarantee of fair and competitive remuneration through merit-based pay policies and supplementary benefits for employees and their families	Direct	Positive	Actual	Internal	Short
		Work-life balance	Satisfaction and mental and physical well-being of employees, including through the development of tools to ensure work-life balance, the provision of adequate working conditions and benefits	Direct	Positive	Actual	Internal	Short
			Expansion of family support through childcare initiatives for Bank staff and indirect economic initiatives for inclusion in educational and/or sports activities	Direct	Positive	Actual	Internal	Medium
			Increase in staff turnover due to ineffective welfare policies and initiatives aimed at safeguarding employee well-being	Direct	Negative	Potential	Internal	Short
	Equal treatment and opportunities for all	Training and skills development	Growth in staff skills, capabilities and, consequently, motivation through continuously delivered training and professional development programmes, also aimed at supporting generational transition	Direct	Positive	Actual	Internal	Medium
		Diversity	Contribution to a better internal climate and employee engagement through high levels of inclusiveness and meritocracy in the workplace	Direct	Positive	Potential	Internal	Short
		Measures against violence and harassment in the workplace	Ensuring the protection of staff against incidents of violence or harassment in the workplace, through appropriate reporting channels, as well as disciplinary procedures and sanctions aimed at preventing and effectively managing them	Direct	Positive	Actual	Internal	Short
	Other work-related rights	Privacy	Adoption and implementation of policies and internal control systems to safeguard privacy, in order to prevent the use (intentional or otherwise) of confidential information for business purposes, to the detriment of employees	Direct	Positive	Actual	Internal	Short

IMPACTS RELATED TO SUSTAINABILITY ISSUES RELEVANT TO VOLKSBANK								
ESRS TOPIC	**ESRS SUB-TOPIC**	**ESRS SUB-SUB-TOPIC**	**RELEVANT IMPACTS**	**NATURE OF THE IMPACT**			**PERIMETER OF IMPACT**	**TIME HORIZON[43]**
				Direct/ Indirect	**(Positive/ Negative)**	**(Actual/ Potential)**		
ESRS S2	Working conditions	Secure employment	Establishment of business relations with entities that are unable to guarantee adequate protection of fundamental human rights	Indirect	Negative	Potential	Value chain	Short
		Adequate salaries	Potential contribution to the exploitation of workers (e.g. inadequate wages, limited workers' rights) due to the significant financing of certain sectors (e.g. accommodation and catering services, agriculture, etc.)	Indirect	Negative	Potential	Value chain	Medium
ESRS S3	Economic, social and cultural rights of communities	Impacts related to the local area	Support for the local community through "green social mobility" projects, assistance for vulnerable people, and support for families and parenting ("family & childcare")	Direct	Positive	Actual	Pervasive	Medium
			Positive contribution to the development of the local area by supporting projects and initiatives that are not only consistent with the Bank's values and strategy but also aim at the development and active participation of local communities	Direct	Positive	Actual	Pervasive	Short
			Positive contribution to employment by supporting activities that provide jobs at different skill levels and contribute to local economic growth	Indirect	Positive	Actual	Pervasive	Medium
			Development of entrepreneurship in the country, with particular attention to SMEs, including through the development of credit policies that are attentive to the needs of value chains	Direct	Positive	Actual	Value chain	Medium
ESRS S4	Information-related impacts for consumers and/or end-users	Access to information (of quality)	Partial and/or non-transparent information and advisory services regarding the products and services offered by the Bank, which lead to inappropriate investment choices by customers	Direct	Negative	Potential	Value chain	Medium
			Customer satisfaction in terms of needs, expectations, benefits, adequate service and timely responses	Direct	Positive	Actual	Value chain	Short

IMPACTS RELATED TO SUSTAINABILITY ISSUES RELEVANT TO VOLKSBANK								
ESRS TOPIC	ESRS SUB-TOPIC	ESRS SUB-SUB-TOPIC	RELEVANT IMPACTS	NATURE OF THE IMPACT			PERIMETER OF IMPACT	TIME HORIZON[43]
				Direct/ Indirect	(Positive/ Negative)	(Actual/ Potential)		
			Strengthening the economic inclusion of the local area in which the Bank operates	Direct	Positive	Actual	Pervasive	Short
		Privacy	Adoption and implementation of policies and internal control systems to safeguard privacy, aimed at preventing the use (intentional or otherwise) of confidential information for business purposes, to the detriment of customers	Direct	Positive	Actual	Value chain	Short
			Improvement of skills in data protection and IT security through training courses provided to employees	Direct	Positive	Potential	Value chain	Short
	Social inclusion of consumers and/or end-users	Access to products and services	Achieving greater awareness among customers of their own financial choices through effective listening and advisory processes	Direct	Positive	Potential	Value chain	Medium
ESRS G1	Business culture	-	Generation and distribution of economic value to stakeholders	Direct	Positive	Actual	Pervasive	Medium
			Spreading a culture of fairness and ethics	Direct	Positive	Actual	Internal	Short
	Management of relations with suppliers, including payment practices	-	Violation of human rights along the value chain (e.g. right to freedom of association and collective bargaining, child labour, forced or compulsory labour, etc.)	Indirect	Negative	Potential	Value chain	Short
Entity specific: Sustainable finance and responsible lending			Contribution to the transition to a climate-neutral economy, also through the evolution of credit processes with the integration of ESG criteria	Direct	Positive	Actual	Pervasive	Long
			Contribution to the transition to a climate-neutral economy, also through the evolution of investment processes with the integration of ESG criteria	Direct	Positive	Actual	Pervasive	Long

IMPACTS RELATED TO SUSTAINABILITY ISSUES RELEVANT TO VOLKSBANK								
ESRS TOPIC	**ESRS SUB-TOPIC**	**ESRS SUB-SUB-TOPIC**	**RELEVANT IMPACTS**	**NATURE OF THE IMPACT**			**PERIMETER OF IMPACT**	**TIME HORIZON[43]**
				Direct/ Indirect	**(Positive/ Negative)**	**(Actual/ Potential)**		
Entity specific: Technological innovation and digitisation			Continuous innovation of the products and processes with positive effects on people and economic systems	Direct	Positive	Actual	Pervasive	Short
			Greater efficiency in the provision of services thanks to the promotion of new digital and innovative management and operational models (e.g. through the use of AI)	Direct	Positive	Actual	Value chain	Short
			Risk to the safety of people (customers, employees, partners) due to inappropriate use of new technologies and AI	Direct	Negative	Potential	Value chain	Medium

IMPACTS RELATED TO SUSTAINABILITY ISSUES RELEVANT TO VOLKSBANK

ESRS TOPIC	ESRS SUB-TOPIC	ESRS SUB-SUB-TOPIC	R/O	RELEVANT RISKS AND OPPORTUNITIES	PRUDENTIAL RISK	NATURE OF THE FINANCIAL EFFECT	TIME HORIZON
ESRS E1	Climate change mitigation	-	O	Continuation and strengthening of the path taken to achieve carbon neutrality, with reputational as well as environmental benefits	NA	Actual	Short
	Energy	-	O	Expansion of the product offering aimed at supporting the Bank's counterparties in the field of energy efficiency	NA	Expected	Long
ESRS S1	Equal treatment and opportunities for all	Training and skills development	O	Improved retention of employees with the implementation of targeted talent programmes	NA	Expected	Medium
			O	Productivity improvement through the creation of an adequate training catalogue aimed at encouraging multi-skill development	NA	Expected	Medium
		Diversity, employment and inclusion of people with disabilities	O	Strengthening Volksbank's cultural dissemination process, aimed at enhancing diversity and equal opportunities	NA	Expected	Medium
ESRS S3	Economic, social and cultural rights of communities	Impacts related to the local area	O	Putting the Bank back at the centre of the local area and improving the footprint of the local area	NA	Expected	Medium
ESRS S4	Information-related impacts for consumers and/or end-users	Privacy	O	Minimisation of IT risks through an enhancement of the cybersecurity system	NA	Expected	Short
			R	Operational losses attributable to inadequate management of sensitive data in the Bank's operations, and consequent damage to its image	Operational / reputational risk	Expected	Medium
		Access to information (of quality)	O	Development of new innovative products and services that meet customers' expectations through a greater understanding of the needs of customers, achieved through clear and effective communication	NA	Expected	Short
			O	Enhancing the customer journey by leveraging the possibilities offered by phygital technology	NA	Expected	Medium
			O	Reputational improvement resulting from a Customer-Centric approach	NA	Expected	Medium
	Social inclusion of consumers and/or end-users	Access to products and services	O	Reputational improvement for the Bank through financial advisory services that enable customers to better understand their investment choices	NA	Actual	Short
ESRS G1	Active and passive corruption	Prevention and detection, including training	O	Minimisation of the risk of sanctions and costs related to legal expenses, thanks to adequate policies for the prevention and detection of corruption (primarily training)	NA	Actual	Short
Entity specific: Technological innovation and digitisation			O	Improvement of the customer journey, leveraging the potential offered by online channels	NA	Expected	Medium

IMPACTS RELATED TO SUSTAINABILITY ISSUES RELEVANT TO VOLKSBANK							
ESRS TOPIC	ESRS SUB-TOPIC	ESRS SUB-SUB-TOPIC	R/O	RELEVANT RISKS AND OPPORTUNITIES	PRUDENTIAL RISK	NATURE OF THE FINANCIAL EFFECT	TIME HORIZON
			O	Development of innovative products and services that respond to the new needs of customers, fostering the growth of the industry	NA	Expected	Medium

Disclosure requirements of ESRS subject to corporate sustainability reporting (IRO-2)

For the list of disclosure requirements the Bank fulfilled in preparing this Report based on the results of the materiality assessment, please refer to the Table of Contents of this section of the Management Report.
With regard to information arising from other EU legislative acts, please refer to the Appendix to this section of the Management Report.

1.13.2. ENVIRONMENTAL INFORMATION

INFORMATION PURSUANT TO ARTICLE 8 OF REGULATION (EU) 2020/852

Regulatory references

Regulation (EU) 852/2020 (the so-called European Taxonomy or EU Taxonomy) and the related Delegated Acts[44] establish a classification system of economic activities that can be considered environmentally and climate sustainable and impose specific reporting obligations on companies that are required to publish qualitative-quantitative information showing how and to what extent the company's activities are associated with environmentally sustainable economic activities. The primary objective of this classification tool is to create a common language for companies and investors in order to mobilise capital flows towards sustainable investments, thus supporting the orientation of public and private strategies towards the achievement of EU environmental objectives, i.e:

- mitigation of climate change;
- adaptation to climate change;
- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- prevention and reduction of pollution;
- protection and restoration of biodiversity and ecosystems.

The European Taxonomy states that economic activities can be classified as:

- eligible if they are listed among the activities defined in the Delegated Regulations pertaining to each goal;
- aligned (eco-sustainable) if they are eligible, meet the technical screening criteria laid down in the Delegated Regulations [45] and comply with the minimum safeguards [46].

Article 8 of that Regulation requires companies subject to non-financial reporting requirements pursuant to Articles *19a* or *29a* of Directive 2013/34/EU to disclose how and to what extent their activities are associated with economic activities aligned with the Taxonomy. For financial institutions, these requirements are further detailed in Delegated Regulation (EU) 2021/2178, which specifies the content, methodology and presentation of the information [47].
Specifically, credit institutions are required to publish the following Key Performance Indicators (KPIs):

- Green Asset Ratio (GAR), which is the ratio of lending assets that finance activities aligned with the EU Environmental Taxonomy to the bank's total assets;
- Specific KPIs for off-balance sheet exposures related to:
- Financial guarantees supporting loans and advances and other corporate debt instruments (FinGar KPI);
- Financial assets under management (Assets Under Management KPI).

In a context characterised by constant regulatory developments in the field of ESG and sustainability disclosure, on 4 July 2025 the European Commission introduced a Delegated Act to simplify Taxonomy reporting[48], reduce administrative burdens and streamline reporting models for environmentally sustainable activities. However, Article 4 of the Regulation provides for the possibility of applying Regulations (EU) 2021/2178, (EU) 2021/2139 and (EU) 2023/2486 as applicable on 31 December 2025 for the financial year beginning between 1 January and 31 December 2025.

(44) Delegated acts adopted in implementation of Regulation (EU) 2020/852 include Delegated Regulations (EU) 2021/2139, 2021/2178,2022/1214, 2023/2485 and 2023/2486.
(45) Delegated Regulation 2023/2485 and Delegated Regulation 2023/2486, published on 21 November 2023, amend and supplement Delegated Regulation 2021/2139, which set out the criteria for the first two climate objectives, and define the technical screening criteria for the remaining four environmental objectives.
(46) This concerns compliance with the OECD (Organisation for Economic Co-operation and Development) Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights, the eight core conventions identified in the ILO (International Labour Organisation) Declaration on Fundamental Principles and Rights at Work, and the International Bill of Human Rights (pursuant to Article 18 of Regulation (EU) 2020/852).
(47) Delegated Regulations (EU) 2022/1214 and 2023/2486 respectively introduced amendments concerning activities related to nuclear energy and fossil gas, and the technical criteria for the remaining four environmental objectives of the Taxonomy.
(48) Delegated Regulation (EU) 2026/73, published in the EU Official Journal on 8 January 2026 and entered into force on 28 January 2026.

Therefore, in line with the current regulatory framework, with reference to the reporting for the 2025 financial year, Volksbank has made use of the option to apply the version of the Delegated Regulation prior to the amendments. Furthermore, in accordance with the amendments introduced by Delegated Regulation (EU) 2026/73 and in line with the clarifications in the guidelines made available by the European Commission [49] to provide further guidance on the implementation of the simplified disclosure rules, the Bank does not disclose in this report the Templates relating to the KPIs for fees and commissions and for the trading book. The disclosure obligation on these KPIs has been postponed to 2028 (reporting year 2027) with the changes introduced by the new regulatory framework.
With respect to the financial year 2025, the regulations require credit institutions to use the following models for the purpose of representation of KPIs:

- Template 0 - Summary of KPIs to be reported by credit institutions pursuant to Article 8 of the Taxonomy Regulation;
- Model 1 - Assets for calculation of GAR: shows the Bank's assets as at 31 December 2025 that contribute to the composition of the numerator and denominator of the taxonomic KPIs;
- Model 2 - GAR - Sector disclosure: represents the Bank's exposures (total and NFRD) to non-financial corporations subject to NFRD [50] based on the prevailing NACE code;
- Model 3 - GAR KPI (stock): shows the ratio between the stock of credit assets financing activities aligned with the EU Environmental Taxonomy and total assets on the balance sheet, calculated on the basis of the information in Model 1;
- Model 4 - GAR KPI (flow[51]): shows the ratio between the flow of credit assets financing activities aligned with the EU Environmental Taxonomy and total new assets on the balance sheet, calculated on the basis of the information in Model 1;
- Model 5 - KPIs for exposures not on the balance sheet: shows the GAR values of the stock and flow of off-balance sheet exposures related to financial guarantees and financial assets under management;
- Model 1 - Nuclear and fossil gas assets: discloses any exposures the Bank may have in nuclear and fossil gas related assets. Volksbank does not have any assets related to these activities, so it does not publish the additional detailed models required by the regulations[52].

Each disclosure template (with the exception of Template 0) is published in two versions, using Capex and Turnover as risk weights for eligible and aligned exposures to counterparties.

Methodological approach

Volksbank compiled the indicators required by Delegated Regulation (EU) 2021/2178 with reference to on-balance-sheet and off-balance-sheet assets as at 31.12.2025, in accordance with the prudential scope of consolidation. In accordance with the current regulatory framework, the alignment KPIs were calculated based on the weighted exposure of the Bank relative to the KPIs reported by companies falling within the scope of the CSRD.

(49) DRAFT COMMISSION NOTICE on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of the EU Taxonomy Regulation, as amended by the Omnibus Delegated Act, on the reporting of Taxonomy-eligible and Taxonomy-aligned economic activities and assets (fourth notice), 17 December 2025.

(50) Directive (EU) 2014/95/EU (Non-Financial Reporting Directive). The NFRD introduced non-financial reporting requirements for certain large companies. This framework was later updated and replaced by Directive (EU) 2022/2464 (Corporate Sustainability Reporting Directive – CSRD), which was transposed into Italian law by Legislative Decree 125/2024.

(51) In calculating the flow KPI in Models 4 and 5 flow of Annex VI of Delegated Regulation (EU) 2021/2178, the Bank considered only the gross carrying amount of new exposures taken (i.e. new loans and advances, debt securities, equity instruments), i.e. only new exposures that were taken on during FY 2025, without deducting the amounts of loan repayments or sales of debt securities/equity instruments that occurred during the same period.

(52) Annex XII of Regulation (EU) 2021/2178 also provides for the following models: Model 2 – Economic activities aligned with the taxonomy (denominator), Model 3 - Economic activities aligned with the taxonomy (numerator), Model 4 – Economic activities eligible for the taxonomy but not aligned with the taxonomy, Model 5 – Economic activities not eligible for the taxonomy

Financial Enterprises, Non-Financial Enterprises and Financial Guarantees[53]

In order to calculate its eligible and taxonomy-aligned assets, the Bank used the latest actual data disclosed by counterparties that have published a Sustainability Report pursuant to Directive (EU) 2022/2464 with reference to the 2024 FY. Information published by counterparties was collected with the support of external consultants, and reference was made to the list of companies subject to sustainability disclosure obligations provided by CONSOB[54]. It should be noted that there have been cases where the breakdown of the KPIs disclosed by a counterparty for each objective does not correspond to the overall alignment KPI. Therefore, the values in the total columns may be higher and/or lower than the sum of the individual components.
In addition, the Bank has included in the numerator of the GAR environmental bonds and debt securities used to finance specified activities and assets, regardless of whether the issuer is a company required to report sustainability under Article 19a or 29a of Directive 2013/34/EU or not.

Loans to households[55]

The GAR for retail exposures to residential real estate loans is calculated as the share of loans to households secured by residential real estate that are aligned with the EU Environmental Taxonomy relative to total loans to households secured by residential real estate or granted for the purpose of home renovation.
The disclosure covers, therefore, the portfolio of retail mortgage loans. The information on this KPI takes into account the buildings' compliance with the relevant technical screening criteria set out for buildings in Annex I, point 7.7 of Delegated Regulation (EU) 2021/2139. In this sense, buildings with the best energy performance as demonstrated by the Energy Performance Certificate (EPC) [56] and Primary Energy Demand (PED) [57] and that, at the same time, do not present levels of physical climate risk are considered environmentally sustainable.
For the purposes of assessing eligibility and alignment, the Bank conducted detailed analyses of the properties pledged as collateral for the loans, using the available information on the properties' characteristics, including year of construction and floor area, in order to verify compliance with the criteria set out in Delegated Regulation (EU) 2021/2139.
To verify the "Do No Significant Harm" (DNSH) criterion, the Bank considered the indicators relating to the physical climate risks associated with the properties financed, using specific physical risk scores and classifying exposures relating to properties with a "Low" or "Zero" risk level as aligned.
With regard to exposures relating to the renovation of residential properties and the purchase of cars, the Bank has sufficient information to verify the eligibility of these exposures but not the alignment. Specific evaluations have been undertaken in order to recover more data for future years.

(53) For information on Volksbank's strategy, product design processes and engagement with corporate customers and counterparties, please refer to the section "ESG Evaluation Tool (corporate customers)" in the section "Actions and resources related to sustainability issues relevant to sustainable finance and responsible lending (MDR-A)".
(54) Entities that have published the NFS - PUBLIC AREA - CONSOB.
(55) For information on Volksbank's strategy, product design processes and engagement with private customers and counterparties, please refer to the section "Green mortgages (private customers)" in the section "Actions and resources related to sustainability issues relevant to sustainable finance and responsible lending (MDR-A)"
(56) For information on the monitoring strategy adopted by Volksbank, with reference to private customers and counterparties, see the section "Monitoring the effectiveness of policies and actions through targets on sustainable finance and responsible lending (MDR-T)".
(57) The technical screening criteria enshrined in the EU Taxonomy only consider buildings to be environmentally sustainable if they have at least a Class A energy performance certificate, as well as buildings in the top 15% of the national building stock in terms of operational primary energy demand and those whose primary energy demand is at least 10% below the threshold set for Nearly Zero-Energy Building (NZEB) requirements. The methodology used to identify these buildings is based on the Italian Thermotechnical Committee's publication "Percentage distribution of primary energy (Ep) values in the Italian national building stock" (2022) and the data available in the SIAPE database.

Loans to Local Government

The Bank carried out an analysis of loans granted to local governments in order to verify the eligibility of exposures to the European Environmental Taxonomy. Eligible exposures, thus identified, consist mainly of assets for the construction of new buildings and the production of electricity from hydropower.

Insufficient data are currently available to assess the degree of alignment of these assets.

Green Asset Ratio

Continuing the process of methodological refinement initiated by the Bank in the previous FY, for this reporting year the GAR (stock) related to turnover, calculated with reference to the Bank's total assets under Model 1 (Assets for GAR calculation), amounted to 2.41% (2.35% in FY24), with total environmentally sustainable assets of €237 million, while the GAR (stock) based on Capex amounted to 2.75% (2.54% in FY24). The GAR is mainly explained by exposures that contribute to the climate change mitigation objective.
The increase is mostly due to the components of:

- Non-Financial Businesses, due to the availability of a more comprehensive set of alignment KPIs covering all the environmental objectives of the EU Taxonomy;
- Households, due to a series of activities implemented by the Bank to ensure greater availability and accuracy of information, particularly with regard to retail exposures to residential real estate loans.

Below are the main results for the Bank's share of exposures from economic activities aligned with the European Environmental Taxonomy, in terms of stock and flow [58], as at 31.12.2025.

([58]) The KPI flow was calculated by identifying new transactions solely on the basis of their presence in the reporting period T (1 January-31 December 2025) and absence in the previous FY, thus considering only transactions originating during this period.

TEMPLATE 0 - SUMMARY OF KPIs TO BE REPORTED BY CREDIT INSTITUTIONS PURSUANT TO ARTICLE 8 OF THE TAXONOMY REGULATION

		Total sustainable assets	KPI (****)	KPI (*****)	Coverage % (out of total assets) (***)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and point 1.1.2 of Annex V)	% of assets excluded from the GAR denominator (Article 7(1) and point 1.2.4 of Annex V)
Main KPI	GAR (green asset ratio) for the stock	237,273,882.73	2.41%	2.75%	77.61%	46.22%	22.39%

		Total sustainable assets	KPI	KPI	% coverage (out of total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and point 1.1.2 of Annex V)	% of assets excluded from the GAR denominator (Article 7(1) and point 1.2.4 of Annex V)
Additional KPIs	GAR (flow)	80,187,426.63	3.11%	3.46%	61.27%	36.58%	38.73%
	Trading book (*)						
	Financial guarantees	0.00	0.00%	0.00%			
	Managed financial assets	0.00	0.00%	0.00%			
	Fee and commission income (**)						

(*) For credit institutions that do not meet the conditions set out in Article 94, paragraph 1 of the CRR or the conditions set out in Article 325 bis, paragraph 1, of the CRR.

(**) Fee and commission income from services other than loans and financial assets under management.

Institutions must disclose forward-looking information for these KPIs, including information in terms of targets, together with relevant explanations of the methodology applied.

(***) % of assets covered by the KPI out of the banks' total assets.

(****) on the basis of the KPI relating to the counterparty's turnover.

(*****) based on the KPI relating to the counterparty's capital expenditure, except for lending activities where the turnover KPI is used for general loans.

CLIMATE CHANGE (E1)

Transition plan for climate change mitigation (E1-1)

During 2025, in line with ongoing regulatory developments and also taking into account the provisions of the EBA Guidelines on ESG risk management, Volksbank continued its activities to define its Transition Plan for the mitigation of climate change. At the same time, Volksbank defined GHG emission reduction targets in its Operational Sustainability Plan. Through this plan, the Bank has formalised its intention to reduce its scope 1 and scope 2 GHG emissions by 42% by 2030 compared to the value recorded in 2021, and to define a baseline for the reduction of GHG emissions related to its value chain (so-called scope 3). With this plan, the Bank intends to orient its sustainability strategy and business model to become compatible with the transition to a sustainable economy and the goals of limiting global warming to 1.5°C, in line with the Paris Agreement, and pursuing climate neutrality by 2050.

Climate change mitigation and adaptation policies (E1-2)

Volksbank addresses the management of relevant impacts, risks and opportunities related to climate change mitigation and adaptation within the broader Sustainability Policy. With the 2025 update of the Policy, Volksbank has outlined its commitment to the management and protection of natural resources in a more precise manner, also taking into account previous experience and the strategic goals on which the I-mpact 2026 Business Plan is based.
The Policy commits the Bank, on the one hand, to operating in a manner that is increasingly respectful of environmental resources and, on the other, to supporting energy-efficiency and transition projects by providing financing to customers, as well as directing investments towards solutions with a low environmental impact, adopting a preventive and proactive approach in line with the United Nations Sustainable Development Goals (SDGs). The Bank is also committed to minimising environmental impacts by integrating climate risks into business processes to mitigate possible negative effects related to its operations, as well as to the value chain. The Sustainability Policy, which concerns the overall governance of sustainability issues in the Bank, applies to all areas and processes of the business, including the value chain. The Policy has therefore defined the areas in which the Bank intends to focus its commitments to reduce the environmental impact of its activities.
With regard to climate change mitigation and adaptation, the main goal is therefore to reduce GHG emissions, ensuring compatibility between the Bank's business model and the transition to a more sustainable economy, and limiting global warming in line with the Paris Convention; and the ultimate goal is to achieve climate neutrality by 2050. To this end, the Bank undertakes to use mobility solutions with a reduced environmental impact, to integrate principles of social and environmental responsibility into procurement processes, and to promote investments in energy efficiency projects and the use of renewable energy, both in terms of upgrading its assets and offering financing to customers [59]. The Policy also identifies the activities of the Energy Manager to reduce and optimise energy consumption, as well as to increase the use (or self-production) of energy from renewable sources. In addition, since 2022, Volksbank has launched a series of information meetings in the region to promote awareness and dissemination of Renewable Energy Communities (RECs). The aim is twofold: to raise awareness among citizens and businesses and to foster the emergence of sustainable and participatory energy models.
With regard to adaptation to climate change, the Bank also integrates climate risks, both physical and transitional, into its strategic and decision-making processes, ensuring that the Bank can maintain the resilience of its business model even in the face of increasingly challenging environmental conditions.
The principles set out in the Bank's Sustainability Policy are taken up and detailed in the sustainable credit section of the Credit Policy, which has been in force since FY 2026. This document defines the guidelines for Volksbank's sustainable credit strategy, with the aim of reconciling development with sustainability, and responsibility with business activity. In this context, the Bank aims to give increasing importance to ESG factors, including encouraging investments aimed at supporting companies in pursuing their climate change mitigation and adaptation objectives.
As part of its transition plan, the Bank will support the reduction of greenhouse gas emissions not only through its commitment to reduce its own emissions, but also those of its value chain, and in particular financed emissions, by providing credit to support its customers' decarbonisation plans and pathways [60].

(59) For more details on the commitments made by the Bank in the field of Sustainable Finance, see section "Sustainable finance and responsible lending".
(60) For more information on Volksbank's Credit Policy 2026, see section "Policies adopted to manage sustainability issues relevant to sustainable finance and responsible lending (MDR-P)".

Climate change policy actions and resources (E1-3)

The Bank has implemented a four-step decarbonisation pathway to mitigate the effects of climate change:

- the first step is to observe current consumption and implement actions aimed at a more conscious use of energy in order to achieve savings in consumption and emissions.
- once consumption has been optimised, the second step involves improving energy efficiency by replacing obsolete or energy-hungry appliances with technologies that use green energy or have better energy performance.
- the third step involves the installation of renewable energy production systems that aim to cover at least part of the bank's energy needs.
- for the remaining part of GHG emissions, the Bank implements reforestation actions, then active capture and ultimately offsetting.

In 2025, Volksbank pursued several initiatives in relation to climate change mitigation.
In particular, the energy efficiency project, which started in the second half of 2022 and aims to reduce GHG emissions of the Bolzano office and of the entire network of branches of the Bank, continued in 2025. To this end, Volksbank has enlisted the support of a company specialising in the detection, analysis and management of energy consumption, which assists the bank in regulating and optimising the use of heating and cooling systems and the lighting system.
The energy efficiency measures also include the LED relamping of all branches and the BEMS (Building Energy Management System), which allows general energy metering, temperature management of offices and open spaces, optimisation of the switch-on time of systems, remote management and prompt reporting of any faults to the maintenance technician. The Bank's headquarters is also LEED Silver certified.
As of 31/12/2025, the energy-efficiency measures (installation of BEMS systems and relamping) had been substantially completed across all offices and branches, with the exception of those due for renovation or excluded from the programme for reasons of expediency. In 2025, these activities involved works amounting to approximately €482,700, of which €98,100 related to the installation of BEMS systems and the remainder to the completion of the relamping of the Bolzano office.[61]
The Bank also obtains its electricity from 100% renewable sources certified through Guarantees of Origin and, since 2022, from locally produced energy, thereby also contributing to the reduction of greenhouse gas emissions into the atmosphere. These initiatives have also been maintained for 2025.
The energy efficiency activities described, carried out in 2025, contributed to a 7% reduction in energy consumption of locations and branches, corresponding to a reduction in GHG of 59 tCO2eq under the location-based method, and 74 tCO2eq under the market-based method[62].
With regard to sustainable mobility, Volksbank continued the electrification of its corporate fleet, replacing four company cars powered by internal combustion engines with fully electric models. All the actions are in line with the Regulation for the purchase, allocation and use of mixed-use cars and the Home-Work Travel Plan (HWTP) the Bank has adopted. Overall, the company's fleet consists of 22% full electric cars (15% in 2024) and 20% mild hybrid cars. The remaining combustion-engine cars are almost all in the EURO 6 class. The aim is to replace cars which reach the age set down in the regulation with full electric models. Currently, the average age of the company's cars is 4 years.
As every year, the Bank carried out the survey on home-work travel, which led to the drafting of the PSCL for the location subject to the regulatory obligation, namely the Bolzano headquarters at Via del Macello 55. Starting from 2025, the survey was extended to all Bank employees, allowing a broader and more representative overview of their usual travel patterns. This expansion enabled the development of measures aimed at the entire workforce. Participation in the two surveys was very high – 73% for the location subject to the PSCL and 79% for the others – thus ensuring that the data collected was highly representative.

(61) These amounts are included in the item "Maintenance expenses" in the Profit and Loss Account.
(62) This reduction refers to GHG consumption and emissions related to Volksbank's headquarters and branches, and therefore includes consumption of diesel, natural gas, electricity and district heating. GHG consumption and emissions related to the company fleet and refrigerant gases (F-gases) are not included. The calculation methodology is the same as that for the calculation of GHG consumption and emissions required by ESRS E1-5 and E1-6.

Finally, with reference to CO2 absorption, mention should be made of "Bosco Moranzani - Volksbank's accessible forest", the first forest in Italy designed to be accessible and inclusive. Established in 2022, the forest has an expected lifespan of 10 years, covers an area of approximately 50,000 m2 and involves the planting of a total of 5,300 trees of 16 different native species.

This project, in addition to being the winner of a call for tenders and co-financing from the Ministry of Ecological Transition, reflects important values shared by the Bank, such as inclusivity, a focus on sustainable local development and closeness to the local community. In fact, the initiative was promoted by the Emma Foundation, which guaranteed full accessibility of the forest by providing, right from the planning stage, the removal of all possible architectural barriers and the design of inclusive services and activities; one of these was a cycle-pedestrian path for safe use by people with motor disabilities, featuring rest areas and signs, including Braille ones for the visually impaired.

This conspicuous effort led, in June 2024, to certification for responsible forest management and, in November 2024, to verification of related ecosystem services such as GHG removal. This certification, carried out following inspection by a third, independent company, is an important tool that guarantees the correct management of the forest from an environmental, economic and social point of view.

Action plan for alignment with Bankit expectations on climate and environmental risks

On 8 April 2022, the Bank of Italy published the "Supervisory Expectations on Climate and Environmental Risks". Following the publication of the communication 'Rischi climatici e ambientali. Principali evidenze di un'indagine tematica condotta dalla Banca d'Italia su un campione di banche less significant" (Climate and Environmental Risks. Main findings of a thematic survey conducted by the Bank of Italy on a sample of less significant banks) in November 2022, the Bank of Italy envisaged that the banks involved in the survey sample, including Volksbank, would approve and transmit to the Supervisory Authority a plan of initiatives aimed at defining, for the three-year period 2023-2025, a path of progressive alignment to the Expectations.

On 23 January 2023, Volksbank therefore submitted its three-year "Alignment Plan" to Bankit, aimed at the prudent management of climate and environmental risks, aligned with the measures set out in the Expectations and consistent with the Bank's broader Business Plan. In particular, in order to deal with the five areas [63] covered by the Expectations, a total of 84 measures were identified, spread throughout the entire duration of the plan, of which 70 with a defined deadline and 14 with a periodic frequency (e.g. annual inclusion of indicators in the RAF, periodic monitoring of the coverage of ESG elements, etc.), divided into 4 preparatory measures scheduled in 2022, 42 in 2023, 15 in 2024, 9 in 2025 and 13 valid for the entire duration of the plan.

The progress report on the plan for alignment with expectations was periodically submitted to the governing bodies, and the measures were progressively refined and enhanced, drawing on market best practices identified in Bankit's analysis of the Action Plans developed by Less Significant Institutions, published in December 2023 and May 2025.

The Alignment Plan submitted to Bankit presented three sequential stages: one in 2023 – the last year of Volksbank's Sustainable 2023 Business Plan – which represented the year of setting up and then scouting for operational solutions offered by the market; one in 2024, on the actual implementation of the initiatives and, in parallel, on the preparatory work related to the disclosure pursuant to the CSRD; and one in 2025, which gathered the initial results of the previous years and fine-tuned the strategic guidelines.

([63]) Bankit's expectations concern Governance, Strategy and business model, Organisational system and operational processes, Risk management system, Disclosure.

Moreover, in January 2025, following the publication of the Guidelines on environmental, social and governance (ESG) risk management issued by the European Banking Authority (EBA)[64], the topics addressed in the Plan for alignment with supervisory expectations on climate and environmental risks were revisited and further refined, with particular attention to lending activities.
As of 31/12/2025, all the measures included in the plan had been completed, except for 5 in the final stage of implementation.

Objectives related to climate change mitigation and adaptation (E1-4).

With the drafting of the Operational Sustainability Plan in 2025, Volksbank set a target of reducing its scope 1 and scope 2 GHG emissions by 42% by 2030 compared with the 2021 level[65]. The Bank also intends to complete the baseline for defining a reduction target for GHG emissions generated along the value chain (so-called Scope 3) by 2026.
The definition of these targets was also made possible by the structured screening of generated emissions carried out in FY 2024. During this financial year, the Bank initiated tracking of value-chain emissions for the eight most significant scope 3 GHG categories defined by the GHG Protocol[66].
The GHG emission reduction targets were developed with reference to the Science Based Targets initiative (SBTi) methodology, a globally recognised approach for defining and validating greenhouse gas emission reduction targets consistent with scientific evidence on climate change and with the goals of the Paris Agreement, including those relating to keeping the increase in the global average temperature within 1.5°C.
The baseline set for 2021 is in line with that set in the energy efficiency plan and provides for monthly monitoring of energy consumption data, supported by an interactive dashboard for analysis and reporting.
In order to pursue these objectives, the Bank intends to leverage several decarbonisation levers, including:

- improving the branches' energy efficiency by reducing electricity and natural gas consumption;
- renovation and relamping of the branches through refurbishment work and replacement of lighting systems to improve their energy efficiency;
- the replacement of natural gas systems with district heating, reducing the use of fossil fuels;
- the use of any incentives to replace traditional systems with more sustainable solutions, such as heat pumps and BEMS systems;
- the renewal of the vehicle fleet, with the purchase of more modern and efficient electric vehicles.

In order to pursue the objective of increasingly aligning its economic activities with the Taxonomy Regulation (EU) 2020/852, the Bank also intends to focus on defining a strategy for accompanying counterparties towards transition, and to resort to phasing out greenhouse gas-intensive and energy-intensive sectors only as a last step in the event of unwillingness of the counterparties to embark on a virtuous path of reducing the carbon footprint. To this end, the "sustainable credit" section of Volksbank's Credit Policy was updated[67].
The Bank continuously monitors the effectiveness of policies and actions implemented, as well as the implementation of the I-mpact 2026 Business Plan. In this regard, a qualitative monitoring report of the individual macro-areas outlined in the Business Plan is submitted for the attention of the Board of Directors. From 2026, with reference to the objectives in the Operational Sustainability Plan, qualitative and quantitative monitoring will take place on a quarterly basis. Regular reporting to the Board of Directors on the management of the organisation's impacts on the economy, the environment and people is also foreseen.

(64) EBA/GL/2025/01.
(65) The total scope 1 and scope 2 GHG emissions recorded in the base year (2021) were 2,977 tCO2eq (1,056 tCO2eq for scope 1, and 1,921 tCO2eq for scope 2 according to the location-based approach). In absolute terms, therefore, the 45% reduction in GHG emissions expected by 2030 is 1,340 tCO2eq (scope 1 + scope 2 "location-based").
(66) The GHG Protocol provides for 15 categories of scope 3 GHG emissions, covering the entire upstream and downstream value chain. For more information on the methodology for calculating Scope 3 GHG emissions, see the section "Gross scope 1, 2 and 3 GHG emissions and total GHG emissions (E1-6)".
(67) For more information on Volksbank's Credit Policy 2026, see section "Policies adopted to manage sustainability issues relevant to sustainable finance and responsible lending (MDR-P)".

The Bank's Risk Management O.U. monitors the impact of ESG risks on the various "traditional" risks typical of banking (credit risk, market risk, etc.) through a qualitative/quantitative materiality analysis aimed at assessing the impact of ESG factors. The analyses and processes related to this assessment were further implemented during the 2025 financial year, in order to progressively align with the provisions of the Guidelines on ESG Risk Management published by the EBA in January 2025.
In particular, in order to assess the impact of extreme climate events on the credit portfolio and the related real-estate collateral, the Bank carries out annual climate stress tests aimed at mapping the properties and customers most exposed to the various climate risks and estimating the resulting financial impact. The climate stress test analyses carried out relate to assessments of physical and transition risks through the adoption of short- and/or long-term scenarios depending on the environmental risk and the "hazard" assessed.
As set out in the Supervisory Expectations and the EBA Guidelines, the Bank has begun reviewing its ESG risk-factor materiality assessment framework and the related measurement processes to ensure ever more accurate quantification of ESG risks, particularly climate risks, and their ongoing monitoring. In line with the EBA Guidelines, the Bank also integrates the results obtained from the climate stress test analyses as part of the ICAAP/ILAAP process, in order to determine the impact of these risks in the Bank's capital adequacy process.
In keeping with the path undertaken by the Bank in recent years, in order to periodically assess the evolution of climate risks and to include them in the risk control process and corporate strategy, the Bank has defined a set of specific indicators within the Risk Appetite Framework (RAF). In particular, Volksbank started a review of the risk indicators (KRIs) identified with reference to ESG factors, defining an additional set of risk indicators to be monitored during the year, as they are potentially material, in order to assess their integration into the RAF/RAS framework over the next few years.

Energy consumption and energy mix (E1-5)

During 2025, Volksbank recorded a reduction in total energy consumption of 6.13 per cent compared to the previous year. This reduction is mainly due to the investments in energy efficiency made by the Bank [68]. The commitment to use energy from low-emission sources was confirmed. The percentage of energy from renewable sources is 55% of the total[69].

(68) See paragraph "Climate change policy actions and resources (E1-3)".
(69) The reduction of energy consumption from renewable sources is motivated by the 7.68% reduction of electricity consumption of Volksbank's offices and branches, which is also 100% certified renewable by Guarantees of Origin for 2025.

Energy consumption and energy mix [70,71],	2025	2024	2023
Total consumption of energy from fossil fuels (MWh)	***4,202***	***4,442***	***4,721***
Share of fossil sources in total energy consumption (%)	***45%***	***45%***	***45%***
Total consumption of energy from nuclear sources (MWh)	**-**	**-**	**-**
Share of nuclear sources in total energy consumption (%)	***0%***	***0%***	***0%***
Fuel consumption for renewable sources (MWh)	-	-	-
Consumption of electricity, heat, steam and cooling from renewable sources, purchased or acquired (MWh)	5,151	5,522	5,742
Consumption of renewable energy self-produced without recourse to fuel (MWh)	-	-	
Total consumption of energy from renewable sources (MWh)	***5,151***	***5,522***	***5,742***
Share of renewables in total energy consumption (%)	***55%***	***55%***	***55%***
Total energy consumption (MWh)	***9,353***	***9,963***	***10,463***

Gross scope 1, 2 and 3 GHG emissions and total GHG emissions (E1-6)

In 2025, the calculation methodology used to determine Volksbank's scope 1 and scope 2 GHG emissions was consistent with the previous year. Furthermore, as in FY 2024, the Bank reported the GHG emissions of the significant scope 3 categories [72], further strengthening the methodology for calculating GHG emissions along its value chain (scope 3). Detailed information on these updates is provided below.

Scope 1 GHG emissions include the stationary combustion emissions of Volksbank's offices and branches, fuel emissions of the mild-hybrid and CNG cars of the company fleet, and fugitive emissions. The stationary combustion emissions and fuel emissions of the fleet were calculated by multiplying the consumption of the different energy sources by the emission factors published in the document *UK Government GHG Conversion Factors for Company Reporting (version 2025)* [73]. The fugitive emissions of refrigerant gases (F-Gases) were calculated based on the global warming potential (GWP) of the sixth report of the IPCC (AR6).

Scope 2 GHG emissions include electricity and district heating purchased for Volksbank and its branches, and electricity purchased for full electric cars. For the location-based method, the emissions were calculated by multiplying electricity and district heating consumption by the emission factors published by Ispra (2025 edition) [74]. For the market-based method, the emissions from the electricity consumption of Volksbank's offices and branches were assumed to be zero,

(70) In 2024, the calculation methodology used to determine Volksbank's energy consumption and energy mix was partially updated. For 2023, the conversion factors applied were based on ISPRA 2023. For 2024 and 2025, however, conversion factors derived from the UK Government GHG Conversion Factors for Company Reporting document (2024 and 2025 versions), published by the UK Department for Energy Security and Net Zero (previously developed by DEFRA), were used. It is recognised for its regularity of updates, high quality data and broad coverage of energy sources, which is why it is widely adopted outside the UK for calculating energy consumption and scope 1 emissions.

(71) For 2023, 1.5 MWh was allocated to personal use by employees, as it related to the use of electrically powered cars for mixed use. For 2024 and 2025, however, 100% of the energy consumed by Volksbank's company cars was included.

(72) With reference to the process for identifying value chain information, see the section "Description of the process to identify and assess relevant impacts, risks and opportunities", which responds to the information requirements of ESRS 1, section 5.1 (Communicating Enterprise and Value Chain).

(73) The document is published by the UK's Department for Energy Security and Net Zero (previously developed by DEFRA). It is recognised for its regularity of updates, high quality data and broad coverage of energy sources, which is why it is widely adopted outside the UK for calculating energy consumption and scope 1 emissions. For the previous financial years, the corresponding document had been used, in the 2024 and 2023 versions respectively.

(74) Istituto superiore per la protezione e la ricerca ambientale (ISPRA) - Rapporto 418/2025 - Efficiency and decarbonisation indicators in Italy and in the biggest European Countries. For 2024, the emission factors indicated in ISPRA Report 404/2024 were used, while, for 2023, the emission factors used for the location-based method corresponded to the ISPRA 2023 factors for heat production from cogeneration plants.

as the electricity purchased is 100 per cent from renewable sources certified through Guarantees of Origin. The emission factor published by AIB (*published in 2025*) [75] was used for the share of electricity purchased for company cars at on-street charging stations. The same emission factor was used for district heating as for the location-based method.
In order to report information on gross GHG Scope 3 emissions, Volksbank took into account the principles and requirements in the Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011 version) of the Greenhouse Gas Protocol (GHG Protocol); as a financial institution, Volksbank took into account the *Global GHG Accounting and Reporting Standard for the Financial Industry* of the Partnership for Carbon Accounting Financials (PCAF), in particular Part A "Financed Emissions" (third edition, December 2025).
Significant Scope 3 categories were identified according to a "screening analysis" process, based on the indications and criteria of the GHG Protocol [76]. Following the above, the following scope 3 categories were found to be significant:

- category 1 - purchased goods and services;
- category 2 - capital goods;
- category 3 - fuel and energy-related activities (not included in Scope 1 or 2);
- category 5 - waste generated during operations;
- category 6 - business trips;
- category 7 - commuting of employees;
- category 15 - investments.

Category 1 emissions (purchased goods and services) were calculated partly based on the precise quantity of purchased goods (using emission factors from the *Ecoinvent 3.11 and Defra 2025 databases)*, and partly based on Volksbank's purchase of goods and services in 2025 (using the *spend-based* emission factors in the EPA database [77]). Category 2 emissions (capital goods) were entirely calculated using the *spend-based* emission factors in the EPA database. In this way, it was possible to fully estimate the GHG emissions generated by Volksbank and attributable to categories 1 and 2.
Category 3 emissions (fuel and energy-related activities - not included in Scope 1 or 2) were calculated based on Scope 1 and 2 consumption, multiplied by the emission factors in the Defra 2025 database; in some cases, the factors in Ecoinvent 3.10 had to be reworked.
Category 5 emissions (waste generated during operations) were calculated by subdividing the waste according to the EWC codes, multiplying the amount of waste generated by the corresponding emission factors in the Ecoinvent 3.11 database.
Emissions in category 6 (business trips) were calculated on the basis of kilometres travelled by employees on means of transport not controlled by Volksbank, multiplied by the emission factors in the Defra 2025 database. Emissions generated by hotels where Volksbank employees stayed on business trips were also included; in this case, an estimate of the number of nights was multiplied by the corresponding emission factor in the Defra 2025 database or, if the most recent detailed data is not available, Defra 2024.
The emissions of category 7 (commuting of employees) were estimated on the basis of the data collected with the questionnaire carried out in 2025 for the Commuting Plan. This questionnaire, administered to the entire company population, collected responses from 1,150 employees and was used to calculate the kilometres travelled to the office in a year, broken down by the mode of transport used. The responses collected were used as a basis for estimating the journeys of all Volksbank employees with sufficient accuracy (see section "Characteristics of the company's employees (S1-6)").

(75) Association of Issuing Bodies - European Residual Mixes 2024, published in May 2025. For 2024 and 2023, the corresponding emission factors in the European Residual Mixes 2023 and 2022 documents were used.
(76) In particular, the criteria indicated by the GHG Protocol for carrying out the "screening analysis" used by Volksbank are magnitude, risk, influence and availability. The detailed analysis was carried out for the first time in FY 2024 and also confirmed for FY 2025.
(77) U.S. Environmental Protection Agency - Supply Chain Greenhouse Gas Emission Factors v1.4.0 by NAICS-6. The emission factors were adjusted for inflation and the Euro-Dollar exchange rate.

With reference to category 15, Volksbank has further developed its methodology for calculating GHG emissions, including in the analysis all the asset classes provided by PCAF in its latest edition of the standard for the calculation of so-called financed emissions[78].
During the 2025 financial year, Volksbank extended the scope of reporting of its greenhouse gas (GHG) emissions, fully aligning it with the methodologies set out in the latest edition of the PCAF standard for the calculation of financed emissions. This development follows what was initiated in 2024, the year in which the Bank calculated its emissions for the first time by including three asset classes in Category 15 (Business loans and Unlisted equity, Sovereign debt and Mortgages). This initial scope covered 84% of the eligible items in Category 15, accounting for 53% of the overall portfolio.
Following the publication of the third update of "Standard A" by PCAF in December 2025, which introduced three additional asset classes, Volksbank proceeded to integrate both the four asset classes previously not included and the three newly introduced asset classes. As of 31/12/2025, category 15 therefore includes emissions related to:

- Listed equity and Corporate bonds;
- Business loans and Unlisted equity;
- Project finance;
- Commercial real estate;
- Mortgages;
- Motor vehicle loans;
- Use of Proceeds structures;
- Securitisations and Structured products;
- Sovereign debt;

As at the reporting date there were no exposures attributable to the Sub-sovereign debt asset class.
With the expansion made in 2025, the Bank has therefore reported 100% of the emissions for which a calculation methodology defined by PCAF is currently available. These asset classes represent 65% of the Bank's total portfolio; the remaining 35% of the assets are made up of items for which there is not yet a standardised methodological framework and whose emissions are therefore not calculable or included in Category 15. The calculation was carried out in accordance with the PCAF guidelines, applying the emission factors made available to the members of the organisation.
Emissions from the Listed Equity and Corporate Bonds asset class correspond to the Scope 1 and Scope 2 emissions of counterparties holding listed equity stakes or corporate bonds that are not earmarked for specific purposes (i.e. with an unspecified use of proceeds). The GHG emissions generated by these counterparties were estimated using emission factors provided by PCAF based on the CEDA (Comprehensive Environmental Data Archive) database. Emissions financed by Volksbank were therefore calculated by multiplying the CEDA "asset-based" emission factors by Volksbank's exposure to each specific counterparty.
The issues of the asset class *Business loans and Unlisted equity* correspond to the scope 1 and scope 2 issues of the counterparties benefiting from the equity and loan investments. The GHG emissions generated by these counterparties were estimated using emission factors provided by PCAF based on the CEDA (Comprehensive Environmental Data Archive) database, replacing those used in FY 2024, based on Exiobase. The update reflects the evolution of the available methodologies and the integration of the CEDA dataset into the PCAF database; PCAF itself recommends this migration in light of the greater sectoral and geographical granularity offered by this database, which therefore improves the quality of the estimate. In order to ensure the comparability of the information already reported, the figures for the 2024 financial year have therefore been recalculated using the new methodological basis. In 2025, the Bank was also able to integrate the precise data provided by counterparties that completed the questionnaires as part of the ESG Evaluation Tool [79] into the calculation of the emissions associated with this asset class. Therefore, when available, Scope 1 and

(78) The Global GHG Accounting and Reporting Standard for the Financial Industry, Part A: Financed Emissions. Third Edition (2025).

Scope 2 GHG emissions reported by counterparties were used directly or, alternatively, energy consumption data were used to estimate their GHG emissions, enabling the Bank to improve the quality of the data used for the calculation. Emissions financed by Volksbank were therefore calculated by applying an allocation factor, which represents the counterparty's share of total annual emissions to be allocated to the Bank. This attribution factor is determined as the ratio of the outstanding amount of loans and investments granted by Volksbank to the total assets of the counterparty [80].

Emissions from the Project Finance asset class correspond to the Scope 1 and Scope 2 emissions of the specific projects and activities financed by the Bank. The GHG emissions generated by these projects or activities were estimated using data collected through the ESG Evaluation Tool or, when not available, through the CEDA "revenue-based" emission factors provided by PCAF, according to the company's economic sector [81]. Emissions financed by Volksbank were then calculated by multiplying the value thus obtained by Volksbank's exposure to each counterparty. [82]

Emissions from the Commercial Real Estate asset class correspond to the Scope 1 and Scope 2 emissions of commercial properties financed by the Bank. The GHG emissions generated by these properties were estimated using emission factors provided by PCAF, based on the EPC Italy Enea database: 2020: CRREM Global Pathways; in particular, these emission factors make it possible to estimate the emissions of a property based on the surface area in square metres, the climate zone of the municipality in which it is located, and the energy rating. Emissions financed by Volksbank are calculated by applying an allocation factor, which represents the property's share of total annual emissions to be allocated to the Bank. This attribution factor is determined as the ratio of the outstanding amount of the loan granted by Volksbank to the total value of the collateral property.[83]

The emissions of the asset class *Mortgages* correspond to the scope 1 and scope 2 emissions of properties securing mortgages granted to Volksbank's household customers. The GHG emissions generated by these properties were estimated using emission factors provided by PCAF, based on the EPC Italy Enea database: 2020: CRREM Global Pathways; in particular, these emission factors make it possible to estimate the emissions of a property based on the surface area in square metres, the climate zone of the municipality in which it is located, and the energy rating. Emissions financed by Volksbank are calculated by applying an allocation factor, which represents the property's share of total annual emissions to be allocated to the Bank. This allocation factor is determined as the ratio of the outstanding amount of loans and investments granted by Volksbank to the total assets of the counterparty[84]

Emissions from the Motor Vehicle Loans asset class correspond to the Scope 1 and Scope 2 emissions of vehicles owned by individuals or companies financed by the Bank. The GHG emissions generated by these vehicles were estimated using emission factors provided by PCAF, based on the EEA Passenger Vehicles database. Emissions financed by Volksbank were calculated by multiplying each loan by the emission factor of an average Italian vehicle.

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(79) For more information on the ESG Evaluation Tool developed by Volksbank, see section "Actions and resources related to sustainability issues relevant to sustainable finance and responsible lending (MDR-A)".

(80) As information on total assets is not available for some counterparties, it was not possible to calculate the relevant attribution factor. Accordingly, the emissions of these counterparties, corresponding to 3.9% of the exposure of the Business Loans and Unlisted Equity asset class, were estimated on the basis of the emission intensity of 96.1% of the exposures for which it was possible to calculate emissions. A similar methodology was also applied to the recalculation carried out for FY 2024, so as to ensure greater comparability of the data in the two financial years.

(81) Given that the PCAF standard does not explicitly include projects for households and that loans to individuals correspond to approximately 0.3% of total exposures, these loans were considered "out-of-scope" in relation to category 15. For the purposes of the calculation, it was assumed that the economic sector of the business is similar to that of the company.

(82) As information on total assets is not available for some counterparties, it was not possible to calculate the relevant attribution factor. Accordingly, the emissions from these exposures, corresponding to 5.8% of the exposure of the Project Finance asset class, were estimated on the basis of the emission intensity of 94.2% of the exposures for which it was possible to calculate.

(83) For some counterparties, no information on collateralised properties is available. Accordingly, the emissions from these exposures, corresponding to 7.2% of the exposure of the Project Finance asset class, were estimated on the basis of the emission intensity of 92.8% of the exposures for which it was possible to calculate emissions.

(84) As no information on collateralised properties was available for some mortgages, the emissions from these mortgages, corresponding to 1.4% of the exposure of the Mortgages asset class, were estimated on the basis of the emission intensity of 98.6% of the exposures for which it was possible to calculate emissions. The same methodology was applied to the recalculation carried out for 2024, so as to ensure the comparability of the results for the two financial years.

Emissions from the Use of Proceeds Structures asset class correspond to the Scope 1 and Scope 2 emissions of underlying companies, projects or properties for which the use of proceeds is known but which do not fall within other asset classes. In the case of Volksbank, this asset class includes investments in green bonds and funds. The GHG emissions generated by these investments were estimated using emission factors provided by PCAF based on the CEDA database, with reference to the specific economic sectors of investment. Emissions financed by Volksbank were therefore calculated by multiplying the CEDA "asset-based" emission factors by the relevant exposures.
The emissions of the asset class *Securitisations and Structured products* correspond to the scope 1 and scope 2 emissions of the underlying assets of structured products in which the Bank invests. In the case of Volksbank, this asset class includes investments in structured products that have real estate as their underlying assets. For this reason, the GHG emissions generated by these investments were estimated using emission factors provided by PCAF based on the CEDA database, with reference to the Real Estate sector. Emissions financed by Volksbank were therefore calculated by multiplying the CEDA "asset-based" emission factors by the relevant exposures.
The emissions of the asset class *Sovereign debt* correspond to the scope 1 emissions of the States issuing the sovereign debt securities held by Volksbank. The GHG emissions generated by these States were estimated using emission factors provided by PCAF, based on UNFCCC data. In particular, these emission factors make it possible to estimate a state's territorial emissions based on its gross domestic product (GDP) and the country's overall emissions. Emissions financed by Volksbank are calculated by applying an allocation factor, which represents the State's total annual emissions to be allocated to the Bank. This allocation factor is determined as the ratio between the value of the government bond exposure held by Volksbank and the purchasing power parity (PPP)-adjusted GDP of the issuing state.
Finally, for 2025, Volksbank does not record emissions relating to the Sub-sovereign asset class as it does not hold debt instruments from sub-governmental issuers.
In 2025, with a view to aligning with the calculation methodology defined by PCAF and monitoring the quality of estimates over time, the Bank also introduced the so-called "data quality score" for category 15. This score is a numerical rating system from 1 to 5, defined by the PCAF, which indicates the level of reliability of the estimates based on the hierarchy of sources used to calculate the financed emissions.
With reference to the other Scope 3 emission categories, after the screening analysis, category 4 (upstream transport and distribution)[85] was found to be not significant. In addition, the following categories were not relevant to Volksbank's business:

- category 8 - leased assets upstream
- category 9 - transport downstream
- category 10 - processing of products sold
- category 11 - use of products sold
- category 12 - end-of-life treatment of products sold
- category 13 - leased assets upstream
- category 14 - franchising

(85) The category was not significant because the evaluation of the criteria of magnitude, influence and data availability were not such as to exceed the significance thresholds of the screening analysis.

	2025	2024	2023	% 2025 / 2024
Scope 1 GHG emissions				
Gross scope 1 GHG emissions (tCO_2eq)	909	870	912	4%[86]
Percentage of scope 1 GHG emissions covered by regulated emissions trading schemes (%)	0%	0%	0%	-
Scope 2[87] GHG emissions				
Gross location-based scope 2 GHG emissions (tCO2eq)	1,173	1,524	1,662	-23%
Gross market-based scope 2 GHG emissions (tCO2eq)	103	111	112	-7%
Significant scope 3 GHG emissions				
Total gross indirect GHG emissions (scope 3) (tCO_2eq)	592,619	494,549	NA	20%
Total gross indirect GHG emissions (scope 3) (tCO_2eq) (net of the 2025 scope expansion)	509,269	494,549	NA	3%
1. Purchased goods and services	2,821	2,025	NA	39%
2. Capital goods	842	1,129	NA	-25%
3. Fuel and energy-related activities (not included in Scope 1 or 2)	384	546	NA	-30%
5. Waste generated during operations	21	435	NA	-95%
6. Business trips [88]	248	470	NA	-47%
7. Commuting of employees	1,694	3,128	NA	-46%
15. Investments	586,608	486,816	NA	20%
15. Investments (net of the 2025 scope expansion)	503,258	486,816	NA	3%
Total GHG emissions				
Total GHG emissions (location-based) (tCO_2eq)	**594,701**	**496,943**	**NA**	**20%**
Total GHG emissions (location-based) (tCO_2eq) *(net of the 2025 scope expansion)*	**511,351**	**496,943**	**NA**	**3%**
Total GHG emissions (market-based) (tCO_2eq)	**593,631**	**495,530**	**NA**	**20%**
Total GHG emissions (market-based) (tCO_2eq) *(net of the 2025 scope expansion)*	**510,281**	**495,530**	**NA**	**3%**

The changes observed in the two-year period within the individual scope 3 categories are due to the general refinement of the calculation methodology, implemented for the first time in FY 2024, as well as the extension of the scope included in the reporting, with specific reference to category 15 (investments).

The following table shows the detailed data for each category 15 asset class recorded in the last two years.

(86) The increase in gross Scope 1 emissions between 2024 and 2025 is largely due to a leak of refrigerant gases during routine maintenance.

(87) The emission factors used to calculate scope 2 GHG emissions do not distinguish the percentage of biomass or biogenic CO2. Furthermore, they do not include GHG emissions other than CO2.

(88) The reduction in emissions related to the business travel category is due to the fact that, in 2024, the emission factors in the Ecoinvent 3.11 database had been used. To ensure full comparability between the data, the figure for FY 2024 calculated with the Defra emission factors (2024) is also provided below: 234 tCO2eq, representing a +6% change in the individual category between 2024 and 2025.

Asset Class – Category 15	Data quality score [89]	2025				2024			
		Scope 1	Scope 2	Emissions intensity (Scope 1+2)	Scope 3	Scope 1	Scope 2	Emissions intensity (Scope 1+2)	Scope 3
		(tCO_2eq)		(tCO_2eq/mln€)	(tCO_2eq)	(tCO_2eq		(tCO_2eq/mln€)	(tCO_2eq)
Listed Equity & Corporate Bonds	5.0	13,153	9,962	18.7	20,446	*Not included in FY 2024*			
Business Loans & Unlisted Equity	3.6	76,670	57,405	52.0	226,621	83,462	57,110	49.8	348,062
Commercial Real Estate	4.2	1,334		5.9	NA	*Not included in FY 2024*			
Mortgages	3.3	18,290		16.3	NA	17,269		16.5	NA
Project finance	3.5	32,892	23,050	65.9	66,250	*Not included in FY 2024*			
Motor Vehicle Loans	4.0	2,749	22	203.2	NA	*Not included in 2024*			
UoP structures	4.4	144	13	3.9	1,767	*Methodology not available in FY 2024*			
Securitisation & Structured products	5.0	21	9	6.7	41	*Methodology not available in FY 2024*			
Sovereign debt	1.0	350,893		140.0	NA	328,849		144.7	NA
Total financed emissions Cat. 15	**3.0**	**586,608**		**68.0**	**315,125**	**486,816**		**80.2**	**347,169**

Finally, below is information on the intensity of GHGs in relation to net revenue. The monetary unit adopted as the denominator for the calculation of the intensity of GHG emissions is the net interest and other banking revenue, reported in item 120 of the Profit and Loss Account.

	2025	2024	% 2025 / 2024
Intensity of GHGs in relation to net revenue [90]			
Total GHG emissions (location-based) vs. net revenue (tCO^2eq / Net Interest and Commission Income, in euros)	**0.00155493**	**0.00126900**	**23%**
Total GHG emissions (location-based) vs. net revenue *(tCO^2eq / Net Interest and Commission Income, in euros) (net of the 2025 scope expansion)*	**0.00133700**	**0.00126900**	**5%**
Total GHG emissions (market-based) vs. net revenue (tCO_2eq / Net Interest and Commission Income, in euros)	**0.00155214**	**0.00126539**	**23%**
Total GHG emissions (market-based) vs. net revenue *(tCO_2eq / Net Interest and Commission Income, in euros) (net of the 2025 scope expansion)*	**0.00133420**	**0.00126539**	**5%**

(89) The score defined by PCAF is on a scale from 1 to 5, where 1 indicates the highest quality level (given by the timeliness and reliability of the source data) and 5 the lowest quality level (given by a higher level of estimation associated, for example, with the use of industry averages).

(90) The emission intensity values as at 31/12/2024 have been updated as a result of the update of the calculation methodology for Scope 3, Category 15 GHG emissions for FY 2024.

WATER AND MARINE RESOURCES (E3)

Policies related to water and marine resources (E3-1)

The Volksbank Sustainability Policy also includes aspects related to the management of indirect impacts, i.e. those impacts that can be generated by the behaviour of individuals along the bank's value chain. This constitutes a fundamental aspect since it is through the management of such attitudes that the Bank contributes to the dissemination of environmentally virtuous processes and actions even beyond the sphere of its own business.

In fact, the Bank is committed to managing its procurement processes in a sustainable manner by pursuing the reduction, as far as possible, of the indirect environmental and social impact linked to outsourcing and the purchase of goods and services from third-party suppliers who in turn act to minimise their own impact on people and the environment.

The Bank therefore prioritises outsourcers and suppliers who comply with environmental and social standards and, in turn, undertakes to purchase products that minimise negative impacts on the environment and society.

If a supplier fails to meet the environmental, social responsibility and diversified governance requirements set by the Bank at the time, an escalation is carried out with a view to ensuring that the supplier fulfils these criteria. However, if the supplier does not provide a credible plan, the Bank will consider restricting the requested services and even terminating the supply relationship.

Aware of the impact that banking activities have on the social and environmental context of its catchment area, following the update of its Credit Policy, Volksbank has also defined the guidelines it intends to follow in developing its Credit Strategy. It aims to combine development and sustainability, responsibility and business activity, by adopting a Code of Ethics to be observed also in the lending process and by directing its actions to favour, among other things:

- investments oriented towards the regional business cycle (0 Km);
- investments aimed at preserving natural resources;
- investments oriented towards the circular economy.

With the new Credit Strategy, the Bank also commits to gradually phasing out funding to sectors or companies that may generate significant negative impacts on the environment or on people, aware that the path to a net-zero economy will not be immediate and will require a gradual approach.[91]

Actions and resources related to water and marine resources (E3-2)

As early as 2021, the Bank launched a project to integrate ESG factors into the assessment of creditworthiness by creating the ESG Evaluation Tool, an assessment tool sent to corporate counterparties requesting new loans for medium- to long-term investment projects.

In 2024, the ESG Evaluation Tool was updated in order to align it with regulatory developments in terms of reporting and monitoring of ESG factors and, during 2025, it was analysed in order to further refine the tool, designed to optimise information requests to customers, also in line with the Regulator's guidelines.

With this tool, the Bank monitors the degree to which a defined target group of corporate customers is aware of and concerned with environmental, social and governance issues. The tool, in fact, envisages an assessment questionnaire to gather qualitative-quantitative information that touches on the following environmental aspects: GHG emissions and energy consumption; waste produced; water resources withdrawn and consumed; practices in place for the transition to a sustainable economy; and use of safeguards against the emission of pollutants into the air, water and soil.

([91]) With reference to Volksbank's Credit Policy, see section "Policies adopted to manage sustainability issues relevant to sustainable finance and responsible lending (MDR-P)".

For more information on the ESG Evaluation Tool developed by Volksbank, see section "Sustainable finance and responsible lending".

Targets related to water and marine resources (E3-3)

The Bank has not currently defined quantitative targets specifically related to the relevant impacts associated with the management of water resources identified along the value chain.
However, in the Operational Sustainability Plan, the Bank has set a number of specific targets for 2025 related to its sustainable finance and lending activities. For more details, see the section "Monitoring the effectiveness of policies and actions through targets on sustainable finance and responsible lending (MDR-T)".

Biodiversity and Ecosystems (E4)

Transition plan and focus on biodiversity and ecosystems in the strategy and business model (E4-1)

To date, the Bank has not formalised a transition plan that includes considerations regarding the protection of biodiversity and ecosystems. However, Volksbank is aware of the role it plays within the communities in which it operates and, as a bank with a strong local presence, is committed to contributing to the transition to a climate-neutral economy by integrating ESG criteria into its credit and investment processes.

Policies related to biodiversity and ecosystems (E4-2)

For information in this regard, see section "Policies related to water and marine resources (E3-1)".

Actions and resources related to biodiversity and ecosystems (E4-3)

For information in this regard, see section "Actions and resources related to water and marine resources (E3-2)".

Objectives related to biodiversity and ecosystems (E4-4)

The Bank has not currently defined quantitative targets specifically related to the relevant impacts on biodiversity and ecosystems identified along the value chain. However, please refer to the description of the objectives associated with its sustainable finance and credit activities, section "Monitoring the effectiveness of policies and actions through targets on sustainable finance and responsible lending (MDR-T)", for details of the targets set within the Operational Sustainability Plan.

Resource use and circular economy (E5)

Resource use and circular economy policies (E5-1)

For information in this regard, see section "Policies related to water and marine resources (E3-1)".

Actions and resources related to resource use and the circular economy (E5-2)

For information in this regard, see section "Actions and resources related to water and marine resources (E3-2)".

Resource use and circular economy targets (E5-3)

The Bank has defined, in its Operational Sustainability Plan, a number of quantitative targets related to resource use. In particular, Volksbank intends to reduce the amount of paper it purchases by 5% by 2026, while also promoting further digitisation of documents and procedures.[92]

In 2025, the Bank purchased a volume of 69,000 kilos of paper.
With regard to the relevant impacts on resource use and the circular economy identified along the value chain, please refer to the description of the targets defined within the sustainable finance and credit activities, in section “Monitoring the effectiveness of policies and actions through targets on sustainable finance and responsible lending (MDR-T)”.

(92) With regard to the Bank’s innovation and digitisation processes, see also paragraph “Technological innovation and digitisation”.

1.13.3. SOCIAL INFORMATION

OWN WORKFORCE (S1)

Policies related to own workforce (S1-1)

The development of human capital is a fundamental pillar for Volksbank, which values its resources and promotes initiatives to increase their skills and abilities. Employees are a key element for the success of a business, and are supported by an inclusive organisational culture that fosters creativity and innovation. Volksbank addresses the management of relevant impacts, risks and opportunities related to its human resources within the broader Sustainability Policy, taking into account previous experience and the strategic goals on which the I-mpact 2026 Business Plan is based [93].
The 2025 update of the Sustainability Policy has set out in more detail the six key areas in which the Bank is committed and which reflect its strategic priorities:

- gender equality;
- corporate culture;
- wellbeing care, personal support;
- diversity and inclusion;
- disability support;
- intergenerational dialogue.

In order to ensure effective management of its personnel, Volksbank has also adopted structured policies related to the management of human resources and tailored to specific issues. The Bank uses these tools to address issues related to its employees, notably aspects related to personal wellbeing, the protection of diversity and equal opportunities, as well as skills development and adequate remuneration, strengthening the link between organisational wellbeing and corporate sustainability and outlining its commitments in managing the relevant impacts, risks and opportunities related to its own workforce.
Specifically, the Human Resources Management Policy covers, across the board, all issues related to gender equality, corporate culture, welfare and disability protection, diversity and inclusion and intergenerational dialogue. This integrated approach allows each employee to realise their full potential in a supportive and inclusive environment.
The Gender Equality Policy was also adopted to recognise, protect and value differences between men and women at all stages of the career path. From recruitment to career development, to the promotion of diverse leadership models, the policy commits the Bank to ensuring equal opportunities and reducing the gender pay gap through constant monitoring, in line with current legislation, taking corrective action where necessary to ensure gender pay equity and encouraging female empowerment. Finally, the commitment to improving working conditions is also reflected in awareness-raising and training initiatives, which are included in the mandatory training for all employees. The I-mpact 2026 Business Plan has a specific focus on the issue of gender equality, which, among other things, promotes part-time contracts and the return from maternity leave. Volksbank has also adopted a specific policy on welfare and wellbeing, recognising that balancing work and personal needs is a key element in creating a working environment conducive to professional and personal growth. The Bank promotes corporate welfare through measures that foster the quality of working life and loyalty of staff.
These policies concern the entire corporate population of the Bank.
In confirmation of this commitment, Volksbank adopts a structured approach to ensure the respect and promotion of human and labour rights, consolidating the centrality of human capital through policies and procedures aligned with the UN Global Compact, the ILO Declaration and the OECD Guidelines. In particular, it is inspired by Principles I, II, III, IV, V and VI of the Global Compact, which concern the protection of human rights and working conditions, reaffirming the Bank's commitment to preventing and combating human trafficking, forced or child labour and promoting decent and safe working conditions for all employees.

[93] For more details, see the section "Role of the administrative, management and control bodies (GOV-1)".

The Bank's concern for the protection of the dignity and fundamental rights of its employees is embodied in the adoption of the Rules of Conduct for the prevention and management of reports of sexual harassment, discrimination, moral and psychological violence, mobbing and straining. This instrument establishes clear procedures for the reporting and management of prejudicial conduct. This commitment is guaranteed by the presence of a dedicated reporting channel which allows employees to initiate an informal or formal procedure and ensures confidentiality and transparency in the handling of cases. The informal procedure allows access to the "abuse and discrimination" reporting channel through an IT tool provided by the Bank, with the aim of stopping unwanted behaviour and resolving the issue quickly after obtaining the consent of the person concerned and guaranteeing their confidentiality; alternatively, by initiating the formal procedure, the Human Resources department is directly involved.

A central aspect of the regulation also concerns information, training and awareness-raising on issues related to conflict management and the prevention of discrimination, with specific courses for staff who hold coordination and management roles. Finally, the 2025 update of the Remuneration Policies introduced a series of targeted changes aimed at improving the overall effectiveness of the system, as well as adapting it to organisational developments and best market practices, even in the absence of substantial regulatory changes. Firstly, a new process was introduced for the management of remuneration changes during the year concerning the Most Significant Personnel, with the aim of ensuring more structured and transparent oversight in the event of changes to the fixed or variable component during the year. At the same time, the scope of Key Personnel was updated to include additional roles as well as further positions deemed strategic in light of the reorganisations that have taken place. The update also added references to the I-mpact 2026 Business Plan in the introductory sections of the document, with a view to highlighting the main strategic drivers and aligning the remuneration framework with the Bank's development objectives. Finally, some processes already provided for in previous versions have been expanded upon and made clearer, including the deferral mechanisms, the conditions for access to the bonus system, the regulation of the variable/fixed ratio and the aspects relating to severance, ensuring full alignment with the provisions of the supervisory regulations and the provisions of Circular 285/2013.

Volksbank is committed to constantly monitoring the effectiveness of its policies and to making the necessary changes to ensure a working environment that complies with the highest international standards of human and labour rights. The approach adopted reinforces the organisation's desire to be a benchmark in the sector, putting the well-being and dignity of its human resources at the forefront.

In establishing its policies, the Bank considers the interests of its stakeholders and makes these documents available to employees via the corporate intranet.

At present, Volksbank does not have an occupational accident prevention policy. Below is the breakdown of occupational accidents recorded during FY2025. It should be noted that, having strengthened the process of monitoring and reporting accidents through the adoption of ISO 45001, all of the Bank's facilities must now report accidents that occur. This update explains the increase in the number of reported injuries compared to the previous FY.

Occupational accidents of employees	2025	2024	2023
Number of deaths as a result of accidents at work	0	0	0
Number of work-related accidents with serious consequences (excluding deaths)	0	0	0
Number of recordable occupational accidents	15	7	8
Number of hours worked	2,151,965	2,099,526	2,038,499
Main types of occupational accidents	7 in progress	4 in progress	in progress
Death rate resulting from occupational accidents	0	0	0
Rate of occupational accidents with serious consequences (excluding deaths) [94]	0	0	0
Rate of recordable occupational accidents [95]	6.97%	3.33%	3.92%

In the three-year period 2023-2025, there were no occupational accidents of non-employees.

Processes for engaging own workforce and workers' representatives with regard to impacts (S1-2)

The approach adopted by the Bank aims to ensure an inclusive and participative working environment, in which the well-being and continuous development of human resources are considered central to the success of the company. Volksbank, with the support of the Human Resources O.U., promotes a series of processes aimed at actively involving its employees in relevant impacts, fostering a participative working environment.

Employees are involved in a variety of ways, defined according to the type of intervention and their frequency. In particular, the company climate survey is carried out once every two years, the annual interview is held every year, training is an ongoing process, and strategic projects are implemented according to the objectives of the Business Plan. Dialogue with trade unions takes place through monthly meetings, dedicated events and constant discussion to ensure transparent and effective communication.

For each activity, there is usually an evaluation and monitoring phase of the actions undertaken, in order to measure the effectiveness of the interventions and orient future strategies. Over the last few years, these initiatives have been monitored through the analysis of specific KPIs aimed at verifying the effectiveness of the action taken.[96]

These processes involve all levels of the organisation, from the Board of Directors to the internal board committees, from the Executive Board down to the managers, following the entire governance chain.

The Human Resources O.U., with the support of the corporate structures involved, has the operational responsibility to ensure that engagement activities are implemented effectively and that the results obtained guide the corporate strategies, thus contributing to the improvement of the working environment and the achievement of the organisation's objectives.

One of the main tools is the company climate survey, conducted every two years, which asks employees to give their opinions and thoughts on the working environment, company policies and general level of satisfaction. The survey provides essential feedback for identifying areas for improvement and developing strategies for enhancing the well-being and motivation of employees. The 2024 edition showed an improvement over previous years [97], confirming the effectiveness of the initiatives undertaken. In addition, in 2025, the Bank allocated approximately 8% of the planned expenditure for employees to corporate welfare. [98]

(94) The accident severity rate is calculated as total days of absence due to accidents divided by total hours worked in the year, multiplied by 1,000,000.
(95) the accident frequency rate is calculated as the number of accidents at work divided by the total hours worked in the year, multiplied by 1,000,000.
(96) See also paragraph "Objectives related to the management of significant negative impacts, enhancement of positive impacts and management of relevant risks and opportunities (S1-5)"
(97) The satisfaction rate recorded among employees was 74% in 2024. This survey is carried out every two years, so the figure for FY 2025 is not available.
(98) 2.2% more than in FY 2024.

Another key means for engagement is the annual interview between manager and employee, which is not limited to the appraisal of individual performance, but also provides an opportunity to discuss professional goals, career aspirations and development paths, including training activities. The annual review is an important opportunity for dialogue and discussion between employees and their manager, and strengthens the relationship between the employee and the company.

Volksbank also encourages the active involvement of staff in activities related to the goals of the I-mpact 2026 Business Plan. By playing a direct part, employees can help achieve the strategic objectives, hone specific skills, strengthen their sense of belonging and responsibility, and promote internal growth.

Training is an important aspect of the employee engagement policies and is a valuable way to stimulate the active participation of employees. The Bank organises workshops, seminars and refresher courses to develop technical and transversal skills, encouraging discussion and growth as part of a team. Over the last few years, the department has paid particular attention to the effectiveness of training courses, implementing and strengthening the tools for monitoring the skills acquired and to be acquired.

In addition to compliance with first- and second-level regulatory and contractual provisions, Volksbank adopts measures by pursuing a policy of ongoing and constructive dialogue with trade unions. Monthly meetings with trade unions provide an important opportunity to discuss topics of interest and address any critical issues reported, involving internal specialist departments to ensure in-depth and constructive discussion. Where necessary, the department also involves the Bank's specialist functions in order to ensure accurate and in-depth discussion.

The Bank operates in full compliance with both internal and external regulations, by adopting policies, practices and procedures to ensure a structured and standardised approach. The relationship between the Bank and the trade unions is governed by first-level collective bargaining, represented by the National Collective Labour Agreement for the credit sector, and second-level collective bargaining, which includes the company supplementary contract, together with numerous specific side agreements.

As part of Volksbank's ongoing commitment to protecting workers' rights and promoting a fair, inclusive and respectful working environment, the Human Resources department plays a central role in engaging in dialogue with and involving trade union organisations, ensuring a transparent, structured and continuous exchange. HR is responsible for managing and negotiating the Company Supplementary Agreement (CIA), adapting the provisions of the CCNL to the Bank's organisational and strategic specificities, through a careful regulatory and jurisprudential analysis and the preparation of draft agreements shared with trade union representatives. As part of this activity, the function manages the internal decision-making process, assesses the economic and organisational impacts of the proposals and ensures periodic updates on the contractual conditions, with particular reference to welfare, allowances and organisational flexibility models.

These instruments regulate the forms of involvement of workers' representatives, promoting a constant and constructive dialogue between the Bank and trade union representatives. This approach not only ensures compliance with applicable regulations, but also strengthens the role of workers' representatives in improving working conditions and achieving company goals.

The HR department regularly benchmarks its activities against the sector to ensure that the conditions offered are competitive and in line with market best practices.

Processes to remedy negative impacts and channels that enable the workforce to raise concerns (S1-3)

Volksbank adopts a structured and systematic approach to managing and mitigating any negative impacts on its workers, based on internal regulations, specific policies and operational tools that ensure compliance with corporate and regulatory standards. All internal regulatory sources and training activities in the relevant area cover all employees and are mandatory. The management of employee-related issues is supported by a clear and structured legal framework, which includes the Regulations for the prevention and management of harassment, discrimination and other prejudicial situations. This regulation provides formal and informal procedures for the reporting and handling of critical issues,

giving HR a central role in the collection and handling of reports, while ensuring confidentiality and timely intervention. In addition, the regulation governs the roles of the Trust Adviser and a Diversity Manager to offer advice and assistance to any employee who requests it. In addition, within the scope of its responsibility, the Bank manages and conducts the Bank's trade union relations in accordance with corporate strategies and directives and in compliance with the regulations, with specific reference to first and second level collective bargaining. In these activities, the Human Resources department minimises the occurrence of internal conflict by supervising and managing the overall negotiation process, in compliance with the directives of the General Management.
To address issues related to negative impacts, the Bank uses structured processes that include the implementation of specific procedures for the handling of complaints and reports, with a focus on the timely resolution and prevention of future issues. With this in mind, the department analyses the reported situations in order to identify not only immediate solutions, but also improvements in organisational processes aimed at preventing the recurrence of such situations. The reporting channel introduced in 2024 is a practical example of this approach, ensuring that every issue is dealt with transparently and in accordance with current regulations. Specific requests from employees can also be dealt with in the context of industrial relations.
The evaluation of the effectiveness of the actions taken takes place through continuous monitoring activities and targeted feedback tools, such as the biannual corporate climate survey, the results of which not only help to identify critical areas, but also allow the positive impact of the initiatives implemented to be measured. In addition, Volksbank is committed to communicating its policies and procedures clearly and transparently, both through internal documents and its corporate website, making information accessible and promoting awareness among employees.
With a view to continual improvement, the Bank does not simply take action on individual reports, but adopts a proactive approach that integrates mandatory training, awareness-raising and regular policy updates. This approach ensures that any issues are systematically addressed, promoting a safe and inclusive working environment and tapping the full potential of human resources.

Actions on relevant impacts on the own workforce and approaches for managing relevant risks and pursuing relevant opportunities in relation to the own workforce, as well as the effectiveness of these actions (S1-4)

The Human Resources department expresses the Bank's commitment to implementing the principles of non-discrimination by encouraging the creation of a working environment that rejects stereotypes, discrimination and all forms of physical, verbal and digital abuse, and instead proposes a culture of diversity and inclusion. To this end, the approach adopted by the Bank integrates initiatives aimed at effectively managing the relevant impacts on the workforce and seizing the opportunities offered, creating an inclusive, respectful and sustainable working environment.
Volksbank plans and dedicates an annual budget, approved by the Board of Directors, which guarantees the financial resources needed to implement initiatives for personnel. This strategic planning reflects Volksbank's constant focus on promoting a balance between organisational well-being, individual growth and corporate sustainability. In addition to the National Collective Labour Agreement, the Bank also applies company supplementary contracts and specific trade union agreements which regulate particular matters such as part-time contracts, the reorganisation of the commercial network, the establishment of the Contact Centre, the introduction of the Welfare system and the "Banca Etica delle Ore".
The actions and initiatives undertaken by the Bank to manage relevant impacts, risks and opportunities in relation to its own workforce focus on three main issues: welfare and work-life balance, training and skills development, and diversity and equal opportunities. The actions respond concretely to employees' needs and contribute to generating shared value.
To reinforce its systematic approach, the Bank has set up key figures such as the Trust Adviser and Diversity Manager, together with the UNI PdR Steering Committee, to prevent and manage critical situations related to harassment, discrimination and other issues affecting personal dignity. These figures play a crucial role in providing support and advice, promoting a working environment based on inclusion and respect.

In addition, the Bank supports the activities of the "DEI Project (Diversity, Equity and Inclusion)" working group, which is aimed at developing and embedding the above-mentioned issues within company processes, as well as promoting awareness among personnel on diversity and inclusion, including through dedicated working groups tasked with implementing projects and measures in support of the areas listed above. During the annual staffing interviews, an in-depth analysis of the tasks actually performed by each employee is also carried out in order to ensure equal opportunities. The aim is to verify full consistency between the activities performed and the assigned professional profile, intervening where necessary with adjustments to the profile or job classification.
The Bank is aware of how the balancing and reconciling of work-related needs with the personal and family needs of its employees constitutes a fundamental aspect for the creation of conditions which permit the full expression and development of their professional potential, favouring the creation of a shared, lasting and sustainable value over time. On this front, the Bank adopts innovative incentive policies and instruments, including those of a non-strictly monetary nature, in favour of its personnel, which promote work-life balance. Among its main corporate welfare initiatives, Volksbank promotes work flexibility through smart working and flexible working hours compatible with the assigned duties. To support parents, the Bank set up a company crèche at its Bolzano headquarters, with places reserved for personnel, and introduced paid leave in addition to what is provided for by legislation and collective bargaining. It also supports families through initiatives for employee childcare and inclusion in educational and sports activities, which is a further step in promoting a corporate culture that is attentive to the needs of employees. Non-monetary benefits also include a free three-year medical check-up for all employees.
In order to ensure a certain amount of attention to the issue of reconciling life and work, in recent years the Bank has established, among other things, a particular sensitivity for requests for part-time work and the return to work for employees who finish their period of compulsory maternity leave. The Bank guarantees the latter the possibility of requesting and obtaining a reduction in working hours with various forms of part-time work.
The Bank is also committed to carrying out multiple activities and initiatives to better support and manage cases of disability, complying with health and safety regulations, and removing infrastructural and other barriers that may cause harm, even if only potentially. These principles guide the Bank not only in relation to its staff but also in relation to the family members of employees who are in the aforementioned conditions.

With regard to training and skills development, Volksbank places great emphasis on the continuous improvement of its employees' technical, behavioural and interpersonal skills. The training and updating of employees is, in fact, an aspect that the Bank has always valued and continues to value as of primary importance in the professional development of its personnel. A diverse training programme is prepared each year to encourage constant professional development and updating of technical, behavioural and relationship management skills. This includes in-person sessions, webinars, e-learning and on-the-job training.
Due to the training requirements of particularly specialised figures, the Bank also envisages the possibility of access to external training courses, also of a regulatory nature, which can be useful to pursue the current Business Plan in the most effective and efficient manner possible.
The professional development of sales-network employees focused mainly on technical banking training. These include the "Cresciamo Insieme" project, which offers employees under 40 in-depth programmes in the areas of finance, securities, loans and banking products, and the development of skills related to leadership and business. An in-depth course was also prepared for newly hired employees aimed at introducing topics useful for carrying out their duties and for the typical activity of the banking sector. Finally, on issues related to leadership, the Bank annually provides a course for employees who have taken on a role of responsibility during the year, to help them settle into their new role.

Without prejudice to the provisions of its Code of Ethics and code of conduct and discipline, the Bank refrains from engaging in prejudicial behaviour against its workers and promotes behaviours aimed at establishing a serene work environment, in keeping with the Bank's values, which do not hinder the enhancement of their individuality and diversity. The Bank's policy aims to remove obstacles that limit the full realisation of gender equality, with a focus on preventing discriminatory incidents and valuing parenthood. To this end, Volksbank constantly monitors the gender pay gap (annually, as part of the review of remuneration and incentive policies), in order to implement any corrective actions with respect to pay gaps characterising the less represented gender.

In addition, the Bank holds UNI/PdR 125:2022 certification for Gender Equality, which was renewed for a further three years at the end of the 2025 financial year, and supports programmes that promote Women's Empowerment, which continued in 2025. In addition, mentoring and reverse-mentoring initiatives were also carried out to foster intergenerational dialogue and the exchange of expertise between employees of different ages and experiences.
The Human Resources O.U. ensures, through internal rotation, new hires and personalised professional paths and continuous training, as well as the resources employees for the consolidation of the organisational units and branches located in the various provinces. The HR O.U. also guarantees the strengthening of the workforce in keeping with the sizing policies adopted annually by the company and the timely replacement of both employees who have ceased work and those absent for an extended period (maternity, injury or illness), in order to enhance the exchange of experience and professionalism between internal offices and the sales network.
The Bank, also with regard to personnel management, implements various activities aimed at compliance with regulations with the objective of not causing significant negative impacts on its own workforce. Among these, the one on the processing of personal data is of particular importance. To this end, the Bank has measures and procedures in place to prevent breaches relating to data and information on its personnel. Moreover, where necessary and appropriate, the Bank exercises its disciplinary power in full compliance with the legislation and collective bargaining in the event of alleged violations and conduct deemed non-compliant. Furthermore, on a regular basis, the Bank carries out activities aimed at updating the relevant documentation (i.e. information on the processing of personal data, appointment of persons authorised to process personal data, etc.) in order to comply with the applicable legislation, involving trade union organisations even when not strictly necessary.
In this regard, the Human Resources O.U. continuously monitors the effect of the activities carried out, in order to promptly detect any negative impacts on the well-being of the workers. Especially as regards regulatory obligations or obligations required for various reasons by the Italian regulator, and in close collaboration with the corporate control departments, the level of adequacy of the safeguards put in place by the Bank are periodically evaluated through a risk-based approach. Furthermore, with reference to the obligations arising from collective bargaining at all levels, the department is in constant contact with the trade union organisations represented in the company, with a view to finding the best solutions for achieving a work-life balance compatible with organisational and business requirements.

Objectives related to the management of significant negative impacts, enhancement of positive impacts and management of relevant risks and opportunities (S1-5)

In defining the I-mpact 2026 Business Plan, the Bank set a number of medium- to long-term targets related to its workforce and linked to ESG issues, taking into account the views of its workforce gathered on the occasions referred to in section "Processes for engaging own workforce and workers' representatives with regard to impacts (S1-2)". In 2025, these objectives were further detailed in the Operational Sustainability Plan, which provides for the introduction of specific KPIs aimed at pursuing three main objectives: the reduction of the gender pay gap by grade to ±5%, the 30% increase in the representation of women in leadership roles, and the containment of voluntary resignations below the threshold of 3.5%. [99] These objectives will therefore be pursued through the quantification and monitoring of specific KPIs over time, which are also considered for the purposes of sustainability reporting and internal strategic assessments. This activity provides senior management with a comprehensive analytical basis for monitoring the impact of HR policies, including in relation to ESG objectives.

(99) For the complete list of targets defined in the Operational Sustainability Plan, see section "Strategy, business model and value chain (SBM-1)"

In the area of training and development of skills, Volksbank aims to improve the quality and effectiveness of its training courses, adapting them to regulatory and strategic needs. The objectives include refocusing of the training plan, for new recruits and employees in transition to roles of greater responsibility, through the development of specific programmes aimed at enhancing technical and managerial skills. Talent management, supported by employer branding mechanisms, targeted talent programmes and job rotation tools, improves retention and ensures that people gain the skills required to achieve the corporate objectives.
The compulsory training for all employees covers the following topics:

- Safety at work (Legislative Decree 81/08);
- Cybersecurity;
- Anti-Money Laundering;
- Legislative Decree 231/2001;
- Consob/MiFID training and updates;
- IVASS training and updating;
- MCD;
- Transparency.

In the area of welfare and work-life balance, the main objective is to redefine the improvement of employees' satisfaction and mental and physical well-being, supported by the introduction of tools to ensure a work-life balance. Key initiatives include the expansion of family support with the establishment of childcare programmes for staff and indirect financial support for the inclusion of employees in educational and sports activities. To this end, and to monitor the well-being of its employees, the Bank has set itself the target of keeping the voluntary turnover rate below 3.5% by 2026, also through monitoring overall satisfaction levels and expenditure on employee welfare. On the topic of diversity and equal opportunities, the Bank is committed to promoting an inclusive corporate culture, raising awareness of diversity, equity and inclusion issues through awareness campaigns. Key objectives include the reduction of the gender pay gap [100] through regular analyses and corrective measures by 2027 and the improvement of the representation of women in corporate decision-making processes, including through the achievement of ISO 30415 certification, which is planned for 2026.
In particular, with regard to the gender pay gap, the Bank is committed to reducing the gap recorded by job category to a maximum of 5% by 2027, through monitoring pay differences and promotions, as well as studying proactive measures ahead of the entry into force of the European Pay Transparency Directive[101], with a view to ensuring greater equity and transparency and facilitating corrective action.
Another important initiative promoted by the Bank is to increase the representation of women in leadership positions: by 2028, the Bank intends to achieve at least 30% of women in leadership roles among new appointments, also by monitoring new hires. To achieve this target, it will also be applied to part-time employment contracts by introducing criteria that allow access to positions of responsibility even with flexible working hours and by promoting work-life balance.

(100) Calculated by job classification.
(101) EU Directive 2023/970, also known as the "Pay Transparency Directive".

In this regard, in 2025, 45% of new appointments concerned female employees:

PERCENTAGE OF WOMEN IN NEW APPOINTMENTS	FY 2025		
	Women	Men	Total
Total new appointments	115	142	257
of whom executives	2	8	10
including leadership roles	8	19	27
% of female executives among new appointments	20%	-	-
% of women in leadership roles among new appointments	30%	-	-
% of women in new appointments	45%	-	-

All set targets are monitored through a continuous process involving roll-out and follow-up activities of the working groups. The results are analysed in relation to qualitative and quantitative metrics, with intermediate targets set within the framework of the "I-mpact 2026" Business Plan. This approach allows the Bank to align its initiatives with the broader objectives of sustainability and territorial development, creating shared value and consolidating its position as a benchmark in the regional banking sector.

Characteristics of the company's employees (S1-6) [102]

At the end of the financial year 2025, Volksbank's workforce increased by 3% year-on-year, with all employees hired in Italy. Great importance has always been attributed to the creation of work groups diversified by gender and generation. The percentage of female personnel in the company's workforce is currently 45%, in line with the previous year.

NUMBER OF EMPLOYEES BY GENDER	2025	2024	2023
Men	816	794	773
Women	664	642	618
Other[103]	NA	NA	NA
Not communicated	-	-	-
Total employees	**1,480**	**1,436**	**1,391**

EMPLOYEES BY GENDER AND TYPE OF EMPLOYMENT CONTRACT	2025				
	Women	Men	Other	Not communicated	Total
Total number of employees	**664**	**816**	**NA**	**-**	**1,480**
Number of permanent employees	632	788	NA	-	**1,420**
Number of fixed-term employees	32	28	NA	-	**60**
Number of variable-hour employees	-	-	NA	-	**-**
Number of full-time employees	399	809	NA	-	**1,208**
Number of part-time employees	265	7	NA	-	**272**

(102 All data on the Bank's employees are given in number of people as at 31.12.2025. The number of employees reflects what is stated in the "Personnel" section of the Management Report.

(103) In Italy, it is not possible to legally register as belonging to a third gender, which is why the category "other" does not apply.

EMPLOYEES BY GENDER AND TYPE OF EMPLOYMENT CONTRACT	2024				
	Women	Men	Other	Not communicated	Total
Total number of employees	**642**	**794**	**NA**	**-**	**1,436**
Number of permanent employees	622	767	NA	-	**1,389**
Number of fixed-term employees	20	27	NA	-	**47**
Number of variable-hour employees	-	-	NA	-	**0**
Number of full-time employees	358	784	NA	-	**1,142**
Number of part-time employees	284	10	NA	-	**294**

EMPLOYEES BY GENDER AND TYPE OF EMPLOYMENT CONTRACT	2023				
	Women	Men	Other	Not communicated	Total
Total number of employees	**618**	**773**	**NA**		**1,391**
Number of permanent employees	600	753	NA	-	**1,353**
Number of fixed-term employees	18	20	NA	-	**38**
Number of variable-hour employees	-	-	NA	-	**0**
Number of full-time employees	338	765	NA	-	**1,103**
Number of part-time employees	280	8	NA	-	**288**

Maintaining staffing levels, in line with the objectives set out in the Business Plan, involved the hiring of 124 new employees over the course of 2025 (45% of whom are women), showing a constant growth trend compared to the two previous years.

NEW HIRES AND TURNOVER	2025			2024			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
No. of new hires	56	68	124	60	62	122	50	64	114
No. of terminated relationships	34	46	80	36	41	77	27	53	80
of which: voluntary terminations[104]	*18*	*14*	*32*	*24*	*19*	*43*	*20*	*24*	*44*
Turnover rate	**5%**	**6%**	**5%**	**6%**	**5%**	**5%**	**4%**	**7%**	**6%**
of which the turnover rate is related to voluntary terminations	*3%*	*2%*	*2%*	*4%*	*2%*	*3%*	*3%*	*3%*	*3%*

The turnover rate is calculated as the ratio of the number of employees who left the workplace to the total number of employees in the reference year. The "voluntary" turnover rate, which only takes into account voluntary resignations for reasons other than retirement and other types of termination of employment, stands at 2% for the financial year 2025, down from the previous year.

(104) Retirement cases are excluded.

Characteristics of non-employees in the enterprise's own workforce (S1-7) [105]

As at 31 December 2025, there are two non-employee collaborators, working respectively as a trainee and as a project-based collaborator in various areas of the company.

NUMBER OF NON-EMPLOYEE WORKERS	2025	2024	2023
Self-employed workers	-	-	1
Interns and trainees	1	2	2
Project-based collaborators	1	-	-
Total non-employees	**2**	**2**	**3**

Coverage of collective bargaining and social dialogue (S1-8)

In 2025, as in the two previous financial years, 100% of employees are covered by the National Collective Labour Agreement and 86% are covered by workers' representation.

EMPLOYEES COVERED BY NATIONAL COLLECTIVE LABOUR AGREEMENT	2025	2024	2023
Total number of employees covered by National Collective Labour Agreement	1,480	1,436	1,391
Percentage of employees covered by National Collective Labour Agreement	**100%**	**100%**	**100%**

WORKPLACE REPRESENTATION	2025	2024	2023
Total no. of employees covered by workers' representatives	1,273	1,240	1,202
Percentage of employees covered by Workers' Representatives	**86%**	**86%**	**86%**

([105]) All data on the non-employees of the Bank are given in number of people as at 31.12.2025.

Diversity metrics (S1-9)

In 2025, 24% of the senior management team are women. This figure showed a steady growth trend over the three-year period in question.

GENDER DISTRIBUTION IN SENIOR MANAGEMENT	2025				
	Women	Men	Other	Not communicated	Total
Managers	7	29	NA	-	36
Middle managers	150	464	NA	-	614
Total	**157**	**493**	**NA**	**-**	**650**
Percentage	**24%**	**76%**	**NA**	**-**	**100%**

GENDER DISTRIBUTION IN SENIOR MANAGEMENT	2024				
	Women	Men	Other	Not communicated	Total
Managers	6	28	NA	-	34
Middle managers	135	446	NA	-	581
Total	**141**	**474**	**NA**	**-**	**615**
Percentage	**23%**	**77%**	**NA**	**-**	**100%**

GENDER DISTRIBUTION IN SENIOR MANAGEMENT	2023				
	Women	Men	Other	Not communicated	Total
Managers	6	30	NA	-	36
Middle managers	124	430	NA	-	554
Total	**130**	**460**	**NA**	**-**	**590**
Percentage	**22%**	**78%**	**NA**	**-**	**100%**

Regarding employee age groups, in 2025 those under 30 account for 15% of the workforce (8% more than in 2024).

EMPLOYEES BY AGE GROUP	2025			
	< 30 years old	30-50 years	> 50 years old	Total
No. employees	220	639	621	**1,480**

EMPLOYEES BY AGE GROUP	2024			
	< 30 years old	30-50 years	> 50 years old	Total
No. employees	198	650	588	**1,436**

EMPLOYEES BY AGE GROUP	2023			
	< 30 years old	30-50 years	> 50 years old	Total
No. employees	160	674	557	**1,391**

Adequate salaries (S1-10)

All employees receive an adequate salary, in line with the applicable benchmarks of the National Collective Labour Agreement.

People with disabilities (S1-12)

In Italy, participation in the world of work by people with disabilities is governed by law. Volksbank considers it essential to ensure that people with disabilities also have employment opportunities and interprets its role within local communities as an opportunity to allow these employees to provide a concrete contribution and not simply as a fulfilment of legal obligations.

PERCENTAGE OF PROTECTED CATEGORIES BY GENDER	2025				
	Women	Men	Other	Not communicated	Total
No. employees with disabilities	24	22	NA	-	46
Percentage of employees with disabilities	**4%**	**3%**	**NA**	**-**	**3%**

PERCENTAGE OF PROTECTED CATEGORIES BY GENDER	2024				
	Women	Men	Other	Not communicated	Total
No. employees with disabilities	24	20	NA	-	44
Percentage of employees with disabilities	**4%**	**3%**	**NA**	**-**	**3%**

PERCENTAGE OF PROTECTED CATEGORIES BY GENDER	2023				
	Women	Men	Other	Not communicated	Total
No. employees with disabilities	20	21	NA	-	41
Percentage of employees with disabilities	**3%**	**3%**	**NA**	**-**	**3%**

(106) Bank applies the National Collective Labour Agreement for credit, financial and instrumental companies to its entire corporate population.

Training and skills development metrics (S1-13)

During 2025, a total of more than 106,800 hours of training were provided, corresponding to approximately 69 hours of training per employee (2% more than in the previous year).
As in previous years, all employees participated in periodic performance reviews aimed at developing their careers and growth paths.

AVERAGE TRAINING HOURS [107]	2025				
	Women	Men	Other	Not reported	Total
Managers	36.92	41.93	NA	-	40.99
Middle managers	73.53	69.77	NA	-	70.69
Clerical staff	65.39	76.31	NA	-	69.67
TOTAL	**66.90**	**71.43**	**NA**	**-**	**69.40**

AVERAGE TRAINING HOURS	2024				
	Women	Men	Other	Not reported	Total
Managers	37.90	34.28	NA	-	34.92
Middle managers	73.14	70.35	NA	-	71.00
Clerical staff	67.38	66.71	NA	-	67.12
TOTAL	**68.32**	**67.61**	**NA**	**-**	**67.93**

AVERAGE TRAINING HOURS	2023				
	Women	Men	Other	Not reported	Total
Managers	23.17	41.9	NA	-	38.78
Middle managers	58.93	59.65	NA	-	59.49
Clerical staff	55.55	60.08	NA	-	57.32
TOTAL	**55.92**	**59.14**	**NA**	**-**	**57.71**

([107]) The training hours indicated were also completed by people who had left the Bank by 31/12. When calculating the average training hours, the total number of employees who received training during the year was considered (1,540 total employees for 2025).

EMPLOYEES WHO PARTICIPATED IN PERIODIC PERFORMANCE AND CAREER DEVELOPMENT REVIEWS BY CATEGORY AND GENDER	2025				
	Women	Men	Other	Not reported	Total
Managers	7	29	NA		36
Middle managers	150	464	NA		614
Clerical staff	507	323	NA		830
Total (no.)	**664**	**816**	**NA**	**-**	**1,480**
Total (%)	**100%**	**100%**	**NA**	**-**	**100%**

EMPLOYEES WHO PARTICIPATED IN PERIODIC PERFORMANCE AND CAREER DEVELOPMENT REVIEWS BY CATEGORY AND GENDER	2024				
	Women	Men	Other	Not reported	Total
Managers	6	28	NA	-	34
Middle managers	135	446	NA	-	581
Clerical staff	501	320	NA	-	821
Total (no.)	**642**	**794**	**NA**	**-**	**1,436**
Total (%)	**100%**	**100%**	**NA**	**-**	**100%**

EMPLOYEES WHO PARTICIPATED IN PERIODIC PERFORMANCE AND CAREER DEVELOPMENT REVIEWS BY CATEGORY AND GENDER	2023				
	Women	Men	Other	Not reported	Total
Managers	6	30	NA	-	36
Middle managers	124	430	NA	-	554
Clerical staff	488	313	NA	-	801
Total (no.)	**618**	**773**	**NA**	**-**	**1,391**
Total (%)	**100%**	**100%**	**NA**	**-**	**100%**

Work-life balance metrics (S1-15)

All Volksbank employees are entitled to family leave under the company's social policy and the collective agreements applied. In 2025, 4% of these, both men and women, took leave.

FAMILY LEAVE	2025				
	Women	**Men**	**Other**	**Not reported**	**Total**
Percentage of employees entitled to family leave	100%	100%	NA	-	100%
Percentage of eligible employees who took family leave	**5%**	**3%**	**NA**	**-**	**4%**

FAMILY LEAVE	2024				
	Women	**Men**	**Other**	**Not reported**	**Total**
Percentage of employees entitled to family leave	100%	100%	NA	-	100%
Percentage of eligible employees who took family leave	**5%**	**3%**	**NA**	**-**	**4%**

Remuneration metrics (S1-16)

In its Operational Sustainability Plan, the Bank has set a target of reducing the gender pay gap by grade to ±5% by 2027. To achieve this goal, in FY2025, the Bank calculated the pay gap by gender and by job level in order to define a baseline for monitoring progress towards the target and the effectiveness of the strategic levers defined in the Plan. It should be noted that the objective was defined by the Bank, taking due account of specific parameters relating to each professional profile (e.g. seniority and the actual responsibilities of the role held).
With reference to FY2025, there is a negative gap for the category of Senior and Middle Managers, while there is a positive gap in favour of women in the Clerical Staff category.

GENDER PAY GAP BY JOB CLASSIFICATION [108]	2025		2024		2023	
	Women	**Men**	**Women**	**Men**	**Women**	**Men**
Average gross hourly remuneration of **Managers**	35.77	46.65	34.83	45.48	35.07	43.07
Average gross hourly remuneration of **Middle Managers**	23.65	25.63	23.49	25.38	22.94	25.03
Average gross hourly pay of **clerical staff**	16.89	16.22	16.77	16.20	16.49	15.97
Managers' pay gap	**-23.32%**		**-23.41%**		**-18.57%**	
Middle managers' pay gap	**-7.75%**		**-7.46%**		**-8.34%**	
Pay gap for Clerical staff	**4.13%**		**3.49%**		**3.23%**	

TOTAL REMUNERATION RATE [109]	2025	2024	2023
	11.05	9.84	9.89

(108) In line with the ESRS standard, the gender pay gap is calculated as the difference between the average pay levels paid to female and male workers, in relation to the average pay level of male workers.
(109) The remuneration rate is calculated as the ratio of the total annual remuneration of the person receiving the highest salary to the median total annual remuneration of all employees (excluding the person with the highest salary).

Serious human rights incidents, complaints and impacts (S1-17)

During FY2025, a report was submitted through the specific channel adopted by the Bank and available to its employees. However, the report was not followed up as a result of the preliminary and in-depth investigations carried out. No human rights incidents or complaints were recorded during the three-year period 2023-2025.

WORKERS IN THE VALUE CHAIN (S2)

Worker-related policies along the value chain (S2-1)

Volksbank addresses the management of relevant impacts, risks and opportunities related to workers along its value chain within the broader Sustainability Policy [110], as updated in 2025, also taking into account previous experience and the strategic goals on which the I-mpact 2026 Business Plan is based.
In the "People Management" section of the Policy, the Bank adopts principles and guidelines oriented towards respect for the individual with specific reference to the protection of universal rights, both in areas with direct impacts and in those with indirect impacts. Indeed, the Bank recognises respect for human rights as an essential requirement, protecting and promoting such rights in the performance of its activities, also in line with the provisions of the Code of Ethics[111].
Furthermore, in the last months of 2025, Volksbank began updating its Credit Policy, with the aim of strengthening the integration of ESG factors in the credit granting processes. In this context, the Bank has updated its guidelines for granting sustainable loans and strengthened its safeguards aimed at excluding the financing of activities potentially associated with the violation of human rights or the restriction of individual freedoms. For further details in this regard, see section "Actions and resources related to sustainability issues relevant to sustainable finance and responsible lending (MDR-A)"
Although it does not have a specific supplier code of conduct, Volksbank adopts principles for the selection and management of suppliers that are consistent with the Bank's values and ethical standards, promoting responsible behaviour throughout its supply chain as well. Further details on the safeguards adopted in the management of supplier relations are provided in paragraph "Business conduct and supplier management (G1-2)"
The policies and tools introduced by the Bank to manage these issues are in line with internationally recognised instruments for such workers. With regard to this issue, no cases of failure to comply with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines were found. Should non-compliance or serious negligence emerge, the Bank may activate the safeguards provided for in the applicable contractual clauses, which provide for the possibility of terminating the relationship.

Processes for engaging employees in the value chain with regard to impacts (S2-2)

For information in this regard, also for 2025, see sections "Duty of Care Statement (GOV-4)" and "Stakeholders' interests and opinions (SBM-2)".

(110) For more details, see the section "Role of the administrative, management and control bodies (GOV-1)".
(111) For more information on the Code of Ethics adopted by Volksbank, see section "Corporate culture and business conduct policies (G1-1)".

Processes to remedy negative impacts and channels that enable workers in the value chain to express concerns (S2-3)

With regard to corporate customers with whom the bank has established a certain type of lending relationship, Volksbank monitors the level of social issues by means of the ESG Evaluation Tool. The Bank gathers information, in fact, through a questionnaire on the practices developed by companies with regard to the people involved in their activities. [112]
In addition, Volksbank provides communication channels for all customers so that workers along the value chain can also communicate their concerns or needs directly to the bank and receive assistance in doing so, ensuring the protection of whistleblowers. [113] These channels allow the anonymous reporting not only of cases of concern but also of alleged harassment.

Actions on relevant impacts on workers in the value chain and approaches for managing relevant risks and the achievement of relevant opportunities for workers in the value chain, as well as the effectiveness of these actions (S2-4)

The monitoring put in place through the ESG Evaluation Tool is currently limited to providing the Bank with a "snapshot" of the sustainability practices implemented by customers, not yet implying consequences on the contractual terms of credit relationships. With reference to this aspect, the Bank intends to define appropriate metrics for the granting of credit in consideration of the elements collected through the Tool, in order to increasingly integrate ESG assessments within the creditworthiness assessment process.
Finally, there were no reports of serious human rights problems and incidents related to its upstream and downstream value chain.

Objectives related to the management of significant negative impacts, enhancement of positive impacts and management of relevant risks and opportunities (S2-5)

At present, Volksbank has not defined any specific employee-related targets along its value chain. However, also in view of the entry into force of the Corporate Sustainability Due Diligence Directive (CSDD) [114], the Bank planned to broaden the scope of the ESG Evaluation Tool in order to expand the range of customers to whom questionnaires are given.

([112]) For more information on the ESG Evaluation Tool developed by Volksbank, see section "Actions and resources related to sustainability issues relevant to sustainable finance and responsible lending (MDR-A".

([113]) For more information on the reporting channels, see section "Processes to remedy negative impacts and channels that enable consumers and end-users to express concerns (S4-3)". With regard to the protection instruments provided by Volksbank for whistleblowers, refer to section "Corporate culture and business conduct policies (G1-1)".

([114]) Directive (EU) 2024/1760 of 13 June 2024.

AFFECTED COMMUNITIES (S3)

Policies related to affected communities (S3-1)

The Bank upholds the principle of creating value for the local area, not only through investments aimed at the development of the local economy, but also by preserving its assets as ones intended to benefit its members. With its community support activities, the Bank aims to play a central part in the local area and to strengthen its "local footprint".
In line with its Code of Ethics[115], the social component of the Sustainability Policy[116] commits the Bank to maintaining an ongoing dialogue with local communities through the creation of value for the local area and the assessment of the environmental and social impact generated for the community and territory through the supported projects. These principles contained in the Policy, updated in 2025, embody the strategic objectives defined within stream "F" of the "I-mpact 2026" Business Plan, with which Volksbank addresses the management of relevant impacts, risks and opportunities related to affected communities, among others. This stream, named "Social responsibility and closeness to the local area", is in fact aimed at fostering the development of the local area by supporting projects and initiatives consistent with its principles and capable of encouraging the active participation of local communities. The initiatives promoted must reflect positively on the communities with which the Bank interacts. At the same time, the aim is to strengthen the Bank's image in the local context, creating and consolidating relationships with the beneficiaries of the interventions. Finally, special attention is paid to supporting the most fragile sections of the community.
The Bank also has a Sponsorship and Contributions Policy, which regulates the instruments of sponsorship and donations to the communities with which it works, in line with the Bank's Code of Ethics. The community development programmes promoted mainly translate into support for the ordinary activities of numerous sports, cultural and social associations in the area, as well as one-off contributions to projects and events of a cultural, economic or social nature, provided they are relevant to the local context. The Policy also outlines the elements for defining a sustainability assessment of sponsorship and donation processes and measuring their environmental and social impacts [117].
Volksbank's sponsorships and contributions focus on activities, initiatives and organisations in the main catchment area, i.e. North-East Italy. As a rule, exclusivity vis-à-vis other banking/financial companies must be guaranteed, and the applicant must not have entered into sponsorship relationships with other companies in the banking/financial sector, with the exception of socially, culturally or economically relevant activities.
In general, the Bank pursues inclusivity and does not discriminate on the basis of gender, sex and orientations. When choosing partners, any entities or associations of dubious morality or that do not respect the Company's founding values are excluded a priori.
Particular attention is paid to activities for young people and youths. It is in the Bank's interest that the organisations create places where young people can meet up, get refreshments and receive training, and that the activities stimulate social inclusion and growth. Volksbank's sponsorship and contribution activities therefore focus on the following areas: sport; culture; sustainability and quality of life; and local development.
Responsibility for the approval and implementation of the policy is distributed at various levels. The General Manager is responsible for projects exceeding €25,000 (including VAT) per year. The Sponsoring Committee deals with projects exceeding €5,000 (including VAT), regardless of the duration of the contract, while the Sponsoring Team Leader deals with projects up to €5,000 (including VAT). Branch Managers and Area Managers are responsible for so-called "local sponsorship" projects, which are understood as one-off interventions in favour of the local area, and donations of up to €5,000 with payment from the local budgets allocated for smaller initiatives. The Sponsoring Team analyses each individual case and can intervene by cancelling it if it finds that the intervention is outside the guidelines.

(115) For more information on the Bank's Code of Ethics, see section "Corporate culture and business conduct policies (G1-1)"
(116) For more details, see the section "Role of the administrative, management and control bodies (GOV-1)".
(117) The Policy refers to the Italian Civil Code and all relevant legislation, in particular with regard to the tax aspects that the Sponsoring Team shares with the Tax Affairs Department.

From 2024, moreover, the Head of the Sustainability/ESG O.U. is a voting member of the Sponsoring Committee, thus ensuring that ESG issues are also addressed in this area.
Volksbank does not currently have a specific policy on the protection of human rights that applies to the communities concerned. However, it oversees and manages its human rights commitments in its Code of Ethics [118] and in its Sustainability Policy.
For the Bank, sponsorship and donations are not activities that are an end in themselves, but a strategic tool for the achievement of corporate objectives. This relationship takes the form of a mutual exchange of services between the parties.
Throughout the duration of the relationship, the beneficiary's activities are constantly monitored through reports provided by the beneficiary and observation of the various traditional and online communication channels to ensure fairness and transparency. The Bank reserves the right, as provided for in the relevant contracts, to terminate the relationship if it considers that the evolution of the beneficiary's activities is following a path not in line with the Bank's values.
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Processes for engaging communities affected by impacts (S3-2)

Volksbank recognises the importance of the opinions expressed by the communities involved in identifying relevant impacts. The institution aims to carry out at least one social support initiative per year for each part of its catchment area. In 2025, the Bank implemented the "Qui con te per il Nordest" programme, collecting proposals for social initiatives through its commercial network, which, thanks to its widespread presence, interacts daily with stakeholders and local communities. Through these activities, Volksbank intends to consolidate its role as a facilitator in territorial development processes, positioning itself as an active driver for the growth and well-being of the region.

Processes to remedy negative impacts and channels that enable affected communities to raise concerns (S3-3)

For information in this regard see section "Processes to remedy negative impacts and channels that enable customers and end-users to express concerns (S4-3)".

Addressing relevant impacts on affected communities and approaches to manage relevant risks and achieve relevant opportunities for the affected communities, as well as the effectiveness of these actions (S3-4).

The community development programmes implemented by the Bank mainly take the form of support for the ordinary activities of a large number of associations (sports, cultural, social, etc.) operating in the area or one-off support for cultural, economic or social projects and events.
For community development projects to be successful, there is a need both for people willing to give of their own time for free, and for partners who take care of the financial side. The Bank has always supported projects of collective interest with the primary objective of producing positive impacts for the communities within which it operates (mainly in north-eastern Italy).

(118) For more information on how Volksbank takes into account the UN Guiding Principles on Human Rights, see section "Duty of Care Statement (GOV-4)".

The new Business Plan "I-mpact 2026" foresees stream "F", named"Social responsibility and closeness to the local area", which is managed by a transversal Working Group that brings together various professionals and has structured the work according to a clear division of ownership and responsibility. This working group collectively assesses the proposals put forward and submits successful ones to the Sponsoring Committee and the General Manager, according to a precise process of deliberation and traceability.
In 2025, the stream pursued the three main themes with a focus on the social sphere: "Social Green Mobility", "Frailty"and "Family and Childcare". Eight projects were developed for the benefit of local communities [119], three of them in the area of Social Green Mobility, three in the area of Frailty and two in the area of Family and Childcare. The entire catchment area of the Bank was covered in the project scouting, actively involving the sales network as well.
As part of the "Social Green Mobility" project, the Bank's collaboration, which began in 2024, continues with the following local associations:

- A.V.U.L.S.S. Odv Laives provides assistance to elderly, ill or non-self-sufficient people, working alongside families and local health facilities. Thanks to the electric car, the association provides transport to appointments, therapies and essential services, reducing travel difficulties for beneficiaries while also helping to reduce environmental impact.
- Comedicus is an association that promotes clown therapy in hospitals, schools and care facilities in Alto Adige. Through weekly visits by its professional clowns, the association offers moments of relief, connection and light-heartedness to hospitalised children, adults and the elderly, contributing to the emotional well-being of patients and their families.
- Anteas/Agas Bolzano is mainly involved in the transport and accompaniment of the elderly and people with reduced autonomy. The electric car is used to reach health facilities, day centres and public services, allowing beneficiaries to maintain continuous access to care and daily activities.
- The Croce Bianca Provincial Rescue Association is a point of reference for rescue and medical transport. As part of Volksbank's Social Green Mobility initiative, the donated electric vehicle is used for emergency interventions and medical transport, enabling the transfer of medical personnel and electromedical equipment to the scene.

In 2025, the Bank also established new partnerships:

- Società Nuova Cooperativa Sociale Onlus promotes the inclusion of people with disabilities through educational, rehabilitation and social integration services. The electric car enables the daily transport of users to day centres and activities, making services accessible even to those living in more peripheral areas and encouraging active participation in community life.
- Volontarius Odv: through this partnership, the bank supports the "Cacciatori di Briciole" project, which combats food waste by recovering surplus food from shops on a daily basis and redistributing it to people and families in need. The four donated electric cargo bikes will be used for the collection and distribution of food in the city of Bolzano.
- Solidarity Emergency and Aid (S.E.A.S.) Odv provides transport and assistance services to vulnerable people, often in areas characterised by geographical isolation, in the province of Belluno. The electric car will be used to take users to health and social care facilities, ensuring continuity in local services.
- Associazione Vivere Insieme Odv is a voluntary organisation that has been active since 1994 in the Villorba area, offering free social welfare services for the elderly, people with disabilities and citizens in vulnerable situations. The electric car is used primarily for the home delivery of meals and, in addition, for social transport to medical appointments and examinations, helping to ensure continuity in essential services and to reduce the environmental impact of travel.
- Fattibillimo A.P.S. is a non-profit social promotion organisation active in Mogliano Veneto that supports young adults with disabilities on paths of inclusion, autonomy and social interaction, through educational, sporting and daily life activities. The electric car is used for the daily transport of young people to the day centre and weekly activities, as well as for outings, events and special initiatives, enabling them to take part in activities.

([119]) The duration of the projects is variable and falls within the time horizon of the 2026 Business Plan.

In 2025, the "Social Green Mobility" project yielded the following results:
- 7.69 tonnes of CO2 saved (2.19 tonnes in 2024);
- 61,192 km travelled (18,778 km in 2024);
- 2,943 transports carried out (336 people in 2024).

As part of the "Frailty" project, the Bank's collaboration, which began in 2024, continues with the following associations:
- A.S.A.A. Alzheimer Südtirol Altoadige's "Sollievo" project, a three-year programme supporting people with dementia and their caregivers throughout South Tyrol. The initiative provides 400 free services each year, divided into early cognitive screening and home care interventions (counselling, occupational therapy and validation), with the aim of intervening promptly, encouraging people to stay at home and reducing the care burden on families. The project provides practical support in the initial stages of the disease, pending the activation of public health service pathways, helping to improve the quality of life of the people involved and to strengthen the local care network.
- NEMO for the "Wintergarten" project. Volksbank contributed to the creation of a space dedicated to children with chronic and complex illnesses within the Paediatrics department of the Bolzano Hospital. The Wintergarten is designed as a welcoming and protected area where young patients and their families can spend waiting times between visits and therapies in a child-friendly environment, promoting emotional well-being, socialisation and recreational and educational activities.

In addition, in 2025, the Bank supported the project "Fuori era solo tempesta" promoted by Coldiretti Trento, to offer a six-month social and employment integration course to three women who have experienced violence, through training internships and pedagogical support. The initiative aimed to strengthen professional skills and personal and economic autonomy, creating the conditions for stable reintegration into the world of work and a path out of vulnerability.

The "Family & Childcare" workstream has the following projects underway:
- SommerVereint: This initiative took the form of organising a week-long summer programme dedicated to children and young people, carried out in close collaboration with five youth organisations from South Tyrol Croce Bianca Giovani, Alpenvereinsjugend Südtirol, Servizio Giovani di Bolzano, SSV Bolzano and Jugendfeuerwehr Steinegg. The main objective of the project is to provide families with reliable summer care, offering participants the opportunity to enjoy educational and recreational experiences in a safe environment. During the week, each of the partner associations organised a day of engaging activities, allowing children and young people to learn more about the associations, make new friends and share moments of fun. Volksbank's contribution was not limited to funding: the bank also actively collaborated in organising the entertainment programme, confirming its desire to promote initiatives that foster the social development and personal growth of young people in the local area.
- Homework help: Volksbank supports the after-school activities that the social cooperative "Die Kinderfreunde Südtirol" carries out in nine South Tyrolean municipalities. The project is aimed at primary school children who attend afternoon activities and who can be supported, in small groups, by qualified teaching staff for study and homework. The afternoon support sessions covered by the Volksbank initiative are held in Vipiteno, Egna, Lana, Marlengo, Lagundo, Vandoies, Chienes, San Sigismondo and Casteldarne. Starting from 19 May, families residing in these municipalities can enrol their children in this additional service directly on the Cooperative's website.

To measure social impact, a collaboration was established with Triadi, a spin-off of the Politecnico di Milano, which measures and offers strategic advice on social impact and sustainability, using innovative technologies and artificial intelligence for data analysis, and which assisted the Bank in assessing the social value generated for communities and the local area through its initiatives. The methodology used by Triadi is based on the Theory of Change, a tool that is today increasingly recognised also in the field of impact investing, which allows to map and assess the value – in the short, medium and long term – intentionally generated by an organisation's activities for the local area and communities. This methodology made it possible to assess and manage the impacts that Volksbank generates through its projects.

The **methodology**, guided by the logic of the Theory of Change and built to detect and measure the impact generated, consists of a process characterised by 5 main steps:

- **Step 1 | Analysis of the context and stakeholders**: In-depth analysis of the internal and external context of the associations involved. In addition, the main stakeholders and their role within these organisations were mapped.
- **Step 2 | Mapping the change process**: Construction of the logical model for generating change through the financed projects. In particular, through the application of the "social value chain", the causal links were constructed between infrastructures, capacities, resources (inputs) - useful for the creation of products and services (outputs) - and the expected dimensions of value and change (outcomes and impacts);
- **Step 3 | Definition of indicators and metrics**: Construction of the measurement infrastructure and, therefore, of a set of specific indicators and metrics for evaluating the value dimensions developed in step 2;
- **Step 4 | Definition of the data collection process**: Definition and development of tools, timeframes and methods for data collection, which are essential to populate the indicators and measure the impact of the funded projects;
- Step 5 | Data collection, data analysis and communication of results: The activity involved collecting all the necessary information through surveys and internal databases, followed by the analysis and interpretation of the evidence that emerged, and the drafting of a report containing the results in quantitative and qualitative terms.

The activity with Triadi involved measuring the social impact of the Social Green Mobility project with AVULSS ODV – Laives Section, which is engaged in the solidarity-based transport of elderly people to clinics and offices that would otherwise be difficult to reach.

Data collection took place throughout 2024 and early 2025 and involved the Volksbank Sustainability team and AVULSS, as well as the users who used the transport service.

By analysing the ratio of investment to benefits, the value of the contribution and the amount of the effects generated were estimated, thus relating the total amount of benefits (cash equivalent) to the investment.

Social multiplier of the project = (Monetisation of the impact)/(Volksbank investment)

The numerator was calculated as the sum of the social values resulting from the reduction of air pollution and the improvement of health and personal well-being of the people involved. With regard to the investment (the denominator in the multiplier formula), Volksbank's contribution to the purchase of the electric car was considered.

The value of the project's social multiplier in the long term is 2.3.

For the Frailty thematic area, the impact measurement in cooperation with Triadi focused on the Sollievo–Miteinander project, implemented by ASAA – Alzheimer Südtirol Alto Adige ODV to support people with dementia and their caregivers. The initiative helps to strengthen support for families, promoting early diagnosis and more effective guidance, as well as timely access to higher quality forms of care, thanks to the activation of the Association's network of volunteers and specialists.

Data collection took place during 2025 and involved Volksbank's Sustainability team and the ASAA team, including the specialists who provide the services.

The value of the project's social multiplier in the long term is 3.84, calculated by comparing the total benefits – stemming from economic savings in accessing services and improved quality of life for patients and caregivers – with the investment represented by Volksbank's contribution.

Alongside the above-mentioned activities, Volksbank also pursued some emblematic sponsorships in 2025:

- Musik Meran/o, a high-calibre music initiative founded in 1990, whose objectives are to bring classical music to the stages of the various historic venues in the city on the Passirio River, such as the Kursaal, the Pavillon de Fleurs, the Puccini Theatre and the Cathedral, and to promote talented young musicians, both established and emerging. Thanks in part to the contribution of this association, Merano has consolidated its reputation as a city of concerts that welcomes audiences from all over South Tyrol and beyond.
- In 2025, a new contract was signed with the women's section of Rugby Treviso, the Red Panthers. The Bank embraced the project as an opportunity to promote the brand, as well as gender inclusion. For three seasons, the Volksbank logo will appear on the jerseys as the main sponsor.

- Aquila Basket Trento accepted Volksbank's suggestion to organise a tournament involving the largest possible number of secondary schools in Trentino. This is how the Volksbank Aquila Basket School Cup was born, the first edition of which took place in the spring of 2025. The aim of the tournament is to bring together and involve young students, promoting values such as participation, fair play, respect for rules and team spirit. Each school replicates the typical organisation of a basketball club by appointing communication managers, fan engagement managers and economic administrators. After the elimination phase, which takes place in the school gyms, the best four teams compete in the Final Four at the Palasport in Trento.
- The Marostica Summer Festival Volksbank is an unmissable event in the Veneto. The 2025 edition involved a packed programme of live music events. On the stage in Piazza Castello, world-famous for the iconic chess game with figures, national and international rock and pop stars took turns at the beginning of July, including Dream Theater, Alfa, Alessandra Amoroso, Nile Rodgers & Chic, Umberto Tozzi, Skunk Anansie, Gianna Nannini, Nayt and Blue.

A budget is allocated annually for the development of these projects. Contributions made in 2025, amounting to more than EUR 2 million, included sponsorship contracts (68%), direct donations (13%) and contributions to the Banca Popolare di Marostica foundation (19%). 85% of the sponsorships were allocated to the sports sector and, to a lesser extent, to social or cultural initiatives. 16% of sponsorships concerned initiatives at the local level.
An increase of around 5% in the budget for supporting communities is planned for 2026.
For information on how the Bank monitors and evaluates the effectiveness of these actions and initiatives in yielding the desired results, see the section "Policies related to affected communities (S3-1)".
No serious human rights issues and incidents were reported in relation to the communities concerned.

Objectives related to the management of significant negative impacts, enhancement of positive impacts and management of relevant risks and opportunities (S3-5)

In line with the Business Plan, the Bank intends to give even greater impetus to projects of a social nature, while continuing to support youth sports activities and cultural initiatives of local significance. With reference to the relevant impacts, risks and opportunities relating to the communities in which it operates, the Bank is therefore committed to supporting projects that focus on socio-economic well-being in the areas involved, including through a structured measurement of the impact generated.
In line with its policies, the Bank adopts an inclusive approach with the aim of better understanding customers' needs, ensuring fair access to banking services and promoting greater awareness of financial issues. In particular, Volksbank intends to also target individuals and organisations not yet fully integrated into the financial system, in order to enable them to make informed and effective choices, thereby also promoting their social inclusion and, at the same time, taking into account specific needs while safeguarding the financial health of its counterparties, for example in the provision of financial advisory services to parents, young people, students and workers under 30.
To this end, in the 2025 Operational Sustainability Plan, the Bank has defined specific objectives aimed at supporting local communities through innovative, high-social-impact initiatives, and at expanding areas of intervention to ensure a more widespread and inclusive presence across the territory. Therefore, by 2026 the Bank commits to extending the kilometres travelled through social green mobility projects to up to 150,000 and to maintaining at least 500 beneficiaries for projects in the area of protecting vulnerable people and families.

PROJECTS LAUNCHED: SOCIAL GREEN MOBILITY, FRAGILITY, FAMILY & CHILDCARE	2025	2024
Number of projects launched	8	2
Number of beneficiaries of fragility and family and childcare projects	563	159
Kilometres covered through social green mobility projects	61,192	18,778

CONSUMERS AND END USERS (S4)

Consumer- and end-user-related policies (S4-1)

Volksbank addresses the management of relevant impacts, risks and opportunities related to its customers through a structured system of closely interlinked policies.

Within the broader Sustainability Policy[120], the Bank is committed to a responsible approach towards its customers, promoting targeted initiatives to support them in exceptional circumstances, such as support measures following natural disasters and interest relief on housing mortgages.You said: 6379 The same Policy also sets out the principles with which the Bank intends to align itself in the area of sustainable finance, including the desire to ensure equal access to its services by adopting solutions and advisory tools developed according to the principles of accessibility and inclusion, so that all people can use them independently and without barriers. The Bank adopts this approach with the aim of better understanding customers' needs, ensuring fair access to banking services and thus also promoting greater financial awareness. To this end, Volksbank is committed to paying due attention to individuals and organisations that are less integrated into the financial system, in order to enable them to make informed and effective choices, thereby also promoting their social inclusion, while at the same time taking into account the need to safeguard the financial health of its counterparties, for example through the provision of financial advice to parents, young people, students and workers under 30.

In line with the provisions of the Code of Ethics, the Bank recognises respect for human rights as an essential requirement, including by welcoming its customers without distinction of geographical origin or cultural background. Creditworthiness is assessed without attributing any gender-based assessment to the risk profile, and the offer of banking services is modulated to meet the demand of all households and businesses in the local area. [121]

With reference to the information made available to customers, the comprehensive review of the Bank's internal regulations (Policy, Regulations and Operating Rules) on transparency and quality of services was also successfully completed in 2024. This activity was carried out on the basis of the action plan that the Bank defined following the receipt of the Bank of Italy's inspection report on the audits carried out during 2023. The interventions in question included, among others:

- the overall revision and updating of the transparency regulations, with the drafting of the Transparency Policy and Regulation, with particular attention to the identification of the corporate functions responsible for handling complaints;
- the overall revision of the Product Oversight and Governance Policy and Regulation to ensure consistency and coordination with other regulations;
- the drafting of operational regulations on transparency and the implementation of an IT tool to support the ius variandi management process;
- the drafting of operational regulations in the area of Product Oversight and Governance and implementation of an IT tool to support the related process (from approval to monitoring);
- the optimisation of the process of preparing customer communications, with a focus on clarity and accessibility of information;
- the regulation of customer satisfaction survey methods and tools.

([120]) For more information on Volksbank's Sustainability Policy, see section "Role of the administrative, management and control bodies (GOV-1)". The Sustainability/ESG O.U. is responsible for verifying the consistency of this Policy with the strategic guidelines in force at the time, and proposes periodic updates to the document to the Board of Directors, and may also — after consulting the control functions — introduce minor amendments concerning internal and external regulatory changes, glossary updates and adjustments to the organisation chart.

([121]) For more information on the Bank's Code of Ethics, see also para. "Corporate culture and business conduct policies (G1-1)".

Clear, comprehensive and accessible communication with customers – in compliance with national and international transparency regulations[122] – is also ensured by the Product Oversight and Governance Policy (POG), drawn up in accordance with the Code of Ethics, which includes the principles of transparency that should guide relations with customers, particularly regarding their rights and the venues available for dispute resolution.

The Policy therefore aims to ensure the transparency of the contractual terms and conditions and of any variations thereto, the availability of complete, clear and accessible information to customers and that it is actively used by the sales network and adequately publicised also on the website and, in general, the correctness of the Bank's conduct, in pursuit of the formal and substantive protection of customers.

As part of the same POG Policy, service quality is also monitored by analysing customer satisfaction, assessing perceived quality and adopting listening tools to gather feedback and improve internal processes. The Policy also provides for the classification of products and customers for the purposes of the POG rating, to ensure consistency between the characteristics of the products offered and the needs of customers. In this context, the Bank's objective is to pursue product governance in a structured and controlled manner, in accordance with the applicable regulations and internal procedures adopted, ensuring the proper identification and mitigation of inherent risks, and guaranteeing that sufficient attention is paid to the interests, needs, objectives and characteristics of customers.

The POG Policy applies to banking, financial and insurance products and services regulated by the Consolidated Banking Act (TUB), the Consolidated Finance Act (TUF) and the Private Insurance Code (CAP) for all distribution channels adopted by the Bank. The Board of Directors is responsible for the implementation of this Policy.

Finally, with regard to data protection, Volksbank has an Information Security Policy whose purpose is to direct the Bank's strategies for preventing, handling and overcoming events — mainly of a malicious and/or negligent nature — that could damage the tangible, intangible and human resources the company has and needs in order to remain competitive in the short, medium and long term.[123] In addition, the Bank has an Operational and Digital Resilience Policy, whose objective is to define a digital operational resilience strategy for the financial sector, providing detailed guidelines to ensure the security of ICT infrastructures, business continuity, and the effective management of cyber risks and third-party risks.

The Board of Directors, together with the Central Managers and all corporate structures, must therefore contribute to and assist in the implementation and maintenance of a suitable level of IT security. In particular, it defines and approves the ICT strategy in consideration of the evolution of the reference sector and in accordance with the bank's strategic guidelines and with the current and prospective framework of the bank's activities, processes and organisation. In this context, the Board of Directors approves the reference model for the architecture of the information system. It also ensures that all employees, including those in key roles, receive proper training in ICT and security risks and information security.

The scope of the Policies covers all the business lines of the bank. The IT Security Policy, in particular, sets out the appropriate principles to ensure transparency, security and fairness in the processing of personal data, increasing its accountability to its shareholders, customers, partners, consultants and employees; it clarifies the purposes for which personal data are collected and the prerequisites for the lawfulness of their processing; it indicates the means by which data are collected and processed and clarifies whether third parties have access to the data and for what purposes. The Policy also applies to suppliers and business partners that handle data for the bank, and provides for the application of specific contractual clauses and an assessment of the data transfer process (Data Transfer Impact Analysis - DTIA) to ensure a good level of data protection.

(122) Volksbank's policy is aligned with European and national industry regulations on transparency of information and quality of service. These include, but are not limited to, the following: Directives 2023/2225/EU (CCD II) and 2014/17/EU (MCD) on consumer credit agreements and real estate credit to consumers, respectively; Directive 2014/65/EU (MiFID II),
Delegated Directive 2017/593/EU and ESMA Guidelines (35-43-3448) on investment services and financial instruments; Bank of Italy Provision of 29/07/2009 on transparency of banking and financial services transactions; Directive 2013/36/EU (CRD IV) and Bank of Italy Circular 285/2013 on governance requirements to ensure the soundness of institutions and the quality of services; EBA Guidelines on the governance of retail banking products (EBA/GL/2015/18) and on internal governance (EBA/GL/2017/11); Directive 2016/97/EU (IDD), Delegated Regulation 2017/2358/EU and IVASS Regulations 40/2018 and 45/2018 on insurance and reinsurance products.

(123) Volksbank's Data Protection Policy was drafted in accordance with the legal requirements of, in particular, Regulation (EU) No. 2016/679 of the European Parliament ("General Data Protection Regulation" or "GDPR") and Legislative Decree No. 196 of 30 June 2003 ("Privacy Code"). It also aligns with international security standards NIST and ISO/IEC 27001.

The IT Security Policy and the Operational and Digital Resilience Policy, therefore, set the guidelines of the Board of Directors for the security of the company's information system, and thus represent the main instrument for communicating and sharing the company's directives governing Volksbank's IT security. The documents are disclosed to all Bank employees who can consult them at any time on the intra-company network. In addition, they are disclosed to third parties involved in the management of information and components of the IT system.

Processes for engaging consumers and end-users with regard to impacts (S4-2)

Volksbank adopts an inclusive and collaborative approach to engage consumers and end-users. The main objective of these processes is to better understand customers' needs, promote financial education and ensure fair access to banking services in order to manage the relevant impacts on them.
Volksbank adopts an integrated approach combining in-person events and digital initiatives to promote greater awareness of financial issues and improve understanding of the banking environment. In-person events cover specific topics and aim to create a direct dialogue with participants. Among the most important initiatives are "Progetto Casa" (Home Project), events dedicated to SMEs and Private Banking, "Mese del Risparmio" (Savings Month), etc. These events provide an opportunity to discuss economic and social security issues in depth, fostering greater transparency and trust in the bank-customer relationship.
In parallel, Volksbank implements a digital financial education strategy, using tools such as the production and dissemination of educational videos on online platforms. This digital content allows the Bank to expand its reach and attract a wider and more diverse audience, offering useful information on economic and financial topics.
In dealing with cross-cutting issues, Volksbank involves various professionals within the organisation to ensure that the engagement activities are planned and implemented in a targeted manner, responding to customers' needs in line also with the bank's strategic objectives. After the events, if deemed appropriate, the Bank contacts a sample of participants to collect feedback. This process makes it possible to assess the effectiveness of the initiatives undertaken and to identify possible areas of improvement for future involvement activities.
When organising such events, the Bank adopts facilitation measures for the most fragile groups of customers that might be particularly vulnerable to impacts (e.g. sign language translation) with the ultimate goal of involving as wide an audience as possible and better understanding their point of view.
Every two years, Volksbank conducts a structured survey aimed at its private and corporate customers. In 2025, the Bank conducted a survey of a representative sample of customers, aimed at analysing brand awareness, overall satisfaction, the quality of advisory services, the products and services offered, as well as customers' experiences in dealing with the Bank and their preferences. The survey also made it possible to assess Volksbank's competitive positioning in the context of the target market.
In light of the survey results, specific process and service optimisation activities were initiated, with the aim of enhancing the quality of the customer experience and identifying any needs and opportunities for improvement. In particular, the evidence gathered confirmed the central role of advisory services as a distinctive element of the relationship with customers, as well as the importance of aspects such as operational simplicity, geographical proximity and the Bank's readiness to assist customers.
With regard to corporate customers, approximately 600 ESG questionnaires were also administered during 2025, aimed at collecting qualitative and quantitative information on specific environmental, social and governance issues. This information helps to enrich the process of getting to know customers and supports the integration of ESG factors into the Bank's decision-making processes.

Private customers, instead, are involved directly, without intermediaries, in the collection of structured feedback on banking, digital and investment services. The involvement of corporate customers, on the other hand, is carried out both through structured activities to listen to customer satisfaction and experience, and during the loan appraisal phase.[124] The process is mainly led by company representatives, generally prominent representatives of the applicant company, who perform a thorough and knowledgeable assessment of the issues concerned.

At the organisational level, the survey results play a significant part in the governance of the Bank, with possible actions taken at the level of the individual business units. The ESG questionnaire, in particular, is considered a business objective for the managers and is subject to continuous monitoring by the Commercial Department, with a view to ensuring that the information gathered has a practical impact on the Bank's strategic decisions. The evidence emerging from the listening activities also helps to guide the Bank's priorities for action in relation to ESG issues, including with regard to strengthening the perception of its commitment to sustainability and its attention to the most vulnerable segments of society.

Processes to remedy negative impacts and channels that enable consumers and end-users to express concerns (S4-3)

The Bank has set up an in-house Complaints Management Team, which works independently of the various operational and control functions, and has joined out-of-court settlement bodies for any disputes that may arise between the Bank and its customers. With a view to continually improving the services offered to customers, the Bank has set up a complaints function that can respond in a prompt and exhaustive manner to any objections raised, and increase the company's ability to overcome any critical issues encountered, thereby safeguarding the quality of the Bank's relations with customers.

Customers may lodge a complaint with the Bank in one of the following ways:

- ordinary or registered letter, with or without acknowledgement of receipt;
- complaints form, available at the branch;
- ordinary or certified electronic mail;
- fax.

Upon receipt of a complaint, the complaint handling team prepares a letter of first response, in which the customer is informed that his or her communication has been received, and encloses with this the document outlining how complaints are handled.

The Bank also provides customers with information tools and digital channels to ensure clear, understandable and inclusive access to information on the services offered and the methods of interaction with the Bank.

The user experience model adopted is based on "need storytelling", in which the narrative starts from the customer's need and not from the product, accompanying them along a guided path that allows them to identify their needs, compare solutions and arrive prepared for the meeting with the consultant. Content is personalised for each target audience and for key moments in personal and professional life. Specific attention is also paid to inclusion and accessibility: the website is designed to ensure that users with visual, hearing, motor or cognitive disabilities can also access the content.[125]

There are also specific organisational safeguards and formal channels for handling complaints and reports. In this regard, the Bank makes the following information available to customers through its commercial network and its website:

- Complaints Regulation;
- Complaints report;
- Arbitro Bancario Finanziario - ABF for short;

([124]) For more information on the customer assessment questionnaire, see section "Sustainable finance and responsible lending".

([125]) In accordance with the Web Content Accessibility Guidelines (WCAG) 2.1 published as part of the Web Accessibility Initiative (WAI).

- Arbitro Bancario Finanziario - Guide to using the ABF portal;
- Arbitro Bancario Finanziario - Appeal form
- Arbitro Bancario Finanziario - Instructions for completing the appeal;
- Arbitro per le Controversie Finanziarie - ACF Brochure;
- Arbitro per le Controversie Finanziarie - Operational instructions for appeals before the ACF.

Complaints provide the Bank with the opportunity to review and improve, where necessary, its operational processes, procedures, systems, products and services offered, and to maintain relations of trust between the customer and Bank. If the complaint investigation reveals procedural or systemic issues, or evidence of anomalous behaviour by individual resources, the complaint handling team reports these aspects to the competent structures accordingly for assessment. In addition, the Bank's Board of Directors is provided with a quarterly report on the status of complaints received[126].

The Bank places great importance on its relationships with customers. Interviews are carried out with particular care; the employees of the network take part in special training sessions on how to continually improve the quality of interviews and what to do in case customers want to complain.

With regard to data protection, the monitoring and management of incidents and critical events are essential to respond promptly and appropriately to any emergency situation, in line with the requirements of DORA[127]. This includes establishing incident response plans, training staff in emergency procedures and using monitoring systems to detect anomalies. All IT incident management processes adopted by the Bank are described and documented in the specific policy. The Bank invests in the training of staff in ICT incident management procedures, to ensure that all employees are aware of their role and responsibilities in the event of an emergency, and collaborates with security service providers, such as CERTFin, in order to deepen their understanding of ICT security issues in the field of banking.

After each critical incident, the Bank conducts an in-depth analysis to identify the causes, vulnerabilities exploited and lessons learned. The evidence of incidents is stored securely and for a period commensurate with the criticality of the business functions. The results of the analysis are used to update incident response plans, improve security measures and prevent the recurrence of similar incidents. In this way, the Bank ensures that it is ready to effectively manage ICT incidents, minimising the impact on business and ensuring the continuity of customer services.

Volksbank also has crisis communication management processes in place for managing ICT incidents. As part of the crisis management and resolution process, the Business Continuity Plan is integrated with the Communication Plan so that the various stages of implementation of the Plan, the different steps of impact assessment, updating of incident severity and escalation are carried out with proper communication both within the Bank and externally.

The Business Continuity Plan contains references to the operational steps and materials of the Communication Plan, including:

- the communication approach for each phase of the crisis;
- decision-making sessions during the course of crisis management, for approving the release of communication messages;
- involvement of the spokesperson for the relationship with external stakeholders;
- messages during and after recovery from the crisis, or any further information campaigns after the event;
- identification of the addressees of the communication, also considering the timeframes and content for communications to the authorities.

([126]) For more information on the number of complaints received during FY2024, see "Complaint Management" in section 1.8 "Risk Management" of the Management Report.

([127]) The Digital Operational Resilience Act (DORA) is a European Union regulation (EU Regulation 2022/2554) that aims to strengthen digital operational resilience in the financial sector.

The Head of the Corporate Communication/Marketing O.U. is in charge of implementing the communication strategy for IT incidents, handling information for the public and media and thereby ensuring timely and effective management of communication. Finally, to submit any report, customers can contact the Contact Centre by phone or email via internet banking or the bank's website.

Actions on relevant impacts on consumers and end-users and approaches to mitigating relevant risks and the achievement of relevant opportunities for consumers and end-users, as well as the effectiveness of these actions (S4-4)

Volksbank has defined a structured communication plan aimed at ensuring clear, transparent and accessible information to all stakeholders. Through the use of various information channels, the Bank promotes greater customer awareness, ensuring the timely dissemination of comprehensive and understandable content regarding the initiatives undertaken and the services offered. In this context, Volksbank also adopts preventive and corrective measures, with particular reference to the clarity of the information provided, the accessibility of digital channels and the possibility of making informed choices.
The website, for example, is designed with a linear information architecture and dual navigation, institutional and commercial, which allows a clear distinction between information content and solution-oriented content. Tools such as product comparators and personalised guided paths are provided to reduce the risk of misunderstanding, facilitate comparison and support informed decision-making.
As a corrective measure, the website supports advisory activities and serves as an operational tool for the sales network.
Further prevention measures address accessibility and digital sustainability, through the optimisation of energy impact and the efficient use of technological resources. In addition, the reduction of unnecessary scripts and components helps to improve the performance of the website and reduce possible inconvenience for users accessing it via less powerful connections or devices.
In this context, a project to restyle the corporate website was launched in 2025, with the involvement of customers and end-users, using an Agile approach based on cyclical interactions, focus groups and user tests on high-fidelity prototypes. The initiative was aimed at gathering qualified feedback on usability, understanding of information, accessibility and the site's ability to respond to the specific needs of different types of customers. The main actions include the adoption of a mobile-first approach, the design of a user experience based on customer needs, and the integration of tools that support consultancy and facilitate the comparison of solutions.
Overall, the level of accessibility was 92% in 2025, a significant improvement compared to 2024, when it was 84%.
In addition, the Bank constantly monitors public involvement to assess the effectiveness of its financial education initiatives. To maximise its impact, the Bank has chosen to disseminate its initiatives through the digital channels most used by generations Y and Z, such as YouTube and social platforms, thereby responding to the needs of an audience increasingly inclined to autonomous learning through video clips and short content.
The use of these formats makes it possible to reach out to the younger generation in their natural digital environment, stimulating active involvement and increasing the effectiveness of the message. At the same time, dissemination on platforms accessible to a wide cross-section of the public ensures a broader coverage, enabling other consumer segments to access training content immediately and with ease.
Through this strategy, the Bank not only contributes to bridging the financial literacy gap, but also supports the entire consumer ecosystem in the conscious management of their financial resources. This targeted approach is part of the Bank's actions to mitigate the risks associated with poor financial information and to enhance opportunities for end-users, in line with the framework of interventions on relevant impacts.
To demonstrate the effectiveness of the initiatives, the monitored indicators related to views of financial education webinars and interactions recorded on the Bank's main social media channels are set out below:

YouTube:
- +8,602 followers in the period 2022-2025;
- 193 pieces of content (2 seasons + 2 mini-series) with a total of 729,537 impressions and 590,061 views.

Instagram:
- 169 pieces of content (2 seasons + 2 mini-series) with a total of 2,657,157 views and 5,303 interactions.

With regard to the quality of services and customer satisfaction, the Bank has strengthened its service model through targeted customer segmentation, which includes customised advisory activities involving employees with specific skills and specialised advisory centres. In addition, specific service standards were defined in order to ensure structured interaction with customers and continuous support.

To complement the initiatives aimed at ensuring a high quality and personalised service, the Bank carried out the "Colloquio Commerciale" project as early as 2024, which represents a paradigm shift in the way advice is provided to private customers. This initiative guarantees all private customers, as a priority, a personalised consultancy service provided by highly qualified professionals. Each area of need is analysed in depth using advanced consulting tools, with a focus on:
- payment services
- saving and investing
- financing
- protection
- financial planning

The quality of the advisory process is constantly monitored and documents and regulatory requirements under banking legislation, such as the MiFID regulation on investment advice and anti-money laundering provisions, are checked and, if necessary, updated during discussions with customers. Moreover, in-depth knowledge of the customer, combined with the use of software-based advisory tools (e.g. in the field of investment insurance) reduces the risk of unsuitable offers or the sale of products that are not in line with the customer's real needs.

The Bank has implemented a system of internal controls and constant monitoring of customer complaints and reports, to ensure the effectiveness of the measures taken. The Product Committee plays a central role in monitoring the product range, periodically assessing the ability to meet customers' needs and taking remedial action in the event of critical issues, such as a high number of complaints or a significant incidence of negative target market. These interventions are monitored at all times until the problems are fully resolved.

Volksbank has introduced measures at the organisational level to prevent possible conflicts of interest that could affect customers' interests. To ensure effective handling of complaints, the Bank refers to the provisions of the Complaints Regulation, in line with the provisions of the Transparency Policy, setting up a structured process for handling reports and better protecting customers.

During 2025, two cases of significant IT incidents were recorded against some of the Bank's suppliers. They involved temporary application blocks due to the overloading of the computer system, and the temporary interruption of payment services due to damage to network cables. In addition, the simultaneous breakdown of the fibre connections highlighted some infrastructural issues in the payment systems.

The Bank's timely intervention ensured constant monitoring of the situation in cooperation with suppliers until the critical issues were fully resolved.

Objectives related to the management of significant negative impacts, enhancement of positive impacts and management of relevant risks and opportunities (S4-5)

Volksbank is committed to ensuring the transparency of information on the services it offers, in line with its high-level policy, with the aim of complying with the principles of clarity, completeness and knowability of the operations falling within the scope of the regulations.

In order to implement the strategic guidelines of its Business Plan, in 2025 the Bank defined specific objectives within the Operational Sustainability Plan, which are also aimed at enhancing the positive impacts generated for its customers,

managing any negative impacts, as well as pursuing opportunities and mitigating the risks associated with them. These objectives are consistent with the Bank's commitment to reducing the risk of exposure to SME counterparties and improving customers' ability to understand and evaluate the banking services and products offered.
The Bank continues to develop new innovative, digital and sustainable products and services that better meet customers' needs and ensure clearer and more effective communication. To this end, the objectives include improving the comprehensibility of information, increasing accessibility for all users, reducing the risks of uninformed choices and strengthening omnichannel consistency between the website, branches and other touchpoints. The results will be monitored through qualitative and quantitative indicators, such as usability tests, user feedback, use of comparison tools and simulators, as well as digital performance analysis. These elements will support the continuous improvement of the experience offered and the reduction of negative impacts over time. The launch of the new mobile app and direct banking for private customers is also planned, with a digital ecosystem that is more accessible, intuitive and in line with people's needs.
With regard to financial education, the Bank operates by planning and implementing certain initiatives in response to actual needs gathered and assessed by the commercial network, which maintains a direct relationship with customers, and by internal stakeholders based on contingent situations. In this context, the Bank intends to increase the number of participants in physical events to a target of 3,000 people, as well as achieving 1.8 million views in the fourth season of videos and podcasts to be launched in 2026 to promote financial education.
With a view to increasing the number of access points in areas at risk of financial exclusion, where 10,857 customers were recorded by 2025, the Bank plans to open branches in nine new municipalities over the next two years.
The Bank also plans to develop a framework for physical, digital and communication accessibility by 2026. To this end, there will be measures to provide reduced-height ATMs, keyboards with Braille, and lifts or goods lifts suitable for wheelchairs, as well as an acceleration in digitisation, through the launch of the new mobile app and direct banking for private customers. In October 2025, 16% of the branches (27 out of 173) had physical accessibility features beyond the regulatory requirements. During 2026, the Bank will verify the effective achievement of its objectives, assessing the increase in the number of customers served, as well as the degree of accessibility of branches and digital channels.
Finally, with regard to data protection and cybersecurity, the Bank, while not having set specific targets in this area, intends to further expand the scope of its cybersecurity system and begin migrating the current "fraud detection system" to a cloud infrastructure, possibly with the use of advanced AI technologies. The Bank also ensures the constant monitoring of the implementations and updates required by DORA regulations, for developing an incremental level of digital operational resilience.

TECHNOLOGICAL INNOVATION AND DIGITISATION

Policies adopted to manage sustainability issues relevant to technological innovation and digitisation (MDR - P)

Volksbank has an ICT Strategic Policy Document that covers the evolution of the company's information system. It outlines the intermediary's reference architectural model, the methods of procurement of ICT services and the approach to managing IT risk, and provides the guidelines for the selection of technical personnel and for the acquisition of ICT systems, software and services, in order to guarantee compliance with regulatory obligations and the protection of both the Bank itself and its customers.

In keeping with the guidelines of the I-mpact 2026 Business Plan, where particular attention is paid to the issues of omnichannel and data use, the document also identifies specific objectives in terms of innovation for the three-year period. These include significant investments in data and digital channels to ensure the progressive adoption of architectures increasingly oriented towards cloud computing for greater operational flexibility, the use of advanced software development methodologies (DevOps, DevSecOps, Agile) to support organisational efficiency, and increased digitisation as a lever to improve the customer experience through integrated omnichannel solutions. The aim is to ensure greater autonomy for the Bank in these strategic areas, by adopting, where necessary, autonomous infrastructures decoupled from the core banking system.

The Board of Directors approves the document, ensuring that it is consistent with the Bank's strategic guidelines.

Actions and resources related to sustainability issues relevant to technological innovation and digitisation (MDR - A)

Innovation represents a strategic lever for the future growth of Volksbank, which continues to invest in multichannel and digitalisation to meet the needs of an increasingly dynamic and competitive market and to mitigate the risks related to critical issues in the management of innovative and complex operations, due to continuous technological evolution in terms of sophistication of the tools, processes and service models.

In 2024, the Bank strengthened its commitment in this area by implementing initiatives aimed at ensuring access to affordable, flexible and 24-hour banking services, thereby enhancing the customer experience and contributing to the achievement of the goals of the I-mpact 2026 Business Plan.

Although Volksbank has not adopted specific formal policies for technological innovation and digitisation, it has integrated these strategic issues into its operational approach, using targeted actions and monitoring tools to ensure tangible results.

In 2025, Volksbank implemented a series of actions to increase the digitisation of services and promote the adoption of innovative tools among customers.

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, 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.

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 terms of data use, Volksbank recognises the strategic importance of data as the foundation for personalising customer service and creating new value. By adopting a "Data-Driven" approach, the Bank seeks to ensure that all users have access to the data they need to make informed decisions, and can enjoy an all-encompassing, customer-centric experience.

With regard to branch automation, the gradual upgrading of the "self-service" equipment continued in 2025 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 [128].

([128]) It should be noted that 116 branches now work with the so-called "multi-branch" organisational model. In these branches, 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.You said: 5650 (96) See also paragraph. The Bank is continuing its strategy of gradually shifting infrastructure to cloud solutions, but is carefully assessing the cost-benefit of individual solutions. In addition, 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 the areas in which these assistants can help the Bank improve productivity, reduce working time and make more informed decisions.
At the same time, since 2024, the Bank has 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 will form the basis for a completely revised digital channel offering starting with an App and Direct Banking for private customers. The solution will initially cover the entire current functional perimeter with a modern design and an improved omnichannel "user experience" through interfaces aligned between web/mobile channels and integrated with consultancy processes and physical assistance if requested by the customer.
In this regard, the Bank is continuing to focus on the use of remote signing and contracting processes. This is 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. The strategy of promoting digital solutions, such as the online signature and graphometric signatures on tablets in the branch, together with the adoption of Apps and Direct Banking, led to a significant increase in access via the banking App, highlighting customers' growing preference for mobile platforms over traditional ones. In 2025, the Bank continued to invest time and resources to expand the number of products that can be subscribed to with these digital signatures.

DIGITALLY SIGNED CONTRACTS	UoM	2025	2024	2023
Total contracts signed	No.	524,942	543,486	597,936
Percentage of digitally signed contracts	**%**	**47.9%**	**50.2%**	**47.7%**

USE OF APP AND DIRECT BANKING	UoM	2025	2024	2023
App accesses per customer (month of December)	No.	129,153	120,798	107,765
PC accesses per customer (December)	No.	39,565	41,776	40,851
Percentage of accesses via app	**%**	**76.6%**	**74.3%**	**72.5%**
Average number of accesses per user	**No.**	**40**	**39**	**39**

The Bank has also promoted the use of biometric tools and push notifications, increasing the security and personalisation of customer services. The number of customers using features such as Fingerprint/Touch ID, push notifications and Token authorisation systems has grown steadily. Development and preparation work on the new architecture is proceeding as planned, and at the end of 2025 a version of the App and Direct Banking was released to a small group of users (Family & Friends phase). The release to all customers is scheduled for the first half of 2026.
In addition, as part of the implementation of the I-mpact 2026 Business Plan, Volksbank launched a strategic initiative to disseminate an artificial intelligence (AI) culture within the organisation. This is possible thanks to dedicated and specialised training programmes aimed at raising employees' awareness of the importance of AI technologies in data-driven data management in the Bank.

Monitoring the effectiveness of policies and actions through targets on technological innovation and digitisation (MDR - T)

Within the framework of the I-mpact 2026 Business Plan, the Bank's ICT strategy, always oriented towards digitisation of touchpoints, will focus on data management and the exploitation of AI and cloud-based technologies.
The bank aims to further enhance its digital offering and reduce the environmental impact of the use of paper and the physical mobility of customers to the branches. The Plan includes the following guidelines, divided into specific actions:

- increase the percentage of digitally signed contracts, thereby saving not only paper for documents, but also the potential GHG emissions attributable to mobility of customers to the branch;
- achieve a higher take-up of the banking app, with a target of average accesses per user gradually increasing compared to 2025;
- strengthen the digitisation of onboarding processes, promoting an increasingly "paperless" approach and integrating digital functionalities with a gradual shift from desktop to mobile apps;
- promote the integration of digital processes with artificial intelligence to improve operational efficiency and customer intelligence;
- improve customer insight and develop new business opportunities;
- optimise operational efficiency and manage risks.

These objectives are supported by an ongoing commitment to data governance and a maturity model that fosters the culture of data within the organisation.
Volksbank also monitors the implementation and effectiveness of these initiatives with regular reports and analytical dashboards. These tools make it possible to analyse usage data in real time, giving the sales network a clear picture of the extent to which digital tools are being used. This approach makes it possible not only to measure progress against set targets, but also to identify possible areas for improvement and to optimise the strategy by dynamically adapting to the needs of customers and the market.

SUSTAINABLE FINANCE AND RESPONSIBLE LENDING

Policies adopted to manage sustainability issues relevant to sustainable finance and responsible lending (MDR-P)

Volksbank's Sustainability Policy is aligned with the overarching principles of sustainable finance outlined at EU and national level by regulations and guidelines that include, among others, EU Regulation 2019/2088 (SFDR) on transparency relating to sustainability in the financial services sector and the European Banking Authority's Lending and Monitoring Guidelines[129], which deal with the topic of integrating environmental, social and governance factors into lending and monitoring processes.
In particular, in the area of sustainable finance, the Bank's Investment Services Policy is aligned with the provisions of the SFDR on disclosure of the sustainability characteristics of investment strategies and on preventing the misuse of sustainability labels. The aim is to promote transparency and accountability in the management of financial products and to ensure that investor preferences are effectively respected.
In this context, the Bank develops "model" portfolios, consisting of Undertakings for Collective Investment (UCITS), matching them to clients' profiles/time horizons and selecting the UCITS to be recommended by means of optimisation algorithms and the creation of an "efficient frontier", i.e. the best combination of asset classes with a view to lower historical risk and higher estimated return. The Bank therefore selects, for each asset class, the UCITs deemed most efficient according to their risk/return profile and past performance on the basis of available information, and uses these to compose investment profiles, and also draws up individual strategies and related investment recommendations.

([129]) Guidelines on Loan Origination and Monitoring (ABE/GL/2020/06 of 29/05/2020).

Among the risk and financial indicators used in the aforementioned UCITS selection process, the Bank also considers a special "sustainability risk" indicator, provided to it by leading international external providers. Given the same level of efficiency, the Bank chooses those UCIs with lower sustainability risks, constructing the recommended model portfolios in such a way as to allow for adequate diversification and ensure that, on average, sustainability risk is at a low level, consistent with the risk indicators provided by the aforementioned external providers.

In the development of "model" portfolios, the Bank takes into account the share of products classified as "Art. 8" and "Art. 9" SFDR[130], in order to ensure consistency between customers' preferences and the portfolio proposed by the Bank.

The Investment Committee and the Product Committee are responsible for the correct execution of these processes, with the involvement of the Board of Directors in the event of cases with medium/high to high risk levels.

All information on processes related to investment services is shared through:

- internal dissemination of the Investment Services Policy;
- pre-contractual information;
- contractual documentation.

Furthermore, with regard to sustainable investment policies, Volksbank is committed to supporting the regional economy and favouring companies that pursue objectives of climate change mitigation and adaptation, protection of natural resources and promotion of the circular economy, while refraining from financing activities that limit individual rights and freedoms, generate a significant negative environmental or climate impact (such as the degradation of endangered habitats, the production and use of substances harmful to the environment and human health, etc.), or that are involved in ethical or moral controversies (gambling, controversial weapons, etc.).

The Bank recognises that the path to a net-zero economy will require time and a gradual approach. In addition to the activities it does not intend to support, in order to prioritise the promotion of all activities that contribute to the transition, Volksbank has also defined a list of activities that it aims to gradually phase out.

With reference to lending activities, in 2025 the Bank updated its Policy for the definition of the Lending Strategy [131], which outlines the strategic guidelines for the achievement of lending growth targets in line with the objectives set out in the Business Plan. The formulation of the Credit Strategy is the responsibility of the Board of Directors, together with General Management. Responsibility for the implementation of the Policy lies with the Credit Director, who was appointed to this function by resolution of the Board of Directors [132].

With this update, Volksbank has further strengthened its regional role, recognising the impact of banking activity on the social and environmental context and seeking to combine development and sustainability, responsibility and business activity, also through the Code of Ethics [133], to which the Bank must adhere even when granting credit. Volksbank is therefore committed to financing the sustainable transition by providing credit to responsible counterparties and/or those whose projects have a positive ESG impact in line with the principles of the European Taxonomy and the objectives of the 2030 Agenda[134], also taking into account non-financial aspects such as:

- encourage investments oriented towards the regional business cycle (0 Km);
- promoting investments aimed at supporting companies in pursuing their climate change mitigation and adaptation objectives;

(130) The Sustainable Finance Disclosure Regulation (SFDR) classifies financial products into "Article 8" and "Article 9" according to their sustainability characteristics. In particular, "Art. 8" products promote environmental and/or social characteristics by integrating ESG criteria into the investment strategy, but do not necessarily have sustainability as their primary objective. "Art. 9" products, on the other hand, have precise sustainable investment objectives and must align with the criteria defined by the SFDR.

(131) The update was approved in December 2025, so the Policy takes effect from 2026.

(132) The credit policy is, however, subject to the opinion and review of the Credit Committee and the Risk Committee.

(133) For more information on the Code of Ethics adopted by Volksbank, see section "Corporate culture and business conduct policies (G1-1)".

(134) The main regulatory references guiding the methodologies and the process of defining and implementing the Credit Strategies include, among others, the following: Directive 2013/36/EU (CRD VI); Regulation (EU) 575/2013 (CRR III); EBA Guidelines on Loan Origination and Monitoring (EBA/GL/2020/06); Regulation (EU) 2020/852 (so-called Environmental Taxonomy); the Green Loan Principles (GLP) issued by the Loan Market Association; EBA Guidelines on ESG Risk Management (EBA/GL/2025/01).

- encouraging energy-saving-oriented investments;
- encouraging investments oriented towards the circular economy;
- encouraging investments aimed at preserving natural resources;
- excluding funding for particular unwelcome sectors (gambling, companies that do not respect human rights/ workers' rights, etc.).

With this Policy, which covers the entire catchment area and portfolio, the Bank supports the objective of redirecting capital flows towards sustainable financing to achieve responsible and inclusive economic growth. In line with public policies on climate change mitigation and adaptation, Volksbank aims to facilitate the financing of all projects with green characteristics aligned with the European Taxonomy (EU Regulation 2020/852) and in compliance with the LMA guidelines on Green Loans, and which act as a catalyst for the necessary ecological conversion of production, models and consumption. This principle is included in the Bank's commercial strategy to ensure uniformity of operations throughout the local area.

Aware that the path to a net-zero economy will not be immediate and will have to follow a gradual approach, the Bank has therefore drawn up a list of activities (black list) that it does not intend to support with its lending activity because they are detrimental to human rights and/or harmful to health and the environment, and of the activities that it aims to gradually abandon (*phasing out*), while instead giving priority support to all activities that contribute to the transition and are in line with the aforementioned EU Taxonomy. The Credit Strategies are submitted to the Internal Credit Committee and the Internal Workout Committee (each within its remit), the Credit Committee and the Risk Committee for their opinions and review, and to the Board of Directors for approval. The latter, together with the General Management, is responsible for implementing and developing the Bank's business within the framework of the fundamental principles underlying the lending strategy and in accordance with the credit guidelines (e.g. risk protection guidelines) aimed at achieving a sustainable objective consistent with the risk appetite and value creation.

The High-Level Guidelines and the Lending Strategy are disseminated through various channels, including sharing and dissemination of the Lending Strategy to senior commercial roles and meetings held in the region. The principles of sustainable lending at Volksbank are also published on the Bank's website.

Actions and resources related to sustainability issues relevant to sustainable finance and responsible lending (MDR-A)

SUSTAINABLE FINANCE

In the course of 2025, further efforts were made to implement the provisions of the Sustainable Finance Regulation (SFDR and MiFID II). The Bank continued to collect customers' preferences regarding the sustainable characteristics of financial products, and to assess the suitability of the preferences collected against what was proposed in the portfolio. During the year, the Bank adopted a new provider for assessing the sustainability of financial instruments, switching from the MSCI rating to the Morningstar Sustainability Rating methodology. The integration of Morningstar metrics into internal information systems and MiFID II/SFDR classification processes allows for harmonisation along the entire assessment chain (from customer profiling to the construction of model portfolios). This approach makes it possible to strengthen the ESG risk monitoring processes and to have indicators that are better suited to supporting regulatory disclosure obligations, without changing the depth of the analysis, but making the representation of the sustainability profile of the portfolios more homogeneous and easier to interpret.

As at 31 December 2025, the stock of third-party funds in customer portfolios rated between "High" and "Average" (inclusive) amounted to approximately €2.1 billion (around 70%).

At the same time, the Bank is continuing to integrate ESG factors into investment selection processes and the development of model portfolios, including through automated systems that contribute to increasing the share of products consistent with the objectives of sustainability policies.

The share with environmental/social characteristics pursuant to Article 8 SFDR and that with sustainability objectives pursuant to Article 9 SFDR amounts to approximately €2.2 billion (approximately 71% of the classified stock), confirming the progressive orientation towards sustainable financial products.
Finally, in 2025, as part of sustainable finance initiatives, nine events were organised for private clients to promote housing and financial solutions under the so-called "Progetto Casa" (Home Project), and a further seven events were held to promote financial education and saving during the "Mese del Risparmio" (Savings Month) initiative. The Bank has also paid special attention to the Private and SME sectors. Seven meetings were held, one for each area, dedicated to the topics of sustainability and corporate social responsibility for SMEs, and six meetings for the corporate sector. In addition, 15 events were organised for the Private segment and a further 8 exclusive events are planned for 2026.
In total, there were 32 financial education initiatives during 2025, with a total number of participants in the physical events of about 3,000 people. For further details on the targets set for the following areas, please refer to the relevant paragraph. "Strategy, business model and value chain (SBM-1)".

GREEN COVERED BOND

In 2023, Volksbank issued its first green covered bond on the European market, based on the Green Bond Principles (GBP) of the International Capital Markets Association (ICMA). This is the first issue by Volksbank of a European Covered Bond (Premium), following the update of the Programme in accordance with the new legislation on covered bank bonds. The bonds issued are "green" and the proceeds from the placement are used to finance or refinance residential mortgages already issued and secured by properties with energy performance certificates exclusively of energy class A or B, in accordance with the Volksbank Green Bond Framework[136].
As at 31.12.2025, approximately 67.2% of the properties pledged as collateral for the loans belonged to energy class A, while the remaining properties belonged to class B. In terms of amount, 74.7% of the proceeds went to properties in energy class A, while the remainder of the proceeds went to properties in class B. [137]

"GREEN" LOANS (PRIVATE AND CORPORATE CUSTOMERS)

In 2025, the Bank supplemented its offer for private customers with a "green" mortgage to finance the purchase and construction costs of buildings with high energy performance standards. Also for this purpose, Volksbank has been mapping the characteristics of pledged properties since 2022: all new buildings with an energy performance certificate (APE) of level B or higher and all buildings whose renovation reduces energy consumption by 30% are covered.
In this context, it should also be noted that the Bank participates in the EEMI (Energy Efficient Mortgage Initiative) Working Group, an initiative promoted by the European Mortgage Federation and the European Covered Bond Council with the aim of encouraging private investments in energy efficiency in buildings.
In line with this initiative, Volksbank is continuing to strengthen its offer of "green" products, aimed at both private and corporate customers.

ESG EVALUATION TOOL

In 2025, in addition to updating the sustainable lending section of the Credit Policy, the Bank continued to develop and refine its ESG Evaluation Tool, an ESG profiling tool for corporate counterparties within the lending process. The Tool, launched in early 2022, enabled Volksbank to collect information regarding the possible environmental, social and gov-

(136) See Volksbank's Green Bond Framework at the following link: Green Bond Framework.
(137) For more information on the use of proceeds from Volksbank's Green Covered Bond, see Volksbank's Report on the Allocation and Environmental Impact 2024.

ernance impacts of corporate counterparties and their projects. In fact, it involves an assessment questionnaire that is sent to companies requesting new loans for medium- to long-term investment projects, with which the Bank is able to measure the counterparty's degree of awareness of ESG issues and the alignment of the projects being financed with the Bank's strategy.
The Tool has two sections, one for the assessment of the counterparty and one for the assessment of the project.[138].
The ESG Evaluation Tool was further refined in 2025, with the aim of aligning it with the sustainability reporting standards recommended for SMEs (the so-called VSME[139]) and with the indicators provided by the MEF in the document "Dialogo di Sostenibilità tra PMI e banche"[140], drafted by the Sustainable Finance Coordination Table, with a view to facilitating the transmission of sustainability information from SMEs to banks within the context of lending relationships. The rationale for this update was not to require SMEs to make excessive efforts in sharing ESG information. The updated version of the ESG Evaluation Tool for counterparty assessment was used continuously in 2025 and, in line with the principle of progressivity, made it possible to profile counterparties that had been granted more than 20% of the total outstanding credit.
Through the counterparty assessment, the Bank is therefore able to obtain, among other things, the precise data relating to the counterparties' GHG emissions or, if such data is not available, to calculate them from the precise energy consumption data, supplementing the calculation of the Bank's scope 3 GHG emissions with this information. For more details on how the data obtained from counterparties through the ESG Evaluation Tool are used, please refer to the relevant paragraph. "Gross scope 1, 2 and 3 GHG emissions and total GHG emissions (E1-6)".
Some of the information collected is transmitted to the customer's ESG profiling section in the operating systems used for granting credit. The ESG Evaluation Tool therefore assigns a sustainability score to counterparties based on the precise data transmitted by the counterparty itself. In doing so, the use of sector proxy data is avoided, and the virtuousness of the counterparty's actions is accurately assessed. As of 31/12/2025, of the 568 companies that were assessed using the ESG Evaluation Tool, the results of which were then fed into the operating systems, 23% received a high or excellent ESG score, 43% received an intermediate score, 23% a medium-low score and 10% an insufficient score.

Monitoring the effectiveness of policies and actions through targets on sustainable finance and responsible lending (MDR-T)

In 2025, Volksbank defined specific quantitative targets related to relevant impacts, risks and opportunities for sustainable finance and responsible lending within its Operational Sustainability Plan. This included, in particular, targets related to the amount of "green" loans and mortgages granted to corporate and private customers respectively, the increase in the number of counterparties assessed through the ESG Evaluation Tool, and the percentage of funds pursuant to Articles 8 and 9 included in the Bank's offer. For more information on the targets set by the Bank for the following areas, please refer to the relevant paragraph. "Strategy, business model and value chain (SBM-1)".
In general, with regard to sustainable finance, the Bank monitors its activities through quarterly line controls. The objective of the controls is to mitigate the risk that the customer's portfolio is inconsistent with his ESG preferences and that the Bank's third-party fund stock includes funds with a high ESG rating; the portfolios of existing customers are checked against the relevant ESG preferences stated by the customer in the MiFID questionnaire, and the development of the Bank's third-party fund stock is monitored according to ESG rating.

(138) The update took into account the changes introduced by Delegated Regulation (EU) 2026/73 of 4 July 2025.
(139) The Voluntary Sustainability Reporting Standards for non-listed SMEs, or VSMEs, are the European sustainability reporting standards published by EFRAG and provided, on a voluntary basis, for non-listed SMEs. With Recommendation (EU) 2025/1710, the European Commission suggested that SMEs use these standards.
(140) The document is available at the following link: Documento-per-il-dialogo-di-sostenibilita-tra-PMI-e-Banche.pdf.

The continuous monitoring of the effectiveness of the Credit Policy also includes the observation of developments in the macroeconomic and business environment that could have an impact on the management and governance of credit strategies, and a simultaneous review of the document reporting the outputs of the Credit Strategies. With regard to developments in the macroeconomic and business environment, the Corporate Customers, Private Customers & CRM and Strategic Planning & Controlling OUs inform the Credit Department of developments or changes in the company's operations, providing all the necessary detailed information, such as changes in the scope of risk segments, the introduction of new services, products, etc.
In order to better monitor upcoming "green" mortgages, the collection of Energy Performance Certificates (APEs) or – where otherwise provided for – the Casaclima Energy Performance Certificate [141] is also of fundamental importance. These documents can be used to deduce the GHG emissions of the property - data that can be assessed from various perspectives in the banking ecosystem. Also to this end, Volksbank carried out overall remediation of its credit portfolio, and integrated the collection of the Energy Performance Certificates (APEs) into the Procedure for granting credit.
In general, therefore, monitoring activity is conducted by the stakeholders involved in defining lending strategies, also drawing on the quarterly monitoring carried out by Risk Management and Credit Monitoring. Through quarterly monitoring, the progress made against the objectives defined in the NPL budget and the operational plan is presented to the Board of Directors. On the basis of the information received, the Credit Department verifies that the reported developments are such as to have an impact on the two credit strategies and, if so, prepares the relevant amendment proposal for approval by the Board of Directors.

1.13.4. INFORMATION ABOUT GOVERNANCE

BUSINESS CONDUCT (G1)

Policies with regard to company culture and business conduct (G1-1)

Volksbank is committed to operating with integrity and independence. The Bank monitors all such conduct and manages any associated impacts and risks - including that of corruption - by the use and regular updating of three important documents: the Charter of Values, the Code of Ethics and the Organisational Model pursuant to Legislative Decree 231/2001. These documents give rise to a series of policies, regulations, procedures and internal processes, which help to reinforce and spread the company culture, based on three fundamental precepts:

- legality: no unlawful conduct can be considered in keeping with the Bank's policy, whether it is carried out in the interests of and/or for the benefit of the person who commits it, or in the interests of/or for the benefit of the Company;
- company values: these state the central importance of correct behaviour towards customers, partners, colleagues and managers; attention to and awareness of all events involving the company; and the importance of consistency, i.e. the ability to remain faithful to these values and principles even when faced with difficult situations;
- control: all the decision-making and operational stages of the company's business are regulated and monitored in full awareness of the risks that may ensue from any possible commission of crimes, including corruption. The Internal Control System (ICS) is divided into three levels, related but executed by separate company functions, and acts as a system for monitoring compliance with the policies in place.

The Code of Ethics defines the general principles of conduct with which all persons working at Volksbank must comply in the performance of their activities, including corporate officers. Volksbank's moral commitment includes constant compliance with standards and respect for universal human rights, as well as the adoption of strategies and policies that respect corporate social responsibility and environmental sustainability, in line with the principles set out in the UN Global Compact [142].

(141) The CasaClima Energy Certificate is a document certifying the energy characteristics, sustainability and quality of a building, in line with the European Parliament's Directive on the energy performance of buildings (2010/31/EU).

In the event of conduct that fails to comply with the Code of Ethics, the Bank intervenes by issuing hierarchical reprimands to the offenders, reminding them to strictly respect the values and principles of conduct set out in the Code. Fraudulent behaviour or conduct in violation of the law, supervisory or regulatory provisions, and company policies and service instructions, is managed in accordance with the Bank's disciplinary code, in addition to legal procedures.

Although it has a clear and functional system of rules, the Bank has also decided to adopt MOG 231, in the belief that it can provide a useful means for raising awareness. This is aimed not only at senior management, employees and collaborators, but also at all other stakeholders who are involved in various capacities, such as customers, associates, suppliers and partners. The intention is to encourage conduct governed by transparency, correct management, trust and cooperation when performing activities that are carried out in or with Banca Popolare dell'Alto Adige.

At the same time as the Model was approved by the Bank's Board of Directors, the Supervisory Board was appointed, with broad, independent powers for submitting proposals, and for intervention and control. In implementing the provisions of the Decree, the Supervisory Body respects the need for professionalism, independence and continuity of action, and has the task of overseeing the operation, effectiveness and conformity of the model itself, as well as ensuring it is updated.

There is also an internal mechanism for the secret reporting (whistleblowing[143]), and consequent assessment of any non-compliant behaviour. This mechanism enables the reporting of alleged violations of both European Union and national law and internal regulations and codes, by persons who are either internal or external to the Bank.

The internal reporting channel uses computerised methods, both in written and in oral form with a voice messaging/ recording system, to guarantee that both the whistleblower's identity and the contents of their report remain completely confidential. The Whistleblowing Supervisor, who is responsible for investigating any reports, ensures that all the information received is processed with proper care and complete confidentiality.

Since the risk of corruption does not only concern senior figures, but may also involve lower roles in the hierarchy, the law – as well as the Organisational Model above – identifies the following categories of persons:

- at senior level: directors, general managers, managers responsible for drafting corporate documents, statutory auditors and liquidators, as well as those exercising managerial roles other than these;
- at a subordinate hierarchical level: anyone subject to the direction or supervision of one of the senior figures who, including through a third party:
    - solicit or receive, for themselves or for others, money or other undue benefits, or accept the promise thereof, in the performance and/or omission of acts in violation of the obligations inherent in the office to which they are appointed, or by failing to comply with the obligations of loyalty entailed by the office held;
    - they offer or promise money or other benefits to directors, general managers, managers, statutory auditors and liquidators, as well as to those who exercise managerial roles other than these.

In addition, the Bank's training plan also covers the themes of business conduct; it is aimed at all the staff and is designed and set out in compliance with the regulations, and also based on particular requirements related to various strategies that may be adopted from time to time.

The principles of fairness, transparency, good faith and integrity are also applied in the tax field, where they are implemented, on the one hand, through formal and full compliance with the provisions of current laws, regulations and best practices, and, on the other, through the efficiency with which the tax component is managed for the benefit of business activities and the sustainable development of the organisation.

([142]) Volksbank shares the principles on human rights, labour, the environment and anti-corruption, supported by the UN Global Compact with reference to the Universal Declaration of Human Rights (UN - United Nations), the Declarations on Fundamental Principles and Rights at Work (ILO), the UN Convention against Corruption and international environmental treaties (UNFCCC). The Code of Ethics is also available on the Volksbank website.

([143]) This system already in use at the Bank has been revised to adapt it to the new provisions introduced by Legislative Decree No. 24/2023, adopted in transposition of Directive (EU) 2019/1937, which amended the Whistleblowing legislation with the aim of increasing the protection of people who report violations, aligning with European requirements.

The Bank is averse to tax risk and so operates on the basis of maximum tax compliance, with particular care about the following:

- prompt payment of all the taxes due;
- completion of the declaration forms from the Tax Authories in the correct manner;
- fulfilment of all other tax obligations;
- compliance with the practices of the Revenue Agency.

The management of tax risks depends on a complex system of organisational safeguards, integrated into the Planning, Administration and Budget function, and supported by procedures to ensure that all the data in the tax declarations, tax payments and communications to the Tax Authorities are completely correct. These procedures integrate with the SCI (Internal Control System), the organisational model pursuant to Legislative Decree 231/2001, and the financial reporting control system pursuant to Law no. 262/2005. Moreover, the Bank's tax function acts as a specialist supervisor; adopting a risk-based approach, it manages any risks of regulatory non-compliance in all the company's activities, checking that the procedures are adequate to prevent such risks of non-compliance.

Finally, the Bank undertakes to establish relationships of mutual trust, collaboration and transparency with the Tax Authorities, handling any requests received as quickly and transparently as possible, and taking care never to behave in a way that might, to some degree, hinder the work of the Tax Authorities in carrying out checks. The Bank also ensures suitable protection for its internal and external stakeholders, both in terms of risk mitigation and in a more general way to safeguard shareholder value: i.e. protect the interests of stakeholders by not depleting the value of the company.

Generation and distribution of economic and financial value

Thanks also to its strong local roots, Volksbank is aware that it provides important support for the regional economy, in its roles as a credit provider, employer and taxpayer.

The economic value created and distributed by Volksbank in the last three years is therefore shown below:

	Unit of measurement	2025	2024	2023
Economic value generated	**€M**	**401**	**406**	**391**
Payments to suppliers	€M	56	61	67
Salaries to employees	€M	125	119	112
Remuneration to shareholders	€M	68	50	32
Payments to Public Administration	€M	74	64	58
Investments in the community	€M	1	3	1
Distributed economic value	**€M**	**327**	**296**	**270**
Economic value retained	**€M**	**75**	**110**	**121**

For further details, please also refer to the information in the "Explanatory Notes about the Company" section of the Management Report.

Management of relationships with suppliers (G1-2)

The Bank is committed to managing its procurement processes in a sustainable manner by seeking to reduce, as far as possible, the indirect environmental and social impacts linked to outsourcing, and to purchasing goods and services from third party suppliers, who are also taking steps to minimise their environmental and social impact.
Although Volksbank does not currently have a policy for preventing late payments, particularly to SMEs, the Bank is committed to dealing fairly with all its suppliers.
The supply chain management system is described in the "Purchasing Management Rules", approved by the Board of Directors, which sets out the principles and constraints for managing the expenses and investments required for executing company activities. These rules ensure compliance with the principles of sound and prudent management and protection of the Bank's image.
The document sets out the different types of expenditure, and the criteria for selecting suppliers, who are assessed by applying three main types: exclusion criteria, qualitative criteria, and quantitative criteria.
In the particular context of purchasing procedures, Volksbank applies exclusion criteria to ensure that it only selects companies with the licences required by law and the requisite professional standards to meet the provisions of current legislation. This particularly regards compliance with the provisions governing the protection of health and safety in the workplace (pursuant to Legislative Decree 81/2008), the protection of the environment, and business continuity.
When selecting suppliers, the Bank also looks at whether they possess any recognised certifications in the social, environmental or safety fields, as this provides an additional way to assess the quality of the companies, and that of their products or services.
In addition, the objectives of the Bank's strategic sustainability plan require the increasingly widespread and strict application of ESG criteria in the process of selecting and monitoring suppliers. In particular, the Bank has set a target of 100% coverage of suppliers within the scope defined through an ESG assessment by 2026.[144]. In 2021, the Bank carried out a survey of it main active suppliers, using a version of the ESG Evaluation Tool[145]questionnaire, adjusted to fit the characteristics of the stakeholders involved. In 2022, this assessment tool was further refined, on the basis of the feedback from the previous year. After this, sustainability criteria began to be included in the monitoring process, as described below. In 2024, the questionnaire was only applied to the Critical and Important Functions (CIFs) [146] and to outsourcing companies when their contracts with Volksbank amounted to over €100,000.
The same criteria (FEIs and outsourcing companies with contracts exceeding €100,000) were also applied to the 2025 survey. The identified suppliers were asked to complete the Business Partner Form of the ESG Evaluation Tool in an editable PDF format. The Sustainability/ESG team then proceeded to register the suppliers in B-Value and upload their respective ESG data in order to obtain their final score. 87.5% of suppliers responded to the questionnaire. The average score obtained is 68/100, which corresponds to cluster 4 – high level, assigned to customer counterparties.
The process of gathering information and assessing the ESG credentials of suppliers is the responsibility of the Security and Sustainability O.U.s, each for their own area of expertise, which report directly to the CEO.
The assessment of suppliers on the basis of ESG criteria is being continually expanded in both scope and depth, also taking into account the provisions of the European Corporate Sustainability Due Diligence Directive (CSDDD).
As part of the review of the ex-ante supplier assessment system, in 2026 ESG clauses will be included in contracts, calibrated according to supplier classification, to ensure a consistent and responsible approach throughout the supply chain. A preliminary "light" assessment will also be introduced during the procurement phases, covering sustainability aspects, and this assessment will be developed further before the final selection of the supplier. The assessment will also take into account the counterparty's exposure to physical risks.
Finally, in the event of a supplier's failure to fully align with the environmental, social and governance requirements of the Bank, an escalation process is then put into motion aimed at encouraging the supplier to return to the agreed standards. If the supplier does not present a credible plan for alignment, the Bank will impose restrictions on the provision of the services, and may even terminate relationships with the supplier.

(144) For more details on the targets set by the Bank, see section "Strategy, business model and value chain (SBM-1)".
(145) For more information on the ESG Evaluation Tool of Volksbank, see section "Sustainable finance and responsible lending".
(146) Essential and Important Functions.

Continuous monitoring of suppliers

In order to manage all the risks arising from agreements with third parties and suppliers in a proper manner, the EBA "Guidelines on Outsourcing Arrangements"[147] require the adoption of a robust framework for assessment. This needs to use a risk-based approach and to apply the principle of proportionality, and requires a suitable structure of governance and robust systems of internal control. With this in mind, the Bank assesses and classifies each of its chosen suppliers by applying a checklist for the following aspects:

- checks on compliance with current regulations covering health and safety in the workplace;
- checks on the types of service (purchase of goods and services, outsourcing, CIFs);
- checks on any conflicts of interest;
- checks on Most Significant Transactions (MSTs);
- when personal data is being processed for the purposes of the GDPR, the checks need to cover the personal role of the supplier, the impact assessment, and the fullness of the information provided to the data subjects;
- checks on any critical issues with the supplier in relation to IT.

All suppliers are subjected to constant monitoring, including in relation to Risk Assessment and Due Diligence. This involves particular checks on their compliance with the contracted service level agreements (SLAs), on their security rating, and on their performance with regard to vulnerabilities and cybersecurity incidents. When critical issues are discovered, the appropriate process of escalation is put into play, to decide the suitable actions that need to be taken, both within the Company and with the supplier himself.
Consistent with the ex-ante assessment, and as part of the ongoing supplier monitoring, an ESG-focused monitoring system will also be introduced to determine whether these aspects are maintained over time.

Prevention and detection of active and passive corruption (G1-3)

In order to prevent, identify and manage allegations or cases of active and passive corruption, Volksbank has adopted a Code of Ethics and a Model of Organisation, Management and Control pursuant to Legislative Decree 231/2001, which is periodically reviewed.
With reference to current legislation, the Bank has identified potential risks of corruption and divided them into three categories:

- corruption to the detriment of Public Administration;
- corruption in judicial proceedings;
- corruption between private individuals.

Corrupt behaviour, whether active or passive, as well as its instigation, not only represents offences for which the Bank is liable pursuant to Legislative Decree 231/2001, but is also regarded by the Bank as a threat to its reputation, given the high levels of attention and sensitivity that all counterparties have shown towards this issue: both those linked to the Bank by contractual relationships and potential counterparties, as well as the general public. This is because the involvement of the Bank in any cases of a corrupt nature would not only be severely sanctioned by the law, but also by the environment in which the Bank conducts its business activities - in the broadest sense.
For more information about the fight against corruption, please also refer to the Company Code of Ethics.
The Supervisory Board carries out a regular check into the suitability and effectiveness of the Organisational Model and the Code of Ethics, including in terms of its anti-corruption role. The check is carried out every year and the various corporate bodies are notified by means of an annual report, presented near the time that the Bank's Financial Statements are approved. Other reports into the Bank's activities may be prepared by the Supervisory Body at the specific request of the Board of Directors, the Board of Statutory Auditors or the General Management. Also, if the S.B. deems it necessary or urgent, it may ask to report to the Board of Directors, especially in relation to particularly important events that could affect the proper management of the Model.

([147]) EBA/GL/2019/02.

A knowledge of the various themes (the principles, expected behaviour, risks, obligations and prohibitions with regard to conduct) is spread by means of regular training courses, including e-learning, webinars and classroom sessions. These are provided both for members of the senior management bodies and for all the employees, and are adapted to suit their particular roles and duties. The training focuses on the principles of completeness, clarity, accuracy, accessibility, continuity and – with particular regard to new recruits – timeliness. The organisational procedures also require that training in administrative liability, pursuant to Legislative Decree 231/2001, is provided for new employees within six months of hiring. Therefore, the basic training package for new hires includes a mandatory course entitled "Administrative liability of entities – Italian Legislative Decree 231/2001: practical aspects for the bank". Consequently, all colleagues hired during the year benefited from this course.

In addition, employees can always consult the platform containing both important documents (the Charter of Values, Code of Ethics and Organisational Model) and detailed information about the provision of services and related procedures. It is constantly updated by the Compliance Department, within which the technical secretariat of the Supervisory Body is housed. The Model is also available to all stakeholders in the section dedicated to company documents on the Bank's corporate website.

In 2025, 76% of at-risk functions [148] took part in anti-corruption training. From that year onwards, the training course is included in the mandatory package for new hires. The following tables show details of the anti-corruption training activities organised by Volksbank over the last three years.

ANTI-CORRUPTION TRAINING	**2025**			
	Functions at risk	**Managers**	**Administrative, management and control bodies**	**Other workers**
Extension of training				
Total	1,480	36	21	-
Total recipients of training	1,128	19	10	-
Type and duration				
Classroom training (hours)	-	-	2.0	-
Computer-based training (hours)	2,184.0	27.5	-	-
Voluntary computer-based training (hours)	-	-	-	-
Frequency				
How often is training required? (no. of times during the reporting period)	7	3	1	-
Topics covered				
Definition of corruption	X		X	
Policy	X		X	
Suspicion/detection procedures	X	X	X	

(148) "At-risk function" means a function deemed to be more exposed to the risk of active and passive corruption due to the duties performed and the related responsibilities.

ANTI-CORRUPTION TRAINING	**2024**			
	Functions at risk	**Managers**	**Administrative, management and control bodies**	**Other workers**
Extension of training				
Total	1,436	34	21	-
Total recipients of training	1,377	27	11	-
Type and duration				
Classroom training (hours)	-	-	2.00	-
Computer-based training (hours)	1,507.00	27.00	-	-
Voluntary computer-based training (hours)	-	-	-	-
Frequency				
How often is training required? (no. of times during the reporting period)	3	1	1	-
Topics covered				
Definition of corruption	X		X	
Policy	X		X	
Suspicion/detection procedures	X	X	X	

ANTI-CORRUPTION TRAINING	**2023**			
	Functions at risk	**Managers**	**Administrative, management and control bodies**	**Other workers**
Extension of training				
Total	1,391	36	21	-
Total recipients of training	174	5	2	-
Type and duration				
Classroom training (hours)	-	-	-	-
Computer-based training (hours)	243.75	7.00	2.25	-
Voluntary computer-based training (hours)	-	-	-	-
Frequency				
How often is training required? (no. of times during the reporting period)	3	3	2	-
Topics covered				
Definition of corruption	X	X	X	
Policy	X	X	X	
Suspicion/detection procedures	X	X		

Cases of active or passive corruption (G1-4)

No cases of corruption were reported in the period of reference, neither in relation to any episodes for which employees were dismissed or subjected to disciplinary measures, nor in connection with any episodes where contracts with business partners were not renewed because of violations related to corruption. Likewise, there are no legal proceedings against the Company or its employees in relation to corrupt practices, either pending or previously resolved.

1.13.3.5. SUSTAINABILITY REPORTING APPENDIX

Table of all the informative details taken other EU regulations

ESRS	Duty to inform	Description of the disclosure obligation	Reference to SFDR	Reference to Third Pillar [150]	Reference to index regulation [151]	Reference to EU climate legislation	Status of the disclosure obligation	Page
ESRS 2	GOV-1, 21 (d)	Gender diversity in the board	Annex I, Table 1, Indicator No. 13		Delegated Regulation (EU) 2020/1816 of the Commission [153], Annex II		Reported.	106
ESRS 2	GOV-1, 21 (e)	Percentage of independent Board members			Delegated Regulation (EU) 2020/1816 of the Commission, Annex II		Reported.	106
ESRS 2	GOV-4, 30	Duty of Care Statement	Annex I, Table 3, Indicator No. 10				Reported.	111
ESRS 2	SBM-1, 40 (i.d.)	Involvement in fossil fuel related activities	Annex I, Table 1, Indicator No. 4	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Commission[154], Table 1 - Qualitative information on environmental risk and Table 2 - Qualitative information on social risk	Commission Delegated Regulation (EU) 2020/1816, Annex II		Inclusion by reference. Volksbank is not active in the fossil fuel sector.	112
ESRS 2	SBM-1, 40 (d.ii)	Involvement in activities related to the production of chemicals	Annex I, Table 2, Indicator No. 9		Commission Delegated Regulation (EU) 2020/1816, Annex II		Inclusion by reference. Volksbank is not active in the manufacture of chemicals.	112

(149) Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability reporting in the financial services sector (SFDR) (OJ L 317, 9.12.2019, p. 1).

(150) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation) (OJ L 176, 27.6.2013, p. 1).

(151) Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

(152) Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulation (EC) No 401/2009 and Regulation (EU) 2018/1999 ("European Climate Regulation") (OJ L 243, 9.7.2021, p. 1).

(153) Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council with regard to the explanation in the benchmark index statement of how environmental, social and governance factors are reflected in each benchmark index provided and published (OJ L 406, 3.12.2020, p. 1).

(154) Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards disclosure on environmental, social and governance risks (OJ L 324, 19.12.2022, p. 1).

ESRS	Duty to inform	Description of the disclosure obligation	Reference to SFDR	Reference to Third Pillar [150]	Reference to index regulation [151]	Reference to EU climate legislation	Status of the disclosure obligation	Page
ESRS 2	SBM-1, 40 (d.iii)	Participation in controversial weapons-related activities	Annex I, Table 1, Indicator No. 14		Article 12(1) of Delegated Regulation (EU) 2020/1818 [155] and Annex II of Delegated Regulation (UE) 2020/1816		Inclusion by reference. Volksbank is not active in controversial arms sectors.	112
ESRS 2	SBM-1, 40 (d.iv)	Involvement in activities related to tobacco cultivation and production					Inclusion by reference. Volksbank is not active in the cultivation and production of tobacco	112
ESRS E1	E1-1, 14	Transition plan to achieve climate neutrality by 2050				Article 2(1) of the Regulation (UE) 2021/1119	Reported.	130
ESRS E1	E1-1, 16 (g)	Companies excluded from benchmarks aligned with the Paris Agreement		Article 449 bis of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, model 1: Banking book – Indicators of potential transition risk related to climate change: Credit quality of exposures by sector, issuance and residual maturity	Article 12(1)(d) to (g) and (2) of Delegated Regulation (UE) 2020/1818		Not reported.	NA
ESRS E1	E1-4, 34	GHG emission reduction targets	Annex I, Table 2, Indicator No. 4	Article 449 bis of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, model 3: Banking book – Indicators of potential transition risk related to climate change: alignment metrics	Article 6 of the Delegated Regulation (UE) 2020/1818		Not reported.	NA

(155) Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council with regard to minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406, 3.12.2020, p. 17).

ESRS	Duty to inform	Description of the disclosure obligation	Reference to SFDR	Reference to Third Pillar [150]	Reference to index regulation [151]	Reference to EU climate legislation	Status of the disclosure obligation	Page
ESRS E1	E1-5, 38	Consumption of energy from fossil fuels disaggregated by source (high climate impact sectors only)	Annex I, Table 1, Indicator No 5 and Annex I, Table 2, Indicator No 5				Not reported.	NA
ESRS E1	E1-5, 37	Energy consumption and energy mix	Annex I, Table 1, Indicator No. 5				Reported	135
ESRS E1	E1-5, 40-43	Energy intensity associated with activities in high climate impact sectors	Annex I, Table 1, Indicator No. 6				Not reported.	NA
ESRS E1	E1-6, 44	Gross scope 1, 2, 3 emissions and total GHG emissions	Annex I, Table 1, Indicators No. 1 and 2	Article 449 bis of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, model 1: Banking book – Indicators of potential transition risk related to climate change: Credit quality of exposures by sector, issuance and residual maturity	Articles 5(1), 6 and 8(1) of Delegated Regulation (EU) 2020/1818		Reported.	141
ESRS E1	E1-6, 53-55	Intensity of gross GHG emissions	Annex I, Table 1, Indicator No. 3	Article 449 bis of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, model 3: Banking book – Indicators of potential transition risk related to climate change: alignment metrics	Article 8(1) of Delegated Regulation (EU) 2020/1818		Reported.	142
ESRS E1	E1-7, 56	GHG removals and carbon credits				Article 2(1) of the Regulation (UE) 2021/1119	Not reported.	NA
ESRS E1	E1-9, 66	E1-9, 66 Exposure of the benchmark index portfolio to physical climate-related risks			Annex II of Delegated Regulation (EU) 2020/1818 and Annex II of Delegated Regulation (UE) 2020/1816		Not reported.	NA

ESRS	Duty to inform	Description of the disclosure obligation	Reference to SFDR	Reference to Third Pillar [150]	Reference to index regulation [151]	Reference to EU climate legislation	Status of the disclosure obligation	Page
ESRS E1	E1-9, 66 (a), 66 (c)	Breakdown of monetary amounts by acute and chronic physical risk Location of activities involving significant physical risk		Article 449a of Regulation (EU) No 575/2013; points 46 and 47 of Commission Implementing Regulation (EU) 2022/2453; Model 5: Banking book - Indicators of potential physical risk related to climate change: exposures subject to physical risk			Not reported.	NA
ESRS E1	E1-9, 67 (c)	Breakdown of the book value of its real estate assets by energy efficiency classes		Article 449a of Regulation (EU) No 575/2013; paragraph 34 of the Implementing Regulation (EU) 2022/2453 of the Commission; Model 2: Banking book - Indicators of potential climate change-related transition risk: loans secured by real estate - Energy efficiency of collateral			Not reported.	NA
ESRS E1	E1-9, 69	Degree of portfolio exposure to climate-related opportunities			Annex II to the Delegated Regulation (UE) 2020/1818		Not reported.	NA
ESRS E2	E2-4, 28	Quantity of each pollutant in Annex II of the E-PRTR (European Pollutant Release and Transfer Register) emitted to air, water and soil	Annex I, Table 1, indicator No 8; Annex I, Table 2, indicator No 2; Annex 1, Table 2, indicator No 1; Annex I, Table 2, indicator No 3				Not reported.	NA
ESRS E3	E3-1, 9	Water and marine resources	Annex I, Table 2, Indicator No. 7				Not reported.	NA
ESRS E3	E3-1, 13	Dedicated policy	Annex I, Table 2, Indicator No. 8				Not reported.	NA
ESRS E3	E3-1, 14	Sustainability of oceans and seas	Annex I, Table 2, Indicator No. 12				Not reported.	NA
ESRS E3	E3-4, 28 (c)	Total water recycled and reused	Annex I, Table 2, Indicator No. 6.2				Not reported.	NA
ESRS E3	E3-4, 29	Total water consumption in m3 compared to net revenues from own operations	Annex I, Table 2, Indicator No. 6.1				Not reported.	NA

ESRS	Duty to inform	Description of the disclosure obligation	Reference to SFDR	Reference to Third Pillar [150]	Reference to index regulation [151]	Reference to EU climate legislation	Status of the disclosure obligation	Page
ESRS 2	SBM-3 - E4, 16 (a.i)		Annex I, Table 1, Indicator No. 7				Not reported.	NA
ESRS 2	SBM-3 - E4, 16 (b)		Annex I, Table 2, Indicator No. 10				Not reported.	NA
ESRS 2	SBM-3 - E4, 16 (c)		Annex I, Table 2, Indicator No. 14				Not reported.	NA
ESRS E4	E4-2, 24 (b)	Sustainable agricultural/ land-use policies or practices	Annex I, Table 2, Indicator No. 11				Not reported.	NA
ESRS E4	E4-2, 24 (c)	Sustainable sea/ocean use practices or policies	Annex I, Table 2, Indicator No. 12				Not reported.	NA
ESRS E4	E4-2, 24 (d)	Policies to address deforestation	Annex I, Table 2, Indicator No. 15				Not reported.	NA
ESRS E5	E5-5, 37 (d)	Non-recycled waste	Annex I, Table 2, Indicator No. 13				Not reported.	NA
ESRS E5	E5-5, 39	Hazardous waste and radioactive waste	Annex I, Table 1, Indicator No. 9				Not reported.	NA
ESRS 2	SBM3 - S1, 14 (f)	Risk of forced labour	Annex I, Table 3, Indicator No. 13				Reported. No operations with a serious risk of forced or compulsory labour were found.	114
ESRS 2	SBM3 - S1, 14 (g)	Risk of child labour	Annex I, Table 3, Indicator No. 12				Reported. No operations with a serious risk of child labour were found.	114
ESRS S1	S1-1, 20	Political commitments to human rights	Annex I, Table 3, Indicator No 9 and Annex I, Table 1, Indicator No 11				Reported.	146
ESRS S1	S1-1, 21	Due diligence policies on matters covered by Core Conventions 1 to 8 of the International Labour Organisation			Delegated Regulation (EU) 2020/1816 of the Commission, Annex II		Reported.	146
ESRS S1	S1-1, 22	Procedures and measures to prevent human trafficking	Annex I, Table 3, Indicator No. 11				Reported.	146
ESRS S1	S1-1, 23	Occupational injury prevention policy or management system	Annex I, Table 3, Indicator No. 1				Reported.	146

ESRS	Duty to inform	Description of the disclosure obligation	Reference to SFDR	Reference to Third Pillar [150]	Reference to index regulation [151]	Reference to EU climate legislation	Status of the disclosure obligation	Page
ESRS S1	S1-3, 32 (c)	Mechanisms for dealing with complaints/complaints	Annex I, Table 3, Indicator No. 5				Reported.	149
ESRS S1	S1-14, 88 (b), (c)	Number of deaths and number and rate of work-related injuries	Annex I, Table 3, Indicator No. 2		Commission Delegated Regulation (EU) 2020/1816, Annex II		Reported.	146
ESRS S1	S1-14, 88 (e)	Number of days lost due to injury, fatality or illness	Annex I, Table 3, Indicator No. 3				Not reported.	NA
ESRS S1	S1-16, 97 (a)	Unadjusted gender pay gap	Annex I, Table 1, Indicator No. 12		Commission Delegated Regulation (EU) 2020/1816, Annex II		Reported.	161
ESRS S1	S1-16, 97 (b)	Excessive pay gap in favour of the managing director	Annex I, Table 3, Indicator No. 8				Not reported.	NA
ESRS S1	S1-17, 103 (a)	Discrimination-related incidents	Annex I, Table 3, Indicator No. 7				Reported.	162
ESRS S1	S1-17, 104 (a)	Failure to comply with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines	Annex I, Table 1, Indicator No 10 and Annex I, Table 3, Indicator No 14		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		Reported.	162
ESRS 2	SBM-3 - S2, 11 (b)	Serious risk of child labour or forced labour in the labour chain	Annex I, Table 3, indicators nos. 12 and 13				Reported. There are no geographical areas where there is a significant risk of child, forced or compulsory labour among workers in the company's value chain.	114
ESRS S2	S2-1, 17	Political commitments to human rights	Annex I, Table 3, Indicator No 9 and Annex I, Table 1, Indicator No 11				Reported.	162
ESRS S2	S2-1, 18	Worker-related policies in the value chain	Annex I, Table 3, Indicators No. 11 and 4				Reported.	162
ESRS S2	S2-1, 19	Failure to comply with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines	Annex I, Table 1, Indicator No. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		Reported.	162

ESRS	Duty to inform	Description of the disclosure obligation	Reference to SFDR	Reference to Third Pillar [150]	Reference to index regulation [151]	Reference to EU climate legislation	Status of the disclosure obligation	Page
ESRS S2	S2-1, 19	Due diligence policies on matters covered by Core Conventions 1 to 8 of the International Labour Organisation			Commission Delegated Regulation (EU) 2020/1816, Annex II		Reported.	162
ESRS S2	S2-4, 36	Human rights issues and incidents in its upstream and downstream value chain	Annex I, Table 3, Indicator No. 14				Reported.	163
ESRS S3	S3-1, 16	Political commitments to human rights	Annex I, Table 3, Indicator No 9 and Annex I, Table 1, Indicator No 11				Reported.	164
ESRS S3	S3-1, 17	Failure to comply with UN Guiding Principles on Business and Human Rights, ILO principles or OECD guidelines	Annex I, Table 1, Indicator No. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		Reported.	164
ESRS S3	S3-4, 36	Human rights issues and incidents	Annex I, Table 3, Indicator No. 14				Reported.	150
ESRS S4	S4-1, 16	Consumer and end-user related policies	Annex I, Table 3, Indicator No 9 and Annex I, Table 1, Indicator No 11				Reported.	170
ESRS S4	S4-1, 17	Failure to comply with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines	Annex I, Table 1, Indicator No. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		Reported.	170
ESRS S4	S4-4, 35	Human rights issues and incidents	Annex I, Table 3, Indicator No. 14				Not reported.	NA
ESRS G1	G1-1, 10 (b)	United Nations Convention against Corruption	Annex I, Table 3, Indicator No. 15				Reported.	185
ESRS G1	G1-1, 10 (d)	Protection of whistleblowers	Annex I, Table 3, Indicator No. 6				Reported.	185
ESRS G1	G1-4, 24 (a)	Fines imposed for violations of laws against active and passive corruption	Annex I, Table 3, Indicator No. 17		Annex II of Delegated Regulation (EU) 2020/1816		Reported.	191

ESRS	Duty to inform	Description of the disclosure obligation	Reference to SFDR	Reference to Third Pillar [150]	Reference to index regulation [151]	Reference to EU climate legislation	Status of the disclosure obligation	Page
ESRS G1	G1-4, 24 (b)	Rules for combating active and passive corruption	Annex I, Table 3, Indicator No. 16				Reported.	191

Tables Annex VI Regulation (EU) 2021/2178

Model 1: Assets for calculating GAR on the basis of turnover

		a	b	c	d	e	f	g	h	i	j	k	l	m	n
		31.12.2025													
	In millions of euros	Total (gross) book value	Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)			
			Of which to sectors covered by the taxonomy (eligible for taxonomy)					Of which to sectors covered by the taxonomy (eligible for taxonomy)				Of which to sectors covered by the taxonomy (eligible for taxonomy)			
				Of which environmentally sustainable (aligned with taxonomy)					Of which environmentally sustainable (aligned with taxonomy)				Of which environmentally sustainable (aligned with taxonomy)		
					Of which use of income	Of which transitional	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying
	GAR - Assets covered in both numerator and denominator														
1	**Loans and advances, debt securities and capital goods not held for trading eligible for calculation of the GAR**	3,981	1,853	244	7	1	8	9	4	-	0	0	0	-	-
2	**Financial companies**	275	51	5	0	0	1	0	0	-	0	0	0	-	-
3	Credit institutions	250	49	5	0	0	1	0	0	-	-	0	0	-	-
4	Loans and advances	0	0	0	-	0	0	0	0	-	-	-	-	-	-
5	Debt securities, including UoP	250	49	5	0	0	1	0	0	-	-	0	0	-	-
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other financial companies	25	2	1	-	0	0	0	0	-	0	0	0	-	-
8	**of which investment companies**	20	2	0	-	0	0	0	-	-	-	0	0	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	20	2	0	-	0	0	0	-	-	-	0	0	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	**of which management companies**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	**of which insurance companies**	5	-	0	-	0	0	-	0	-	0	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	5	-	0	-	0	0	-	0	-	0	-	-	-	-
20	**Non-financial corporations**	115	45	40	7	0	7	9	4	-	0	0	0	-	-
21	Loans and advances	22	15	13	-	-	1	-	-	-	-	0	-	-	-
22	Debt securities, including UoP	93	29	27	7	0	5	9	4	-	0	0	0	-	-
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	**Households**	3,500	1,695	199	-	-	-	-	-	-	-	-	-	-	-
25	of which loans guaranteed by residential properties	1,424	1,424	199	-	-	-	-	-	-	-	-	-	-	-
26	of which loans for renovation of buildings	258	258	-	-	-	-	-	-	-	-	-	-	-	-
27	of which loans for motor vehicles	13	13	-	-	-	-	-	-	-	-	-	-	-	-
28	**Financing of local governments (*)**	92	62	-	-	-	-	-	-	-	-	-	-	-	-
29	Financing of building	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Financing of other local public administrations	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(*) The Bank's entire exposure to Public Administration is included in a single line, because Volksbank's business model is not largely based on financing the construction of public housing

Model 1 follows: Assets for calculating GAR on the basis of turnover

		o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae
	In millions of euros	Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which to sectors covered by the taxonomy (eligible for taxonomy)				Of which to sectors covered by the taxonomy (eligible for taxonomy)				Of which to sectors covered by the taxonomy (eligible for taxonomy)				Of which to sectors covered by the taxonomy (eligible for taxonomy)				
			Of which environmentally sustainable (aligned with taxonomy)				Of which environmentally sustainable (aligned with taxonomy)				Of which environmentally sustainable (aligned with taxonomy)				Of which environmentally sustainable (aligned with taxonomy)			
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which transitional	Of which qualifying
	GAR - Assets covered in both numerator and denominator																	
1	**Loans and advances, debt securities and capital goods not held for trading eligible for calculation of the GAR**	2	1	-	-	0	0	-	-	0	-	-	-	1,853	237	7	1	6
2	**Financial companies**	0	0	-	-	0	0	-	-	0	-	-	-	53	5	0	0	1
3	Credit institutions	0	0	-	-	0	0	-	-	0	-	-	-	50	5	0	0	1
4	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	0	0	-	0	0
5	Debt securities, including UoP	0	0	-	-	0	0	-	-	0	-	-	-	50	5	0	0	1
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other financial companies	0	0	-	-	0	0	-	-	0	-	-	-	3	1	-	0	0
8	**of which investment companies**	0	-	-	-	0	-	-	-	0	-	-	-	2	0	-	0	0
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP)	0	-	-	-	0	-	-	-	0	-	-	-	2	0	-	0	0
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	**of which management companies**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	**of which insurance companies**	-	0	-	-	-	0	-	-	-	-	-	-	1	0	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	0	-	-	-	0	-	-	-	-	-	-	1	0	-	-	-
20	**Non-financial corporations**	1	1	-	-	-	-	-	-	-	-	-	-	43	33	7	0	5
21	Loans and advances	1	1	-	-	-	-	-	-	-	-	-	-	9	6	-	-	0
22	Debt securities, including UoP	1	0	-	-	-	-	-	-	-	-	-	-	34	27	7	0	5
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	**Households**	-	-	-	-	-	-	-	-	-	-	-	-	1,695	199	-	-	-
25	of which loans guaranteed by residential properties	-	-	-	-	-	-	-	-	-	-	-	-	1,424	199	-	-	-
26	of which loans for renovation of buildings	-	-	-	-	-	-	-	-	-	-	-	-	258	-	-	-	-
27	of which loans for motor vehicles	-	-	-	-	-	-	-	-	-	-	-	-	13	-	-	-	-
28	**Financing of local governments (*)**	-	-	-	-	-	-	-	-	-	-	-	-	62	-	-	-	-
29	Financing of building	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Financing of other local public administrations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(*) The Bank's entire exposure to Public Administration is included in a single line, because Volksbank's business model is not largely based on financing the construction of public housing

Model 1 follows: Assets for calculating GAR on the basis of turnover

		a	b	c	d	e	f	g	h	i	j	k	l	m	n
		31.12.2025													
	In millions of euros	Total (gross) book value	Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)			
			Of which to sectors covered by the taxonomy (eligible for taxonomy)					Of which to sectors covered by the taxonomy (eligible for taxonomy)				Of which to sectors covered by the taxonomy (eligible for taxonomy)			
				Of which environmentally sustainable (aligned with taxonomy)					Of which environmentally sustainable (aligned with taxonomy)				Of which environmentally sustainable (aligned with taxonomy)		
					Of which use of proceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying
	GAR - Assets covered in both numerator and denominator														
31	**Guarantees obtained by taking possession: residential and non-residential properties**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	**Assets excluded from the numerator for calculation of the GAR (included in the denominator)**	5,862	-	-	-	-	-	-	-	-	-	-	-	-	-
33	Financial and non-financial companies	5,121	-	-	-	-	-	-	-	-	-	-	-	-	-
34	SMEs and non-financial corporations (other than SMEs) not subject to NFRD reporting requirements	5,071	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Loans and advances	4,095	-	-	-	-	-	-	-	-	-	-	-	-	-
36	of which loans guaranteed by non-residential real estate	397	-	-	-	-	-	-	-	-	-	-	-	-	-
37	of which loans for renovation of buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Debt securities, including UoP	862	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Equity instruments	114	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Third country counterparties not subject to NFRD reporting requirements	49	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Loans and advances	0	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Debt securities, including UoP	49	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	**Derivatives**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45	**Interbank demand loans**	4	-	-	-	-	-	-	-	-	-	-	-	-	-
46	**Cash and cash assets**	84	-	-	-	-	-	-	-	-	-	-	-	-	-
47	**Other asset categories (e.g. goodwill, goods, etc.)**	653	-	-	-	-	-	-	-	-	-	-	-	-	-
48	**Total GAR assets**	9,844	1,853	244	7	1	8	9	4	-	0	0	0	-	-
49	**Assets not included for calculation of GAR**	2,839	-	-	-	-	-	-	-	-	-	-	-	-	-
50	**Central governments and supranational issuers**	2,505	-	-	-	-	-	-	-	-	-	-	-	-	-
51	**Exposures to central banks**	319	-	-	-	-	-	-	-	-	-	-	-	-	-
52	**Trading portfolio**	15	-	-	-	-	-	-	-	-	-	-	-	-	-
53	**Total assets**	12,683	1,853	244	7	1	8	9	4	-	0	0	0	-	-
Off-balance sheet exposures - companies subject to the disclosure requirements of the Non-Financial Reporting Directive (NFRD)															
54	Financial guarantees	15	-	-	-	-	-	-	-	-	-	-	-	-	-
55	Managed financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	of which debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57	of which equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Model 1 follows: Assets for calculating GAR on the basis of turnover

		o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae
	In millions of euros	31.12.2025																
		Circular economy (CE)				**Pollution (PPC)**				**Biodiversity and Ecosystems (BIO)**				**TOTAL (CCM + CCA + WTR + CE + PPC + BIO)**				
		Of which to sectors covered by the taxonomy (eligible for taxonomy)				Of which to sectors covered by the taxonomy (eligible for taxonomy)				Of which to sectors covered by the taxonomy (eligible for taxonomy)				Of which to sectors covered by the taxonomy (eligible for taxonomy)				
			Of which environmentally sustainable (aligned with taxonomy)				Of which environmentally sustainable (aligned with taxonomy)				Of which environmentally sustainable (aligned with taxonomy)				Of which environmentally sustainable (aligned with taxonomy)			
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which transitional	Of which qualifying
	GAR - Assets covered in both numerator and denominator																	
31	**Guarantees obtained by taking possession: residential and non-residential properties**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	**Assets excluded from the numerator for calculation of the GAR (included in the denominator)**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	**Financial and non-financial companies**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	SMEs and non-financial corporations (other than SMEs) not subject to NFRD reporting requirements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36	of which loans guaranteed by non-residential real estate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37	of which loans for renovation of buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Third country counterparties not subject to NFRD reporting requirements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	**Derivatives**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45	**Interbank demand loans**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46	**Cash and cash assets**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
47	**Other asset categories (e.g. goodwill, goods, etc.)**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48	**Total GAR assets**	2	1	-	-	0	0	-	-	0	-	-	-	1,853	237	7	1	6
49	**Assets not included for calculation of GAR**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50	**Central governments and supranational issuers**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51	**Exposures to central banks**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52	**Trading portfolio**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
53	**Total assets**	2	1	-	-	0	0	-	-	0	-	-	-	1,853	237	7	1	6
Off-balance sheet exposures - companies subject to the disclosure requirements of the Non-Financial Reporting Directive (NFRD)																		
54	Financial guarantees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55	Managed financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	of which debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57	of which equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Model 1: Assets for calculating GAR on the basis of CapEx

		a	b	c	d	e	f	g	h	i	j	k	l	m	n
		31.12.2024													
			Climate change mitigation (CCM)					**Climate change adaptation (CCA)**				**Water and marine resources (WTR)**			
			Of which to sectors covered by the taxonomy (eligible for taxonomy)					Of which to sectors covered by the taxonomy (eligible for taxonomy)				Of which to sectors covered by the taxonomy (eligible for taxonomy)			
	In millions of euros	Total (gross) book value		Of which environmentally sustainable (aligned with taxonomy)					Of which environmentally sustainable (aligned with taxonomy)				Of which environmentally sustainable (aligned with taxonomy)		
					Of which use of proceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying
	GAR - Assets covered in both numerator and denominator														
1	**Loans and advances, debt securities and capital goods not held for trading eligible for calculation of the GAR**	3,934	1,716	206	7	-	6	14	-	-	-	-	-	-	-
2	**Financial companies**	232	36	4	-	-	-	1	-	-	-	-	-	-	-
3	Credit institutions	155	29	1	-	-	-	-	-	-	-	-	-	-	-
4	Loans and advances	6	2	-	-	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	149	27	1	-	-	-	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other financial companies	78	8	2	-	-	-	1	-	-	-	-	-	-	-
8	**of which investment companies**	68	8	2	-	-	-	1	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP (*)	68	8	2	-	-	-	1	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	**of which management companies**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	**of which insurance companies**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	**Non-financial corporations**	83	22	20	7	-	6	14	-	-	-	-	-	-	-
21	Loans and advances	34	1	1	-	-	-	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	49	21	20	7	-	6	14	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	**Households**	3,531	1,574	182	-	-	-	-	-	-	-	-	-	-	-
25	of which loans guaranteed by residential properties	1,326	1,326	182	-	-	-	-	-	-	-	-	-	-	-
26	of which loans for renovation of buildings	234	234	-	-	-	-	-	-	-	-	-	-	-	-
27	of which loans for motor vehicles	13	13	-	-	-	-	-	-	-	-	-	-	-	-
28	**Financing of local governments (**)**	88	84	-	-	-	-	-	-	-	-	-	-	-	-
29	Financing of building	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Financing of other local public administrations	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(') The Bank's entire exposure to Public Administration is included in a single line, because Volksbank's business model is not largely based on financing the construction of public housing.

Model 1 follows: Assets for calculating GAR on the basis of CapEx

		o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae
	In millions of euros	31.12.2025																
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which to sectors covered by the taxonomy (eligible for taxonomy)				Of which to sectors covered by the taxonomy (eligible for taxonomy)				Of which to sectors covered by the taxonomy (eligible for taxonomy)				Of which to sectors covered by the taxonomy (eligible for taxonomy)				
			Of which environmentally sustainable (aligned with taxonomy)				Of which environmentally sustainable (aligned with taxonomy)				Of which environmentally sustainable (aligned with taxonomy)				Of which environmentally sustainable (aligned with taxonomy)			
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which transitional	Of which qualifying
	GAR - Assets covered in both numerator and denominator																	
1	**Loans and advances, debt securities and capital goods not held for trading eligible for calculation of the GAR**	2	1	-	-	0	-	-	-	0	0	-	-	1,889	271	7	1	29
2	**Financial companies**	0	0	-	-	0	-	-	-	0	0	-	-	55	7	0	0	2
3	Credit institutions	0	0	-	-	0	-	-	-	0	0	-	-	52	5	0	0	1
4	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	0	0	-	0	0
5	Debt securities, including UoP	0	0	-	-	0	-	-	-	0	0	-	-	52	5	0	0	1
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other financial companies	0	-	-	-	0	-	-	-	0	-	-	-	4	1	-	0	0
8	**of which investment companies**	0	-	-	-	0	-	-	-	0	-	-	-	3	1	-	0	0
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	0	-	-	-	0	-	-	-	0	-	-	-	3	1	-	0	0
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	**of which management companies**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	**of which insurance companies**	-	-	-	0	-	-	-	-	-	-	-	-	1	0	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	0	-	-	-	-	-	-	-	-	1	0	-	-	-
20	**Non-financial corporations**	2	1	-	-	-	-	-	-	-	-	-	-	76	65	7	0	27
21	Loans and advances	1	1	-	-	-	-	-	-	-	-	-	-	15	13	-	-	0
22	Debt securities, including UoP	2	1	-	-	-	-	-	-	-	-	-	-	62	52	7	0	27
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	**Households**	-	-	-	-	-	-	-	-	-	-	-	-	1,695	199	-	-	-
25	of which loans guaranteed by residential properties	-	-	-	-	-	-	-	-	-	-	-	-	1,424	199	-	-	-
26	of which loans for renovation of buildings	-	-	-	-	-	-	-	-	-	-	-	-	258	-	-	-	-
27	of which loans for motor vehicles	-	-	-	-	-	-	-	-	-	-	-	-	13	-	-	-	-
28	**Financing of local governments (*)**	-	-	-	-	-	-	-	-	-	-	-	-	62	-	-	-	-
29	Financing of building	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Financing of other local public administrations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(*) The Bank's entire exposure to Public Administration is included in a single line, because Volksbank's business model is not largely based on financing the construction of public housing

Model 1 follows: Assets for calculating GAR on the basis of CapEx

		a	b	c	d	e	f	g	h	i	j	k	l	m	n
		31.12.2025													
	In millions of euros	Total (gross) book value	Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)			
			Of which to sectors covered by the taxonomy (eligible for taxonomy)					Of which to sectors covered by the taxonomy (eligible for taxonomy)				Of which to sectors covered by the taxonomy (eligible for taxonomy)			
				Of which environmentally sustainable (aligned with taxonomy)					Of which environmentally sustainable (aligned with taxonomy)				Of which environmentally sustainable (aligned with taxonomy)		
					Of which use of proceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying
	GAR - Assets covered in both numerator and denominator														
31	**Guarantees obtained by taking possession: residential and non-residential properties**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	**Assets excluded from the numerator for calculation of the GAR (included in the denominator)**	5,862	-	-	-	-	-	-	-	-	-	-	-	-	-
33	Financial and non-financial companies	5,121	-	-	-	-	-	-	-	-	-	-	-	-	-
34	SMEs and non-financial corporations (other than SMEs) not subject to NFRD reporting requirements	5,071	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Loans and advances	4,095	-	-	-	-	-	-	-	-	-	-	-	-	-
36	of which loans guaranteed by non-residential real estate	397	-	-	-	-	-	-	-	-	-	-	-	-	-
37	of which loans for renovation of buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Debt securities, including UoP	862	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Equity instruments	114	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Third country counterparties not subject to NFRD reporting requirements	49	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Loans and advances	0	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Debt securities, including UoP	49	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	**Derivatives**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45	**Interbank demand loans**	4	-	-	-	-	-	-	-	-	-	-	-	-	-
46	**Cash and cash assets**	84	-	-	-	-	-	-	-	-	-	-	-	-	-
47	**Other asset categories (e.g. goodwill, goods, etc.)**	653	-	-	-	-	-	-	-	-	-	-	-	-	-
48	**Total GAR assets**	9,844	1,889	275	7	0	31	4	4	-	1	1	1	-	-
49	**Assets not included for calculation of GAR**	2,839	-	-	-	-	-	-	-	-	-	-	-	-	-
50	**Central governments and supranational issuers**	2,505	-	-	-	-	-	-	-	-	-	-	-	-	-
51	**Exposures to central banks**	319	-	-	-	-	-	-	-	-	-	-	-	-	-
52	**Trading portfolio**	15	-	-	-	-	-	-	-	-	-	-	-	-	-
53	**Total assets**	12,683	1,889	275	7	0	31	4	4	-	1	1	1	-	-
Off-balance sheet exposures - companies subject to the disclosure requirements of the Non-Financial Reporting Directive (NFRD)															
54	Financial guarantees	15	-	-	-	-	-	-	-	-	-	-	-	-	-
55	Managed financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	of which debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57	of which equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Model 1 follows: Assets for calculating GAR on the basis of CapEx

		o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae
		31.12.2025																
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	In millions of euros	Of which to sectors covered by the taxonomy (eligible for taxonomy)				Of which to sectors covered by the taxonomy (eligible for taxonomy)				Of which to sectors covered by the taxonomy (eligible for taxonomy)				Of which to sectors covered by the taxonomy (eligible for taxonomy)				
			Of which environmentally sustainable (aligned with taxonomy)				Of which environmentally sustainable (aligned with taxonomy)				Of which environmentally sustainable (aligned with taxonomy)				Of which environmentally sustainable (aligned with taxonomy)			
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which transitional	Of which qualifying
	GAR - Assets covered in both numerator and denominator																	
31	**Guarantees obtained by taking possession: residential and non-residential properties**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	**Assets excluded from the numerator for calculation of the GAR (included in the denominator)**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	**Financial and non-financial companies**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	SMEs and non-financial corporations (other than SMEs) not subject to NFRD reporting requirements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36	of which loans guaranteed by non-residential real estate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37	of which loans for renovation of buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Third country counterparties not subject to NFRD reporting requirements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	**Derivatives**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45	**Interbank demand loans**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46	**Cash and cash assets**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
47	**Other asset categories (e.g. goodwill, goods, etc.)**	2	1	-	-	0	-	-	-	0	0	-	-	1,889	271	7	1	29
48	**Total GAR assets**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
49	**Assets not included for calculation of GAR**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50	**Central governments and supranational issuers**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51	**Exposures to central banks**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52	**Trading portfolio**	2	1	-	-	0	-	-	-	0	0	-	-	1,889	271	7	1	29
53	**Total assets**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet exposures - companies subject to the disclosure requirements of the Non-Financial Reporting Directive (NFRD)																		
54	Financial guarantees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55	Managed financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	of which debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57	of which equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Model 1: Assets for calculating GAR on the basis of turnover

		a	b	c	d	e	f	g	h	i	j	k	l	m	n
		31.12.2024													
	In millions of euros	Total (gross) book value	Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)			
			Of which to sectors covered by the taxonomy (eligible for taxonomy)					Of which to sectors covered by the taxonomy (eligible for taxonomy)				Of which to sectors covered by the taxonomy (eligible for taxonomy)			
				Of which environmentally sustainable (aligned with taxonomy)					Of which environmentally sustainable (aligned with taxonomy)				Of which environmentally sustainable (aligned with taxonomy)		
					Of which use of proceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying
	GAR - Assets covered in both numerator and denominator														
1	**Loans and advances, debt securities and capital goods not held for trading eligible for calculation of the GAR**	3,934	1,716	206	7	-	6	14	-	-	-	-	-	-	-
2	**Financial companies**	232	36	4	-	-	-	1	-	-	-	-	-	-	-
3	Credit institutions	155	29	1	-	-	-	-	-	-	-	-	-	-	-
4	Loans and advances	6	2	-	-	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	149	27	1	-	-	-	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other financial companies	78	8	2	-	-	-	1	-	-	-	-	-	-	-
8	**of which investment companies**	68	8	2	-	-	-	1	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP (*)	68	8	2	-	-	-	1	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	**of which management companies**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	**of which insurance companies**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	**Non-financial corporations**	83	22	20	7	-	6	14	-	-	-	-	-	-	-
21	Loans and advances	34	1	1	-	-	-	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	49	21	20	7	-	6	14	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	**Households**	3,531	1,574	182	-	-	-	-	-	-	-	-	-	-	-
25	of which loans guaranteed by residential properties	1,326	1,326	182	-	-	-	-	-	-	-	-	-	-	-
26	of which loans for renovation of buildings	234	234	-	-	-	-	-	-	-	-	-	-	-	-
27	of which loans for motor vehicles	13	13	-	-	-	-	-	-	-	-	-	-	-	-
28	**Financing of local governments (**)**	88	84	-	-	-	-	-	-	-	-	-	-	-	-
29	Financing of building	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Financing of other local public administrations	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(*) It should be noted that a counterparty of the Bank has published the degree of its alignment with the circular economy objective in its DNF FY 2023.

(**) The Bank's entire exposure to Public Administration is included in a single line, because Volksbank's business model is not largely based on financing the construction of public housing

Model 1 follows: Assets for calculating GAR on the basis of turnover

	In millions of euros	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae
		31.12.2024																
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which to sectors covered by the taxonomy (eligible for taxonomy)				Of which to sectors covered by the taxonomy (eligible for taxonomy)				Of which to sectors covered by the taxonomy (eligible for taxonomy)				Of which to sectors covered by the taxonomy (eligible for taxonomy)				
			Of which environmentally sustainable (aligned with taxonomy)				Of which environmentally sustainable (aligned with taxonomy)				Of which environmentally sustainable (aligned with taxonomy)				Of which environmentally sustainable (aligned with taxonomy)			
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which transitional	Of which qualifying
	GAR - Assets covered in both numerator and denominator																	
1	**Loans and advances, debt securities and capital goods not held for trading eligible for calculation of the GAR**	-	-	-	-	-	-	-	-	-	-	-	-	1,719	223	7	-	6
2	**Financial companies**	-	-	-	-	-	-	-	-	-	-	-	-	38	4	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	29	1	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	2	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	27	1	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other financial companies	-	-	-	-	-	-	-	-	-	-	-	-	9	2	-	-	-
8	**of which investment companies**	-	-	-	-	-	-	-	-	-	-	-	-	9	2	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP (*)	-	-	-	-	-	-	-	-	-	-	-	-	9	2	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	**of which management companies**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	**of which insurance companies**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	**Non-financial corporations**	-	-	-	-	-	-	-	-	-	-	-	-	23	38	7	-	6
21	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	2	18	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	21	20	7	-	6
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	**Households**	-	-	-	-	-	-	-	-	-	-	-	-	1,574	182	-	-	-
25	of which loans guaranteed by residential properties	-	-	-	-	-	-	-	-	-	-	-	-	1,326	182	-	-	-
26	of which loans for renovation of buildings	-	-	-	-	-	-	-	-	-	-	-	-	234	-	-	-	-
27	of which loans for motor vehicles	-	-	-	-	-	-	-	-	-	-	-	-	13	-	-	-	-
28	**Financing of local governments (**)**	-	-	-	-	-	-	-	-	-	-	-	-	84	-	-	-	-
29	Financing of building	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Financing of other local public administrations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(*) It should be noted that a counterparty of the Bank has published the degree of its alignment with the circular economy objective in its DNF FY 2023.
(**) The Bank's entire exposure to Public Administration is included in a single line, because Volksbank's business model is not largely based on financing the construction of public housing

Model 1 follows: Assets for calculating GAR on the basis of turnover

		a	b	c	d	e	f	g	h	i	j	k	l	m	n
		31.12.2024													
	In millions of euros	Total (gross) book value	Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)			
			Of which to sectors covered by the taxonomy (eligible for taxonomy)					Of which to sectors covered by the taxonomy (eligible for taxonomy)				Of which to sectors covered by the taxonomy (eligible for taxonomy)			
				Of which environmentally sustainable (aligned with taxonomy)					Of which environmentally sustainable (aligned with taxonomy)				Of which environmentally sustainable (aligned with taxonomy)		
					Of which use of proceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying
	GAR - Assets covered in both numerator and denominator														
31	**Guarantees obtained by taking possession: residential and non-residential properties**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	**Assets excluded from the numerator for calculation of the GAR (included in the denominator)**	5,579	-	-	-	-	-	-	-	-	-	-	-	-	-
33	Financial and non-financial companies	4,836	-	-	-	-	-	-	-	-	-	-	-	-	-
34	SMEs and non-financial corporations (other than SMEs) not subject to NFRD reporting requirements	4,803	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Loans and advances	4,072	-	-	-	-	-	-	-	-	-	-	-	-	-
36	of which loans guaranteed by non-residential real estate	492	-	-	-	-	-	-	-	-	-	-	-	-	-
37	of which loans for renovation of buildings	1	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Debt securities, including UoP	614	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Equity instruments	117	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Third country counterparties not subject to NFRD reporting requirements	33	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Loans and advances	1	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Debt securities, including UoP	32	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	**Derivatives**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45	**Interbank demand loans**	4	-	-	-	-	-	-	-	-	-	-	-	-	-
46	**Cash and cash assets**	85	-	-	-	-	-	-	-	-	-	-	-	-	-
47	**Other asset categories (e.g. goodwill, goods, etc.)**	654	-	-	-	-	-	-	-	-	-	-	-	-	-
48	**Total GAR assets**	9,513	1,738	226	7	2	17	32	-	-	-	-	-	-	-
49	**Assets not included for calculation of GAR**	2,494	-	-	-	-	-	-	-	-	-	-	-	-	-
50	**Central governments and supranational issuers**	2,308	-	-	-	-	-	-	-	-	-	-	-	-	-
51	**Exposures to central banks**	184	-	-	-	-	-	-	-	-	-	-	-	-	-
52	**Trading portfolio**	2	-	-	-	-	-	-	-	-	-	-	-	-	-
53	**Total assets**	12,007	1,738	226	7	2	17	32	-	-	-	-	-	-	-
Off-balance sheet exposures - companies subject to the disclosure requirements of the Non-Financial Reporting Directive (NFRD)															
54	Financial guarantees	19	-	-	-	-	-	-	-	-	-	-	-	-	-
55	Managed financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	of which debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57	of which equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Model 1 follows: Assets for calculating GAR on the basis of turnover

		o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae
	In millions of euros	31.12.2024																
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which to sectors covered by the taxonomy (eligible for taxonomy)				Of which to sectors covered by the taxonomy (eligible for taxonomy)				Of which to sectors covered by the taxonomy (eligible for taxonomy)				Of which to sectors covered by the taxonomy (eligible for taxonomy)				
			Of which environmentally sustainable (aligned with taxonomy)				Of which environmentally sustainable (aligned with taxonomy)				Of which environmentally sustainable (aligned with taxonomy)				Of which environmentally sustainable (aligned with taxonomy)			
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which transitional	Of which qualifying
	GAR - Assets covered in both numerator and denominator																	
31	**Guarantees obtained by taking possession: residential and non-residential properties**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	**Assets excluded from the numerator for calculation of the GAR (included in the denominator)**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	**Financial and non-financial companies**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	SMEs and non-financial corporations (other than SMEs) not subject to NFRD reporting requirements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36	of which loans guaranteed by non-residential real estate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37	of which loans for renovation of buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Third country counterparties not subject to NFRD reporting requirements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	**Derivatives**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45	**Interbank demand loans**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46	**Cash and cash assets**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
47	**Other asset categories (e.g. goodwill, goods, etc.)**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48	**Total GAR assets**	-	-	-	-	-	-	-	-	-	-	-	-	1,719	223	7	-	6
49	**Assets not included for calculation of GAR**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50	**Central governments and supranational issuers**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51	**Exposures to central banks**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52	**Trading portfolio**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
53	**Total assets**	-	-	-	-	-	-	-	-	-	-	-	-	1,719	223	7	-	6
Off-balance sheet exposures - companies subject to the disclosure requirements of the Non-Financial Reporting Directive (NFRD)																		
54	Financial guarantees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55	Managed financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	of which debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57	of which equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Model 1: Assets for calculating GAR on the basis of CapEx

		a	b	c	d	e	f	g	h	i	j	k	l	m	n
		31.12.2024													
	In millions of euros	Total (gross) book value	Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)			
			Of which to sectors covered by the taxonomy (eligible for taxonomy)					Of which to sectors covered by the taxonomy (eligible for taxonomy)				Of which to sectors covered by the taxonomy (eligible for taxonomy)			
				Of which environmentally sustainable (aligned with taxonomy)					Of which environmentally sustainable (aligned with taxonomy)				Of which environmentally sustainable (aligned with taxonomy)		
					Of which use of proceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying
	GAR - Assets covered in both numerator and denominator														
1	**Loans and advances, debt securities and capital goods not held for trading eligible for calculation of the GAR**	3,934	1,738	226	7	2	17	32	-	-	-	-	-	-	-
2	**Financial companies**	232	39	6	-	-	1	2	-	-	-	-	-	-	-
3	Credit institutions	155	29	2	-	-	-	-	-	-	-	-	-	-	-
4	Loans and advances	6	2	-	-	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	149	27	1	-	-	-	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other financial companies	78	10	4	-	-	-	2	-	-	-	-	-	-	-
8	**of which investment companies**	68	10	4	-	-	-	2	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	68	10	4	-	-	-	2	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	**of which management companies**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	**of which insurance companies**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	**Non-financial corporations**	83	41	38	7	2	16	30	-	-	-	-	-	-	-
21	Loans and advances	34	4	2	-	2	-	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	49	38	36	7	-	16	30	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	**Households**	3,531	1,574	182	-	-	-	-	-	-	-	-	-	-	-
25	of which loans guaranteed by residential properties	1,326	1,326	182	-	-	-	-	-	-	-	-	-	-	-
26	of which loans for renovation of buildings	234	234	-	-	-	-	-	-	-	-	-	-	-	-
27	of which loans for motor vehicles	13	13	-	-	-	-	-	-	-	-	-	-	-	-
28	**Financing of local governments (*)**	88	84	-	-	-	-	-	-	-	-	-	-	-	-
29	Financing of building	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Financing of other local public administrations	-	-	-	-	-	-	-	-	-	-	-	-	-	-

() The Bank's entire exposure to Public Administration is included in a single line, because Volksbank's business model is not largely based on financing the construction of public housing

Model 1 follows: Assets for calculating GAR on the basis of CapEx

		o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae
	In millions of euros	31.12.2024																
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which to sectors covered by the taxonomy (eligible for taxonomy)				Of which to sectors covered by the taxonomy (eligible for taxonomy)				Of which to sectors covered by the taxonomy (eligible for taxonomy)					Of which to sectors covered by the taxonomy (eligible for taxonomy)			
			Of which environmentally sustainable (aligned with taxonomy)				Of which environmentally sustainable (aligned with taxonomy)				Of which environmentally sustainable (aligned with taxonomy)					Of which environmentally sustainable (aligned with taxonomy)		
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which transitional	Of which qualifying
	GAR - Assets covered in both numerator and denominator																	
1	**Loans and advances, debt securities and capital goods not held for trading eligible for calculation of the GAR**	-	-	-	-	-	-	-	-	-	-	-	-	1,742	244	7	2	17
2	**Financial companies**	-	-	-	-	-	-	-	-	-	-	-	-	41	6	-	-	1
3	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	29	2	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	2	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	27	1	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other financial companies	-	-	-	-	-	-	-	-	-	-	-	-	12	4	-	-	-
8	**of which investment companies**	-	-	-	-	-	-	-	-	-	-	-	-	12	4	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	12	4	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	**of which management companies**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	**of which insurance companies**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	**Non-financial corporations**	-	-	-	-	-	-	-	-	-	-	-	-	43	56	7	2	17
21	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	5	20	-	2	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	38	36	7	-	17
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	**Households**	-	-	-	-	-	-	-	-	-	-	-	-	1,574	182	-	-	-
25	of which loans guaranteed by residential properties	-	-	-	-	-	-	-	-	-	-	-	-	1,326	182	-	-	-
26	of which loans for renovation of buildings	-	-	-	-	-	-	-	-	-	-	-	-	234	-	-	-	-
27	of which loans for motor vehicles	-	-	-	-	-	-	-	-	-	-	-	-	13	-	-	-	-
28	**Financing of local governments (*)**	-	-	-	-	-	-	-	-	-	-	-	-	84	-	-	-	-
29	Financing of building	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Financing of other local public administrations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(') The Bank’s entire exposure to Public Administration is included in a single line, because Volksbank’s business model is not largely based on financing the construction of public housing

Model 1 follows: Assets for calculating GAR on the basis of CapEx

		a	b	c	d	e	f	g	h	i	j	k	l	m	n
		31.12.2024													
			Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)			
	In millions of euros	Total (gross) book value	Of which to sectors covered by the taxonomy (eligible for taxonomy)					Of which to sectors covered by the taxonomy (eligible for taxonomy)				Of which to sectors covered by the taxonomy (eligible for taxonomy)			
				Of which environmentally sustainable (aligned with taxonomy)					Of which environmentally sustainable (aligned with taxonomy)				Of which environmentally sustainable (aligned with taxonomy)		
					Of which use of proceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying
	GAR - Assets covered in both numerator and denominator														
31	**Guarantees obtained by taking possession: residential and non-residential properties**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	**Assets excluded from the numerator for calculation of the GAR (included in the denominator)**	5,579	-	-	-	-	-	-	-	-	-	-	-	-	-
33	Financial and non-financial companies	4,836	-	-	-	-	-	-	-	-	-	-	-	-	-
34	SMEs and non-financial corporations (other than SMEs) not subject to NFRD reporting requirements	4,803	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Loans and advances	4,072	-	-	-	-	-	-	-	-	-	-	-	-	-
36	of which loans guaranteed by non-residential real estate	492	-	-	-	-	-	-	-	-	-	-	-	-	-
37	of which loans for renovation of buildings	1	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Debt securities, including UoP	614	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Equity instruments	117	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Third country counterparties not subject to NFRD reporting requirements	33	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Loans and advances	1	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Debt securities, including UoP	32	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	**Derivatives**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45	**Interbank demand loans**	4	-	-	-	-	-	-	-	-	-	-	-	-	-
46	**Cash and cash assets**	85	-	-	-	-	-	-	-	-	-	-	-	-	-
47	**Other asset categories (e.g. goodwill, goods, etc.)**	654	-	-	-	-	-	-	-	-	-	-	-	-	-
48	**Total GAR assets**	9,513	1,738	226	7	2	17	32	-	-	-	-	-	-	-
49	**Assets not included for calculation of GAR**	2,494	-	-	-	-	-	-	-	-	-	-	-	-	-
50	**Central governments and supranational issuers**	2,308	-	-	-	-	-	-	-	-	-	-	-	-	-
51	**Exposures to central banks**	184	-	-	-	-	-	-	-	-	-	-	-	-	-
52	**Trading portfolio**	2	-	-	-	-	-	-	-	-	-	-	-	-	-
53	**Total assets**	12,007	1,738	226	7	2	17	32	-	-	-	-	-	-	-
Off-balance sheet exposures - companies subject to the disclosure requirements of the Non-Financial Reporting Directive (NFRD)															
54	Financial guarantees	19	-	-	-	-	-	-	-	-	-	-	-	-	-
55	Managed financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	of which debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57	of which equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Model 1 follows: Assets for calculating GAR on the basis of CapEx

	In millions of euros	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae
		31.12.2024																
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which to sectors covered by the taxonomy (eligible for taxonomy)				Of which to sectors covered by the taxonomy (eligible for taxonomy)				Of which to sectors covered by the taxonomy (eligible for taxonomy)				Of which to sectors covered by the taxonomy (eligible for taxonomy)				
			Of which environmentally sustainable (aligned with taxonomy)				Of which environmentally sustainable (aligned with taxonomy)				Of which environmentally sustainable (aligned with taxonomy)				Of which environmentally sustainable (aligned with taxonomy)			
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which transitional	Of which qualifying
	GAR - Assets covered in both numerator and denominator																	
31	**Guarantees obtained by taking possession: residential and non-residential properties**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	**Assets excluded from the numerator for calculation of the GAR (included in the denominator)**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	**Financial and non-financial companies**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	SMEs and non-financial corporations (other than SMEs) not subject to NFRD reporting requirements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36	of which loans guaranteed by non-residential real estate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37	of which loans for renovation of buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Third country counterparties not subject to NFRD reporting requirements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	**Derivatives**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45	**Interbank demand loans**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46	**Cash and cash assets**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
47	**Other asset categories (e.g. goodwill, goods, etc.)**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48	**Total GAR assets**	-	-	-	-	-	-	-	-	-	-	-	-	1,742	244	7	2	17
49	**Assets not included for calculation of GAR**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50	**Central governments and supranational issuers**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51	**Exposures to central banks**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52	**Trading portfolio**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
53	**Total assets**	-	-	-	-	-	-	-	-	-	-	-	-	1,742	244	7	2	17
Off-balance sheet exposures - companies subject to the disclosure requirements of the Non-Financial Reporting Directive (NFRD)																		
54	Financial guarantees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55	Managed financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	of which debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57	of which equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Model 2: GAR – Information about the sector based on turnover

	a	b	c	e	f	h	i	k	l	h	i	k	l	h	i	k	l
	Breakdown by sector - 4-digit NACE level (code and brand)	**Climate change mitigation (CCM)**				**Climate change adaptation (CCA)**				**Water and marine resources (WTR)**				**Circular economy (CE)**			
		Non-financial companies (subject to NFRD)		SMEs and other non-financial companies not subject to NFRD		Non-financial companies (subject to NFRD)		SMEs and other non-financial companies not subject to NFRD		Non-financial companies (subject to NFRD)		SMEs and other non-financial companies not subject to NFRD		Non-financial companies (subject to NFRD)		SMEs and other non-financial companies not subject to NFRD	
		(Gross) book value		(Gross) book value		(Gross) book value		(Gross) book value		(Gross) book value		(Gross) book value		(Gross) book value		(Gross) book value	
		In millions of euros	Of which environmentally sustainable (CCM)	In millions of euros	Of which environmentally sustainable (CCA)	In millions of euros	Of which environmentally sustainable (CCA)	In millions of euros	Of which environmentally sustainable (CCA)	In millions of euros	Of which environmentally sustainable (WTR)	In millions of euros	Of which environmentally sustainable (WTR)	In millions of euros	Of which environmentally sustainable (CE)	In millions of euros	Of which environmentally sustainable (CE)
1	35.1	17	6	-	-	17	4	-	-	17	0	-	-	17	0	-	-
2	49.50	10	1	-	-	10	-	-	-	10	-	-	-	10	-	-	-
3	53.10	5	0	-	-	5	-	-	-	5	-	-	-	5	-	-	-
4	61	2	-	-	-	2	-	-	-	2	-	-	-	2	-	-	-
5	62.10	10	-	-	-	10	-	-	-	10	-	-	-	10	-	-	-
6	82.10	50	15	-	-	50	-	-	-	50	-	-	-	50	-	-	-
7	20.6	9	8	-	-	9	-	-	-	9	-	-	-	9	1	-	-
8	70.1	12	5	-	-	12	-	-	-	12	-	-	-	12	-	-	-

1. Credit institutions have to use this framework to report information in their banking book about lending to those sectors covered by the EU's taxonomy (NACE sectors, with 4 levels of detail), using the correct NACE codes in relation to the counterparty's main activities.
2. The allocation of a counterparty to a certain NACE sector must be solely based on the nature of the immediate counterparty. The classification of loans contracted jointly by more than one obligor must be based on the characteristics of the more important, or instrumental borrower, for the purposes of granting loans by the institution. The choice of the relevant NACE code for jointly contracted loans must be determined by the characteristics of the more important or instrumental borrower. Institutions must report information by the NACE code with the recognised level of disaggregation

Model 2 follows: GAR – Information about the sector based on turnover

	a	h	i	k	l	h	i	k	l	n	o	q	r
	Breakdown by sector - 4-digit NACE level (code and brand)	**Pollution (PPC)**				**Biodiversity and Ecosystems (BIO)**				**TOTAL (CCM+CCA+WTR+CE+PPC+BIO)**			
		Non-financial companies (subject to NFRD)		SMEs and other non-financial companies not subject to NFRD		Non-financial companies (subject to NFRD)		SMEs and other non-financial companies not subject to NFRD		Non-financial companies (subject to NFRD)		SMEs and other non-financial companies not subject to NFRD	
		(Gross) book value		(Gross) book value		(Gross) book value		(Gross) book value		(Gross) book value		(Gross) book value	
		In millions of euros	Of which environmentally sustainable (PPC)	In millions of euros	Of which environmentally sustainable (PPC)	In millions of euros	Of which environmentally sustainable (BIO)	In millions of euros	Of which environmentally sustainable (BIO)	In millions of euros	Of which environmentally sustainable (CCM+CCA+WTR+CE+PPC+BIO)	In millions of euros	Of which environmentally sustainable (CCM+CCA+WTR+CE+PPC+BIO)
1	35.1	17	-	-	-	17	-	-	-	17	7	-	-
2	49.50	10	-	-	-	10	-	-	-	10	1	-	-
3	53.10	5	-	-	-	5	-	-	-	5	0	-	-
4	61	2	-	-	-	2	-	-	-	2	-	-	-
5	62.10	10	-	-	-	10	-	-	-	10	-	-	-
6	82.10	50	-	-	-	50	-	-	-	50	15	-	-
7	20.6	9	-	-	-	9	-	-	-	9	0	-	-
8	70.1	12	-	-	-	12	-	-	-	12	5	-	-

Model 2: GAR – Information about the sector based on CapEx

	a	b	c	e	f	h	i	k	l	h	i	k	l	h	i	k	l
	Breakdown by sector - 4-digit NACE level (code and brand)	Climate change mitigation (CCM)				Climate change adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Non-financial companies (subject to NFRD)		SMEs and other non-financial companies not subject to NFRD		Non-financial companies (subject to NFRD)		SMEs and other non-financial companies not subject to NFRD		Non-financial companies (subject to NFRD)		SMEs and other non-financial companies not subject to NFRD		Non-financial companies (subject to NFRD)		SMEs and other non-financial companies not subject to NFRD	
		(Gross) book value		(Gross) book value		(Gross) book value		(Gross) book value		(Gross) book value		(Gross) book value		(Gross) book value		(Gross) book value	
		In millions of euros	Of which environmentally sustainable (CCM)	In millions of euros	Of which environmentally sustainable (CCM)	In millions of euros	Of which environmentally sustainable (CCA)	In millions of euros	Of which environmentally sustainable (CCA)	In millions of euros	Of which environmentally sustainable (WTR)	In millions of euros	Of which environmentally sustainable (WTR)	In millions of euros	Of which environmentally sustainable (CE)	In millions of euros	Of which environmentally sustainable (CE)
1	35.1	17	9	-	-	17	3	-	-	17	1	-	-	17	1	-	-
2	49.50	10	3	-	-	10	0	-	-	10	-	-	-	10	-	-	-
3	53.10	5	0	-	-	5	-	-	-	5	-	-	-	5	-	-	-
4	61	2	-	-	-	2	-	-	-	2	-	-	-	2	-	-	-
5	62.10	10	-	-	-	10	-	-	-	10	-	-	-	10	-	-	-
6	82.10	50	36	-	-	50	0	-	-	50	-	-	-	50	-	-	-
7	20.6	9	8	-	-	9	-	-	-	9	-	-	-	9	1	-	-
8	70.1	12	11	-	-	12	-	-	-	12	-	-	-	12	0	-	-

Model 2 follows: GAR – Information about the sector based on CapEx

	a	h	i	k	l	h	i	k	l	n	o	q	r
	Breakdown by sector - 4-digit NACE level (code and brand)	Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM+CCA+WTR+CE+PPC+BIO)			
		Non-financial companies (subject to NFRD)		SMEs and other non-financial companies not subject to NFRD		Non-financial companies (subject to NFRD)		SMEs and other non-financial companies not subject to NFRD		Non-financial companies (subject to NFRD)		SMEs and other non-financial companies not subject to NFRD	
		(Gross) book value		(Gross) book value		(Gross) book value		(Gross) book value		(Gross) book value		(Gross) book value	
		In millions of euros	Of which environmentally sustainable (PPC)	In millions of euros	Of which environmentally sustainable (PPC)	In millions of euros	Of which environmentally sustainable (BIO)	In millions of euros	Of which environmentally sustainable (BIO)	In millions of euros	Of which environmentally sustainable (CCM+CCA+WTR+CE+PPC+BIO)	In millions of euros	Of which environmentally sustainable (CCM+CCA+WTR+CE+PPC+BIO)
1	35.1	17	-	-	-	17	-	-	-	17	11	-	-
2	49.50	10	-	-	-	10	-	-	-	10	3	-	-
3	53.10	5	-	-	-	5	-	-	-	5	0	-	-
4	61	2	-	-	-	2	-	-	-	2	-	-	-
5	62.10	10	-	-	-	10	-	-	-	10	-	-	-
6	82.10	50	-	-	-	50	-	-	-	50	36	-	-
7	20.6	9	-	-	-	9	-	-	-	9	2	-	-
8	70.1	12	-	-	-	12	-	-	-	12	11	-	-

Model 3: GAR KPI (stock) based on turnover

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
	% (against total assets covered in the denominator)	31.12.2025																
		Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)					Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)			
			Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)					Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)		
				Of which use of proceeds income	Of which transi-tional	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying
	GAR - Assets covered in both numerator and denominator																	
1	**Loans and advances, debt securities and capital goods not held for trading eligible for calculation of the GAR**	18.82%	2.48%	0.07%	0.01%	0.08%	0.09%	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.01%	0.00%	0.00%
2	**Financial companies**	0.52%	0.05%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	0.50%	0.05%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.50%	0.05%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial companies	0.02%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment companies	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
16	of which insurance companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
20	**Non-financial corporations**	0.46%	0.40%	0.07%	0.00%	0.07%	0.09%	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	0.00%	0.00%
21	Loans and advances	0.16%	0.13%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	0.00%	0.00%
22	Debt securities, including UoP	0.30%	0.27%	0.07%	0.00%	0.05%	0.09%	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
24	**Households**	17.22%	2.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		-	-	-	0.00%	0.00%	0.00%	0.00%
25	of which loans guaranteed by residential properties	14.46%	2.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		-	-	-	0.00%	0.00%	0.00%	0.00%
26	of which loans for renovation of buildings	2.62%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		-	-	-	0.00%	0.00%	0.00%	0.00%
27	of which loans for motor vehicles	0.13%	0.00%	0.00%	0.00%	0.00%						-	-	-				
28	**Financing of local governments**	0.63%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Financing of building	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Financing of other local public administrations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Guarantees obtained by taking possession: residential and non-residential properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	18.82%	2.48%	0.07%	0.01%	0.08%	0.09%	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.01%	0.00%	0.00%

Model 3 follows: GAR KPI (stock) based on turnover

		r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae
	% (against total assets covered in the denominator)	31.12.2025													
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)					Share of total covered assets
			Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which transi-tional	Of which qualifying	
	GAR - Assets covered in both numerator and denominator														
1	**Loans and advances, debt securities and capital goods not held for trading eligible for calculation of the GAR**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	18.83%	2.41%	0.07%	0.01%	0.06%	40.45%
2	**Financial companies**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.54%	0.05%	0.00%	0.00%	0.01%	2.80%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.51%	0.05%	0.00%	0.00%	0.01%	2.54%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.51%	0.05%	0.00%	0.00%	0.01%	2.54%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%	0.01%	0.00%	0.00%	0.00%	0.26%
8	of which investment companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.21%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.21%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.05%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.01%	0.00%		0.00%	0.00%	0.05%
20	**Non-financial corporations**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.44%	0.33%	0.07%	0.00%	0.05%	1.17%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.09%	0.06%	0.00%	0.00%	0.00%	0.22%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.35%	0.28%	0.07%	0.00%	0.05%	0.95%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
24	**Households**		-	-	-		-	-	-	17.22%	2.02%	0.00%	0.00%	0.00%	35.55%
25	of which loans guaranteed by residential properties		-	-	-		-	-	-	14.46%	2.02%	0.00%	0.00%	0.00%	2.62%
26	of which loans for renovation of buildings		-	-	-		-	-	-	2.62%	0.00%	0.00%	0.00%	0.00%	0.13%
27	of which loans for motor vehicles		-	-	-		-	-	-	0.13%	0.00%	0.00%	0.00%	0.00%	0.93%
28	**Financing of local governments**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.63%	0.00%	0.00%	0.00%	0.00%	0.93%
29	Financing of building	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Financing of other local public administrations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Guarantees obtained by taking possession: residential and non-residential properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	18.83%	2.41%	0.07%	0.01%	0.06%	100.00%

Model 3: GAR KPI (stock) based on CapEx

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		31.12.2025																
		Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
	% (against total assets covered in the denominator)	Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)					Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)			
			Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)					Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)		
				Of which use of proceeds	Of which transi-tional	Of which qualifying			Of which use of proceeds	Of which qualify-ing			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying
	GAR - Assets covered in both numerator and denominator																	
1	**Loans and advances, debt securities and capital goods not held for trading eligible for calculation of the GAR**	19.19%	2.80%	0.07%	0.00%	0.31%	0.04%	0.04%	0.00%	0.01%	0.01%	0.01%	0.00%	0.00%	0.02%	0.01%	0.00%	0.00%
2	**Financial companies**	0.54%	0.06%	0.00%	0.00%	0.02%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	0.52%	0.05%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.52%	0.05%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial companies	0.02%	0.01%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment companies	0.02%	0.01%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.02%	0.01%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
16	of which insurance companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
20	**Non-financial corporations**	0.81%	0.71%	0.07%	0.00%	0.29%	0.04%	0.03%	0.00%	0.01%	0.01%	0.01%	0.00%	0.00%	0.02%	0.01%	0.00%	0.00%
21	Loans and advances	0.20%	0.20%	0.00%	0.00%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	0.00%	0.00%
22	Debt securities, including UoP	0.60%	0.51%	0.07%	0.00%	0.26%	0.04%	0.03%	0.00%	0.01%	0.01%	0.01%	0.00%	0.00%	0.02%	0.01%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%					0.00%	0.00%	0.00%	0.00%
24	**Households**	17.22%	2.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		-	-	-	0.00%	0.00%	0.00%	0.00%
25	of which loans guaranteed by residential properties	14.46%	2.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		-	-	-	0.00%	0.00%	0.00%	0.00%
26	of which loans for renovation of buildings	2.62%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		-	-	-	0.00%	0.00%	0.00%	0.00%
27	of which loans for motor vehicles	0.13%	0.00%	0.00%	0.00%	0.00%	0.00%					-	-	-				
28	**Financing of local governments**	0.63%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Financing of building	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Financing of other local public administrations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Guarantees obtained by taking possession: residential and non-residential properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	19.19%	2.80%	0.07%	0.00%	0.31%	0.04%	0.04%	0.00%	0.01%	0.01%	0.01%	0.00%	0.00%	0.02%	0.01%	0.00%	0.00%

Model 3 follows: GAR KPI (stock) based on CapEx

		r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae
		31.12.2025													
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
	% (against total assets covered in the denominator)	Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)					Share of the total of the covered assets
			Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which transi-tional	Of which qualifying	
	GAR - Assets covered in both numerator and denominator														
1	**Loans and advances, debt securities and capital goods not held for trading eligible for calculation of the GAR**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	19.19%	2.75%	0.07%	0.01%	0.29%	40.45%
2	**Financial companies**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.56%	0.07%	0.00%	0.00%	0.02%	2.80%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.53%	0.05%	0.00%	0.00%	0.01%	2.54%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.53%	0.05%	0.00%	0.00%	0.01%	2.54%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.04%	0.01%	0.00%	0.00%	0.00%	0.26%
8	of which investment companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%	0.01%	0.00%	0.00%	0.00%	0.21%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%	0.01%	0.00%	0.00%	0.00%	0.21%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.05%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.01%	0.00%		0.00%	0.00%	0.05%
20	**Non-financial corporations**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.78%	0.66%	0.07%	0.00%	0.28%	1.17%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.15%	0.13%	0.00%	0.00%	0.00%	0.22%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.63%	0.52%	0.07%	0.00%	0.27%	0.95%
23	Equity instruments		-	-	-		-	-	-	0.00%	0.00%		0.00%	0.00%	0.00%
24	**Households**		-	-	-		-	-	-	17.22%	2.02%	0.00%	0.00%	0.00%	35.55%
25	of which loans guaranteed by residential properties		-	-	-		-	-	-	14.46%	2.02%	0.00%	0.00%	0.00%	14.46%
26	of which loans for renovation of buildings		-	-	-		-	-	-	2.62%	0.00%	0.00%	0.00%	0.00%	2.62%
27	of which loans for motor vehicles		-	-	-		-	-	-	0.13%	0.00%	0.00%	0.00%	0.00%	0.13%
28	**Financing of local governments**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.63%	0.00%	0.00%	0.00%	0.00%	0.93%
29	Financing of building	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Financing of other local public administrations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Guarantees obtained by taking possession: residential and non-residential properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	19.19%	2.75%	0.07%	0.01%	0.29%	100.00%

Model 3: GAR KPI (stock) based on turnover

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		31.12.2024																
		Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
	% (against total assets covered in the denominator)	Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)					Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)			
			Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)					Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)		
				Of which use of pro-ceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which qualify-ing			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying
	GAR - Assets covered in both numerator and denominator																	
1	**Loans and advances, debt securities and capital goods not held for trading eligible for calculation of the GAR**	18.04%	2.16%	0.07%	0.00%	0.06%	0.15%	0.00%	0.00%	0.00%	0.00%				0.00%			
2	**Financial companies**	0.38%	0.04%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%				0.00%			
3	Credit institutions	0.30%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
4	Loans and advances	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
5	Debt securities, including UoP	0.28%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%				0.00%			
7	Other financial companies	0.08%	0.02%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%				0.00%			
8	of which investment companies	0.08%	0.02%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%				0.00%			
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
10	Debt securities, including UoP	0.08%	0.02%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%				0.00%			
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%				0.00%			
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%				0.00%			
16	of which insurance companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%				0.00%			
20	**Non-financial corporations**	0.23%	0.21%	0.07%	0.00%	0.06%	0.15%	0.00%	0.00%	0.00%	0.00%				0.00%			
21	Loans and advances	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
22	Debt securities, including UoP	0.22%	0.21%	0.07%	0.00%	0.06%	0.15%	0.00%	0.00%	0.00%	0.00%				0.00%			
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%				0.00%			
24	**Households**	16.55%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%			
25	of which loans guaranteed by residential properties	13.94%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%			
26	of which loans for renovation of buildings	2.46%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%			
27	of which loans for motor vehicles	0.14%	0.00%	0.00%	0.00%	0.00%												
28	**Financing of local governments**	0.88%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
29	Financing of building	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
30	Financing of other local public administrations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
31	**Guarantees obtained by taking possession: residential and non-residential properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
32	**Total GAR assets**	18.04%	2.16%	0.07%	0.00%	0.06%	0.15%	0.00%	0.00%	0.00%	0.00%				0.00%			

Model 3 follows: GAR KPI (stock) based on turnover

		r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae
		31.12.2024													
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
	% (against total assets covered in the denominator)	Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)					Share of total covered assets
			Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which transi-tional	Of which qualifying	
	GAR - Assets covered in both numerator and denominator														
1	**Loans and advances, debt securities and capital goods not held for trading eligible for calculation of the GAR**	0.00%				0.00%				18.06%	2.35%	0.07%	0.00%	0.06%	41.36%
2	**Financial companies**	0.00%				0.00%				0.40%	0.04%	0.00%	0.00%	0.00%	2.44%
3	Credit institutions	0.00%				0.00%				0.30%	0.01%	0.00%	0.00%	0.00%	1.63%
4	Loans and advances	0.00%				0.00%				0.02%	0.00%	0.00%	0.00%	0.00%	0.06%
5	Debt securities, including UoP	0.00%				0.00%				0.28%	0.01%	0.00%	0.00%	0.00%	1.57%
6	Equity instruments	0.00%				0.00%				0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial companies	0.00%				0.00%				0.09%	0.03%	0.00%	0.00%	0.00%	0.82%
8	of which investment companies	0.00%				0.00%				0.09%	0.03%	0.00%	0.00%	0.00%	0.71%
9	Loans and advances	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%				0.00%				0.09%	0.03%	0.00%	0.00%	0.00%	0.71%
11	Equity instruments	0.00%				0.00%				0.00%	0.00%		0.00%	0.00%	0.00%
12	of which management companies	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%				0.00%				0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance companies	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%				0.00%				0.00%	0.00%		0.00%	0.00%	0.00%
20	**Non-financial corporations**	0.00%				0.00%				0.24%	0.40%	0.07%	0.00%	0.06%	0.87%
21	Loans and advances	0.00%				0.00%				0.02%	0.19%	0.00%	0.00%	0.00%	0.36%
22	Debt securities, including UoP	0.00%				0.00%				0.22%	0.21%	0.07%	0.00%	0.06%	0.51%
23	Equity instruments	0.00%				0.00%				0.00%	0.00%		0.00%	0.00%	0.00%
24	**Households**									16.55%	1.91%	0.00%	0.00%	0.00%	37.12%
25	of which loans guaranteed by residential properties									13.94%	1.91%	0.00%	0.00%	0.00%	2.46%
26	of which loans for renovation of buildings									2.46%	0.00%	0.00%	0.00%	0.00%	0.14%
27	of which loans for motor vehicles									0.14%	0.00%	0.00%	0.00%	0.00%	0.93%
28	**Financing of local governments**	0.00%				0.00%				0.88%	0.00%	0.00%	0.00%	0.00%	0.93%
29	Financing of building	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Financing of other local public administrations	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Guarantees obtained by taking possession: residential and non-residential properties**	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	0.00%				0.00%				18.06%	2.35%	0.07%	0.00%	0.06%	100.00%

Model 3: GAR KPI (stock) based on CapEx

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		31.12.2024																
	% (against total assets covered in the denominator)	Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)					Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)			
			Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)					Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)		
				Of which use of pro-ceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which qualify-ing			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying
	GAR - Assets covered in both numerator and denominator																	
1	**Loans and advances, debt securities and capital goods not held for trading eligible for calculation of the GAR**	18.27%	2.37%	0.07%	0.02%	0.18%	0.34%	0.00%	0.00%	0.00%	0.00%				0.00%			
2	**Financial companies**	0.41%	0.06%	0.00%	0.00%	0.01%	0.02%	0.00%	0.00%	0.00%	0.00%				0.00%			
3	Credit institutions	0.30%	0.02%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
4	Loans and advances	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
5	Debt securities, including UoP	0.29%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%				0.00%			
7	Other financial companies	0.10%	0.04%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%				0.00%			
8	of which investment companies	0.10%	0.04%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%				0.00%			
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
10	Debt securities, including UoP	0.10%	0.04%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%				0.00%			
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%				0.00%			
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%				0.00%			
16	of which insurance companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%				0.00%			
20	**Non-financial corporations**	0.44%	0.40%	0.07%	0.02%	0.17%	0.32%	0.00%	0.00%	0.00%	0.00%				0.00%			
21	Loans and advances	0.04%	0.02%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
22	Debt securities, including UoP	0.40%	0.38%	0.07%	0.00%	0.17%	0.32%	0.00%	0.00%	0.00%	0.00%				0.00%			
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%					0.00%			
24	**Households**	16.55%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%			
25	of which loans guaranteed by residential properties	13.94%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%			
26	of which loans for renovation of buildings	2.46%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%			
27	of which loans for motor vehicles	0.14%	0.00%	0.00%	0.00%	0.00%	0.00%											
28	**Financing of local governments**	0.88%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
29	Financing of building	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
30	Financing of other local public administrations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
31	**Guarantees obtained by taking possession: residential and non-residential properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
32	**Total GAR assets**	18.27%	2.37%	0.07%	0.02%	0.18%	0.34%	0.00%	0.00%	0.00%	0.00%				0.00%			

Model 3 follows: GAR KPI (stock) based on CapEx

		r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae
	% (against total assets covered in the denominator)	31.12.2024													
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)					Share of total covered assets
			Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which transi-tional	Of which qualifying	
	GAR - Assets covered in both numerator and denominator														
1	**Loans and advances, debt securities and capital goods not held for trading eligible for calculation of the GAR**	0.00%				0.00%				18.31%	2.56%	0.07%	0.02%	0.18%	41.36%
2	**Financial companies**	0.00%				0.00%				0.43%	0.06%	0.00%	0.00%	0.01%	2.44%
3	Credit institutions	0.00%				0.00%				0.31%	0.02%	0.00%	0.00%	0.01%	1.63%
4	Loans and advances	0.00%				0.00%				0.02%	0.00%	0.00%	0.00%	0.00%	0.06%
5	Debt securities, including UoP	0.00%				0.00%				0.29%	0.02%	0.00%	0.00%	0.00%	1.57%
6	Equity instruments	0.00%				0.00%				0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial companies	0.00%				0.00%				0.13%	0.04%	0.00%	0.00%	0.00%	0.82%
8	of which investment companies	0.00%				0.00%				0.13%	0.04%	0.00%	0.00%	0.00%	0.71%
9	Loans and advances	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%				0.00%				0.13%	0.04%	0.00%	0.00%	0.00%	0.71%
11	Equity instruments	0.00%				0.00%				0.00%	0.00%		0.00%	0.00%	0.00%
12	of which management companies	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%				0.00%				0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance companies	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%				0.00%				0.00%	0.00%		0.00%	0.00%	0.00%
20	**Non-financial corporations**	0.00%				0.00%				0.45%	0.59%	0.07%	0.02%	0.17%	0.87%
21	Loans and advances	0.00%				0.00%				0.05%	0.21%	0.00%	0.02%	0.00%	0.36%
22	Debt securities, including UoP	0.00%				0.00%				0.40%	0.38%	0.07%	0.00%	0.17%	0.51%
23	Equity instruments									0.00%	0.00%		0.00%	0.00%	0.00%
24	**Households**									16.55%	1.91%	0.00%	0.00%	0.00%	37.12%
25	of which loans guaranteed by residential properties									13.94%	1.91%	0.00%	0.00%	0.00%	13.94%
26	of which loans for renovation of buildings									2.46%	0.00%	0.00%	0.00%	0.00%	2.46%
27	of which loans for motor vehicles									0.14%	0.00%	0.00%	0.00%	0.00%	0.14%
28	**Financing of local governments**	0.00%				0.00%				0.88%	0.00%	0.00%	0.00%	0.00%	0.93%
29	Financing of building	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Financing of other local public administrations	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Guarantees obtained by taking possession: residential and non-residential properties**	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	0.00%				0.00%				18.31%	2.56%	0.07%	0.02%	0.18%	100.00%

Model 4: GAR KPI (flow) based on turnover

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		31.12.2025																
		Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
	% (of total new covered assets)	Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)					Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)			
			Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)					Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)		
				Of which use of pro-ceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which qualify-ing			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying
	GAR - Assets covered in both numerator and denominator																	
1	**Loans and advances, debt securities and capital goods not held for trading eligible for calculation of the GAR**	21.15%	3.10%	0.26%	0.02%	0.16%	0.35%	0.15%	0.00%	0.01%	0.01%	0.01%	0.00%	0.00%	0.03%	0.01%	0.00%	0.00%
2	**Financial companies**	1.31%	0.14%	0.01%	0.01%	0.04%	0.02%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%
3	Credit institutions	1.14%	0.09%	0.01%	0.01%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	1.14%	0.09%	0.01%	0.01%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial companies	0.17%	0.05%	0.00%	0.00%	0.02%	0.02%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%
8	of which investment companies	0.17%	0.05%	0.00%	0.00%	0.02%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.17%	0.05%	0.00%	0.00%	0.02%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	-	0.00%	0.00%	0.00%	-	0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	-	0.00%	0.00%	0.00%		0.00%
16	of which insurance companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.01%	0.00%	0.00%	-	0.00%	0.00%	0.00%	-	0.00%
20	**Non-financial corporations**	0.68%	0.62%	0.25%	0.01%	0.12%	0.33%	0.15%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.01%	0.00%	0.00%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.68%	0.62%	0.25%	0.01%	0.12%	0.33%	0.15%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.01%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	-	0.00%	0.00%	0.00%	-	0.00%	0.00%	0.00%	-	0.00%
24	**Households**	19.16%	2.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		-	-	-	0.00%	0.00%	0.00%	0.00%
25	of which loans guaranteed by residential properties	15.99%	2.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		-	-	-	0.00%	0.00%	0.00%	0.00%
26	of which loans for renovation of buildings	2.94%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		-	-	-	0.00%	0.00%	0.00%	0.00%
27	of which loans for motor vehicles	0.23%	0.00%	0.00%	0.00%	0.00%						-	-	-		-	-	-
28	**Financing of local governments**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Financing of building	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Financing of other local public administrations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Guarantees obtained by taking possession: residential and non-residential properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	21.15%	3.10%	0.26%	0.02%	0.16%	0.35%	0.15%	0.00%	0.01%	0.01%	0.01%	0.00%	0.00%	0.03%	0.01%	0.00%	0.00%

Model 4 follows: GAR KPI (flow) based on turnover

		r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae
		31.12.2025													
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
	% (of total new covered assets)	Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)					Share of total new covered assets
			Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which transi-tional	Of which qualifying	
	GAR - Assets covered in both numerator and denominator														
1	**Loans and advances, debt securities and capital goods not held for trading eligible for calculation of the GAR**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	21.43%	3.11%	0.26%	0.02%	0.16%	40.29%
2	**Financial companies**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.39%	0.15%	0.01%	0.01%	0.04%	7.61%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.15%	0.09%	0.01%	0.01%	0.02%	5.38%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.15%	0.09%	0.01%	0.01%	0.02%	5.38%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.24%	0.05%	0.00%	0.00%	0.02%	2.24%
8	of which investment companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.20%	0.05%	0.00%	0.00%	0.02%	2.04%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.20%	0.05%	0.00%	0.00%	0.02%	2.04%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%	0.00%	0.00%	0.00%	0.00%	0.20%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.03%	0.00%		0.00%	0.00%	0.20%
20	**Non-financial corporations**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.87%	0.63%	0.25%	0.01%	0.12%	1.78%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.87%	0.63%	0.25%	0.01%	0.12%	1.78%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
24	**Households**		-	-	-		-	-	-	19.16%	2.33%	0.00%	0.00%	0.00%	30.89%
25	of which loans guaranteed by residential properties		-	-	-		-	-	-	15.99%	2.33%	0.00%	0.00%	0.00%	15.99%
26	of which loans for renovation of buildings		-	-	-		-	-	-	2.94%	0.00%	0.00%	0.00%	0.00%	2.94%
27	of which loans for motor vehicles		-	-	-		-	-	-	0.23%	0.00%	0.00%	0.00%	0.00%	0.23%
28	**Financing of local governments**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Financing of building	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Financing of other local public administrations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Guarantees obtained by taking possession: residential and non-residential properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	21.43%	3.11%	0.26%	0.02%	0.16%	100.00%

Model 4: GAR KPI (flow) based on CapEx

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		31.12.2025																
		Climate change mitigation (CCM)					**Climate change adaptation (CCA)**				**Water and marine resources (WTR)**				**Circular economy (CE)**			
% (against the flow of total eligible assets)		Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)					Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)			
			Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)					Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)		
				Of which use of pro-ceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which qualify-ing			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying
	GAR - Assets covered in both numerator and denominator																	
1	**Loans and advances, debt securities and capital goods not held for trading eligible for calculation of the GAR**	21.65%	3.40%	0.26%	0.02%	0.47%	0.21%	0.17%	0.00%	0.03%	0.03%	0.03%	0.00%	0.00%	3.99%	0.02%	0.00%	0.00%
2	**Financial companies**	1.37%	0.20%	0.01%	0.01%	0.07%	0.07%	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%
3	Credit institutions	1.18%	0.11%	0.01%	0.01%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	1.18%	0.11%	0.01%	0.01%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial companies	0.20%	0.09%	0.00%	0.00%	0.04%	0.07%	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%
8	of which investment companies	0.20%	0.08%	0.00%	0.00%	0.04%	0.07%	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.20%	0.08%	0.00%	0.00%	0.04%	0.07%	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	-	0.00%	0.00%	0.00%	-	0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	-	0.00%	0.00%	0.00%	-	0.00%
16	of which insurance companies	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.01%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	-	0.00%	0.00%	0.00%	-	0.00%
20	**Non-financial corporations**	1.11%	0.87%	0.25%	0.00%	0.40%	0.14%	0.12%	0.00%	0.03%	0.02%	0.02%	0.00%	0.00%	3.98%	0.02%	0.00%	0.00%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	1.11%	0.87%	0.25%	0.00%	0.40%	0.14%	0.12%	0.00%	0.03%	0.02%	0.02%	0.00%	0.00%	3.98%	0.02%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	-	0.00%	0.00%	0.00%	-	0.00%
24	**Households**	19.16%	2.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		-	-	-	0.00%	0.00%	0.00%	0.00%
25	of which loans guaranteed by residential properties	15.99%	2.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		-	-	-	0.00%	0.00%	0.00%	0.00%
26	of which loans for renovation of buildings	2.94%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		-	-	-	0.00%	0.00%	0.00%	0.00%
27	of which loans for motor vehicles	0.23%	0.00%	0.00%	0.00%	0.00%						-	-	-		-	-	-
28	**Financing of local governments**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Financing of building	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Financing of other local public administrations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Guarantees obtained by taking possession: residential and non-residential properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	21.65%	3.40%	0.26%	0.02%	0.47%	0.21%	0.17%	0.00%	0.03%	0.03%	0.03%	0.00%	0.00%	3.99%	0.02%	0.00%	0.00%

Model 4 follows: GAR KPI (flow) based on CapEx

		r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae
		31.12.2025													
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
	% (against the flow of total eligible assets)	Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)	Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)			Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)	Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)			Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)	Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which transi-tional	Of which qualifying	
	GAR - Assets covered in both numerator and denominator														
1	**Loans and advances, debt securities and capital goods not held for trading eligible for calculation of the GAR**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.31%	21.60%	3.46%	0.26%	0.02%	0.47%	40.29%
2	**Financial companies**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.31%	1.23%	0.21%	0.01%	0.01%	0.07%	7.61%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.31%	0.92%	0.07%	0.01%	0.01%	0.03%	5.38%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.31%	0.92%	0.07%	0.01%	0.01%	0.03%	5.38%
6	Equity instruments	0.00%	0.00%	-	0.00%	0.00%	0.00%	-	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.31%	0.14%	0.00%	0.00%	0.04%	2.24%
8	of which investment companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.27%	0.13%	0.00%	0.00%	0.04%	2.04%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.27%	0.13%	0.00%	0.00%	0.04%	2.04%
11	Equity instruments	0.00%	0.00%	-	0.00%	0.00%	0.00%	-	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%	-	0.00%	0.00%	0.00%	-	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%	0.01%	0.00%	0.00%	0.00%	0.20%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%	-	0.00%	0.00%	0.00%	-	0.00%	0.03%	0.01%		0.00%	0.00%	0.20%
20	**Non-financial corporations**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.21%	0.92%	0.25%	0.01%	0.40%	1.78%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.21%	0.92%	0.25%	0.01%	0.40%	1.78%
23	Equity instruments	0.00%	0.00%	-	0.00%	0.00%	0.00%	-	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
24	**Households**		-	-	-		-	-	-	19.16%	2.33%	0.00%	0.00%	0.00%	30.90%
25	of which loans guaranteed by residential properties		-	-	-		-	-	-	15.99%	2.33%	0.00%	0.00%	0.00%	15.99%
26	of which loans for renovation of buildings		-	-	-		-	-	-	2.94%	0.00%	0.00%	0.00%	0.00%	2.94%
27	of which loans for motor vehicles		-	-	-		-	-	-	0.23%	0.00%	0.00%	0.00%	0.00%	0.23%
28	**Financing of local governments**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Financing of building	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Financing of other local public administrations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Guarantees obtained by taking possession: residential and non-residential properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.31%	21.60%	3.46%	0.26%	0.02%	0.47%	100.00%

Model 4: GAR KPI (flow) based on turnover

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		31.12.2024																
		Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
	% (of total new covered assets)	Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)					Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)			
			Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)					Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)		
				Of which use of pro-ceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which qualify-ing			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying
	GAR - Assets covered in both numerator and denominator																	
1	**Loans and advances, debt securities and capital goods not held for trading eligible for calculation of the GAR**	26.32%	2.70%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
2	**Financial companies**	0.59%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
3	Credit institutions	0.56%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
5	Debt securities, including UoP	0.56%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%				0.00%			
7	Other financial companies	0.03%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
8	of which investment companies	0.03%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
10	Debt securities, including UoP	0.03%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%				0.00%			
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%				0.00%			
16	of which insurance companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%				0.00%			
20	**Non-financial corporations**	0.31%	0.29%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
21	Loans and advances	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
22	Debt securities, including UoP	0.30%	0.29%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%				0.00%			
24	**Households**	25.42%	2.38%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%			
25	of which loans guaranteed by residential properties	21.76%	2.38%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%			
26	of which loans for renovation of buildings	3.41%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%			
27	of which loans for motor vehicles	0.25%	0.00%	0.00%	0.00%	0.00%												
28	**Financing of local governments**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
29	Financing of building	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
30	Financing of other local public administrations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
31	**Guarantees obtained by taking possession: residential and non-residential properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
32	**Total GAR assets**	26.32%	2.70%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			

Model 4 follows: GAR KPI (flow) based on turnover

		r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae
	% (of total new covered assets)	31.12.2024													
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)					Share of total new covered assets
			Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which transi-tional	Of which qualifying	
	GAR - Assets covered in both numerator and denominator														
1	**Loans and advances, debt securities and capital goods not held for trading eligible for calculation of the GAR**	0.00%				0.00%				26.35%	3.47%	0.29%	0.00%	0.00%	49.54%
2	**Financial companies**	0.00%				0.00%				0.59%	0.03%	0.00%	0.00%	0.00%	3.16%
3	Credit institutions	0.00%				0.00%				0.56%	0.02%	0.00%	0.00%	0.00%	2.94%
4	Loans and advances	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%				0.00%				0.56%	0.02%	0.00%	0.00%	0.00%	2.94%
6	Equity instruments	0.00%				0.00%				0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial companies	0.00%				0.00%				0.03%	0.01%	0.00%	0.00%	0.00%	0.22%
8	of which investment companies	0.00%				0.00%				0.03%	0.01%	0.00%	0.00%	0.00%	0.22%
9	Loans and advances	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%				0.00%				0.03%	0.01%	0.00%	0.00%	0.00%	0.22%
11	Equity instruments	0.00%				0.00%				0.00%	0.00%		0.00%	0.00%	0.00%
12	of which management companies	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%				0.00%				0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance companies	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%				0.00%				0.00%	0.00%		0.00%	0.00%	0.00%
20	**Non-financial corporations**	0.00%				0.00%				0.34%	1.07%	0.29%	0.00%	0.00%	1.62%
21	Loans and advances	0.00%				0.00%				0.04%	0.78%	0.00%	0.00%	0.00%	1.12%
22	Debt securities, including UoP	0.00%				0.00%				0.30%	0.29%	0.29%	0.00%	0.00%	0.45%
23	Equity instruments	0.00%				0.00%				0.00%	0.00%		0.00%	0.00%	0.05%
24	**Households**									25.42%	2.38%	0.00%	0.00%	0.00%	44.75%
25	of which loans guaranteed by residential properties									21.76%	2.38%	0.00%	0.00%	0.00%	21.76%
26	of which loans for renovation of buildings									3.41%	0.00%	0.00%	0.00%	0.00%	3.41%
27	of which loans for motor vehicles									0.25%	0.00%	0.00%	0.00%	0.00%	0.25%
28	**Financing of local governments**	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Financing of building	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Financing of other local public administrations	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Guarantees obtained by taking possession: residential and non-residential properties**	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	0.00%				0.00%				26.35%	3.47%	0.29%	0.00%	0.00%	100.00%

Model 4: GAR KPI (flow) based on CapEx

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		31.12.2024																
		Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
	% (against the flow of total eligible assets)	Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)					Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)			
			Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)					Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)		
				Of which use of pro-ceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which qualify-ing			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying
	GAR - Assets covered in both numerator and denominator																	
1	**Loans and advances, debt securities and capital goods not held for trading eligible for calculation of the GAR**	26.36%	2.74%	0.29%	0.04%	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%				0.00%			
2	**Financial companies**	0.60%	0.04%	0.00%	0.00%	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%				0.00%			
3	Credit institutions	0.57%	0.03%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
5	Debt securities, including UoP	0.57%	0.03%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%				0.00%			
7	Other financial companies	0.03%	0.01%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%				0.00%			
8	of which investment companies	0.03%	0.01%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%				0.00%			
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
10	Debt securities, including UoP	0.03%	0.01%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%				0.00%			
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%				0.00%			
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%				0.00%			
16	of which insurance companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%				0.00%			
20	**Non-financial corporations**	0.35%	0.32%	0.29%	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
21	Loans and advances	0.05%	0.04%	0.00%	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
22	Debt securities, including UoP	0.30%	0.29%	0.29%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%				0.00%			
24	**Households**	25.42%	2.38%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%			
25	of which loans guaranteed by residential properties	21.76%	2.38%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%			
26	of which loans for renovation of buildings	3.41%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%			
27	of which loans for motor vehicles	0.25%	0.00%	0.00%	0.00%	0.00%												
28	**Financing of local governments**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
29	Financing of building	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
30	Financing of other local public administrations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
31	**Guarantees obtained by taking possession: residential and non-residential properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%			
32	**Total GAR assets**	26.36%	2.74%	0.29%	0.04%	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%				0.00%			

Model 4 follows: GAR KPI (flow) based on CapEx

		r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae
		31.12.2024													
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
	% (against the flow of total eligible assets)	Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)					Share of total covered assets
			Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which transi-tional	Of which qualifying	
	GAR - Assets covered in both numerator and denominator														
1	**Loans and advances, debt securities and capital goods not held for trading eligible for calculation of the GAR**	0.00%				0.00%				26.37%	3.54%	0.29%	0.04%	0.01%	49.54%
2	**Financial companies**	0.00%				0.00%				0.61%	0.04%	0.00%	0.00%	0.01%	3.16%
3	Credit institutions	0.00%				0.00%				0.57%	0.03%	0.00%	0.00%	0.01%	2.94%
4	Loans and advances	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%				0.00%				0.57%	0.03%	0.00%	0.00%	0.01%	2.94%
6	Equity instruments	0.00%				0.00%				0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial companies	0.00%				0.00%				0.04%	0.01%	0.00%	0.00%	0.00%	0.22%
8	of which investment companies	0.00%				0.00%				0.04%	0.01%	0.00%	0.00%	0.00%	0.22%
9	Loans and advances	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%				0.00%				0.04%	0.01%	0.00%	0.00%	0.00%	0.22%
11	Equity instruments	0.00%				0.00%				0.00%	0.00%		0.00%	0.00%	0.00%
12	of which management companies	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%				0.00%				0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance companies	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%				0.00%				0.00%	0.00%		0.00%	0.00%	0.00%
20	**Non-financial corporations**	0.00%				0.00%				0.35%	1.12%	0.29%	0.04%	0.00%	1.62%
21	Loans and advances	0.00%				0.00%				0.05%	0.83%	0.00%	0.04%	0.00%	1.12%
22	Debt securities, including UoP	0.00%				0.00%				0.30%	0.29%	0.29%	0.00%	0.00%	0.45%
23	Equity instruments	0.00%				0.00%				0.00%	0.00%		0.00%	0.00%	0.05%
24	**Households**									25.42%	2.38%	0.00%	0.00%	0.00%	44.75%
25	of which loans guaranteed by residential properties									21.76%	2.38%	0.00%	0.00%	0.00%	21.76%
26	of which loans for renovation of buildings									3.41%	0.00%	0.00%	0.00%	0.00%	3.41%
27	of which loans for motor vehicles									0.25%	0.00%	0.00%	0.00%	0.00%	0.25%
28	**Financing of local governments**	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Financing of building	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Financing of other local public administrations	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Guarantees obtained by taking possession: residential and non-residential properties**	0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	0.00%				0.00%				26.37%	3.54%	0.29%	0.04%	0.01%	100.00%

Model 5: KPIs for off-balance sheet exposures (stocks) based on turnover

% (of the total of respective off-balance sheet assets)	31.12.2025																												
	Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)					Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				
		Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)					Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)		
			Of which use of proceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which transitional	Of which qualifying
Financial guarantees (KPI related to financial guarantees)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%				0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%
Financial assets under management (KPI related to financial assets under management)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%				0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%

Model 5: KPIs for off-balance sheet exposures (stocks) based on CapEx

% (of the total of respective off-balance sheet assets)	31.12.2025																													
	Climate change mitigation (CCM)					**Climate change adaptation (CCA)**				**Water and marine resources (WTR)**				**Circular economy (CE)**				**Pollution (PPC)**				**Biodiversity and Ecosystems (BIO)**				**TOTAL (CCM + CCA + WTR + CE + PPC + BIO)**				
	Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)					Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				
		Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)					Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)		
			Of which use of proceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which transitional	Of which qualifying
Financial guarantees (KPI related to financial guarantees)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				0.0%				0.0%				0.0%				0.0%	0.0%	0.0%	0.0%	0.0%
Financial assets under management (KPI related to financial assets under management)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				0.0%				0.0%				0.0%				0.0%	0.0%	0.0%	0.0%	0.0%

Model 5: KPIs for off-balance sheet exposures (stocks) based on turnover

% (of the total of respective new off-balance sheet assets)	31.12.2025																													
	Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)					Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)				
		Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)					Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)		
			Of which use of proceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which transitional	Of which qualifying
Financial guarantees (KPI related to financial guarantees)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				0.0%				0.0%				0.0%				0.0%	0.0%	0.0%	0.0%	0.0%
Financial assets under management (KPI related to financial assets under management)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				0.0%				0.0%				0.0%				0.0%	0.0%	0.0%	0.0%	0.0%

Model 5: KPIs for off-balance sheet exposures (stocks) based on CapEx

% (of the total of respective new off-balance sheet assets)	31.12.2025																													
	Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)	Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)				Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)	Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)			Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)	Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)			Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)	Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)			Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)	Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)			Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)	Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)			Share of total covered assets that finance sectors relevant to the taxonomy (eligible for taxonomy)	Share of total covered assets that finance sectors relevant to the taxonomy (aligned with taxonomy)			
			Of which use of proceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which transitional	Of which qualifying
Financial guarantees (KPI related to financial guarantees)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				0.0%				0.0%				0.0%				0.0%	0.0%	0.0%	0.0%	0.0%
Financial assets under management (KPI related to financial assets under management)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				0.0%				0.0%				0.0%				0.0%	0.0%	0.0%	0.0%	0.0%

Model 1: Activities related to nuclear fuel and fossil gas

NUCLEAR ENERGY-RELATED ACTIVITIES	YES/NO
4.26 The company carries out, finances or has exposures to the research, development, demonstration and implementation of innovative power generation plants that produce nuclear energy with a minimum amount of fuel cycle waste	NO
4.27 The company carries out, finances or has exposures to the construction and safe operation of new nuclear power plants for the generation of electricity or process heat, including for district heating purposes or for industrial processes such as hydrogen production, and improvements in their safety, using the best available technology	NO
4.28 The company carries out, finances or has exposures to the safe operation of existing nuclear power plants that generate electricity or process heat, including for district heating or industrial processes such as the production of hydrogen from nuclear energy, and improves their safety	NO

FOSSIL GAS-RELATED ACTIVITIES	YES/NO
4.29 The company carries out, finances or has exposures to the construction or operation of power generation plants that use gaseous fossil fuels	NO
4.30 The company carries out, finances or has exposures to the construction, upgrading and operation of combined cooling/heat and power generation plants that use gaseous fossil fuels	NO
4.31 The company carries out, finances or has exposures to the construction, upgrading and operation of heat generation plants that use gaseous fossil fuels to produce heat/cooling	NO

CERTIFICATION OF THE SUSTAINABILITY REPORT

Certification of the sustainability report pursuant to Article 81-*TER*, PARAGRAPH 1, OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999, AS SUBSEQUENTLY AMENDED AND SUPPLEMENTED.

1. The undersigned Lukas Ladurner, in the capacity of Chairman of the Board of Directors of Banca Popolare dell'Alto Adige Societa per Azioni and Alberto Coltroni, in the capacity of Financial Reporting Officer of Banca Popolare dell'Alto Adige Societa per Azioni, hereby certifies, pursuant to Article 154-*bis*, paragraph 5-*ter*, of Legislative Decree No. 58 of 24 February 1998, that the sustainability report included in the management report was carried out:

    a) in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 and Legislative Decree No. 125 of 6 September 2024;

    b) with the specifications adopted in accordance with Article 8(4) of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

Bolzano, 20 March 2026

The Chairman of the Board of Directors

Lukas Ladurner

The Manager in charge of preparing
the corporate accounting documents

Alberto Caltroni

AUDITORS' REPORT

KPMG S.p.A.
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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' limited assurance report on the sustainability statement pursuant to article 14-bis of Legislative decree no. 39 of 27 January 2010

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

Conclusion

Pursuant to articles 8 of Legislative decree no. 125 of 6 September 2024 (the "decree"), we have been engaged to perform a limited assurance engagement on the 2025 sustainability statement of the Banca Popolare dell'Alto Adige S.p.A. (the "bank") prepared in accordance with article 4 of the decree, presented in the specific section of the directors' report (the "sustainability statement").

Based on the procedures performed, nothing has come to our attention that causes us to believe that:

- the bank's 2025 sustainability statement has not been prepared, in all material respects, in accordance with the reporting standards endorsed by the European Commission pursuant to Directive 2013/34/EU (the European Sustainability Reporting Standards, "ESRS");
- the information presented in the "*Disclosure pursuant to article 8 of Regulation (EU) 2020/852*" section of the sustainability statement has not been prepared, in all material respects, in accordance with article 8 of Regulation (EU) 2020/852 of 18 June 2020 (the "taxonomy regulation").

Basis for conclusion

We have performed the limited assurance engagement in accordance with the Standard on Sustainability Assurance Engagements - SSAE (Italia). The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our responsibilities under SSAE (Italia) are further described in the "*Auditors' responsibilities for the sustainability assurance engagement*" section of our report.

We are independent in accordance with the ethics and independence rules and standards applicable in Italy to sustainability assurance engagements.

Our company applies International Standard on Quality Management (ISQM Italia) 1 and, accordingly, is required to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have acquired is sufficient and appropriate to provide a basis for our conclusion.

Other matters

The 2025 sustainability statement presents the 2023 comparative information, which has not been subjected to an assurance engagement.

Responsibilities of the directors and board of statutory auditors ("Collegio Sindacale") of Banca Popolare dell'Alto Adige S.p.A. for the sustainability statement

The directors are responsible for designing and implementing the procedures to identify the information included in the sustainability statement in accordance with the ESRS (the "materiality assessment process") and for the description of these procedures in the "*Description of the process to identify and assess relevant impacts, risks and opportunities (IRO-1)*" section of the sustainability statement.

The directors are also responsible for the preparation of a sustainability statement in accordance with article 4 of the decree, which contains the information identified through the materiality assessment process, including:

- compliance with the ESRS;
- compliance of the information presented in the "*Disclosure pursuant to article 8 of Regulation (EU) 2020/852*" section with article 8 of the taxonomy regulation.

Moreover, the directors are responsible, within the terms established by the Italian law, for designing, implementing and maintaining such internal controls as they determine is necessary to enable the preparation of a sustainability statement in accordance with article 4 of the decree that is free from material misstatement, whether due to fraud or error. They are also responsible for selecting and applying appropriate methods to produce disclosures and formulating assumptions and estimates about specific information on sustainability matters that are reasonable in the circumstances.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, compliance with the decree's provisions.

Inherent limitations in preparing the sustainability statement

For the purpose of disclosing forward-looking information in accordance with the ESRS, the directors are required to prepare such information based on assumptions, described in the sustainability statement, regarding future events and the banks's actions that are not necessarily expected to occur. Actual results are likely to be different from the forecast sustainability information since anticipated events frequently do not occur as expected and the variation could be material.

The disclosures provided by the bank about Scope 3 emissions are subject to more inherent limitations than those on Scope 1 and Scope 2 emissions, given the lack of availability and relative precision of information used for determining both qualitative and quantitative Scope 3 emissions information from value chain.

Auditors' responsibilities for the sustainability assurance engagement

Our objectives are to plan and perform procedures in order to obtain limited assurance about whether the sustainability statement is free from material misstatement, whether due to fraud or error, and to issue an assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of intended users taken on the basis of the sustainability statement.

As part of a limited assurance engagement in accordance with SSAE (Italia), we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities include:

- considering risks to identify disclosures where a material misstatement is likely to occur, whether due to fraud or error;
- designing and performing procedures to check disclosures where a material misstatement is likely to occur. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- directing, supervising and performing the sustainability limited assurance engagement and assuming full responsibility for the conclusion on the sustainability statement.

Summary of the work performed

A limited assurance engagement involves carrying out procedures to obtain evidence as a basis for our conclusion.

The procedures performed are based on our professional judgement and include inquiries, primarily of the bank's personnel responsible for the preparation of the information presented in the sustainability statement, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

We have performed the following main procedures:

- we gained an understanding of the bank's business model, strategies and operating environment with regard to sustainability matters;
- we gained an understanding of the process adopted by the bank to identify and assess material sustainability-related impacts, risks and opportunities (IROs), based on the double materiality principle. Moreover, on the basis of the information acquired, we evaluated any emerging inconsistencies that may indicate the presence of sustainability matters not addressed by the bank in its materiality assessment process; Specifically, mostly through inquiries, observations and inspections, we gained an understanding of how the bank:
  - considered the interests and opinions of the stakeholders involved;
  - identified its sustainability-related IROs, assessing their consistency with our knowledge of the bank and its sector;
  - defined and assessed material IROs by analysing the qualitative and quantitative materiality thresholds it determined;
- we gained an understanding of the processes underlying the generation, recording and management of the qualitative and quantitative information disclosed in the sustainability statement, including of

the reporting boundary, through interviews and discussions with the bank's personnel and selected procedures on documentation;

- we identified the disclosures associated with a risk of material misstatement, whether due to fraud or error;
- we designed and performed procedures, based on our professional judgement, to respond to identified risks of material misstatement, including:
  - with reference to qualitative information and, in particular, the sustainability-related policies, actions and objectives, we held inquiries and performed limited procedures on documentation;
  - with reference to quantitative information, we carried out analytical procedures, inspections, observations and recalculations on a sample basis;
- we gained an understanding of the process adopted by the bank to determine taxonomy-eligible economic activities and whether they were aligned under the taxonomy regulation and checked the related disclosures presented in the sustainability statement;
- we checked the consistency of the disclosures contained in the sustainability statement with those included in the bank's financial statements pursuant to the applicable financial reporting framework, the underlying accounting records or management accounts;
- we checked the compliance of the structure and presentation of disclosures included in the sustainability statement with the ESRS;
- we obtained the representation letter.

Bolzano, 30 March 2026

KPMG S.p.A.

(signed on the original)

Vito Antonini
Director of Audit

COMPANY REPORTING FORMATS

Balance Sheet

	Assets and liabilities	31.12.2025	31.12.2024
(in €)			
10.	Cash and cash equivalents	283,718,666	187,922,220
20.	Financial assets measured at fair value through profit or loss	55,476,038	62,737,012
	a) financial assets held for trading	15,266,696	1,699,939
	b) financial assets designated at fair value	-	-
	c) other financial assets that must be measured at fair value	40,209,342	61,037,073
30.	Financial assets measured at fair value through other comprehensive income	1,208,455,985	933,075,619
40.	Financial assets measured at amortised cost	10,249,706,743	9,902,138,510
	a) due from banks	376,375,723	279,445,584
	b) receivables from customers	9,873,331,020	9,622,692,926
50.	Hedging derivatives	-	-
60.	Value adjustment of hedged financial assets (+/-)	-	-
70.	Equity investments	9,345,252	5,104,760
80.	Tangible fixed assets	156,438,443	153,158,161
90.	Intangible fixed assets	14,007,459	12,639,839
	of which:	-	-
	- *goodwill*	-	-
100.	Tax assets	146,682,623	116,054,209
	a) current	100,895,913	59,408,990
	b) anticipated	45,786,710	56,645,219
110.	Non-current assets and disposal groups held for sale	896,267	2,227,588
120.	Other assets	325,344,930	364,627,042
	Total assets	**12,450,072,406**	**11,739,684,960**

	Liabilities and equity items	31.12.2025	31.12.2024
(in €)			
10.	Financial liabilities measured at amortised cost	10,909,508,988	10,268,189,169
	a) due to banks	211,005,705	229,125,908
	b) due to customers	9,487,636,991	8,908,880,964
	c) debt securities issued	1,210,866,292	1,130,182,297
20.	Financial liabilities held for trading	12,429	47,250
30.	Financial liabilities designated at fair value (IFRS 7 par. 8 lett. e))	-	-
40.	Hedging derivatives	2,431,007	5,093,878
50.	Value adjustment of hedged financial liabilities (+/-)	-	-
60.	Tax liabilities	78,229,867	63,102,179
	a) current	73,735,412	56,864,446
	b) deferred	4,494,455	6,237,733
70.	Liabilities associated with assets held for sale	-	-
80.	Other liabilities	330,492,286	324,688,711
90.	Employee severance indemnities	10,604,977	11,690,900
100.	Provisions for risks and charges	33,646,809	48,896,498
	a) commitments and guarantees issued	7,860,773	8,480,721
	b) pensions and similar obligations	-	-
	c) other provisions for risks and charges	25,786,036	40,415,777
110.	Valuation reserves	1,330,561	3,992,533
120.	Redeemable shares	-	-
130.	Capital instruments	-	-
140.	Reserves	498,354,140	431,261,161
150.	Share premium reserves	254,650,671	259,774,069
160.	Capital	201,993,752	201,993,752
170.	Treasury shares (-)	(2,384,900)	(5,522,835)
180.	Profit (loss) for the year (+/-)	131,201,819	126,477,695
	Total liabilities and equity	**12,450,072,406**	**11,739,684,960**

Profit and Loss Account

Profit and Loss Account		31.12.2025	31.12.2024
(in €)			
10.	Interest receivable and similar income	391,215,605	457,600,808
	of which: interest income calculated according to the effective interest method	358,881,874	431,316,437
20.	Interest paid and similar charges	(134,821,747)	(192,391,144)
30.	**Interest margin**	**256,393,858**	**265,209,664**
40.	Commission income	124,101,527	119,623,923
50.	Commission expense	(12,201,035)	(13,838,767)
60.	**Net commission**	**111,900,492**	**105,785,156**
70.	Dividends and similar income	5,264,970	3,622,998
80.	Net result of trading	(353,472)	5,490,751
90.	Net result of hedging	(48,032)	43,672
100.	Profits (losses) on disposal or repurchase of:	10,559,814	7,476,692
	a) financial assets measured at amortised cost	3,451,487	6,805,370
	b) financial assets measured at fair value through other comprehensive income	7,108,327	671,322
	c) financial liabilities	-	-
110.	Net profit/loss from other financial assets and liabilities measured at fair value through profit and loss	(1,257,023)	3,971,553
	a) financial assets and liabilities designated at fair value	-	-
	b) other financial assets compulsorily measured at fair value	(1,257,023)	3,971,553
120.	**Net banking income**	**382,460,607**	**391,600,486**
130.	Net adjustments/write-backs on credit risk:	(606,349)	(4,321,071)
	a) financial assets measured at amortised cost	(591,894)	(4,350,175)
	b) financial assets measured at fair value through other comprehensive income	(14,455)	29,104
140.	Profits/losses from contractual amendments without write-downs	(334,085)	(125,962)
150.	**Net profit from financial activities**	**381,520,173**	**387,153,453**
160.	Administrative expenses:	(203,447,311)	(201,926,959)
	a) personnel expenses	(125,121,003)	(118,574,337)
	b) other administrative expenses	(78,326,308)	(83,352,622)
170.	Net provisions for risks and charges	13,516,224	412,378
	a) for credit risk relating to commitments and guarantees issued	619,948	194,206
	b) other net provisions	12,896,276	218,172
180.	Net adjustments/write-backs on tangible assets	(14,206,286)	(13,539,453)
190.	Net adjustments/write-backs on intangible assets	(1,306,570)	(997,192)
200.	Other operating charges/revenue	19,149,508	17,950,844
210.	**Operating costs**	**(186,294,435)**	**(198,100,382)**
220.	Profits (Losses) on equity investments	(753,235)	742,750
230.	Net result of measurement at fair value of tangible and intangible assets	-	-
240.	Goodwill value adjustments	-	-
250.	Profits (Losses) on disposal of investments	680,745	621,930
260.	**Pre-tax profit (loss) for the period from continuing operations**	**195,153,248**	**190,417,751**
270.	Income taxes on current operations	(63,951,429)	(63,940,058)
280.	**Profit (Loss) from current operations after tax**	**131,201,819**	**126,477,693**
290.	Profit (Loss) on discontinued operations after tax	-	-
300.	**Profit (Loss) for the year**	**131,201,819**	**126,477,693**

Statement of comprehensive income

Items *(in €)*		31.12.2025	31.12.2024
10.	**Profit (Loss) for the year**	**131,201,819**	**126,477,695**
	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	(60,958)	(73,646)
30.	Financial liabilities designated at fair value through profit or loss (changes in credit rating)	-	-
70.	Defined benefit plans	200,506	162,704
	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	(2,625,972)	7,892,582
160.	Share of valuation reserves of equity accounted investments	-	-
170.	**Total other income net of taxes**	**(2,486,424)**	**7,981,640**
180.	**Comprehensive income (Item 10+170)**	**128,715,395**	**134,459,335**

Statement of changes in shareholders' equity

Statement of changes in Shareholders' Equity from 1 January to 31 December 2025

(in €)	Balance as at 31.12.2024	Change in opening balances	Balance as at 01.01.2025	Allocation of result for previous year		Changes in the year								Shareholders' equity as at 31.12.2025
				Reserves	Dividends and other allocations	Reserve changes	Transactions on equity						Comprehensive Income as at 31.12.2025	
							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	**259,774,069**	**-**	**259,774,069**	**-**	**-**	**(5,123,398)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**254,650,671**
Reserves	**431,261,161**	**-**	**431,261,161**	**76,561,171**	**-**	**(9,468,192)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**498,354,140**
a) of profits	431,154,598	-	431,154,598	76,561,171	-	(9,468,192)	-	-	-	-	-	-	-	498,247,577
b) other	106,563	-	106,563	-	-	-	-	-	-	-	-	-	-	106,563
Valuation reserves	**3,992,533**	**-**	**3,992,533**	**-**	**-**	**(175,548)**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,486,424)**	**1,330,561**
Capital instruments		**-**		**-**	**-**	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Treasury shares	**(5,522,835)**	**-**	**(5,522,835)**	**-**	**-**	**-**	**5,219,563**	**(2,081,628)**	**-**	**-**	**-**	**-**	**-**	**(2,384,900)**
Profit for the year	**126,477,695**	**-**	**126,477,695**	**(76,561,171)**	**(49,916,524)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**131,201,819**	**131,201,819**
Shareholders' equity	**1,017,976,375**	**-**	**1,017,976,375**	**-**	**(49,916,524)**	**(14,767,138)**	**5,219,563**	**(2,081,628)**	**-**	**-**	**-**	**-**	**128,715,395**	**1,085,146,043**

Statement of changes in Shareholders' Equity from 1 January to 31 December 2024

(in €)	Balance as at 31.12.2023	Change in opening balances	Balance as at 01.01.2024	Allocation of result for previous year		Changes in the year								Shareholders' equity as at 31.12.2024
				Reserves	Dividends and other allocations	Reserve changes	Transactions on equity						Comprehensive Income as at 31.12.2024	
							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	**275,887,767**	**-**	**275,887,767**	**-**	**-**	**(16,113,698)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**259,774,069**
Reserves	**372,616,919**	**-**	**372,616,919**	**68,772,145**	**-**	**33,033**	**-**	**-**	**(10,160,936)**	**-**	**-**	**-**	**-**	**431,261,161**
a) of profits	372,510,356	-	372,510,356	68,772,145	-	33,033	-	-	(10,160,936)	-	-	-	-	431,154,598
b) other	106,563	-	106,563	-	-	-	-	-	-	-	-	-	-	106,563
Valuation reserves	**(3,973,461)**	**-**	**(3,973,461)**	**-**	**-**	**(15,646)**	**-**	**-**	**-**	**-**	**-**	**-**	**7,981,640**	**3,992,533**
Capital instruments		**-**		**-**	**-**	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Treasury shares	**(23,686,096)**	**-**	**(23,686,096)**	**-**	**-**	**-**	**18,810,985**	**(647,724)**	**-**	**-**	**-**	**-**	**-**	**(5,522,835)**
Profit for the year	**101,128,606**	**-**	**101,128,606**	**(68,772,145)**	**(32,356,461)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**126,477,695**	**126,477,695**
Shareholders' equity	**923,967,487**	**-**	**923,967,487**	**-**	**(32,356,461)**	**(16,096,311)**	**18,810,985**	**(647,724)**	**(10,160,936)**	**-**	**-**	**-**	**134,459,335**	**1,017,976,375**

Cash flow statement

A. OPERATING ACTIVITY *(in €)*	31.12.2025	31.12.2024
1. Management	**135,433,148**	**136,504,027**
- interest revenue received (+)	391,215,605	457,600,808
- interest expense paid (-)	(134,821,747)	(192,391,144)
- dividends and similar income (+)	5,264,970	3,622,998
- Profit/loss on hedging activities (+/-)	(48,032)	43,672
- net fees (+/-)	111,900,492	105,785,157
- personnel costs (-)	(124,848,467)	(118,298,165)
- other costs (-)	(82,164,291)	(87,435,022)
- other revenues (+)	32,886,047	31,515,780
- taxes and duties (-)	(63,951,429)	(63,940,058)
- costs/revenues relating to discontinued operations net of tax effect (+/-)	-	-
2. Cash generated/utilised by financial assets	**(609,659,261)**	**286,142,928**
- financial assets held for trading	(13,920,229)	5,564,901
- financial assets designated at fair value	-	-
- other assets necessarily measured at fair value	19,570,708	(186,552)
- financial assets measured at fair value through other comprehensive income	(270,973,424)	(206,986,837)
- financial assets measured at amortised cost	(354,941,281)	467,456,843
- other assets	10,604,967	20,294,575
3. Cash generated/utilised by financial liabilities	**656,041,136**	**(308,717,083)**
- financial liabilities measured at amortised cost	641,319,819	(358,551,510)
- financial liabilities held for trading	(34,821)	(59,934)
- financial liabilities designated at fair value	(2,662,871)	128,935
- other liabilities	17,419,009	49,765,426
Net cash provided by/used in operating activities	**181,815,022**	**113,929,871**

B. INVESTMENT ACTIVITY		
1. Cash flows generated by	**680,745**	**621,930**
- sales of equity investments	-	-
- dividends received on equity investments	-	-
- sales of tangible assets	680,745	621,930
- sales of intangible assets	-	-
- sales of business units	-	-
2. Cash absorbed by	**(25,154,486)**	**(18,849,719)**
- purchases of equity investments	(4,993,727)	-
- purchases of tangible assets	(17,486,568)	(18,813,119)
- purchases of intangible assets	(2,674,190)	(36,600)
- purchases of business units	-	-
Net cash generated/utilised by investment activities	**(24,473,741)**	**(18,227,789)**

C. FINANCING ACTIVITIES		
- issues/Purchases of treasury shares	3,137,935	18,163,261
- issues/Purchases of capital instruments	(14,768,275)	(16,096,312)
- distribution of dividends and other	(49,914,498)	(42,517,397)
Net cash generated/utilised by funding	**(61,544,839)**	**(40,450,448)**
NET LIQUIDITY GENERATED/ABSORBED DURING THE YEAR	**95,796,443**	**55,251,634**

RECONCILIATION	31.12.2025	31.12.2024
Cash and cash equivalents at beginning of year	187,922,220	132,670,583
Total net cash generated/utilised during the year	95,796,443	55,251,634
Cash and cash equivalents: effect of changes in exchange rates	-	-
Cash and cash equivalents at end of year	**283,718,663**	**187,922,217**

NOTES TO THE FINANCIAL STATEMENTS OF THE COMPANY

PART A ACCOUNTING POLICIES

A.1 GENERAL PART

Section 1 DECLARATION OF CONFORMITY WITH THE MAIN INTERNATIONAL ACCOUNTING STANDARDS

This financial statement was prepared in accordance with (It.) Legislative Decree No. 38 of 28 February 2005, in accordance with the accounting standards issued by the International Accounting Standards Board (IASB) and the related interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and approved by the European Commission, as established by Community Regulation No. 1606 of 19 July 2002.
In preparing the Financial Statements, 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 the financial statements, with reference to the phases of classification, recognition, measurement and derecognition of financial assets and liabilities, as well as the methods of recognition of revenues and costs, have nor changed with respect to those adopted for the preparation of the 2024 Financial statements of Volksbank.
For an overview of the standards endorsed in 2025 or those endorsed in previous years, the application of which may be planned or permitted for 2025, reference should be made to the following "Section 4 - Other Aspects", in which the main impacts on the Company are also described.
In addition, the financial statements as at 31st December 2025 have been prepared on the basis of the "Instructions for the preparation of the company's financial statements and the consolidated financial statements of banks and financial companies parent company of banking groups" issued by the Bank of Italy on 22 December 2005 and subsequent updates. These instructions set out in a binding manner the format of the financial statements and the way in which they are drawn up, as well as the content of the Notes to the Financial Statements.

Section 2 GENERAL DRAFTING PRINCIPLES

The financial statements consist of the Balance Sheet (statement of financial position), the Income Statement, the Statement of comprehensive income, the Statement of Changes in Equity, the Cash Flow Statement and the Notes to the Financial Statements and are accompanied by a report by the directors on operations, the economic results achieved and the financial position of Volksbank.
These financial statements have been prepared using the Euro as the reporting currency.
The amounts in the financial statements are expressed in Euros, while the figures in the tables in the Notes to the Financial Statements are expressed - unless otherwise indicated - in thousands of Euros.
In accordance with provisions applicable, the financial statements must be drawn up clearly and give a true and fair view of the financial position, the results of operations and the cash flows for the year. If the information required by international accounting standards and by the provisions contained in the above Circular is considered insufficient to give a true and fair view, the Notes to the Financial Statements provide the additional information needed for this purpose.
If, in exceptional cases, application of a provision of the international accounting standards is incompatible with a true and fair view of the financial position, the results of operations and the cash flows, it will not be applied. In this case, the reasons for possible derogation and its influence on the presentation of the statement of financial position, financial situation and economic result must be explained in the Notes to the Financial Statements.
The financial statements have been drafted in accordance with the following general principles:

- *Going concern*: the financial statements have been prepared on a going concern basis;
- *Accrual basis for accounting*: the financial statements are drafted in accordance with the principle of accrual, regardless of the settlement date;
- *Consistency of presentation*: the presentation and classification of items in the financial statements is constant from one financial year to the next, except when a standard or an interpretation does not require a change in presentation or when another presentation or classification is deemed more appropriate taking into account the

requirements of IAS 8. In the latter case, the explanatory notes provide information on the changes made with respect to the previous year;

- *Relevance and aggregation*: The balance Sheet and the Income statement include items (marked with Arabic numerals), sub-items (marked with letters) and further information (the "of which" of the items and sub-items). Items, sub-items and related information constitute the accounts of the financial statements. The formats comply with those defined by the Bank of Italy in the above Circular 262 of 22 December 2005 as updated. New items may be added to these schedules if their contents cannot be traced back to any of the items already provided for in the schedules and only if they are significant amounts. The sub-items provided for in the diagrams may be grouped together when one of the following two conditions is met:
  a. the amount of the sub-items is immaterial;
  b. the grouping favours the clarity of the financial statements; in this case, the Notes to the Financial Statements contain the sub-items covered by grouping separately.

  The Balance Sheet and the Income statement do not present accounts that do not show amounts for either the year to which the financial statements refer or the previous year.
- *Prevalence of substance over form*: transactions and other events are recognised and presented in accordance with their substance and economic reality and not also taking into account their legal form;
- *Offsetting*: assets, liabilities, revenue and costs are not offset unless this is permitted or required by an international accounting standard or its interpretation or by the provisions of the above Bank of Italy Circular;
- *Comparative information*: comparative information relating to the previous year is provided for each account of the Balance Sheet and the Income statement, unless an accounting standard or interpretation does not allow or provides otherwise. The figures for the previous financial year may be suitably adjusted, where necessary, to ensure the comparability of information for the year in progress. Any non-comparability, adaptation or impossibility of the latter are indicated and commented on in the Explanatory Notes.

The Notes are divided into parts. Each part of the note is divided into sections, each of which illustrates a single aspect of management.

Uncertainties related to the use of estimates

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:

- 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 adequacy of the value of intangible assets;
- quantification of the *fair value* of property;
- 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 with an impact on total revenue and the calculation of the related expected losses, the main estimates concern:
    a. 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 Balance Sheet date;
    b. the inclusion of forward looking factors, including macroeconomic factors, for the determination of the PD;
    c. determination of the probability of sale of impaired financial assets, by realising 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;
- 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).

Section 3 EVENTS FOLLOWING THE DATE OF REFERENCE OF THE FINANCIAL STATEMENTS

On 23 January 2026, the Board of Directors resolved to make use of the option provided for in Article 1, paragraphs 68-73 of the 2025 Budget Law relating to the payment of the extraordinary contribution on the reserve pursuant to Article 26 of Decree-Law No. 104 of 10 August 2023. For more information, please refer to point 1.3 Significant events during the year.

Section 4 OTHER ASPECTS

Deadlines for the approval and publication of the financial statements

Art. 135-sexies of the Legislative Decree 59/98 (TUF) requires that, within one hundred and twenty days of the end of the financial year, the financial statements be approved and the annual financial report, including the financial statements, the report on operations and the certification referred to in article 154-bis, paragraph 5, be published.
The draft financial statements were approved by the Board of Directors on 20 March 2026.

Auditing

The separate financial statements for the year have to be audited, pursuant to Legislative Decree 58/98, by the company KPMG S.p.A., in application of the mandate conferred to that company for the period 2019 - 2027 through shareholders' meeting resolution of 30 March 2019. The audit report is published in full together with the annual financial report, pursuant to art. 14 of Legislative Decree 39/2010.

New accounting standards or amendments to existing ones approved by the European Commission

IASB and IFRS IC documents that have not yet been approved:

IFRS STANDARDS1 AND INTERPRETATIONS	EFRAG endorsement advice	IASB Effective date
IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024)	25.09.2025	01.01.2027
Changes to IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency (issued on 13 November 2025)	26.02.2026	01.01.2027
Changes to IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 21 August 2025)	18.12.2025	01.01.2027

IASB and IFRS IC documents that have been endorsed: the IASB/IFRS IC documents that have been endorsed, their dates of entry into force in the European Union and the dates of endorsement and publication in the Official Journal are shown in the table below ([156]).

IASB AND IFRS IC DOCUMENTS	EU effective date	Date of endorsement	Date of publication in the Official Journal
IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024)	01.01.2027	13.02.2026	16.02.2026
Annual Improvements Volume 11 (issued on 18 July 2024)	01.01.2026	09.07.2025	10.07.2025
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (issued on 18 December 2024)	01.01.2026	30.06.2025	01.07.2025
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024)	01.01.2026	27.05.2025	28.05.2025

With reference to IFRS 18, it should be noted that it will be applicable to annual reporting periods beginning on or after 1 January 2027. Early application is permitted.
IFRS 18 sets out the general requirements for presentation and disclosure in the financial statements. It requires an entity to present a complete set of financial statements at least once a year, including comparative amounts for the pre-

([156]) The complete list of documents endorsed by the EU is available in the Official Journal of the European Union, accessible on EUR-Lex.

vious year (including comparative amounts in the notes). IFRS 18 replaces IAS 1 "Presentation of Financial Statements". In the process of developing IFRS 18, the IASB did not fully review all the provisions of IAS 1, but instead focused on the statement of profit or loss. The IASB retained some paragraphs of IAS 1 within IFRS 18 and transferred others to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and to IFRS 7 "Financial Instruments: Disclosure". In particular, IFRS 18 aims to improve financial reporting:

- requiring the entity to present two new subtotals defined in the statement of profit or loss — operating profit and profit before financing activities and income taxes;
- requiring the entity to provide information on performance measures defined by management — i.e. subtotals of revenues and costs not specified by the IFRS Accounting Standards but used in public communications to illustrate management's view of a particular aspect of the Company's financial performance; and
- introducing new principles for the aggregation and disaggregation of items

Main changes	Description
Classification of revenues and costs in the statement of profit or loss	All revenues and costs are classified in one of the following five categories: Category of investment activities Category of financing activities Operational category Income tax category Category of discontinued operations In general, revenues and costs are classified according to their nature, i.e. the type of asset or liability to which the revenue or cost relates; however, there are exceptions for entities that perform certain main operating activities. In such cases, some revenues and costs that would otherwise be classified in the investment and/or financing categories are presented in the operating category.
Principles of aggregation and disaggregation	A new set of principles has been introduced for the aggregation and disaggregation of assets, liabilities, equity, reserves, revenues, costs and cash flows. The application of these principles entails the presentation, in the primary financial statements, of aggregations and disaggregations of items, as well as the related disclosure in the notes.
Totals and subtotals presented in the profit and loss statement	After classifying the individual revenue and cost items into the appropriate categories and aggregating them to the levels required for presentation in the profit or loss statement, the entity must present the mandatory and additional subtotals resulting from these steps. For example, all entities are required to present "operating profit", which represents the total of revenues and costs classified in the operating category.
Disclosure of Management-Defined Performance Measures (MPMs)	IFRS 18 requires disclosure of MPMs, i.e. subtotals of revenues and costs that: a) the entity uses in its public communications outside the financial statements; b) the entity uses to communicate the management's view of a particular aspect of overall financial performance to users of the financial statements; and c) are not included in paragraph IFRS 18.118 or specifically required by the IFRS Accounting Standards. A common example of MPM is "adjusted profit", which excludes costs for share-based payments and impairment losses on goodwill.
Other changes	Balance Sheet - IFRS 18 requires goodwill to be presented as a separate item in the balance sheet, distinct from other intangible assets. IAS 1 did not require such a breakdown (IAS 1.54(c)). IAS 33 Earnings per Share - Prior to the entry into force of IFRS 18, IAS 33 allowed the presentation of additional measures of earnings per share using a component reported in the statement of comprehensive income as the numerator. - IFRS 18 amends IAS 33 and allows additional measures of earnings per share only when the numerator is: o a total or subtotal specified by IFRS 18 in paragraphs 69, 86 or 118; or or a management-defined performance measure (MPM). - Additional disclosure requirements apply when the entity presents measures per share in addition to basic and diluted earnings (for example, adjusted operating profit per share). These requirements are broader when the measure uses an MPM as a numerator.

Information regarding the impacts potentially deriving from the application of the legislation on global minimum taxation

(It.) Legislative Decree 209/2023, which transposes Directive 2022/2523/EU of 15 December 2022 issued in accordance with the approach shared in the OECD on 14 December 2021 "Global Anti-Base Erosion Model Rules – Pillar Two", introduces into our legal system a supplementary tax for companies located in Italy that are part of a multinational or national group with annual revenues of 750 million euros or more.
Pursuant to Article 18 of the aforementioned Decree, the so-called "minimum national tax" is potentially applicable to groups composed exclusively of companies located in Italy, the structure and content of which are borrowed from the OECD's QDMTT.
Based on the information available to date, there are no significant impacts deriving from the application of this legislation.

Option for national tax consolidation

Volksbank, together with its subsidiaries Quartiere Brizzi S.r.l. and Valpolicella Alta Societa Agricola S.r.l., has opted for application of group taxation (tax consolidation) pursuant to articles 117 et seq.of Presidential Decree 917/86.
Relations between these companies were regulated by private agreement signed by the parties in June 2014 for the three-year period 2014-2016. This option is automatically renewed unless the Group tax interruption option is explicitly exercised. Quartiere Brizzi S.r.l. has been included in the tax consolidation regime since 2018, the year in which the Bank acquired control.
The system allows the single subsidiaries participating in the tax consolidation, having determined the tax burden pertaining to them, to transfer the corresponding taxable revenue (or tax loss) to the parent company, which determines - by making the adjustment for intercompany interest expense provided for in relation to the deductibility of interest expense - a taxable revenue or consolidated tax loss, as the algebraic sum of its own revenue/losses and those of the subsidiaries participating, with identification of the tax payable to or receivable from the tax authorities.
The offsetting of flows relating to transfers resulting from tax profits and losses between the parent company and its subsidiaries is e governed by specific agreements. Those flows are calculated by applying the current IRES rate to the taxable revenue of the companies participating in the consolidation. For companies with tax losses, the compensation, calculated as above, is recognised by the parent company to the subsidiary for losses realised after joining the national tax consolidation system, where those losses are included in the consolidated taxable revenue. Losses realised before joining the national tax consolidation scheme will have to be offset in its taxable revenue only by the consolidated party taking part in accordance with tax rules in force.

A.2 PART RELATING TO THE MAIN BALANCE SHEET ITEMS

The accounting principles applied are shown below, broken down by Balance Sheet item.

A.2.1. Financial assets at fair value through profit or loss (FVTPL)

Classification criteria

This category includes financial assets other than those classified as Financial assets measured at *fair value* through other comprehensive income and as Financial assets measured at amortised cost. The item, in particular, includes:

- financial assets held for trading, mainly consisting of debt and equity securities and the positive value of derivative contracts held for trading;
- financial assets that must be measured at *fair value*, represented by financial assets that do not meet the requirements for measurement at amortised cost or at *fair value* through other comprehensive income. These are financial assets whose contractual terms do not exclusively provide for repayments of principal and payments of interest on the principal amount to be repaid (the so-called "SPPI test") or that are not held in a business model whose target is the possession of assets aimed at collecting contractual cash flows ("Hold to Collect" Business model) or in a business model whose target is achieved both through the collection of contractual cash flows and through the sale of financial assets ("Hold to Collect and Sell" Business model);
- financial assets designated at *fair value*, i.e. the financial assets thus defined at the time of initial recognition, if the conditions are met. In this case, an entity may irrevocably designate a financial asset for recognition as measured at *fair value* through profit or loss if, and only if, by doing so, it eliminates or significantly reduces a valuation inconsistency ("accounting mismatch") that would otherwise emerge from measuring assets or liabilities or from recognising costs and revenues on a different basis.

They find, accordingly, evidence in this entry:

- debt securities and loans that are included in an Other/Trading business model (i.e., not attributable to the "*Hold to Collect*" or "*Hold to Collect and Sell*" business models) or that do not pass the SPPI test, including the portions of syndicated loans subscribed which, from the outset, are intended for sale and which are not attributable to a *Hold to Collect and Sell* business model;
- equity instruments - not qualifying as control, connection or joint control - held for trading purposes or for which it was not decided, on initial recognition, to designate them at *fair value* with an impact on total revenue;
- quotas of UCIs.

The item also includes derivative contracts, recorded under financial assets held for trading, which are represented as assets if the *fair value* is positive and as liabilities if the *fair value* is negative. Positive and negative current values arising from outstanding transactions with the same counterparty may only be offset if there is a current legal right to offset the amounts recognised in the accounts and it is intended to settle the net positions to be offset on a net basis.
Derivatives also include those embedded in complex financial contracts - in which the primary contract is a financial liability - which have been recognised separately because:

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

With regard to classification rules, IFRS 9 does not allow any reclassification for equity securities. For the other categories of financial assets, reclassifications are also not permitted unless the entity changes its business model for man-

agement of financial assets. In those cases, expected to be highly infrequent, financial assets may be reclassified from the category measured at *fair value* through Profit and Loss into one of the other two categories provided for by IFRS 9 (Financial assets measured at amortised cost or Financial assets measured at *fair value* through other comprehensive income). The transfer value is represented by the *fair value* at the time of reclassification and the effects of the reclassification operate prospectively from the date of reclassification. In this case, the effective interest rate of the reclassified financial asset is calculated based on its *fair value* at the reclassification date and this date is considered as the initial recognition date for allocation to the various stages of credit risk (stage assignment) for the purposes of impairment.
For further information on the criteria for the classification of financial instruments, reference should be made to the following chapter "Criteria for the classification of financial assets".

Recognition criteria

Financial assets are initially recognised on the settlement date for debt and equity securities, on the disbursement date for loans and on the subscription date for derivatives.
Upon initial recognition, financial assets measured at *fair value* through Profit and Loss are recognised at *fair value*, without considering transaction costs or revenue directly attributable to the instrument itself.

Measurement criteria

Subsequent to initial recognition, financial assets measured at *fair value* through Profit and Loss are measured at *fair value*. The effects of applying this valuation criterion are charged to the Profit and Loss Account.
Market prices are used to determine the *fair value* of financial instruments listed on an active market. In the absence of an active market, commonly adopted estimation methods and valuation models are used, which take into account all the risk factors related to the instruments and which are based on market data such as: valuation of quoted instruments with similar characteristics, discounted cash flow calculations, option pricing models, values recorded in recent comparable transactions, etc. For equity securities and derivative instruments involving equity securities not listed on an active market, the cost criterion is used as a *fair value* estimate only in a residual way and limited to a few circumstances, i.e. in the case of non-applicability of all the valuation methods mentioned above, or in the presence of a wide range of possible *fair value* assessments, in which the cost represents the most significant estimate.

Cancellation criteria

Financial assets are derecognised only if the disposal has resulted in the substantial transfer of all the risks and rewards associated with the assets. On the other hand, if a significant portion of the risks and rewards relating to the financial assets sold has been retained, they continue to be recorded in the financial statements, even though legally the ownership of the assets has actually been transferred.
In the event that it is not possible to ascertain the substantial transfer of risks and rewards, financial assets are derecognised from the financial statements if no type of control has been retained over them. Otherwise, retention, even in part, of this control entails maintaining the assets in the financial statements to the extent of the residual involvement, measured by the exposure to changes in the value of the assets sold and to changes in the financial flows of the same.
Finally, the financial assets sold are derecognised from the financial statements if the contractual rights to receive the related cash flows are retained, with the simultaneous assumption of an obligation to pay those flows, and only they, without significant delay to other third parties.

A.2.2. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

Classification criteria

This category includes financial assets that meet both of the following conditions:
- the financial asset is held according to a business model whose target is achieved both through the collection of contractual cash flows and through the sale (Business model "Hold to Collect and Sell"), and
- the contractual terms of the financial asset provide, at certain dates, for cash flows represented solely by payments of principal and interest on the amount of principal to be repaid (passing the so-called "SPPI test").

The item also includes equity instruments, not held for trading purposes, for which the option to be designated at *fair value* through other comprehensive income was exercised at the time of initial recognition.
In particular, this item includes the following:
- debt securities that are part of a "Hold to Collect and Sell" business model and passed the SPPI test;
- equity interests, not qualifying as controlling, related or jointly controlled, that are not held for trading purposes, for which the option to be designated at fair value through other comprehensive income has been exercised;
- loans that are linked to a "Hold to Collect and Sell" business model and that have passed the SPPI test, including the portions of syndicated loans subscribed to that, from the outset, are intended for sale and that are linked to a "Business model Hold to Collect and Sell".

Reclassifications to other categories of financial assets are allowed only if the entity changes its business model to manage the financial assets. In those cases, expected to be highly infrequent, financial assets may be reclassified from the category measured at *fair value* through other comprehensive income into one of the other two categories provided for by IFRS 9 (Financial assets measured at amortised cost or Financial assets measured at *fair value* through Profit and Loss).
The transfer value is represented by the *fair value* at the time of reclassification and the effects of the reclassification operate prospectively from the date of reclassification. If the asset is reclassified from the category concerned to amortised cost, the fair value of the financial asset at the reclassification date is adjusted by the accumulated gain (loss) presented in the valuation reserve. In the case of reclassification to the fair value category through Profit and Loss, the accumulated profit (loss previously recognised in the valuation reserve is reclassified from equity to profit (loss) for the year.
No reclassification is permitted for equity securities.
For further information on the criteria for the classification of financial instruments, reference should be made to the following chapter "Criteria for the classification of financial assets".

Recognition criteria

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

Measurement criteria

Subsequent to initial recognition, assets classified at *fair value* through other comprehensive income, other than equity securities, are measured at *fair value*, with the impact of the application of amortised cost, the effects of impairment and any exchange rate effect recognised in the Profit and Loss Account, while other gains or losses arising from a change in *fair value* are recognised in a specific equity reserve until the financial asset is derecognised. Upon disposal, in whole or in part, the gain or loss accumulated in the valuation reserve is reversed, in whole or in part, to the Profit and Loss Account.

The equity instruments chosen for classification in this category are measured at *fair value* and the amounts recognised as a contra-entry to equity (Statement of Comprehensive Income) must not be subsequently transferred to the Profit and Loss Account, even in the event of disposal. The only component relating to the equity securities in question that is recognised in the Profit and Loss Account is the related dividends.
Fair *value* is calculated on the basis of the criteria already described for "Financial assets measured at fair value through Profit and Loss".
For equity securities included in this category, not listed on an active market, the cost criterion is used as a fair value estimate only to a residual extent and limited to a few circumstances, i.e. in the event of the non-applicability of all the valuation methods mentioned above, or in the presence of a wide range of possible *fair value* measurements, in which the cost represents the most significant estimate.
"Financial assets measured at fair value through other comprehensive income" - both in the form of debt securities and loans - are subject to impairment testing, as is the case for Assets at amortised cost, with the consequent recognition in the Profit and Loss Account of an impairment loss to cover expected losses. More specifically, on instruments classified as stage 1 (i.e. on financial assets at the time of origination, if not impaired, and on instruments for which there has been no significant increase in credit risk compared to the initial recognition date), an expected loss of one year is recorded at the initial recognition date and at each subsequent reporting date. On the other hand, for instruments classified as stage 2 (performing instruments for which there has been a significant increase in credit risk since the date of initial recognition) and stage 3 (impaired exposures), an expected loss is recognised for the entire residual life of the financial instrument.
Conversely, equity securities are not subject to impairment.
Reference should be made to the following chapter "Impairment of financial assets" for further details.

Cancellation criteria

Financial assets are derecognised only if the disposal has resulted in the substantial transfer of all the risks and rewards associated with the assets. On the other hand, if a significant portion of the risks and rewards relating to the financial assets sold has been retained, they continue to be recorded in the financial statements, even though legally the ownership of the assets has actually been transferred.
In the event that it is not possible to ascertain the substantial transfer of risks and rewards, financial assets are derecognised from the financial statements if no type of control has been retained over them. Otherwise, retention, even in part, of this control entails maintaining the assets in the financial statements to the extent of the residual involvement, measured by the exposure to changes in the value of the assets sold and to changes in the financial flows of the same.
Finally, the financial assets sold are derecognised from the financial statements if the contractual rights to receive the related cash flows are retained, with the simultaneous assumption of an obligation to pay those flows, and only they, without significant delay to other third parties.

A.2.3. FINANCIAL ASSETS MEASURED AT AMORTISED COST

Classification criteria

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

- the financial asset is held within a business model whose objective is achieved by collecting contractual cash flows ("*Hold to Collect*" Business Model), and
- the contractual terms of the financial asset provide, at certain dates, for cash flows represented solely by payments of principal and interest on the amount of principal to be repaid (the "SPPI test").

More specifically, they are recognised under this heading:

- loans to banks in the different technical forms that meet the requirements set out in the previous paragraph;
- loans to customers in the various technical forms meeting the requirements set out in the previous paragraph;
- debt securities meeting the requirements set out in the previous paragraph.

This category also includes operating receivables associated with the provision of financial activities and services as defined by the Consolidated Banking Act (TUB) and the Consolidated Law on Finance (TUF) (for example for the distribution of financial products and servicing activities).
In accordance with the general rules provided for by IFRS 9 on the reclassification of financial assets, reclassifications to other financial assets categories are not permitted unless the entity changes its business model for the management of financial assets. In these cases, which are expected to be very infrequent, the financial assets may be reclassified from the category measured at amortised cost to one of the other two categories under IFRS 9 (Financial assets at *fair value* through other comprehensive income or Financial assets at *fair value* through profit or loss).
The transfer value is represented by the *fair value* at the time of reclassification and the effects of the reclassification operate prospectively from the date of reclassification. Profits or losses resulting from the difference between the amortised cost of the financial asset and its *fair value* are recognised in the Profit and Loss Account in the case of reclassification to financial assets measured at *fair value* through profit or loss and to equity, in the appropriate valuation reserve, and in the case of reclassification to financial assets measured at *fair value* on comprehensive income.
For further information on the criteria for the classification of financial instruments, reference should be made to the following paragraph "Criteria for the classification of financial assets".

Recognition criteria

Financial assets are initially recognised on the settlement date for debt securities and on the disbursement date for loans. On initial recognition, assets are recorded at *fair value*, including transaction costs or revenue directly attributable to the instrument itself.
In particular, as far as credits are concerned, the date of disbursement normally coincides with the date the contract is signed. If such a coincidence does not occur, a commitment to disburse funds is recorded at the time of signing the contract, which closes on the date of disbursement of the loan. The receivable is recognised on the basis of its *fair value*, equal to the amount disbursed, or subscription price, including costs/revenue directly attributable to the individual receivable and determinable from the start of the transaction, even if settled at a later date.
Excluded are costs that, although meeting the above criteria, are reimbursed by the debtor counterparty or are classifiable as normal internal administrative costs.

Measurement criteria

Subsequent to initial recognition, the financial assets in question are valued at amortised cost, using the effective interest rate method. In these terms, the asset is recognised in the financial statements at an amount equal to its initial recognition value less any capital repayments, plus or minus the cumulative amortisation (calculated using the above-mentioned effective interest rate method) of the difference between this initial amount and the amount at maturity (typically attributable to costs/revenue charged directly to the single asset) and adjusted by any provision to cover losses. The effective interest rate is determined by calculating the rate that equals the present value of the future flows of the asset, for principal and interest, to the amount disbursed including costs/revenue associated with the financial asset itself. This accounting method, using a financial logic, makes it possible to distribute the economic effect of costs/revenue directly attributable to a financial asset over its expected residual life.

The amortised cost method is not used for assets - valued at cost - whose short duration makes the effect of applying the discounting logic negligible, for those without a defined maturity and for revoked receivables.

The valuation criteria, as better indicated in the chapter "Impairment of financial assets", are closely linked to the inclusion of the instruments in question in one of the three stages (stages of credit risk) provided for by IFRS 9, the last of which (stage 3) includes impaired financial assets and the remaining (stages 1 and 2) performing financial assets.

With reference to accounting recognition of the above-mentioned valuation effects, the value adjustments referring to this type of asset are recorded in the Profit and Loss Account:

- at the time of initial recognition, for an amount equal to the expected loss at twelve months;
- at the time of the subsequent valuation of the asset, where the credit risk has not significantly increased with respect to the initial recognition, in relation to changes in the amount of value adjustments for losses expected in the following twelve months;
- at the time of the subsequent valuation of the asset, where the credit risk has significantly increased with respect to the initial recognition, in relation to the recognition of value adjustments for expected losses relating to the entire residual life of the asset as provided for in the contract;
- at the time of the subsequent valuation of the asset, where - after there was a significant increase in credit risk compared to the initial recognition - the "significance" of this increase ceased to exist, in relation to the adjustment of the cumulative value adjustments to take account of the transition from an expected loss over the entire residual life of the instrument ("lifetime") to one to twelve months.

If the financial assets in question are performing, they are valued in order to determine the value adjustments to be recognised in the financial statements at the level of the individual loan ratio (or "tranche" of the security), based on the risk parameters represented by probability of default (PD), loss given default (LGD) and exposure at default (EAD).

If, in addition to a significant increase in credit risk, there is also objective evidence of impairment, the amount of the loss is measured as the difference between the book value of the asset - classified as "impaired", like all other transactions with the same counterparty - and the present value of estimated future cash flows discounted at the original effective interest rate. The amount of the loss, to be recorded in the Profit and Loss Account, is defined on the basis of an analytical valuation process or determined by homogeneous categories and, accordingly, analytically attributed to each position and takes into account, as detailed in the chapter "Impairment of financial assets", "*forward looking*" information and possible alternative recovery scenarios.

Impaired assets include financial instruments that have been granted the status of non-performing, probable default or past due/overdue by more than ninety days according to the rules of the Bank of Italy, consistent with the IAS/IFRS and European Supervision regulations.

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

The original effective rate of interest for each asset remains unchanged over time, even if the relationship has been restructured, resulting in a change in the contractual rate, and even if the relationship becomes, in practice, without contractual interest.

If the reasons for the loss in value are removed as a result of an event subsequent to recognition of the reduction in value, the value is reinstated and charged to the Profit and Loss Account. The write-back may not exceed the amortised cost that the financial instrument would have had in the absence of previous adjustments.
Reversals of write-backs related to the passage of time are recognised in net interest revenue.
In some cases, during the life of the financial assets in question and in particular of the receivables, the original contractual conditions are subject to subsequent change at the request of the contractual parties. When, over the life of an instrument, the contractual clauses are amended, it is necessary to check whether the original asset should continue to be recognised in the financial statements or, on the contrary, whether the original instrument should be derecognised and a new financial instrument recognised.
In general, changes to a financial asset lead to the derecognition of the financial asset and the recognition of a new asset when they are "material". The assessment of the "substantiality" of the change must be made considering both qualitative and quantitative elements. In some cases, in fact, it may be clear, without recourse to complex analyses, that the changes introduced substantially modify the characteristics and/or contractual flows of a given activity while, in other cases, further analyses (including quantitative analyses) will have to be carried out in order to appreciate the effects of the same and verify the need to proceed or not with the cancellation of the activity and the registration of a new financial instrument.
The analyses (qualitative-quantitative) define the "substantiality" of contractual changes made to a financial asset, will accordingly have to consider:

- the purposes for which the changes were made: for example, renegotiations for commercial reasons and concessions due to financial difficulties of the counterparty;
    a) the first, aimed at "retaining" the customer, involve a debtor who is not in financial difficulty. This case includes all renegotiations to adjust the cost of debt to market conditions. These transactions involve a change in the original terms of the contract, usually requested by the debtor, which relates to aspects related to the cost of the debt, with a consequent economic benefit for the debtor. In general, it is considered that, whenever the Company renegotiates in order to avoid losing its customer, this renegotiation should be considered as substantial since, if not done, the customer could finance himself/herself from another intermediary and the Bank would suffer a decrease in expected future revenues;
    b) the latter, carried out for "credit risk reasons" (forbearance measures), are linked to maximising the recovery of cash flows. As a rule, the underlying risks and rewards are not substantially transferred following the changes and, consequently, the accounting representation is based on the "modification accounting" which provides for the recording in the Profit and Loss Account of the difference between the book value and the present value of the modified cash flows discounted at the original interest rate, without derecognition;
- the presence of specific target elements ("triggers") that affect the characteristics and/or contractual flows of the financial instrument (for example, a change in the currency or a change in the type of risk to which one is exposed, when correlated with equity and commodity parameters), which are deemed to entail derecognition in view of their impact (expected to be significant) on the original contractual flows.

Cancellation criteria

Financial assets are derecognised only if the disposal has resulted in the substantial transfer of all the risks and rewards associated with the assets. On the other hand, if a significant portion of the risks and rewards relating to the financial assets sold has been retained, they continue to be recorded in the financial statements, even though legally the ownership of the assets has actually been transferred.
In the event that it is not possible to ascertain the substantial transfer of risks and rewards, financial assets are derecognised from the financial statements if no type of control has been retained over them. Otherwise, retention, even in part, of this control entails maintaining the assets in the financial statements to the extent of the residual involvement, measured by the exposure to changes in the value of the assets sold and to changes in the financial flows of the same.

Finally, the financial assets sold are derecognised from the financial statements if the contractual rights to receive the related cash flows are retained, with the simultaneous assumption of an obligation to pay those flows, and only they, without significant delay to other third parties.

A.2.4. HEDGING TRANSACTIONS

To date, the Company has in place hedging transactions for changes in the fair value of securities held among assets. The Company made the choice, allowed when IFRS 9 was introduced, to continue to fully apply the provisions of IAS 39 on "hedge accounting" (in the carved out version approved by the European Commission) for each type of hedge (for both specific hedges and macro hedges).

Classification criteria: type of hedge

The purpose of risk hedging transactions is to neutralise potential losses attributable to a given risk and recognised on a given element or group of elements, should that particular risk actually arise.
The types of hedging used are as follows:

- *fair* value hedge: the target is to hedge exposure to changes in *fair value* (attributable to different types of risk) of assets and liabilities recorded in the Balance Sheet or portions thereof, groups of assets/liabilities, irrevocable commitments and portfolios of financial assets and liabilities, including core deposits, as permitted by IAS 39 approved by the European Commission. General *fair value* hedges ("macro hedges") are designed to reduce fluctuations in *fair value*, attributable to interest rate risk, by a monetary amount deriving from a portfolio of assets or liabilities;
- cash flow hedges: these are designed to hedge exposure to changes in future cash flows attributable to particular risks associated with items in the financial statements. This type of hedge is used essentially to stabilise the flow of interest on variable-rate deposits to the extent that the latter finance fixed-rate loans. In some circumstances, similar transactions are carried out in relation to certain types of variable rate loans;
- hedging of an investment in foreign currency: this refers to the hedging of the risks of an investment in a foreign company expressed in foreign currency.

Given the choice made to make use of the possibility of continuing to fully apply the rules of IAS 39 for hedging relationships, it is not possible to designate equity instruments classified under Financial assets measured at *fair value* through other comprehensive income (FVOCI) as hedged items for price or exchange rate risk, since these instruments do not impact the Profit and Loss Account, even in the event of a sale (except for dividends which are recognised in the Profit and Loss Account).

Recognition criteria

Hedging derivatives, like all derivatives, are initially recognised and subsequently measured at *fair value*.

Measurement criteria

Hedging derivatives are measured at *fair value*. Specifically:

- in the case of a fair value hedge, the change in the *fair value* of the hedged item is offset by the change in the *fair value* of the hedging instrument. This compensation is recognised through recognition in the Profit and Loss Account of the changes in value, referring both to the hedged item (as regards the changes produced by the underlying risk factor) and to the hedging instrument. Any difference, representing the partial ineffectiveness of the hedge, accordingly constitutes the net economic effect. In the case of generic *fair value* hedging transactions ("macro hedges"), changes in *fair value* with reference to the hedged risk of the hedged assets and liabilities are recorded in the Balance Sheet under item 60 of the assets "Value adjustment of financial assets subject to generic hedging" or 50 of the liabilities "Value adjustment of financial liabilities subject to generic hedging", respectively;

- in the case of cash flow hedges, changes in the *fair value* of the derivative are recognised in equity, for the effective portion of the hedge, and are recognised in the Profit and Loss Account only when, with reference to the hedged item, there is a change in the cash flows to be offset or if the hedge is ineffective;
- hedges of an investment in foreign currency are accounted for in the same way as cash flow hedges.

The derivative instrument is designated as a hedge if there is formal documentation of the relationship between the hedged instrument and the hedging instrument and if it is effective at the time the hedge commences and, prospectively, throughout its life.

The effectiveness of the hedge depends on the extent to which the changes in the *fair value* of the hedged instrument or the related expected cash flows are offset by those of the hedging instrument. Effectiveness is accordingly appreciated by comparing the above changes, taking into account the intention pursued by the company when the hedge was set up. It is effective when changes in the *fair value* (or cash flow) of the hedging instrument neutralise almost entirely, i.e. within the limits set by the range 80--125%, changes in the hedged instrument for the hedged risk element.

The evaluation of effectiveness is carried out at each Financial Statement or interim statement closing using:

- prospective tests, which justify the application of hedge accounting, as they demonstrate its expected effectiveness;
- retrospective tests, which show the degree of effectiveness of the hedge achieved in the period to which they refer, or rather, measure how far the actual results have deviated from the perfect hedge.

If the tests do not confirm the effectiveness of the hedge, from that moment on the hedge accounting, according to the above, is interrupted, the hedging derivative contract is reclassified among the trading instruments and the hedged financial instrument regains the valuation criterion corresponding to its classification in the financial statements.

In the event of the interruption of a generic *fair value* hedging relationship, the cumulative revaluations/write-downs recorded under item 60. "Value adjustment of financial assets subject to generic hedging" or 50. "Value adjustments of financial liabilities subject to generic hedging" are recorded in the Profit and Loss Account under interest revenue or expense over the remaining life of the original hedging relationship, subject to verification that the conditions are met.

A.2.5. EQUITY INVESTMENTS

Classification, recognition and measurement criteria

This item includes interests held in joint ventures and associates.

Joint ventures are entities for which, on a contractual basis, control is shared between the Bank and one or more other parties, or when decisions concerning significant activities require the unanimous consent of all parties sharing control.

Companies subject to significant influence ("associated companies") are those in which the Bank holds at least 20% of the voting rights (including "potential" voting rights) or in which - although with a lower percentage of voting rights - it has the power to participate in determining the financial and operating policies of the subsidiary by virtue of particular legal ties such as participation in shareholders" agreements.

Certain interests of more than 20%, in which the Bank only holds equity rights to a portion of the investment revenue, has no access to management policies and may exercise governance rights limited to the protection of equity interests, are not considered to be subject to significant influence.

If there is objective evidence that an equity investment may be impaired, the entity shall estimate its recoverable amount, taking into account, when available, the present value of the future cash flows that it could generate, including from its ultimate disposal.
If the recoverable amount is lower than the carrying amount, the difference is recognised in the Profit and Loss Account.
If the reasons for the loss in value are removed as a result of an event subsequent to recognition of the reduction in value, the value is reinstated and charged to the Profit and Loss Account.

Cancellation criteria

Equity investments are derecognised when the contractual rights to cash flows from the assets expire or when the investment is sold, essentially transferring all the risks and rewards associated with it.

A.2.6. TANGIBLE FIXED ASSETS

Classification criteria

Tangible fixed assets include land, buildings used for business purposes, investment property, valuable artistic assets, technical equipment, furniture and fittings, as well as equipment of any kind that is expected to be used for more than one period.
Tangible assets held for use in the production or supply of goods and services are classified as "assets for functional use" in accordance with IAS 16. Real estate held for investment purposes (in order to earn rent or for capital appreciation) is classified as "assets held for investment purposes" in accordance with IAS 40.
The item also includes tangible fixed assets classified in accordance with IAS 2 - Inventories, which refer both to assets deriving from the enforcement of guarantees or from the purchase at auction that the company intends to sell in the near future (normally on the basis of IFRS 5), without carrying out significant restructuring work, and which do not have the conditions to be classified in the previous categories, and to the real estate portfolio, including building land, real estate under construction, completed properties for sale and real estate development initiatives, held with a view to disposal.
Finally, assets used under financial lease contracts are recorded under tangible fixed assets, even though their legal ownership remains with the lease company.

Recognition criteria

Tangible fixed assets are initially recognised at cost, which includes, in addition to the purchase price, any additional charges directly attributable to the purchase and commissioning of the asset.
Extraordinary maintenance costs that increase future economic benefits are recognised as an increase in the value of assets, while other ordinary maintenance costs are recognised in the Profit and Loss Account.
Pursuant to IFRS 16, leases are recognised based on the "right of use" model. According to that, at the starting date, the lessee has a financial obligation to make payments due to the lessor to offset its right of use the asset during the lease duration. When the asset is made available to the lessee to be used (initial date), the lessee recognises both the liability and the asset consisting in the right of use.

Measurement criteria

Tangible fixed assets are valued at cost, less any depreciation and impairment losses, with the exception of functional properties and fine art assets, which are valued using the revaluation method.
Real estate held for investment purposes is valued at cost.
In the case of tangible assets subject to valuation using the revaluation method:
- if the carrying amount of an asset is increased as a result of a revaluation, the increase will be recognised in other total revenue and accumulated in equity under the heading of revaluation surplus; instead; if the increase restores a decrease due to a revaluation of the same asset previously recognised in Profit or Loss, it will be recognised as revenue;
- if the carrying amount of an asset is decreased as a result of the revaluation, the decrease will be recognised in other total revenue as a reduction of the revaluation surplus to the extent that there are any credit balances in the revaluation surplus in respect of that asset; otherwise, that reduction will be recognised in Profit or Loss.

At the financial statement date, the Company holds no tangible assets subject to valuation using the revaluation method.
Tangible fixed assets are systematically depreciated using the constant percentage method as the amortisation criteria, over their useful lives. The depreciable amount is represented by the cost of the assets (or by the net re-determined value if the valuation method adopted is the re-determination of value) net of the residual value at the end of the depreciation process, if significant.
Properties are depreciated for a portion deemed appropriate in order to represent the deterioration of the assets over time following their use, taking into account extraordinary maintenance costs, which are added to the value of the assets.
The following are not amortised:
- land, whether acquired singly or incorporated into the value of buildings, as it has an indefinite useful life;
- valuable artistic heritage, other historical, artistic and decorative assets because their useful life cannot be estimated and their value is normally destined to increase over time;
- investment properties for which the fair value method has been chosen, with a balancing entry in the Profit and Loss Account.

If there is any indication that a tangible asset measured at cost may have suffered a loss in value, the carrying amount of the asset is compared with its recoverable amount. Any adjustments are recognised in the Profit and Loss Account. If reasons for the loss cease to exist, the value is written back, which may not exceed the value that the asset would have had, net of the calculated depreciation, in the absence of previous losses in value.

Cancellation criteria

A tangible asset is derecognised from the Balance Sheet at the time of disposal or when the asset is permanently withdrawn from use and no future economic benefits are expected from its disposal.

A.2.7. INTANGIBLE FIXED ASSETS

Classification criteria

Intangible fixed assets are recognised as such if they are identifiable and originate from legal or contractual rights.

Recognition and measurement criteria

Intangible fixed assets are recognised at cost, adjusted for any incidental expenses, only if it is probable that the future economic benefits attributable to the asset will be realised and if the cost of the asset can be measured reliably. Otherwise, the cost of the intangible asset is recognised in the Profit and Loss Account in the year in which it is incurred. For assets with a finite useful life, the cost is amortised on a linear basis or in decreasing amounts, determined on the basis of the inflow of economic benefits expected from the asset. Assets with an indefinite useful life are not amortised on a linear basis, but are tested periodically to determine whether their carrying amount is adequate.
If there is any indication that an asset may be impaired, its recoverable amount is estimated. The loss amount, recorded in the Profit and Loss Account, is equal to the difference between the book value of the asset and its recoverable value.
In particular, intangible fixed assets include:

- technology-based intangible fixed assets, such as application software, which are amortised on the basis of their expected technological obsolescence and in any case no longer than a maximum period of seven years. In particular, costs incurred internally for the development of software projects are intangible fixed assets and are recognised as assets only if all the following conditions are met: i) the cost attributable to the development activity is reliably determinable, ii) there is the intention, availability of financial resources and technical capacity to make the asset available for use or sale, iii) it is demonstrable that the activity is capable of producing future economic benefits. Capitalised software development costs include only those expenses incurred that can be attributed directly to the development process. Capitalised software development costs are systematically amortised over the estimated life of the related product/service to reflect the way in which the future economic benefits arising from the asset are expected to be consumed by the entity from the start of production over the estimated life of the product;
- intangible fixed assets linked to clients, represented by the valuation, on the occasion of aggregation transactions, of asset management relationships. These assets, with a finite life, are originally valued by discounting back, using a rate representing the time value of money and the risks specific to the asset, the cash flows representing profit margins over a period expressing the residual duration, contractual or estimated, of the relationships existing at the time of the combination. They are amortised, for asset management relationships, on a linear basis over the most significant inflow period of the expected economic benefits in the case of relationships not having a predetermined maturity and, for relationships linked to insurance contracts, in decreasing amounts corresponding to the duration period of the contracts in the case of relationships with a defined maturity (residual life of the policies);
- intangible fixed assets related to marketing, represented by the enhancement of the brand name, also registered on the occasion of aggregation operations. This asset is considered to have an indefinite life as it is believed that it can contribute for an indefinite period to the formation of revenue.

Cancellation criteria

An intangible asset is derecognised from the Balance Sheet at the time of disposal or when future economic benefits are no longer expected.

A.2.8. OTHER ASSETS

Other assets essentially include items awaiting settlement and items that do not relate to other Balance Sheet items, including receivables arising from the supply of non-financial goods and services, tax items other than those recognised under own account (for example, related to withholding tax), gold, silver and precious metals and accrued revenue other than those that should be capitalised on the related financial assets, including those arising from contracts with clients pursuant to IFRS 15, paragraphs 116 et seq.

A.2.9. NON-CURRENT ASSETS OR GROUPS OF ASSETS/LIABILITIES HELD FOR SALE

Non-current assets and disposal groups held for sale" and "Liabilities associated with assets held for sale" are classified under assets and liabilities as non-current assets or disposal groups for which a disposal process has been initiated and their sale is considered highly probable. These assets/liabilities are valued at the lower of their book value and their *fair value* net of disposal costs, with the exception of certain types of assets (e.g. financial assets falling within the scope of application of IFRS 9) for which IFRS 5 specifically provides that the valuation criteria of the relevant accounting standard must be applied.
Revenue and expenses (net of the tax effect), relating to groups of assets being disposed of or recognised as such during the year, are shown in the Profit and Loss Account as a separate item.

A.2.10. CURRENT AND DEFERRED TAXES

Revenue taxes, calculated in compliance with national tax legislation, are recorded as costs on an accruals basis, in line with the method of recording the costs and revenues that generated them in the financial statements. They accordingly represent the balance of current and deferred taxes relating to revenue for the year. Current tax Assets and Liabilities include the net balance of the Company's tax positions with the Italian tax authorities. In particular, these items include the net balance between current tax liabilities for the year, calculated on the basis of a prudent forecast of the tax burden due for the year, determined on the basis of current tax regulations, and current tax assets represented by advances and other tax credits for withholding tax incurred or other tax credits from previous years for which the Company has requested offsetting with taxes from subsequent years.
Current tax Assets also include tax credits for which the Company has requested a refund from the competent tax authorities, as well as amounts paid provisionally in the course of a dispute with the tax Authorities. The risk inherent in these proceedings, as well as the risks inherent in proceedings that did not require provisional payments, is assessed according to the logic of IAS 37 in relation to the probability of the use of economic resources for their fulfilment.
Taking into account the adoption of the national tax consolidation by the Company, the tax positions relating to the companies included in consolidation are managed in a separate way from an administrative point of view.
Deferred taxation is calculated on the basis of the balance sheet liability method, taking into account the tax effect of the temporary differences between the book value of assets and liabilities and their tax value, which will determine taxable or deductible amounts in future periods. For these purposes,"taxable temporary differences" are those that in future periods will determine taxable amounts and "deductible temporary differences" are those that in future years will determine deductible amounts.
Deferred taxes are calculated by applying the tax rates established by the laws in force to taxable temporary differences for which there is a reasonable probability that taxes will actually be borne and to deductible temporary differences for which there is a reasonable certainty that there will be future taxable amounts at the time when the related tax deductibility will become apparent (so-called "probability test"). Deferred tax assets and liabilities relating to the same tax and falling due in the same period are offset.

If the deferred tax assets and liabilities refer to items that have affected the Profit and Loss Account, the contra entry is represented by revenue taxes.
In cases where deferred tax assets and liabilities relate to transactions that directly affect equity without affecting the Profit and Loss Account (such as first-time adoption adjustments of IAS/IFRS, valuations of financial instruments recognised at *fair value* through other comprehensive income or derivative contracts hedging cash flows), they are recorded as a balancing entry in equity, involving specific reserves when required (e.g. valuation reserves).
Deferred taxes on balance sheet items suspended for tax purposes that are "taxable in any case of use" are entered in the financial statements as a reduction in equity. Deferred tax liabilities related to revaluation for conversion to the Euro, directly assigned to a specific Reserve pursuant to art. 21 Legislative Decree 213/98 suspended for tax purposes, are recognised in financial statements by reducing the Reserve itself. Deferred taxes relating to balance sheet items suspended for tax purposes "taxable only in the event of distribution" are not recorded in the financial statements, since the amount of available reserves already subject to taxation makes it possible to believe that no transactions involving their taxation will be carried out.
Deferred taxes relating to companies included in the tax consolidation are recorded in the financial statements by the same, in application of the accrual basis of accounting and in consideration of the value of the tax consolidation limited to payment of current tax positions.

A.2.11. PROVISIONS FOR RISKS AND CHARGES

Provisions for pensions and similar obligations

Provisions for pensions are established in accordance with company agreements and qualify as defined-benefit plans. The liability relating to these plans and the related pension cost of current employment services are determined on the basis of actuarial assumptions applying the "Projected Unit Credit Method", which provides for the projection of future disbursements on the basis of historical statistical analyses and the demographic curve and the financial discounting of these flows on the basis of a market interest rate. Contributions paid in each financial year are considered as separate units, recognised and valued individually to calculate the final obligation. The discount rate used is based on the market yields recorded at the valuation dates of primary company bonds, taking into account the average residual duration of the liability. The present value of the obligation at the Balance Sheet date is also adjusted by the fair value of any plan assets.
Actuarial gains and losses (i.e. changes in the present value of the obligation arising from changes in actuarial assumptions and adjustments based on past experience) are recognised in the statement of comprehensive income.

Provisions for risks and charges against commitments and guarantees given

The sub-item "Provisions for risks and charges" includes the provisions for credit risk recognised for commitments to disburse funds and guarantees issued, which fall within the scope of application of the rules on impairment in accordance with IFRS 9. In principle, the same methods of allocation between the three stages (credit risk stages) and calculation of the expected loss shown with reference to financial assets measured at amortised cost or at *fair value* with an impact on total revenue are adopted for these cases.
The aggregate also includes provisions for risks and charges set up to cover other types of commitments and guarantees given which, by virtue of their specific nature, do not fall within the scope of application of the impairment test pursuant to IFRS 9.

Other funds

Other provisions for risks and charges include provisions relating to legal obligations or those related to employment relationships or to disputes, including tax disputes, arising from a past event for which it is probable that economic resources will be disbursed to meet the obligations, provided that a reliable estimate can be made of the relative amount.
Consequently, a provision is recognised if and only if:

- there is a current obligation (legal or implicit) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount resulting from fulfilment of the obligation.

The amount recognised as a provision represents the best estimate of the expenditure required to meet the obligation existing at the financial statement date and reflects the risks and uncertainties that inevitably characterise a number of facts and circumstances. Where the time element is significant, provisions are discounted using current market rates. Provisions and increases due to the time factor are recorded in the Profit and Loss Account.
The provision is reversed when use of resources that can produce economic benefits to fulfil the obligation becomes unlikely or when the obligation is extinguished.
The item also includes long-term employee benefits, the charges for which are determined using the same actuarial criteria as those described for the provision for pensions. Actuarial gains and losses are all recognised immediately in the Profit and Loss Account.

A.2.12. FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

Classification criteria

Amounts due to banks, amounts due to clients and securities issued include the various forms of interbank and client funding, repurchase agreements and funding through certificates of deposit, bonds and other outstanding funding instruments, net of any amounts repurchased.
It also includes debts recorded by the company as a lessee under finance leases.

Recognition criteria

These financial liabilities are first recognised on the date the contract is signed, which normally coincides with the date of receipt of the sums collected or the issue of the debt securities.
Initial recognition is based on the *fair value* of the liabilities, normally equal to the amount received or the issue price, plus any additional costs/revenue directly attributable to the individual funding or issue transaction. Internal administrative costs are excluded.

Measurement criteria

After initial recognition, financial liabilities are measured at amortised cost using the effective interest rate method.
Exceptions are short-term liabilities, for which the time factor is negligible, which remain recorded at the value received.
Lease payables are revalued when there is a lease modification (e.g. a change to the scope of the contract), that is not recognised/considered as a separate contract.

Cancellation criteria

Financial liabilities are derecognised when they expire or are extinguished. Derecognition is also made when previously issued bonds are repurchased. The difference between the carrying amount of the liability and the amount paid to purchase it is recognised in the Profit and Loss Account.
Placement on the market of own securities after their repurchase is considered as a new issue with registration at the new placement price.

A.2.13. FINANCIAL LIABILITIES HELD FOR TRADING

Recognition criteria

These financial instruments are recorded at the date of subscription or issue at a value equal to the *fair value* of the instrument, without considering any transaction costs or revenue directly attributable to the instruments themselves.
This liability category includes, in particular, trading derivatives with a negative *fair value* as well as embedded derivatives with a negative *fair value* that are present in complex contracts - where the primary contract is a financial liability - but not strictly related to them. It also includes liabilities arising from technical overdrafts generated by trading in securities and certificates.

Measurement criteria

All trading liabilities are measured at *fair value* with the measurement result recognised in the Profit and Loss Account.

Cancellation criteria

Financial liabilities held for trading are derecognised when the contractual rights to the related cash flows expire or when the financial liability is transferred with the substantial transfer of all the risks and rewards of ownership.

A.2.14. FINANCIAL LIABILITIES DESIGNATED AT *FAIR VALUE*

Classification criteria

This item includes financial liabilities designated at *fair value* with a balancing entry in the Profit and Loss Account, based on the option granted to companies (so-called "*fair value* option") by IFRS 9 and in compliance with relevant legislation provisions.

Recognition criteria

These liabilities are recognised at the issue date at their *fair value*, including the value of any embedded derivative, net of placement fees paid.

Measurement criteria

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

- changes in *fair value* that are attributable to changes in creditworthiness must be recognised in the Statement of comprehensive income (equity);
- the remaining changes in *fair value* must be recognised in the Profit and Loss Account.

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

Cancellation criteria

Financial liabilities measured at *fair value* are derecognised when the contractual rights to the related cash flows expire or when the financial liability is transferred with the substantial transfer of all the risks and rewards of ownership.

A.2.15. TRANSACTIONS IN CURRENCY

Initial recognition criteria

At initial recognition, foreign currency transactions are recognised in the money of account, applying the exchange rate at the date of the transaction.

Subsequent recognition criteria

At each Balance Sheet or interim reporting date, foreign currency Balance Sheet items are valued as follows:

- monetary items are converted at the exchange rate on the closing date;
- non-monetary items valued at historical cost are converted at the exchange rate in force at the date of the transaction;
- non-monetary items measured at *fair value* are translated using the exchange rates in force at the closing date.

Exchange differences arising from the settlement of monetary items or from the translation of monetary items at rates other than the initial conversion rate, or the conversion rate of the previous financial statements, are recognised in the Profit and Loss Account for the period in which they arise.

When a gain or loss on a non-monetary item is recognised in equity, the exchange difference relating to that item is also recognised in equity. Conversely, when a gain or loss is recognised in the Profit and Loss Account, the related exchange difference is also recognised in the Profit and Loss Account.

A.2.16. OTHER LIABILITIES

Other liabilities essentially include items awaiting settlement and those that do not relate to other balance sheet items.

A.2.17. Other information

Treasury shares

Any treasury shares held are deducted from equity. Similarly, their original cost and the gains or losses from their subsequent sale are recognised as movements in equity.

Accruals and deferrals

Accruals and deferrals that include revenue and expenses for the period accrued on assets and liabilities are recorded in the financial statements as an adjustment to the assets and liabilities to which they refer.

Leasehold improvements

Costs for the renovation of real estate not owned by the company are capitalised in view of the fact that, for the duration of the rental contract, the user company has control of the assets and can gain future economic benefits from them. These costs, classified as Other assets in accordance with Bank of Italy instructions, are amortised over a period not exceeding the duration of the lease agreement.

Employee severance indemnities

The provision for employee severance indemnities is classified as a "post-employment benefit":
- "defined-contribution plan" for employee severance indemnities accruing from 1 January 2007 (date of entry into force of the supplementary pension reform pursuant to Legislative Decree no. 252 of 5 December 2005), both in the case of an employee opting for supplementary pension schemes and in the case of allocation to the treasury fund at INPS. For these portions, the amount recorded under personnel costs is calculated on the basis of the contributions due without application of actuarial calculation methods;
- "defined-benefit plan" recorded on the basis of its actuarial value calculated using the "Projected Unit Credit Method", for the portion of employee severance indemnities accrued up to 31 December 2006.

These portions are recorded on the basis of their actuarial value determined using the projected unit credit method, without application of the pro-rata of the service provided, since the current service cost of the employee severance indemnity has almost entirely matured and its revaluation, for the years to come, is not considered to give rise to significant benefits for employees.
For discounting purposes, the rate used is determined with reference to the market yield on bonds of primary companies, taking into account the average residual duration of the liability, weighted on the basis of the percentage of the amount paid and advanced, for each maturity, with respect to the total to be paid and advanced until the final extinction of the entire obligation.
Plan service costs are recognised as personnel costs, while actuarial gains and losses are recognised in the Statement of comprehensive income.

Share-based payments

Employee remuneration plans based on shares are recorded in the Profit and Loss Account, with a corresponding increase in equity, on the basis of the *fair value* of the financial instruments assigned at the assignment date, dividing the cost over the period envisaged by the plan.
In the presence of options, their *fair value* is calculated using a model that considers, in addition to information such as the exercise price and the life of the option, the current price of the shares and their expected volatility, the expected dividends and the risk-free interest rate, also the specific characteristics of the existing plan. In the valuation model, the option and the probability of achieving the conditions on the basis of which the options were assigned are assessed separately.
The combination of the two values provides the *fair value* of the instrument assigned.
Any reduction in the number of financial instruments granted is accounted for as the cancellation of part of them.

Employee benefits

Employee benefits are all types of remuneration paid by the company in exchange for the work performed by employees. Employee benefits are divided between:
- short-term benefits (other than termination benefits and equity compensation) that are expected to be paid in full within twelve months of the end of the period in which the employees render the service and are recognised in full in the Profit and Loss Account at the time of vesting (for example, "extraordinary" wages, salaries and benefits fall into this category);
- post-employment benefits due after the end of the employment relationship which oblige the company to make future payments to employees. These include severance indemnities and pension funds, which in turn are divided into defined-contribution plans and defined-benefit plans or company pension funds;
- termination benefits, i.e. compensation that the company pays to employees as a counterparty to the termination of the employment relationship, following the company's decision to terminate the employment relationship before the normal retirement date;
- long-term benefits, other than the previous ones, which are not expected to be fully extinguished within the twelve months following the end of the financial year in which the employees worked.

Recognition of income and costs

Revenue can be recognised:
- at a specified time, when the entity fulfils its obligation to do so by transferring the promised good or service to the client, or
- over time, as the entity fulfils its obligation to do so by transferring the promised good or service to the client.

The asset is transferred when, or during the period in which, the client acquires control of it. Specifically:
- the interest payments are recognised pro rata temporis on the basis of the contractual interest rate or the effective interest rate if the amortised cost is applied. Interest revenue (or interest expense) also includes differentials or margins, positive (or negative), accrued up to the Balance Sheet date, relating to financial derivative contracts (i) hedging assets and liabilities that generate interest; (ii) classified in the Balance Sheet in the trading portfolio but linked to financial assets and/or liabilities measured at *fair value* (*fair value* option); (iii) linked to assets and liabilities classified in the trading portfolio that require the settlement of differentials or margins at more than one maturity;
- interest on arrears, which may be provided for by contract, is only recognised in the Profit and Loss Account when it is actually collected;

- dividends are recognised in the Profit and Loss Account in the year in which their distribution is approved;
- commission for revenues from services are recognised, on the basis of the existence of contractual agreements, in the period in which the services were provided. The commission considered in the amortised cost to calculate the effective interest rate is recognised under interest;
- revenues from the sale of financial instruments, determined by the difference between the consideration paid or received for the transaction and the *fair value* of the instrument, are recognised in the Profit and Loss Account upon recognition of the transaction;
- gains and losses arising from trading in financial instruments are recognised in the Profit and Loss Account at the time of completion of the sale, on the basis of the difference between the consideration paid or received and the book value of the instruments themselves;
- revenues from the sale of non-financial assets are recognised when the sale is completed, or when the obligation to do so vis-a-vis the client is fulfilled.

Costs relating to the obtaining and fulfilment of contracts with clients are recorded in the Profit and Loss Account in the periods in which the related revenues are recorded.

A.2.18. The criteria for classifying financial assets

The classification of financial assets in the three categories provided for by IFRS 9 depends on two classification criteria, or drivers: i) the business model with which the financial instruments are managed (or Business Model) and ii) the contractual characteristics of the financial flows of the financial assets (or SPPI Test).
The combined provisions of the two drivers mentioned above give rise to the classification of financial assets, as described below:

- Financial assets valued at amortised cost: assets that pass the SPPI test and fall within the Hold to collect (HTC) business model;
- Financial assets measured at *fair value* with impact on total revenue (FVOCI): assets that pass the SPPI test and fall within the Hold to collect and sell (HTCS) business model;
- Financial assets measured at *fair value through profit or loss* (FVTPL): this is a residual category, which includes financial instruments that cannot be classified in the previous categories based on the results of the business model test or the test on the characteristics of contractual flows (SPPI test not passed).

SPPI tests

In order for a financial asset to be classified at amortised cost or at FVOCI - in addition to the analysis relating to the business model - the contractual terms of the asset itself must provide, on certain dates, for cash flows represented solely by payments of principal and interest on the amount of capital to be repaid ("solely payment of principal and interest" - SPPI). This analysis must be carried out, in particular, for loans and debt securities.
The SPPI test must be carried out on each individual financial instrument at the time of budgeting.
After initial recognition, and as long as it is recognised in the financial statements, the asset is no longer subject to new valuations for the purposes of the SPPI test. If a financial instrument is derecognised and a new financial asset is recognised, the SPPI test on the new asset must be carried out.
To apply the SPPI test, the following definitions will apply:

- Capital: is the *fair value* of the financial asset at the time of initial recognition. This value may change over the life of the financial instrument, for example as a result of repayments of part of the principal;
- Interest: is the consideration for the time value of money and for the credit risk associated with the outstanding principal in a particular period of time. It may also include remuneration for other basic risks and costs associated with lending and a profit margin.

When assessing whether the contractual flows of a financial asset can be defined as SPPI, IFRS 9 refers to the general concept of a "basic lending arrangement", which is independent of the legal form of the asset. When contractual clauses introduce exposure to risks or volatility of contractual cash flows that are not consistent with the definition of basic lending arrangements, such as exposure to changes in share or commodity prices, contractual flows do not meet the definition of SPPI. Application of the classification driver based on contractual cash flows sometimes requires subjective judgement and, accordingly, definition of internal application policies.
In cases where the time value of money is modified - for example, when the interest rate of the financial asset is periodically recalculated, but the frequency of restatement or the frequency of coupon payments does not reflect the nature of the interest rate (e.g. the interest rate is revised monthly on the basis of a one-year rate) or when the interest rate is periodically revised on the basis of an average of particular short or medium/long-term rates - it is assessed, using both quantitative and qualitative elements, whether the contractual flows still meet the definition of SPPI (c. the interest rate is adjusted to reflect the nature of the interest rate).d. benchmark cash flows test). If the test shows that the contractual cash flows (not discounted) are "significantly different" from the cash flows (also not discounted) of a benchmark instrument (i.e. without the modified time value element), the contractual cash flows cannot be considered as meeting the definition of SPPI.
Special analysis (so-called "look through test") are required by the principle and are consequently also implemented for contractually linked instruments ("CLIs") that create concentrations of credit risk for debt settlement and for non recourse assets, for example in cases where the receivable can only be claimed in relation to certain assets of the debtor or to cash flows from certain assets.
The presence of contractual clauses that may change the frequency or amount of contractual cash flows must also be considered to assess whether these flows meet the requirements to be considered as SPPI (e.g. prepayment options, possibility of deferring contractual cash flows, instruments with embedded derivatives, subordinated instruments, etc.). However, as required by IFRS 9, a feature of the contractual cash flows does not affect the classification of the financial asset if it can only have a de minimis effect on the contractual cash flows of the financial asset (in each period and cumulatively). Similarly, if a feature of the cash flows is unrealistic ("not genuine"), or if it affects the contractual cash flows of the instrument only on the occurrence of an extremely rare, very unusual and very unlikely event, it does not affect the classification of the financial asset.
In order to carry out the SPPI test, the Company makes use of the services provided by well-known info-providers for debt security transactions.
A tool based on an internally developed methodology (decision trees) has been developed for the SPPI test in the context of the credit granting processes. In particular, given the significant differences in characteristics, differentiated management is envisaged for products that can be traced back to a contractual standard (typically retail loan portfolio) and for "tailor made" loans (typically corporate loan portfolio).
For standard products, the SPPI test is carried out during structuring of the contractual standard and the result of the test is extended to all individual reports related to the same product. For "tailor made" products, the SPPI test is carried out for each new credit line/relationship submitted to the decision-making body through the use of the proprietary tool.

Business model

As far as the business model is concerned, IFRS 9 identifies three cases in relation to the way in which cash flows and sales of financial assets are managed:
- Hold to Collect (HTC): this is a business model whose target is achieved by collecting the contractual cash flows of the financial assets included in the portfolios associated with it. Inclusion of a portfolio of financial assets in this business model does not necessarily mean that it is impossible to sell the instruments, even if it is necessary to consider the frequency, value and timing of sales in previous years, the reasons for sales and expectations regarding future sales;

- Hold to Collect and Sell (HTCS): is a mixed business model, whose target is achieved both through the collection of contractual cash flows from the financial assets in the portfolio and through a sales activity that is an integral part of the strategy. Both activities (collection of contractual flows and sale) are functional to achieving the business model target. Accordingly, sales are more frequent and significant than an HTC business model and are an integral part of the strategies pursued;
- Others/Trading: this is a residual category that includes both financial assets held for trading and financial assets managed with a business model that cannot be traced back to the previous categories (Hold to Collect and Hold to Collect and Sell). In general, this classification applies to a portfolio of financial assets whose management and performance are measured at *fair value*.

The business model reflects the way in which financial assets are managed to generate cash flows for the benefit of the entity and is defined by top management through the appropriate involvement of business units.

The business model is observed considering the way in which financial assets are managed and, as a consequence, the extent to which the portfolio's cash flows derive from the collection of contractual flows, from the sale of financial assets or from both of these assets. Assessment is not made on the basis of scenarios which, according to reasonable forecasts of the entity, are not likely to occur, such as the so-called worst-case or stress-case scenarios. For example, if the entity expects to sell a particular portfolio of financial assets only in a stress case scenario, that scenario does not affect the assessment of the entity's business model for those assets if that scenario, based on the entity's reasonable expectations, is not expected to occur.

The business model does not depend on the intentions management has with reference to a single financial instrument, but refers to the way in which groups of financial assets are managed in order to achieve a specific business target.

In summary, the business model:

- reflects the way in which financial assets are managed to generate cash flows;
- is defined by top management, through the appropriate involvement of business structures;
- must be observable in view of the way in which financial activities are managed.

In operational terms, the assessment of the business model is carried out in accordance with the company organisation, the specialisation of the business departments, the risk model and the assignment of delegated powers (limits).

In relation to management purposes for which the financial assets are held, it should be noted that a specific document - approved by the competent levels of governance - defines and sets out the elements constituting the business model in relation to the financial assets included in the portfolios managed in the performance of operations on the business structures.

For the Hold to Collect portfolios, the Company has defined the eligibility thresholds for sales that do not affect the classification (frequent but not significant, individually and in aggregate, or infrequent even if of significant amount) and, at the same time, the parameters have been established to identify sales consistent with this business model as they are attributable to an increase in credit risk.

More specifically, sales are allowed under an HTC business model:

- in the event of an increase in credit risk, which occurs:
    a) for securities, when there is a downgrade of predetermined notches to the origination rating. The approach adopted envisages that the number of notches is differentiated according to the origination rating, in line with the methodology in use for the identification of "significant deterioration", i.e. for the staging transition;
    b) in the case of credits, in the case of sale of bad debts or of credits classified as stage 2;
- when they are frequent but not significant in terms of value or occasional even if significant in terms of value. In order to determine these aspects, frequency and significance thresholds have been defined:
    a) the frequency is defined as the percentage ratio between the number of positions sold (ISINs or ratios) during the observation period and the total number of positions in the portfolio during the observation period;
    b) significance is defined as the percentage ratio of the nominal value of sales to the total nominal value of the instruments in the portfolio over the period considered.

Where both frequency and significance thresholds are exceeded at the same time, an additional assessment is required to confirm the consistency of the HTC business model (e.g. to assess whether sales are made close to maturity).

Methods of determining amortised cost

The amortised cost of a financial asset or liability is the value at which, on initial recognition, the financial asset or liability was measured net of principal repayments, increased or decreased by the total amortisation calculated using the effective interest method, by the differences between the initial value and the maturity value and net of any loss in value. The effective interest rate is the rate that equals the present value of a financial asset or financial liability to the contractual flow of future payments in cash or received until maturity or the next date of price recalculation. To calculate the present value, the effective interest rate is applied to the flow of future cash receipts or payments over the entire useful life of the financial asset or financial liability or for a shorter period under certain conditions (e.g. revision of market rates).
Subsequent to initial recognition, the amortised cost makes it possible to allocate revenues and costs deducted from or increased by the instrument over its expected life through the amortisation process. Calculation of the amortised cost differs according to whether the financial assets/liabilities being valued are at a fixed or variable rate and - in the latter case - according to whether the variability of the rate is known in advance or not. For fixed rate instruments or fixed rate ones by time band, future cash flows are quantified on the basis of the known interest rate (single or variable) over the life of the loan. For variable rate financial assets/liabilities, the variability of which is not known in advance (for example because it is linked to an index), cash flows are determined on the basis of the last known rate. At each rate revision date, the amortisation plan and the effective rate of return are recalculated over the entire useful life of the instrument, i.e. up to the expiry date. The adjustment is recognised as a cost or revenue in the Profit and Loss Account.
Amortised cost measurement is carried out for financial assets measured at amortised cost and for those measured at *fair value* through other comprehensive income, as well as for financial liabilities measured at amortised cost.
Financial assets and liabilities traded at market conditions are initially recognised at their *fair value*, which normally corresponds to the amount disbursed or paid inclusive, since they are instruments valued at amortised cost, transaction costs and directly attributable commissions.
Transaction costs are marginal internal or external costs and revenue attributable to the issue, acquisition or disposal of a financial instrument and not chargeable back to the client. These fees, which must be directly attributable to the individual financial asset or liability, affect the original effective yield and make the effective interest rate associated with the transaction different from the contractual interest rate.
Costs/revenue relating indistinctly to several transactions and components related to events that may occur during the life of the financial instrument, but which are not certain at the time of the initial definition, such as, for example: commission for retrocession, for non-use, for early repayment, are excluded. Moreover, the amortised cost does not include costs that the company would have to bear independently of the transaction (e.g. administrative, stationery, communication costs), those that, although specifically attributable to the transaction, fall within the normal practice of managing the loan (e.g. activities aimed at disbursement of the credit), as well as commission for services collected following the performance of Structured Finance activities that would have been collected independently of the subsequent financing of the transaction (such as, for example, facility and arrangement commission).
With particular reference to loans, the following are considered costs attributable to the financial instrument: commission paid to distribution channels, fees paid for consultancy/assistance for the organisation of and/or holding in syndicated loans and, finally, up-front commissions related to loans granted at rates higher than market rates; while revenues considered in the calculation of the amortised cost are up-front commissions related to loans granted at rates lower than market rates, those for holding in syndicated transactions and brokerage commission linked to commission paid by brokerage firms.

With regard to securities not valued at *fair value* through Profit and Loss, transaction costs are considered to be commission for contracts with brokers operating on Italian stock markets, those disbursed to brokers operating on foreign stock markets and bonds defined on the basis of commission tables. Stamps are not considered to be attracted by the amortised cost, as they are not significant.
For the securities issued, commission on the placement of bonds paid to third parties, shares paid to stock exchanges and fees paid to auditors for the work carried out for each individual issue are considered in the calculation of the amortised cost, while commission paid to rating agencies, legal and advisory/revision fees for the annual updating of prospectuses, costs for the use of indices and commission originating during the life of the bond issued are not considered to be attracted by the amortised cost.
Amortised cost is also applied to the valuation of the loss in value of the financial instruments listed above and to the recognition of those issued or purchased at a value other than their *fair value*. The latter are recorded at *fair value*, rather than for the amount received or paid, calculated by discounting future cash flows at a rate equal to the effective rate of return of similar instruments (in terms of creditworthiness, contractual maturities, currency, etc.), with simultaneous recognition in the Profit and Loss Account of a financial charge or revenue. Subsequent to initial valuation, they are valued at amortised cost, with actual interest greater or lesser than nominal interest. Finally, structured liabilities that are not measured at *fair value* are also measured at amortised cost and recognised in the Profit and Loss Account because the derivative contract embedded in the financial instrument has been separated and recognised separately.
As indicated by IFRS 9, in some cases, a financial asset is considered impaired at the time of initial recognition because the credit risk is very high and, in the case of purchase, is purchased with large discounts (compared to the initial disbursement value). If the financial assets in question, based on the application of the classification drivers (i.e. SPPI test and Business model), are classified as assets valued at amortised cost or *fair value* through other comprehensive income, they are classified as "Purchased or Originated Credit Impaired Assets" (in short "POCI") and are subject to special treatment with regard to the impairment process. In addition, on financial assets classified as POCI, an effective interest rate adjusted for the loan is calculated at the date of initial recognition (so-called "credit-adjusted effective interest rate"), for which initial expected losses must be included in financial flow estimates in order to identify it. For the application of the amortised cost, and consequent calculation of the interest, the effective interest rate corrected for the loan is applied.
The amortised cost method does not apply to hedged financial assets/liabilities for which changes in *fair value* relating to the risk hedged are recognised in the Profit and Loss Account. The financial instrument is, however, revalued at amortised cost in the event of termination of the hedge, at which point the previously recorded changes in *fair value* are amortised, calculating a new effective interest rate of return that considers the value of the loan adjusted by the *fair value* of the part subject to the hedge, until the expiry of the hedge originally envisaged. Moreover, as already mentioned in the paragraphs relating to financial assets and liabilities valued at amortised cost, valuation at amortised cost does not apply to financial assets/liabilities whose short duration makes the economic effect of discounting negligible, nor to receivables without a defined maturity or revoked.

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A.2.19. METHODS OF DETERMINING IMPAIRMENT LOSSES

impairment of financial assets

At each financial statement date, in accordance with IFRS 9, financial assets other than those measured at *fair value through profit or loss* are assessed to determine whether there is any evidence that the book value of the assets may not be fully recoverable. A similar analysis is also carried out for commitments to disburse funds and guarantees issued that fall within the scope of impairment pursuant to IFRS 9.

If that evidence exists (so-called "evidence of impairment"), the financial assets in question - consistent, where they exist, with all the remaining assets pertaining to the same counterparty - are considered impaired and are included in stage 3. These exposures, represented by financial assets classified - in accordance with the provisions of Bank of Italy Circular 262/2005 - in the categories of non-performing loans, probable default and exposures past due by more than ninety days, must be subject to value adjustments equal to the expected losses relating to their entire residual life.

impairment of performing financial assets

For financial assets for which there is no evidence of impairment (non-impaired financial instruments), it is necessary, instead, to verify whether there are indicators such that the credit risk of the individual transaction is significantly increased compared to the time of initial recognition. The result of that audit implies classifying the instrument, based on the result, in two different categories (more correctly called "stages"):

- where the indicators exist, the financial asset is included in stage 2. In this case, the valuation, in accordance with international accounting standards and even in the absence of a manifest loss in value, provides for the recognition of value adjustments equal to the expected losses over the entire residual life of the financial instrument. These adjustments are reviewed at each subsequent reporting date both to periodically check their consistency with the constantly updated loss estimates and to take into account - in the event that the indicators of a "significantly increased" credit risk are no longer available - the changed forecast period for calculating the expected loss;
- where these indicators do not exist, the financial asset is included in stage 1. In this case, the valuation, in accordance with the international accounting standards and even in the absence of a manifest loss of value, provides for the recognition of expected losses, for the specific financial instrument, over the following twelve months. Those adjustments are reviewed at each subsequent financial statement date both to periodically check their consistency with the constantly updated loss estimates, and to take into account - in the event of indicators of a "significantly increased" credit risk - the changed forecast period for calculating the expected loss.

With regard to the valuation of financial assets and, in particular, the identification of the "significant increase" in credit risk (a necessary and sufficient condition for the classification of the asset being valued in stage 2), the elements that - pursuant to the principle and its operating articulation by the Company - constitute the main determinants to be taken into consideration are as follows:

- the change in the probability of lifetime default compared to the time of initial recognition of the financial instrument in the financial statements. It is, accordingly, an evaluation carried out by adopting a "relative" criterion, which is configured as the main "driver";
- the possible presence of an overdue one that - without prejudice to the thresholds of significance identified by the regulations - is such as to be at least 30 days old. In this case, in other words, the credit risk of the exposure is presumed to be "significantly increased" and, accordingly, the "passage" in stage 2 follows (if the exposure was previously included in stage 1);
- the possible presence of forbearance measures, which - again on a presumption basis - entail the classification of exposures among those whose credit risk is "significantly increased" with respect to initial recognition;
- the presence, if any, of "observation" master notes, which classify exposures as "Watch lists" or those whose credit risk is "significantly increased" with respect to initial recognition.

The significant increase in credit risk ("SICR"), measured by the change in the probability of default lifetime, is calculated by comparing the relative change in the probability of default lifetime recorded between the date of first recognition of the report and the observation date (Delta PD Lifetime) with predetermined thresholds of significance. The assignment of a PD Lifetime to single relationships is carried out by bringing back the ratings for each segment both on the date of first registration and on observation. Ratings are determined on the basis of internal models, where available, or management models.

This “relative” change in PD is an indicator of the increase or decrease in credit risk during the reference period. In order to determine whether, in accordance with IFRS 9, any increase in credit risk can be considered “significant” (and accordingly involve the transition between stages), it is necessary to define specific thresholds. Lifetime PD increases below these thresholds are not considered significant and, consequently, do not involve the transfer of individual lines of credit/debit tranches from stage 1 to stage 2; such a transfer is, however, necessary in the presence of relative PD increases above the thresholds in question. The thresholds used were estimated on the basis of a process of simulations and optimization of predictive performance, developed using historical granular portfolio data. Specific thresholds are defined for Private, Small business and Corporate models.
The determination of the thresholds has been calibrated in order to find a correct balance between the performance indicators relating to the capacity of the thresholds themselves:
- intercept stage 2 positions before they move to default;
- identify the positions for which the return to stage 1 is synonymous with an effective improvement in creditworthiness.

Some specific considerations apply to the so-called “staging” of securities. Unlike loans, in fact, for this type of exposure, buying and selling operations subsequent to the first purchase (carried out with reference to the same ISIN) can usually fall within the ordinary activity of managing positions (with the consequent need to identify a methodology to be adopted to identify sales and repayments in order to determine the residual quantities of single transactions to which to associate a credit quality/rating to the origination to be compared with that of the reporting date). In this context, it was considered that use of the “first-in-first-out” or “FIFO” method (for the reversal to the Profit and Loss Account of the ECL recorded, in the event of sales and refunds) contributes to more transparent management of the portfolio, also from the point of view of front office operators, allowing, at the same time, a continuous updating of the creditworthiness assessment on the basis of new purchases.
Once allocation of exposures to the various credit risk stages has been defined, expected losses (ECL) are calculated, at the level of single transactions or tranches of securities, based on the parameters of Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD), on which appropriate corrective action is taken to ensure compliance with the specific requirements of IFRS 9.
The following definitions apply to PD, LGD and EAD:
- PD (“Probability of Default”): probability of going from performing to impaired credit status within a one-year time horizon. In models consistent with supervisory requirements, the PD factor is typically quantified through the rating. PD values are derived from the internal rating model where available, supplemented by external ratings or average segment/portfolio data;
- LGD (“Loss Given Default”): percentage of loss in the event of default, quantified through historical experience of recoveries discounted to present value on practices that have been transferred to impaired loans;
- EAD (“Exposure At Default”) or credit equivalent: amount of the exposure at the time of default.

In relation to multi-period EAD, in line with the provisions of IFRS 9, reference is made to plans at amortised cost for both loans and debt securities, regardless of the related valuation methods (amortised cost or *fair value* through other comprehensive income). For commitments to disburse funds (margins), the EAD is, on the other hand, assumed to be the weighted nominal value for a specific Credit Conversion Factor (CCF).
The valuation of financial assets also reflects the best estimate of the effects of future conditions, especially economic conditions, on the basis of which PD forward looking is conditioned. In the context of IFRS 9, also on the basis of the indications of the international Regulators, information on future macroeconomic scenarios in which the Company may find itself operating and which influence the situation of debtors with reference to both the “riskiness” of migration of exposures to lower quality classes (accordingly concerning the “staging”) and the recoverable amounts (accordingly concerning the determination of the expected loss on exposures) are of particular importance. The macroeconomic scenario is obtained from external info providers. Alternative improvement and worsening scenarios are determined by stressing variables in input to forecasting models.

Impairment of non-performing financial assets

Impaired loans classified as non-performing are subject to the following valuation methods:

- analytical-statistical assessment, which is adopted for exposures below certain thresholds, based on the application of specific LGD grids, to which an add-on may be added in order to take account of forward looking information, in particular that relating to the impact of future macroeconomic scenarios;
- analytical-specific valuation, which is adopted for clients with exposures above certain thresholds and is based on the depreciation percentages attributed by the manager, following specific analysis and valuation processes, to which an Add-On component can be added in order to take account of “forward looking” information, in particular that relating to the impacts of future macroeconomic scenarios (with the exception of non-performing loans with mortgage guarantees, for which the impacts of future scenarios are included through the methods of determining the “haircuts” at the value of the properties under warranty);
- inclusion of sales scenarios for assignable non-performing loans: regardless of the division of these exposures between those subject to analytical-statistical evaluation and those subject to analytical-specific evaluation (as identified above), the valuation of assignable non-performing loans also includes the additional components relating to future sales scenarios.

The assessment of unlikely to pay (UTP) defaults is also based on two different approaches:

- analytical-statistical evaluation, for cash exposures below certain thresholds, based on the application of specific statistical grids of LGD to which is added a component of Add-On in order to understand the impacts of future macroeconomic scenarios;
- analytical-specific assessment, for cash exposures above certain thresholds, based on the devaluation percentages attributed by the operator, plus an add-on component in order to take into account, also in this case, the impacts of future macroeconomic scenarios.

Impaired loans classified as past due and/or in excess of limits are, on the other hand, subject to analytical valuation on a statistical basis, regardless of the amount of cash exposure. Again, however, the adjustment defined on the basis of the LGD statistical grids is supplemented to take account of the Add-On component attributable to the effect of future macroeconomic scenarios.

Referred to the alternative recovery scenarios, related to objectives to reduce the non-performing stock held, included in business plans, and any commitments taken with Supervisory Bodies, also specifically referred to the so-called NPL Strategy, the Company considers the sale of certain portfolios is the strategy that can, under certain conditions, maximise the recovery of cash flows, also considering recovery times.

In particular, the Bank of Italy in the document “Guidelines for Italian Less Significant Banks in the Management of Impaired Loans”, which refers to the document “Guidance to banks on non-performing loans” published by the SSM, asked Banks to define a strategy to achieve a progressive reduction of the same.

Further regulatory evolutions have been added to those initial indications, including the measures introduced by the European Union in the first part of the year to reduce risks connected with Non Performing Loans, aimed at calculating minimum prudential allocation levels for bad debts. Due to the overall context, the strategy to reduce aggregates through internal “work-out” had to be strengthened and flanked by other more effective measures, specifically through the sale of a bad debt unlikely to pay portfolio.

As a result, the “ordinary” scenario, which envisages a recovery strategy based on collecting the receivable typically through legal actions, mandates to recovery companies, and the realisation of mortgage guarantees, was accompanied - as a recovery strategy - by the scenario of the sale of the receivable itself. In light of this, for a defined perimeter of non-performing loans with the characteristics of assignability, in order to determine the overall expected loss of the exposures, the recoverable values based on the ordinary internal recovery process and the amounts recoverable from the sale, estimated on the basis of market valuations, have been weighted according to the share of the portfolio destined for sale, as envisaged by the NPL strategy, with respect to the total of the assignable portfolio.

In particular, the recoverable value of assignable non-performing loans was quantified as the average of (i) the "*fair value*" and (ii) the value in the event of recovery through an internal work-out - the "value in the event of collection".
It should be noted that the "collection hypothesis value" was determined according to the ordinary logic followed for the impairment of non-performing loans, i.e. on the basis of an analytical assessment for exposures above a defined threshold and on the basis of an analytical-statistical assessment for the others.
As already mentioned, it should also be noted that the financial assets purchased or originated already impaired (POCI) have particular characteristics with regard to impairment. In this regard, value adjustments equal to the ECL lifetime must be recorded for the instruments in question from the date of initial recognition and for their entire life. At each subsequent financial statement date, the amount of the lifetime ECL must accordingly be adjusted, recording in the Profit and Loss Account the amount of any change in expected losses over the life of the loan as a gain or loss due to impairment. In the light of the above, the POCI financial assets are initially entered in stage 3, without prejudice to the possibility of being subsequently moved to performing loans, on which, however, an expected loss equal to the ECL lifetime will continue to be recorded.
In addition, with regard to impaired loans, non-collectible accounting entries are derecognised/withdrawn and the remainder not yet adjusted is charged to losses, also taking into account the following cases:

- irrecoverable debt, resulting from certain, precise elements (such as, by way of example, unavailability and nullity of the debtor, failure to recover from securities and real estate executions, negative seizures, insolvency proceedings closed with no complete relief for the Bank, if there are no further guarantees usefully enforceable, etc.);
- sale of credit;
- waiver of the claim, as a consequence of unilateral remission of the debt or residue against settlement contracts;
- without waiver of the receivable in the event of very marginal possibilities of recovery, even without any of the elements referred to in the previous points, in the presence of adequate valuation elements, it may be necessary to proceed with the full or partial write-off for non-recoverability of the receivable even without closure of the legal file, thus maintaining the full right to collection of the balances subject to cancellation. The write-off may only affect the portion of the credit covered by provisions.

Impairment of investments

At each financial statement date, investments are tested for impairment in order to determine whether there is objective evidence that the carrying amount of the assets in question may not be fully recoverable.
The impairment detection process involves verifying the presence of indicators of possible reductions in value and determining any write-downs. Impairment indicators can be divided into two main categories: qualitative indicators and quantitative indicators.
Among the qualitative ones, we would like to point out:

- the achievement of negative economic results or, in any case, a significant deviation from budget targets or those set out in long-term plans communicated to the market;
- the announcement/initiation of bankruptcy proceedings or restructuring plans;
- the downward revision of the "rating" of more than two classes;
- failure to meet the obligations of timely, full payment of the debt securities issued;
- the use of industrial policy instruments to deal with serious crises or enable companies to face restructuring/reorganisation processes.

Quantitative indicators include:

- the reduction of the *fair value* below the carrying amount by a significant difference percentage or on a lasting basis;
- market capitalization lower than the book net equity of the company, in the case of securities listed on active markets, or by a book value of the investment in the separate financial statements higher than the book value in the consolidated financial statements of the net assets and goodwill of the subsidiary or by the distribution by the latter of a dividend higher than its total revenue.

The presence of impairment indicators entails the recognition of a write-down, to the extent that the recoverable value is lower than the book value, to be determined by means of a specific valuation.
The recoverable amount is the higher of *fair value* less costs of sale and value in use.
Value in use is the present value of the expected cash flows from the asset; it reflects an estimate of the expected cash flows from the asset, an estimate of possible changes in the amount and/or timing of cash flows, the time value of money, the price that remunerates the riskiness of the asset and other factors that may influence the appreciation by market participants of the expected cash flows from the asset.
When calculating value in use, the future cash flow discounting method is used.

Impairment of other non-financial assets

Tangible fixed assets and intangible fixed assets with a finite useful life are subject to impairment testing if there is an indication that the book value of the asset can no longer be recovered. The recoverable value is determined by reference to the *fair value* of the tangible or intangible asset net of disposal costs or to the value in use if determinable and if it is higher than the *fair value*.
With regard to real estate, in order to verify the presence of impairment indicators, an analysis of the different scenarios of the real estate markets is carried out annually. If these analyses reveal indicators of impairment, an expert opinion is prepared on the properties for which this presence has been verified.
For other tangible and intangible fixed assets (other than those recorded as a result of aggregation transactions) it is assumed that the book value normally corresponds to the value in use, since it is determined by an amortisation process estimated on the basis of the actual contribution of the asset to the production process and the determination of a *fair value* is extremely uncertain. The two values differ, giving rise to impairment, in the event of damage, exit from the production process or other similar non-recurring circumstances.
Intangible fixed assets recognised as a result of acquisitions and in accordance with IFRS 3 at each financial statement date are subject to an impairment test, in order to verify whether there is objective evidence that the asset may be impaired.
Intangible fixed assets with a finite useful life are subject to a new valuation process to verify the recoverability of the values recorded in the financial statements if there are indicators of impairment. The recoverable value is determined on the basis of the value in use, or the present value, estimated using a rate representing the time value of money and the specific risks of the asset, the profit margins generated by the relationships existing at the valuation date over a time horizon expressing the expected residual duration of the same.
Intangible fixed assets with an indefinite life, represented by goodwill, which do not have independent cash flows, are subject to an annual assessment of the adequacy of the value recorded among the assets with reference to the Cash Generating Unit (CGU) to which the values were attributed during the business combination transactions. The amount of any impairment is determined on the basis of the difference between the carrying amount of the CGU and its recoverable amount, represented by the higher of its fair value, net of any costs of sale, and its value in use.
The value in use of a CGU is determined by estimating the present value of the future cash flows expected to be generated by the CGU. These cash flows are determined using the latest available public company plan or, failing that, through the formulation of an internal anticipatory plan by management or through other available external evidence. Normally, the analytical forecast period covers a maximum period of five years. The flow of the last analytical forecast year is projected in perpetuity, through an appropriate growth rate "g" for the purposes of the so-called "Terminal value". The "g" rate is determined assuming as growth factor the lower of the average growth rate recorded in the analytical forecast period and the average development rate of the Gross Domestic Product in the countries where the flows are generated.
In determining value in use, cash flows must be discounted at a rate that reflects current valuations of the time value of money and the risks specific to the asset. In particular, the discount rates used incorporate the risk free component and equity related risk premiums observed over a sufficiently long period of time to reflect different market conditions and economic cycles.

A.2.20. Business combinations

IFRS 3 is the accounting standard of reference for business combinations.
The transfer of control of a business (or of a group of integrated activities and assets, conducted and managed as a unit) constitutes a business combination.
For this purpose, control is deemed to have been transferred when the investor is exposed to, or has rights over, variable returns arising from his relationship with the investee and at the same time has the ability to affect returns by exercising his power over that entity.
IFRS 3 requires a purchaser to be identified for all aggregation transactions. The latter will be identified as the entity that obtains control over another entity or group of activities. If it is not possible to identify a controlling party according to the definition of control described above, as for example in the case of transactions for the exchange of equity interests, the identification of the purchaser must be made using other factors such as: the entity whose *fair value* is significantly higher, the entity that may pay a cash consideration, the entity that issues the new shares.
The acquisition, and accordingly the first consolidation of the acquired entity, will be accounted for on the date on which the purchaser effectively obtains control over the acquired undertaking or assets. When the transaction takes place through a single exchange transaction, the exchange date normally coincides with the acquisition date. However, it is always necessary to check whether there are any agreements between the parties which may involve a transfer of control before the date of the exchange.
The consideration transferred as part of a business combination must be determined as the sum of the *fair value*, at the date of exchange, of the assets sold, the liabilities incurred or assumed and the equity instruments issued by the purchaser in exchange for control.
In transactions involving payment in cash (or when payment is envisaged by means of financial instruments similar to cash), the price is the agreed consideration, which may be discounted if an instalment payment is envisaged for a period longer than the short term; if payment is made by means of an instrument other than cash, i.e. by means of the issue of equity instruments, the price is equal to the *fair value* of the means of payment net of costs directly attributable to the capital issue transaction.
The consideration for the business combination at the acquisition date includes adjustments subject to future events, if provided for in the agreements and only when they are probable, can be reliably determined and are realised within twelve months of the date of acquisition of control, while compensation for reduction in the value of the assets used is not considered because it is already considered either in the *fair value* of the equity instruments or as a reduction in the premium or an increase in the discount on the initial issue in the case of the issue of debt instruments.
These include, for example, professional fees paid to auditors, experts, legal advisers, costs for valuations and auditing of accounts, preparation of information documents required by law, as well as consultancy fees incurred to identify potential targets to be acquired if it is contractually established that payment will be made only in the event of a positive outcome of the combination, and the costs of registering and issuing debt securities or shares.
The purchaser will account for acquisition-related costs as expenses in the periods in which those costs are incurred and the services are received, except for the costs of issuing equity or debt securities which will be recognised in accordance with IAS 32 and IFRS 9.
Business combinations are accounted for using the "acquisition method", whereby the identifiable assets acquired (including any intangible fixed assets previously not recognised by the acquired company) and the identifiable liabilities assumed (including potential liabilities) are recognised at their *fair values* at the acquisition date.
In addition, for each business combination, any minority interests in the acquired company may be recorded at *fair value* (with a consequent increase in the consideration transferred) or in proportion to the share of the minority interest in the identifiable net assets of the acquired companies.

If control is achieved through subsequent purchases, the purchaser must recalculate its previous interest in the acquired company at its *fair value* at the acquisition date and recognise any difference from the previous carrying amount in the Profit and Loss Account.

The excess of the consideration transferred (represented by the *fair value* of the assets transferred, the liabilities incurred or the equity instruments issued by the purchaser), possibly integrated by the value of the minority interests (determined as above) and by the *fair value* of the interests already held by the purchaser, and the *fair value* of the assets and liabilities acquired must be recorded as goodwill; if, on the other hand, the latter are higher than the sum of the consideration, the minority interests and the *fair value* of the shares already held, the difference must be recorded in the Profit and Loss Account.

The accounting for the combination transaction may be provisionally completed by the end of the financial year in which the combination is realised and must be completed within twelve months of the acquisition date.

Entries of further shareholdings in companies already controlled are considered, in accordance with IFRS 10, as a capital transaction, i.e. transactions with shareholders acting in their capacity as shareholders. Accordingly, the differences between the acquisition costs and the book value of the acquired minority interests are entered in the equity; likewise, the sales of minority interests without loss of control do not generate profits/losses in the Profit and Loss Account but changes in the equity.

Transactions aimed at controlling one or more companies that do not constitute a business activity or at controlling on a transitory basis do not constitute business combinations, or, finally, if the business combination is carried out for reorganisation purposes, accordingly between two or more companies or business activities already controlled, and that does not involve a change in the control structures regardless of the percentage of third party rights before and after the transaction (so-called business combinations of companies subject to common control). These operations are considered to lack economic substance. Accordingly, in the absence of specific indications provided for by IAS/IFRS and in compliance with the assumptions of IAS 8, which requires that - in the absence of a specific principle - the company must make use of its own judgement in applying an accounting principle that provides relevant, reliable and prudent information and that reflects the economic substance of the transaction, they are accounted for safeguarding the continuity of the values of the acquired in the financial statements of the purchaser.

Mergers are part of transactions between companies, representing the most complete form of business combination, as they involve both legal and economic unification of the parties involved.

Mergers, whether they be specific, i.e. by the creation of a new legal entity or by "incorporation" with the confluence of a company into another existing company, are treated according to the criteria set out above, in particular:

- if the transaction involves the transfer of control of an entity, it is treated as a combination transaction in accordance with IFRS 3;

if the transaction does not involve the transfer of control, it is accounted for by giving priority to the continuity of the values of the company being acquired.

A.3 INFORMATION ON TRANSFERS BETWEEN PORTFOLIOS OF FINANCIAL ASSETS

A.3.1 Reclassified financial assets: change in business model, carrying amount and interest revenue

No reclassifications of financial assets were made in the financial year 2025.

A.3.2 Reclassified financial assets: change in business model, fair value and effects on total revenue

No reclassifications of financial assets were made in the financial year 2025.

A.3.3 Reclassified financial assets: change in business model and effective interest rate

No reclassifications of financial assets were made in the financial year 2025.

A.4 FAIR VALUE INFORMATION

QUALITATIVE INFORMATION

In terms of financial instrument classification and measurement rules, IFRS 9 indicates that an instrument is measured at *fair value* based on the business model adopted or if it, based on the contractual characteristics of its financial flows, does not pass the SPPI test (Solely Payment of Principal and Interest).
Paragraph 24 of IFRS 13 defines *fair value* as the amount that could be received to sell an asset, or paid to transfer a liability, in an ordinary transaction between market counterparts, in the principal market.
In the case of financial instruments listed on active markets, the *fair value* is determined on the basis of the official listings of the main market, or the most advantageous, to which the Bank has access ("Mark-to-Market"). A market is active if the transactions relating to the asset or liability occur with a frequency and volume sufficient to provide information useful for the determination of the price on an ongoing basis.
In the absence of a listing on an active market or in the absence of regular functioning of the market, i.e. when the market does not have a sufficient and continuous number of transactions, bid-ask spreads and volatility are not sufficiently contained, valuation models fed by market input are used, in particular:
- valuation of listed instruments with similar characteristics;
- discounted cash flow calculations;
- option pricing models, values recorded in recent comparable transactions, prudentially adjusted to take account of the illiquidity of certain market data and other risks associated with specific transactions (reputational, replacement, etc.).

In the absence of market input, valuation models will be based on data estimated internally.
The *fair value* is reported according to a hierarchy based on the quality of the input parameters used to determine it.
The *fair value* hierarchy, in line with IFRS 13 and repeated by Bank of Italy Circular no. 262, gives decreasing priority to valuations based on different market parameters: the highest priority (Level 1) is assigned to valuations based on prices quoted on an active market for identical assets or liabilities; the lowest priority (Level 3) is assigned to those deriving significantly from parameters that cannot be observed.
The *fair value* hierarchy level associated with assets and liabilities is defined as the minimum level of all significant inputs used. The following levels can be distinguished:
- Level 1: listings (unique and without adjustment) recorded on an active market for the single financial instrument being valued.
- Level 2: inputs other than the quoted prices referred to in the previous point, which are observable directly (prices) or indirectly (derived from prices) on the market. In this case, the *fair value* is measured through a comparable approach or through use of a pricing model that does not leave too large a margin of subjectivity and normally used by other financial operators.

- Level 3: significant inputs not observable on the market and/or complex pricing models. In this case, the *fair value* is determined on the assumption of future cash flows that could lead to different estimates for the same financial instrument between different valuers.

The Bank maximises the use of Level 1 market prices, or when not available, models with observable inputs (Level 2). In the case of Level 3 instruments, subjective parameters and judgements based on experience are used and consequently adjustments to the valuations may be made taking into account the bid-ask spread, liquidity or counterparty risk, as well as the type of valuation model adopted.

A.4.1 Fair Value Levels 2 and 3: valuation techniques and inputs used

For assets and liabilities measured at *fair value* on a recurring basis, for which prices directly observable on active markets are not available, *fair value* is determined on the basis of valuation models or on the basis of prices observed for financial instruments with similar characteristics. These instruments are those belonging to *fair value* classes 2 and 3.
To measure the *fair value* of level 2 instruments, a model for discounting expected future cash flows is used; this mainly uses the risk-free curve (in its various forms, i.e. based on swap rates versus Euribor 6 months or 3 months and other inputs such as swaps versus eonia with the same risk-free curve) directly observable on the market.
In particular, in the case of instruments denominated in euros, three *risk-free* curves are concretely used: a curve for simple *discounting* (based on 6-month swap) and another 2 curves (one on 3 months and one on 6 months) for the calculation of *forwards* in securities with 3-month Euribor indexed rate or 6-month Euribor rate.
The discounting calculation also applies the credit spread, quantified on the basis of prices directly observable on the market (even if not on the stock exchange) and provided by external *contributors*. If no prices are available, it is quantified on the basis of comparables, i.e. by analogy with homogeneous securities in terms of duration and credit quality of the issuer, as well as the sector to which they belong.
The following table provides a summary of the main types of instruments in place, with evidence of the relative evaluation models and the main inputs:

Category of financial instruments	Product	Evaluation model	Input of evaluation models
Debt securities	Government securities, corporate bonds	Discounting of flows expected using market parameters, corrected for the issuer risk. For structured securities the optional component is also measured.	Interest rate curves, credit spread communicated by contributors, credit spread from comparables
Unquoted equity securities	Holding fees	Method of transactions observed directly on the same instrument or, in the absence thereof, on similar instruments. Alternatively method of market multiples of comparable companies. In the alternative, financial, revenue and equity valuation methods.	Price data provided by contributors, latest available financial statements
Investments in UCIs	Hedge funds, private equity funds, real estate funds	NAV following analysis of the underlying assets and the methods for evaluating them by the asset management companies.	n/a
OTC derivatives	Interest rate derivatives - SWAP	Discounting of expected flows	Interest rate curves (in particular VS ESTR)
	Financial derivatives on interest rates - Cap-floor	Model of Black	Volatility matrices, risk free rates

Securities classified level 3 are typically structured securities; in the specific case of the portfolio owned by the institution, these are CMS indexed securities ("*constant maturity swap*") or structured *inflation linked* securities or securities for which the quantification of the credit spread is not practicable with the qualitative level mentioned above.

In the case of CMS securities, it should be noted that, in theory, the *forward* rates themselves would be directly observable on the market (implicit in the valuations): however, it is considered that the quality of these *forward* rates cannot be compared with the quality of the 3-month or 6-month Euribor *forward* rate widely used by the market to price similar securities indexed to 3 or 6 months respectively.
In the pricing phase of CMS securities, accordingly, these *forwards* are used, despite the critical issues highlighted above, without the application of *convexity adjustment* and resorting for the rest (discounting curve and credit spread) to the same operating methods mentioned for Level 2 securities.
For structured, *inflation-linked* securities indexed to the Euribor and inflation, *forward* curves are used for the Euribor as well as *forward* inflation curves based on the swap rate curves of the inflation itself.
For level 3 securities, the credit spread is defined on a case-by-case basis by referring to any external contributions or by converting the results of the creditworthiness analysis based on the latest available financial statements into credit spreads.
As at 31st December 2025, exposure at default ("EAD") in non-hedging derivatives was essentially nil.
Measurement at *fair value* of loans is by calculating the current value of future expected cash flows using an appropriate credit spread derived from an internal model.
In any case considering the different seniority of the instrument to be priced related to the issuer's debt structure. In the loan pricing spread application stage, if the "fair" credit curve estimated should not repeat the same characteristics as the instrument, corrective factors would be considered.
Moreover, if reference is made to curves created through bonds to calculate the loan credit spread, a Loan – Bond base will need to be applied, to capture any different market structure and the different technical form.
order to consider the premium requested by the market for illiquid and/or structured instruments, some adjustments are applied to the credit spread also based on specific debtor solvency information.
The fair value of real estate investments held for investment purposes is mainly determined by external valuations, the reference point for which is the current prices for similar assets (value per square metre, prices of similar transactions). The *fair value* obtained is classified at level 3 in the *fair value* hierarchy.

A.4.2 Evaluation processes and sensitivity

Valuation techniques are applied by the Risk Management OU.
The Risk Management OU, hierarchically independent of the *front-office* function, checks prices at least on a monthly basis.
The validation activity consists in verifying the theoretical correctness of the chosen evaluation model as well as the autonomous repricing of single instruments.
The Risk Management Service also validates the newly introduced valuation models, also in relation to acquisition of new financial instruments.
Among the tools used by the Risk Management OU is the ICVS function for the construction of risk-free curves. The Risk Management OU also validates similar curves adopted by the Investment Service.
In addition, the BVAL (Bloomberg Valuation) tool is used to directly validate the prices themselves. These Bloomberg prices have the following characteristics:

- in the case of liquid securities, BVAL prices can be considered as a weighted average of the existing prices provided by the different *contributors* (in addition, of course, to the stock exchange itself, in the case of a security listed on a regulated market);
- in the cases in which the Stock is not liquid, Bloomberg provides to exploit the contained information in Stock of analogous characteristics, but liquid (and accordingly endowed with reliable prices), in order to correctly price the illiquid Stock. In fact, where existing, it uses the few "liquid" prices of the stock to compare the historical trend of the spread of the stock itself with the analogous of securities belonging to the same peer group (defined on a sector basis, duration and cds): by leveraging on simple linear regressions, it then reconstructs the spread and the price at the new date;

- when instead the security to be priced is completely, or almost, devoid of significant prices, then BVAL falls back on the direct use of credit proxies of the security to derive either a par coupon curve (using issues of identical creditworthiness) or a spread curve (using the data obtained in the previous step or, where possible, issues of the same issuer of the target security), with which then to price the bond.

In the presence of highly complex structured securities (e.g. "CMS delta"), in relation to which level 2 prices are not available (such as the prices offered by Bloomberg contributors), the Risk Management OU makes an autonomous estimate possibly based on Monte Carlo simulations in order to provide adequate validation of these market values.

With regard to the sensitivity analysis to be carried out on the "not directly observable" inputs relating to the valuations of level 3 securities at *fair value*, given the above with regard to the CMS indexed securities and the small number of exposures to structured securities, sensitivity analyses were carried out on level 3 debt instruments issued by unlisted entities.

In the latter case, the impact of changes in the input not directly observable, represented by the issuer's credit spread, is quantified (which for securities of more "liquid" issuers, on the contrary, can be determined with reasonable effectiveness by using similar securities or comparables directly observable on the market).

A.4.3 Fair Value Hierarchy

The main factors contributing to transfers between *fair value* levels include changes in market conditions, refinements in valuation models or unobservable inputs. The passage of an instrument from Level 1 to Level 2 and vice versa mainly results from the loss of significance of the price expressed by the active market of reference for the instrument.

The degree of significance of the input data, in particular of the weight that the non-observable ones assume with respect to the observable ones, determines instead the passage from Level 2 to Level 3 or vice versa. No instruments were reclassified during the year.

A.4.4 Other information

As at 31st December 2025, in relation to the requirements of IFRS 13, paragraphs 51, 93 (i) and 96, the following should be noted:

- recurring and non-recurring *fair value* valuations on the basis of maximum and best use relate to certain properties acquired and for which the Bank has not yet begun operations because, as a rule, the relative planning and operational valuations are still in progress;
- the possibility of measuring *fair value* at the level of total portfolio exposure was not used, in order to take into account the offsetting of credit risk and market risk of a given group of financial assets or liabilities.

QUANTITATIVE INFORMATION

A.4.5 Fair Value Hierarchy

A.4.5.1. Assets and liabilities measured at fair value on a recurring basis: breakdown by fair value level

(thousands of €)	31.12.2025			31.12.2024		
Financial assets/liabilities measured at *fair value*	**L1**	**L2**	**L3**	**L1**	**L2**	**L3**
1. Financial assets currency atfair value through profit or loss						
a) financial assets held for trading	-	15,267	-	18	1,682	-
b) financial assets designated at fair value	-	-	-	-	-	-
c) other financial assets that must be measured at fair value	-	33,886	6,323	-	36,618	24,419
2. Financial assets measured at fair value through other comprehensive income	240,881	957,537	10,038	318,508	609,575	4,993
3. Hedging derivatives	-	-	-	-	-	-
4. Tangible fixed assets	-	-	-	-	-	-
5. Intangible fixed assets	-	-	-	-	-	-
Total	**240,881**	**1,006,690**	**16,361**	**318,526**	**647,875**	**29,412**
1. Financial liabilities held for trading	-	12	-	-	47	-
2. Financial liabilities designated at *fair value*	-	-	-	-	-	-
3. Hedging derivatives	-	2,431	-	-	5,094	-
Total	**-**	**2,443**	**-**	**-**	**5,141**	**-**

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

Financial assets measured at fair value on a recurring basis

Financial assets valued on the basis of prices derived from active markets (Level 1) or determined on the basis of observable market parameters (Level 2) represent 97.0% of the carrying amount of financial assets measured at *fair value* on a recurring basis.
Instruments measured significantly on the basis of parameters that cannot be observed on the market (Level 3) represent a marginal share, equal to 3.0%, of total assets measured at *fair value* on a recurring basis, and are represented by a limited number of minority equity investments measured on the basis of internal models classified as financial assets measured at *fair value* through other comprehensive income and by loans classified at *fair value* through Profit and Loss that have not passed the SPPI test, for which *fair value* is measured using internal models.
Financial assets held for trading consist mainly of debt securities held for trading; these are over-the-counter (OTC) contracts whose valuation is carried out using valuation models that significantly use parameters that can be observed on the market or drawn from independent sources (Level 2).

Financial liabilities measured at fair value on a recurring basis

Financial liabilities held for trading are represented by derivative instruments mainly for trading purposes, the *fair value* of which is obtained through valuation techniques that use observable market parameters (Level 2).

Transfers between fair value levels (Level 1 and Level 2)

No transfers of assets or liabilities measured at *fair value* from level 2 to level 1 or transfers of financial assets or liabilities measured at *fair value* from level 1 to level 2 were recorded in 2025.

A.4.5.2. Annual changes in assets measured at fair value on a recurring basis (level 3)

		Financial assets at fair value with impact on Profit and 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**	**24,419**	**-**	**-**	**24,419**	**4,993**	**-**	**-**	**-**
2.	**Increases**	**77**	**-**	**-**	**77**	**5,060**	**-**	**-**	**-**
2.1	Purchasing	-	-	-	-	5,060	-	-	-
2.2	Profits attributed to:	74	-	-	74	-	-	-	-
2.2.1	Profit and Loss Account	74	-	-	74	-	-	-	-
	- of which capital gains	74	-	-	74	-	-	-	-
2.2.2	Shareholders' equity	-	X	X	X	-	-	-	-
2.3	Transfers from other levels	-	-	-	-	-	-	-	-
2.4	Other increases	4	-	-	4	-	-	-	-
3.	**Decreases**	**18,174**	**-**	**-**	**18,174**	**16**	**-**	**-**	**-**
3.1	Sales	-	-	-	-	3	-	-	-
3.2	Refunds	16,153	-	-	16,153	-	-	-	-
3.3	Losses attributed to:	986	-	-	986	13	-	-	-
3.3.1	Profit and Loss Account	986	-	-	986	-	-	-	-
	- of which capital losses	986	-	-	986	-	-	-	-
3.3.2	Shareholders' equity	-	X	X	X	13	-	-	-
3.4	Transfers to other levels	-	-	-	-	-	-	-	-
3.5	Other decreases	1,035	-	-	1,035	-	-	-	-
4.	**Closing inventories**	**6,323**	**-**	**-**	**6,323**	**10,037**	**-**	**-**	**-**

A.4.5.3 Annual changes in liabilities measured at fair value on a recurring basis (level 3)

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

A.4.5.4 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 €)	31.12.2025				31.12.2024			
	BV	L1	L2	L3	BV	L1	L2	L3
1. Financial assets measured at amortised cost	10,249,707	1,911,108	585,950	7,913,901	9,902,139	1,895,374	275,276	7,925,925
2. Tangible assets held for investment purposes	8,795	-	-	15,021	9,086	-	-	15,041
3. Non-current assets and disposal groups held for sale	896	-	-	-	2,228	-	-	-
Total	**10,259,398**	**1,911,108**	**585,950**	**7,928,922**	**9,913,453**	**1,895,374**	**275,276**	**7,940,966**
1. Financial liabilities measured at amortised cost	10,909,509	-	1,134,451	9,700,892	10,268,189	-	1,053,825	9,123,296
2. Liabilities associated with assets held for sale	-	-	-	-	-	-	-	-
Total	**10,909,509**	**-**	**1,134,451**	**9,700,892**	**10,268,189**	**-**	**1,053,825**	**9,123,296**

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

Assets and liabilities not valued at fair value

For “Non-current assets held for sale and disposal groups held for sale” and “Liabilities associated with assets held for sale”, the *fair value* should only be indicated in cases where the amount of the valuation corresponds to the fair value or the *fair value* net of costs of sale (as it is lower than the cost).

Assets and liabilities measured at fair value on a non-recurring basis

For “Non-current assets held for sale and disposal groups held for sale” and “Liabilities associated with assets held for sale”, the *fair value* should only be indicated in cases where the amount of the valuation corresponds to the *fair value* or the fair value net of costs of sale (as it is lower than the cost).
It should be noted that at 31st December 2025 there were assets measured at *fair value* on a non-recurring basis amounting to 0.9 million, relating to properties acquired as part of “foreclosure” transactions.
As at 31st December 2025 there were no liabilities measured at *fair value* on a non-recurring basis.

A.5 INFORMATION ON THE SO-CALLED *“DAY ONE PROFIT/LOSS”*

On the basis of IFRS 7, paragraph 28, we need to provide evidence of the amount of the “*Day One Profit or Loss*” recorded in the Profit and Loss Account as at 31st December 2025, as well as a reconciliation with the initial balance.
“*Day One Profit or Loss*” means the difference between the *fair value* of a financial instrument acquired or issued at the time of initial recognition (transaction price) and the amount determined at that date using a valuation technique.
In this regard, it should be noted that there are no cases that should be disclosed in this section.

PART B INFORMATION ON THE BALANCE SHEET

ASSETS

Section 1 CASH AND CASH EQUIVALENTS - ITEM 10

1.1 Cash and cash equivalents: composition

(thousands of €)		31.12.2025	31.12.2024
a)	Cash	84,453	84,603
b)	Current accounts and on demand deposits at Central banks	195,000	99,000
b)	Current accounts and on demand deposits at banks	4,266	4,319
	Total	**283,719**	**187,922**

This item consists of cash and cash equivalents.

Section 2 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - ITEM 20

2.1 Financial assets held for trading: breakdown by type

(thousands of €)	31.12.2025			31.12.2024		
	L1	L2	L3	L1	L2	L3
A. Cash assets						
1. Debt securities	-	15,144	-	-	1,456	-
1.1 Structured Securities	-	3,571	-	-	-	-
1.2 Other debt securities	-	11,573	-	-	1,456	-
2. Equity securities	-	-	-	18	-	-
3. UCI units	-	-	-	-	-	-
4. Financing	-	-	-	-	-	-
4.1 Reverse repurchase agreements	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
Total A	**-**	**15,144**	**-**	**18**	**1,456**	**-**
B. Derivative instruments						
1. Financial derivatives	-	123	-	-	226	-
1.1 held for trading	-	123	-	-	226	-
1.2 related to the fair *value option*	-	-	-	-	-	-
1.3 other	-	-	-	-	-	-
2. Credit derivatives	-	-	-	-	-	-
2.1 held for trading	-	-	-	-	-	-
2.2 connected with the *fair value option*	-	-	-	-	-	-
2.3 other	-	-	-	-	-	-
Total B	**-**	**123**	**-**	**-**	**226**	**-**
Total (A+B)	**-**	**15,267**	**-**	**18**	**1,682**	**-**

2.2 Financial assets held for trading: breakdown by debtor/issuer/counterparty

(thousands of €)	31.12.2025	31.12.2024
A. CASH ASSETS		
1. Debt securities	**15,144**	**1,456**
a) Central Banks		-
b) Public Authorities		-
c) Banks		-
d) Other finance companies	13,658	-
of which: insurance companies	10,087	-
e) Non-finance companies	1,486	1,456
2. Equity securities		**18**
a) Banks		18
b) Other finance companies:		-
of which: insurance companies		-
c) Non-finance companies		-
d) Other issuers		-
3. UCI units		**-**
4. Financing		**-**
a) Central Banks		-
b) Public Authorities		-
c) Banks		-
d) Other finance companies		-
of which: insurance companies		-
e) Non-finance companies		-
f) Households		-
Total A	**15,144**	**1,474**
B. DERIVATIVE INSTRUMENTS		
a) Central counterparties		-
b) Other	123	226
Total B	**123**	**226**
Total (A+B)	**15,267**	**1,700**

2.3 Financial assets measured at fair value: breakdown by type

At the reporting date there were no financial assets designated at *fair value*.

2.4 Financial assets measured at fair value: breakdown by debtor/issuer

At the reporting date there were no financial assets designated at *fair value*.

2.5 Other financial assets mandatorily measured at fair value: breakdown by type

(thousands of €)	31.12.2025			31.12.2024		
	L1	L2	L3	L1	L2	L3
1. Debt securities	**-**	**-**	**31**	**-**	**-**	**34**
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	-	-	31	-	-	34
2. Equity securities	**-**	**-**	**-**	**-**	**-**	**-**
3. UCI units	**-**	**33,886**	**8**	**-**	**36,618**	**8**
4. Financing	**-**	**-**	**6,284**	**-**	**-**	**24,377**
4.1 Repurchase agreements	-	-	-	-	-	-
4.2 Other	-		6,284	-		24,377
Total	**-**	**33,886**	**6,323**	**-**	**36,618**	**24,419**

2.6 Other financial assets mandatorily measured at fair value: breakdown by debtor/issuer

(thousands of €)	31.12.2025	31.12.2024
1. Equity securities	**-**	**-**
of which: banks	-	-
of which: other financial companies	-	-
of which: non-finance companies	-	-
2. Debt securities	**31**	**34**
a) Central banks	-	-
b) Public authorities:	-	-
c) Banks	-	-
d) Other finance companies	31	34
- of which: insurance companies	-	-
e) Non-finance companies	-	-
3. UCI units	**33,894**	**36,626**
4. Financing	**6,284**	**24,377**
a) Central Banks	-	-
b) Public authorities	-	16,153
c) Banks	-	-
d) Other finance companies	-	-
- of which: insurance companies	-	-
e) Non-finance companies	6,272	8,172
f) Households	12	52
Total	**40,209**	**61,037**

Section 3 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME – ITEM 30

3.1 Financial assets measured at fair value through other comprehensive income: composition by type

(thousands of €)	31.12.2025			31.12.2024		
	L1	L2	L3	L1	L2	L3
1. Debt securities	**240,881**	**882,537**	**-**	**318,257**	**534,575**	**-**
1.1 Structured securities	-	304,683	-	-	66,638	-
1.2 Other debt securities	240,881	577,854	-	318,257	467,937	-
2. Equity securities	**-**	**75,000**	**10,038**	**250**	**75,000**	**4,993**
3. Financing	**-**	**-**	**-**	**-**	**-**	**-**
Total	**240,881**	**957,537**	**10,038**	**318,507**	**609,575**	**4,993**

3.2 Financial assets measured at fair value through other comprehensive income: breakdown by debtor/issuer

(thousands of €)	31.12.2025	31.12.2024
1. Debt securities	**1,123,418**	**852,833**
a) Central Banks	-	-
b) Public authorities	248,353	322,660
c) Banks	728,005	486,891
d) Other finance companies	104,384	42,017
of which: insurance companies		
d) Non-finance companies	42,676	1,265
2. Equity securities	**85,039**	**80,243**
a) Banks	75,056	75,056
b) Other issuers:	9,983	5,187
- other finance companies	6,768	1,960
of which insurance companies	5,058	-
- non-finance companies	3,215	3,227
- other	-	-
3. Financing	**-**	**-**
a) Central Banks	-	-
b) Public authorities	-	-
c) Banks	-	-
d) Other finance companies	-	-
of which insurance companies		
e) Non-finance companies	-	-
f) Households	-	-
Total	**1,208,457**	**933,076**

3.3 Financial assets measured at fair value through other comprehensive income: gross value and total value adjustments

	Gross value					**Overall value adjustments**				
	First stage	of which: instruments with low credit risk	Second stage	Third stage	impaired acquired o originated	First stage	Second stage	Third stage	impaired acquired o originated	**Overall partial overall ***
(thousands of €)										
Debt securities	1,124,024	-	-	-	-	(606)	-	-	-	-
Financing		-	-	-	-		-	-	-	-
Total as at 31.12.2025	**1,124,024**	**-**	**-**	**-**	**-**	**(606)**	**-**	**-**	**-**	**-**
Total as at 31.12.2024	**853,424**	**-**	**-**	**-**	**-**	**(592)**	**-**	**-**	**-**	**-**
of which: financial assets impaired acquired or originated	X	X	-	-	X	-	-	-	-	-

* value to be indicated for information purposes

Section 4 FINANCIAL ASSETS MEASURED AT AMORTISED COST - ITEM 40

4.1 Financial assets measured at amortised cost: breakdown of loans to banks by type

Transaction type/Values	Total as at 31.12.2025						Total as at 31.12.2024					
	Book value			*Fair value*			Book value			*Fair value*		
	First and second stage	Third stage	of which: impaired acquired or originated	L1	L2	L3	First and second stage	Third stage	of which: impaired acquired or originated	L1	L2	L3
(thousands of €)												
A. Loans to Central Banks	**124,122**	**-**	**-**	**-**	**-**	**124,122**	**85,272**	**-**	**-**	**-**	**-**	**85,272**
1. Fixed-term deposits	-	-	-	X	X	X	-	-	-	X	X	X
2. Minimum reserve	124,122	-	-	X	X	X	85,272	-	-	X	X	X
3. Repurchase agreements	-	-	-	X	X	X	-	-	-	X	X	X
4. Other	-	-	-	X	X	X	-	-	-	X	X	X
B. Loans and advances to banks	**252,254**	**-**	**-**	**-**	**208,791**	**36,312**	**194,174**	**-**	**-**	**-**	**130,672**	**55,526**
1. Financing	2,447	-	-	-	-	2,446	5,511	-	-	-	-	5,511
1.1. Current accounts	-	-	-	X	X	X	-	-	-	X	X	X
1.2. Fixed-term deposits	50	-	-	X	X	X	50	-	-	X	X	X
1.3. Other loans:	2,397	-	-	X	X	X	5,461	-	-	X	X	X
- Reverse repurchase agreements	-	-	-	X	X	X	-	-	-	X	X	X
- Loans for leases	-	-	-	X	X	X	-	-	-	X	X	X
- Other	2,397	-	-	X	X	X	5,461	-	-	X	X	X
2. Debt securities	249,807	-	-	-	208,791	33,865	188,663	-	-	-	130,672	50,015
2.1. Structured securities	101,632	-	-	-	102,227	-	30,196	-	-	-	31,422	50,015
2.2. Other debt securities	148,175	-	-	-	106,564	33,865	158,467	-	-	-	99,251	-
Total	**376,376**	**-**	**-**	**-**	**208,791**	**160,434**	**279,446**	**-**	**-**	**-**	**130,672**	**140,798**

Key

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

4.2 Financial assets measured at amortised cost: breakdown of loans to customers by type

Transaction type/Values	Total as at 31.12.2025						Total as at 31.12.2024					
	Book value			*Fair value*			Book value			Fair value		
	First and second stage	Third stage	of which: impaired acquired or originated	L1	L2	L3	First and second stage	Third stage	of which: impaired acquired or originated	L1	L2	L3
(thousands of €)												
1. Financing	**7,357,788**	**111,296**	**-**	**-**	**-**	**7,654,432**	**7,321,774**	**123,921**	**-**	**-**	**-**	**7,703,574**
1.1. Current accounts	763,662	23,382	-	X	X	X	794,599	31,399	-	X	X	X
1.2. Reverse repurchase agreements	-	-	-	X	X	X	-	-	-	X	X	X
1.3. Mortgages	6,091,703	85,862	-	X	X	X	5,962,846	89,694	-	X	X	X
1.4. Credit cards, personal	51,079	484	-	X	X	X	50,980	564	-	X	X	X
loans and salary-backed loans	-	-	-	X	X	X	-	-	-	X	X	X
1.5. Loans for leases	-	-	-	X	X	X	-	-	-	X	X	X
1.6. Factoring	-	-	-	X	X	X	-	-	-	X	X	X
1.7. Other loans	451,344	1,568	-	X	X	X	513,349	2,264	-	X	X	X
2. Debt securities	**2,404,163**	**84**	**-**	**1,911,108**	**377,159**	**99,035**	**2,174,662**	**2,334**	**-**	**1,895,374**	**144,604**	**81,554**
2.1. Structured securities	20,840	-	-	-	-	20,751	19,099	-	-	-	-	19,041
2.2. Other debt securities	2,383,323	84	-	1,911,108	377,159	78,284	2,155,563	2,334	-	1,895,374	144,604	62,513
Total	**9,761,951**	**111,380**	**-**	**1,911,108**	**377,159**	**7,753,467**	**9,496,436**	**126,255**	**-**	**1,895,374**	**144,604**	**7,785,128**

4.3 Financial assets measured at amortised cost: breakdown of loans to customers by debtor/issuer

Transaction type/Values (thousands of €)	Total as at 31.12.2025			Total as at 31.12.2024		
	First and second stage	Third stage	of which: impaired acquired or originated	First and second stage	Third stage	of which: impaired acquired or originated
1. Debt securities	**2,404,163**	**84**	**-**	**2,174,662**	**2,334**	**-**
a) Public authorities	2,256,020	-	-	1,985,174	-	-
b) Other financial companies	50,252	-	-	97,141	-	-
of which: insurance companies	-	-	-	-	-	-
c) Non-financial companies	97,891	84	-	92,347	2,334	-
2. Loans to:	**7,357,788**	**111,296**	**-**	**7,321,776**	**123,921**	**-**
a) Public authorities	89,422	1	-	72,028	1	-
b) Other financial companies	229,342	21	-	304,895	14	-
of which: insurance companies	8,632	-	-	8,641	-	-
c) Non-financial companies	3,633,270	71,187	-	3,513,881	84,648	-
d) Households	3,405,754	40,087	-	3,430,972	39,258	-
Total	**9,761,951**	**111,380**	**-**	**9,496,438**	**126,255**	**-**

4.4 Financial assets measured at amortised cost: gross amount and overall adjustments in value

Transaction type/ Values (thousands of €)	Gross value					Overall value adjustments				**Overall partial write-offs***
	First stage	of which: instruments with low credit risk	Second stage	Third stage	Impaired acquired or originated	First stage	Second stage	Third stage	Impaired acquired or originated	
Debt securities	2,653,762	-	2,600	84	-	1,530	862	-	-	-
Financing	6,806,846	67,469	758,587	260,302	-	36,848	44,228	149,005	-	34,488
Total as at 31.12.2025	**9,460,608**	**67,469**	**761,187**	**260,386**	**-**	**38,378**	**45,090**	**149,005**	**-**	**34,488**
Total as at 31.12.2024	**9,045,046**	**102,798**	**820,049**	**304,206**	**-**	**43,665**	**45,547**	**177,950**	**-**	**32,178**

* value to be indicated for information purposes

Section 5 HEDGING DERIVATIVES - ITEM 50

5.1 Hedging derivatives: breakdown by type of hedge and levels

There were no hedging derivatives at the reporting date.

5.2 Hedging derivatives: breakdown by hedged portfolios and by type of hedge

There were no hedging derivatives at the reporting date.

Section 6 VALUE ADJUSTMENT OF FINANCIAL ASSETS SUBJECT TO MACRO HEDGING - ITEM 60

6.1 Adjustments in value of hedged assets: breakdown by hedged portfolios

At the reporting date there were no financial assets subject to macro hedging.

Section 7 SHAREHOLDINGS - ITEM 70

7.1 Equity investments: information on shareholding relations

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%

7.2 Significant equity investments: book value, fair value and dividends received

The company had no significant interests at the reporting date.

7.3 Significant equity investments: accounting information

The company had no significant interests at the reporting date.

7.4 *Non-significant equity investments: accounting information*

Name *(thousands of €)*	Book value of invest-ments	Total assets	Total liabilities	Total reve-nues	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)	Comprehen-sive income (3) = (1)+(2)
A. Wholly controlled subsidiaries									
1. Valpolicella Alta Società Agricola S.r.l.	4,176	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.	4,994	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	7,801	7,342	827	80	-	80	-	80

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

7.5 *Equity investments: annual changes*

(thousands of €)	31.12.2025	31.12.2024
A. Opening balance	**5,105**	**4,362**
B. Increases	**4,994**	**743**
B.1 Purchasing	1,194	-
B.2 Write-backs	-	-
B.3 Revaluations	-	-
B.4 Other changes	3,800	743
C. Decreases	**754**	**-**
C.1 Sales	-	-
C.2 Value adjustments	11	-
C.3 Write-downs	-	-
C.4 Other changes	743	-
D. Closing inventories	**9,345**	**5,105**
E. Total revaluations	**-**	**-**
F. Total adjustments	**-**	**-**

Items B.4 and C.4 "Other changes" are due to changes in the value of equity investments as a result of profits or losses recorded by investee companies and recognised in the net assets.

Results of *impairment* tests on equity investments

As described in "Part A - Accounting policies", equity investments are tested for impairment in order to assess the recoverability of the book value indicated in the financial statements.
On identifying signs of potential impairment, particular significance was attributed to the analysis of financial performance after the date of acquisition of control and, where available, the outlook for future income.

To reveal any situations of impairment, the book value of the investment was compared with its recoverable amount. Based on what is established by IAS 36, the recoverable amount is the higher between *fair value* less costs of sale and value in use.
On the basis of the above, the impairment test on the values as at 31st December 2025 did not result in a need to make value adjustments.

7.6 Commitments referred to equity investments in joint ventures

At the reporting date there were no commitments to equity investments in joint ventures.

7.7 Commitments referred to investments in companies subject to significant influence

At the reporting date there were no commitments to invest in companies subject to significant influence.

7.8 Significant restrictions

On the reporting date, there were no significant restrictions on equity investments.

7.9 Other information

For most equity investments, the closing times of the year-end financial statements are not compatible with the closing times of Volksbank's financial statements. Application of the equity method refers to the latest available accounting report, consisting in most cases of the half-yearly financial report or, if not available, the financial statements for the previous year.
If the accounting reports of the investee company used in the application of the equity method refer to a date other than the date of reference of the Volksbank financial statements, any adjustments made take into account the known effects of significant transactions or events that occurred between the date of the accounting statement and the date of reference of the financial statements.

Section 8 TANGIBLE FIXED ASSETS - ITEM 80

8.1 Tangible assets for functional use: breakdown of assets measured at cost

(thousands of €)		31.12.2025	31.12.2024
1	**Owned assets**	**128,080**	**124,263**
	a) Land	40,453	39,662
	b) Buildings	71,840	69,175
	c) Furniture	3,335	3,136
	d) Electronic systems	5,315	5,736
	e) Other	7,137	6,554
2	**Rights of use acquired with leases**	**19,563**	**19,809**
	a) Land	-	-
	b) Buildings	19,525	19,809
	c) Furniture	-	-
	d) Electronic systems	-	-
	e) Other	38	-
	Total	**147,643**	**144,072**
	of which: obtained through enforcement of guarantees received	-	-

8.2 Tangible assets held for investment purposes: breakdown of assets measured at cost

Assets/Amounts		Total as at 31.12.2025				Total as at 31.12.2024			
(thousands of €)		Book value	L1	L2	L3	Book value	L1	L2	L3
1.	**Owned assets**	**8,795**	**-**	**-**	**8,795**	**9,086**	**-**	**-**	**9,066**
	a) Land	1,342	-	-	1,342	1,480	-	-	1,460
	b) Buildings	7,453	-	-	7,453	7,606	-	-	7,606
2.	**Rights of use acquired with leases**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	a) Land	-	-	-	-	-	-	-	-
	b) Buildings	-	-	-	-	-	-	-	-
	Total	**8,795**	**-**	**-**	**8,795**	**9,086**	**-**	**-**	**9,066**
	of which: obtained through enforcement of guarantees received	-	-	-	-	-	-	-	-

8.3 Tangible assets for functional use: breakdown of revalued assets

At the reporting date there were no revalued tangible assets for functional use.

8.4 Tangible assets held for investment purposes: breakdown of assets measured at fair value

At the reporting date there were no tangible assets held for investment purposes at *fair value*.

8.5 Inventories of tangible assets governed by IAS 2: breakdown

At the reporting date there were no inventories of tangible assets subject to IAS 2.

8.6 Tangible assets for functional use: annual changes

(thousands of €)		Land	Buildings	Furniture	Electronic equipment	Other	Total
A.	**Gross opening balances**	**42,378**	**163,249**	**45,216**	**45,470**	**46,436**	**342,749**
	A.1 Total net impairment losses	2,716	74,265	42,080	39,734	39,882	198,677
	A.2 Net opening balances	39,662	88,984	3,136	5,736	6,554	144,072
B.	**Increases:**	**791**	**12,841**	**787**	**1,802**	**2,650**	**18,871**
	B.1 Purchasing	791	4,389	787	1,795	2,650	10,412
	B.2 Capitalised improvement costs	-	3,595	-	-	-	3,595
	B.3 Write-backs	-	-	-	-	-	-
	B.4 Fair value gains recognised in:	-	-	-	-	-	-
	a) Shareholders' equity	-	-	-	-	-	-
	b) Profit and Loss	-	-	-	-	-	-
	B.5 Exchange rate gains	-	-	-	-	-	-
	B.6 Transfers from properties held for investment purposes	-	-	X	X	X	-
	B.7 Other changes	-	4,857	-	7	-	4,864
C.	**Decreases**	**-**	**10,459**	**588**	**2,223**	**2,030**	**15,300**
	C.1 Sales	-	-	-	2	19	21
	C.2 Amortisation	-	9,074	588	2,221	2,004	13,887
	C.3 Impairment losses recognised in:	-	-	-	-	-	-
	a) shareholders' equity	-	-	-	-	-	-
	b) Profit and Loss	-	-	-	-	-	-
	C.4 Fair value losses recognised in:	-	-	-	-	-	-
	a) shareholders' equity	-	-	-	-	-	-
	b) Profit and Loss	-	-	-	-	-	-
	C.5 Exchange rate losses	-	-	-	-	-	-
	C.6 Transfers to:	-	-	-	-	-	-
	a) tangible assets held for investment purposes	-	-	X	X	X	-
	b) assets held for sale	-	-	-	-	-	-
	C.7 Other changes	-	1,385	-	-	7	1,392
D.	**Net closing balance**	**40,453**	**91,366**	**3,335**	**5,315**	**7,174**	**147,643**
	D.1 Total net depreciation and impairment losses	2,716	81,828	42,453	41,454	41,115	209,566
	D.2 Gross closing balances	43,169	173,194	45,788	46,769	48,289	357,209
E.	**Valuation at cost**	**-**	**-**	**-**	**-**	**-**	**-**

8.7 Tangible assets held for investment purposes: annual changes

(thousands of €)		Land	Buildings
A.	**Opening balance**	**1,480**	**7,606**
B.	**Increases:**	**-**	**349**
	B.1 Purchasing	-	-
	B.2 Capitalised improvement costs	-	349
	B.3 Fair value gains	-	-
	B.4 Write-backs	-	-
	B.5 Exchange rate gains	-	-
	B.6 Transfers from properties for functional use	-	-
	B.7 Other changes	-	-
C.	**Decreases**	**138**	**502**
	C.1 Sales	138	183
	C.2 Amortisation	-	319
	C.3 Negative changes in fair value	-	-
	C.4 Impairment losses	-	-
	C.5 Negative foreign exchange differences	-	-
	C.6 Transfers to other asset portfolios	-	-
	a) properties for functional use	-	-
	b) non-current assets and disposal groups held for sale	-	-
	C.7 Other changes	-	-
D.	**Closing inventories**	**1,342**	**7,453**
E.	**Measurement at *fair value***	**-**	**-**

8.8 Commitments to purchase tangible assets (IAS 16/74.c)

There were no commitments at the reporting date for the purchase of tangible assets.

Section 9 INTANGIBLE FIXED ASSETS – ITEM 90

9.1 Intangible assets: breakdown by asset type

(thousands of €)	31.12.2025		31.12.2024	
	Finite life	**Indefinite life**	**Finite life**	**Indefinite life**
A.1 Goodwill	X	-	X	-
A.2 Other intangible assets	14,007	-	12,640	-
of which: software	2,364	-	25	-
A.2.1 Assets measured at cost:	14,007	-	12,640	-
a) Internally generated intangible assets	-	-	-	-
b) Other assets	14,007	-	12,640	-
A.2.2 Assets measured at *fair value*:	-	-	-	-
a) Internally generated intangible assets	-	-	-	-
b) Other assets	-	-	-	-
Total	**14,007**	**-**	**12,640**	**-**

Information on intangible fixed assets

Application of the accounting standard IFRS 3 when recognising acquisition transactions can imply recognition of intangible assets and goodwill in the financial statements. The merger by incorporation, which took place on 1st April 2015, of Banca Popolare di Marostica Group, which involved the accounting recognition of intangible assets, is relevant for Volksbank.

The following table sums up the values of intangible fixed assets entered in the financial statements, with relative dynamics, during the year.

CGU	31.12.2024	Amortisation	Other changes	31.12.2025
(thousands of €)				
Client relationship former Popolare Marostica Group	12,615	(971)	-	11,643
Other	25	(335)	2,674	2,364
Total	**12,640**	**(1,307)**	**2,674**	**14,007**

For intangible assets with a defined useful life, constituted by Customer Relationship and software, the Profit and Loss account was attributed the amortisation quota for the year (included under item "190. Adjustments/net write-backs on intangible assets") for a total of €1.0 million gross of the tax effect. Please note that the client relationship entered as part of the incorporation of Banca Popolare di Marostica Group is amortised over a 23-year period (residue 12).

IAS 36 establishes that intangible assets with an indefinite useful life and goodwill be subjected to an impairment test at least once a year. Moreover, for intangible assets with a defined useful life the impairment test must be performed each time there is a loss indicator presence. The impairment test ascertains whether the recoverable value is the same or greater than the book value. IAS 36 specifies that the recoverable value is represented by the higher between use value and the fair value, net of sales costs.

With regard to the finite-life intangible asset "client relationship", the Bank did not detect any indicators of impairment.

For more details, see the next paragraph.

Test of the presence of lasting losses in value (Impairment Test) of defined life intangible assets

Client relationship

The "*client relationship"* intangible assets recognised in the Volksbank financial statements due to incorporation of the Banca Popolare di Marostica Group occurring effectively on 1 April 2015, is considered "at defined life".
Customers considered to measure the *client relationship* only concerned those relationships established before the acquisition date. The *intangible* asset is therefore linked to the status quo before the acquisition date and its *fair value* is of a limited duration, following the duration observed for relationships between the company acquired and its customers. No value is given to the capacity to generate new relationships that cannot be separated and transferred to third parties, except by transferring the company as a whole. The *client relationship* was calculated by measuring the following components:

- indirect funding (funding managed net of own securities, funding managed, insurance funding);
- *core deposits* (ordinary free savings deposits, ordinary current accounts).

The client *relationship* was measured by discounting its net future economic flows.
The value of that asset was calculated with reference to 1 April 2015, effective merger date. The value calculation process for that asset was completed prior to the financial statement approval resolution.
The impairment tests related to that asset are mainly based on analysing the main value indicators of the asset itself (including, trend of *core deposits* and indirect funding assets, evolution of relationship closure probability ("*lifting curve*"), variations to profitability, operating expense level, cost of capital).
The checks carried out during 2025 did not reveal any elements that would require the impairment of the intangible *client relationship asset*.

9.2 *Intangible assets: annual changes*

(thousands of €)	Goodwill	Other intangible assets: internally generated		Other intangible assets: other		Total
		DEF	INDEF	DEF	INDEF	
A. Gross opening balances	**-**	**-**	**-**	**24,424**	**-**	**24,424**
A.1 Total net impairment losses	-	-	-	11,784	-	11,784
A.2 Net opening balances	**-**	**-**	**-**	**12,640**	**-**	**12,640**
B. Increases	**-**	**-**	**-**	**2,674**	**-**	**2,674**
B.1 Purchasing	-	-	-	2,674	-	2,674
B.2 Increases in internally generated intangible assets	X	-	-	-	-	-
B.3 Write-backs	X	-	-	-	-	-
B.4 *Fair value gains*	-	-	-	-	-	-
- to shareholders’ equity	X	-	-	-	-	-
- to Profit and loss	X	-	-	-	-	-
B.5 Exchange rate gains	-	-	-	-	-	-
B.6 Other changes	-	-	-	-	-	-
C. Decreases	**-**	**-**	**-**	**1,307**	**-**	**1,307**
C.1 Sales	-	-	-	-	-	-
C.2 Value adjustments	-	-	-	1,307	-	1,307
- Amortisation expense	X	-	-	1,307	-	1,307
- Write-downs	-	-	-	-	-	-
+ net equity	X	-	-	-	-	-
+ Profit or loss	-	-	-	-	-	-
C.3 Negative changes in *fair value*	-	-	-	-	-	-
- to shareholders’ equity	X	-	-	-	-	-
- to Profit and loss	X	-	-	-	-	-
C.4 Transfer to non-current assets under disposal	-	-	-	-	-	-
C.5 Negative foreign exchange differences	-	-	-	-	-	-
C.6 Other changes	-	-	-	-	-	-
D. Net closing balances	**-**	**-**	**-**	**14,007**	**-**	**14,007**
D.1 Total net value adjustments	-	-	-	13,090	-	13,090
E. Gross closing balances	**-**	**-**	**-**	**27,097**	**-**	**27,097**
F. Valuation at cost	-	-	-	-	-	-

Key
DEF = at defined duration
INDEF. = at indefinite duration

9.3 *Intangible assets Other information*

At the financial statement date there are no commitments referred to intangible assets.

Section 10 TAX ASSETS AND LIABILITIES - ITEM 100 OF ASSETS AND ITEM 60 OF LIABILITIES

10.1 Deferred tax assets: breakdown

IRES *(thousands of €)*	**31.12.2025**		**31.12.2024**	
	amount of temporary differences	**tax effect**	**amount of temporary differences**	**tax effect**
- Value adjustments to customer receivables (including signature credits)	57,874	15,915	58,494	16,086
- Provisions for risks and charges	23,936	6,583	40,418	11,115
- Administrative statutory/fiscal misalignment on tangible and intangible assets	714	196	755	208
- Banca di Treviso Goodwill (freed by BPM)	4,031	1,108	4,031	1,108
- BPM+BTV merger goodwill (freed by BPAA)	5,921	1,628	11,842	3,257
- "Mimosa" goodwill	-	-	2,167	596
- Client Relationship PPA merger BPM+BTV (freed by BPAA)	971	267	971	267
- IRES tax losses that can be carried forward (24%)	-	-	-	-
- IRES tax losses that can be carried forward (3.5%)	-	-	-	-
- ACE surpluses to be carried forward (3.5%)	-	-	-	-
- Real estate write-downs (buildings and land)	18,306	5,034	18,682	5,138
- Write-downs of bank receivables (item 40a BS)	-	-	672	185
- Write-downs of investments in SUBSIDIARIES/ASSOCIATES	10	3	-	-
- Write-downs of receivables at FVTPL	9,198	2,529	20,067	5,518
- Exchange rate valuations	-	-	-	-
- Change to accounting criteria (adoption of IFRS 9)	23,065	6,343	23,065	6,343
- Other	25	7	803	221
- Negative OCI reserve measurement of security bonds FVOCI/HTCS (*)	1,606	442	1,753	482
- Components entered in OCI table (*)	-	-	-	-
Total	**145,657**	**40,055**	**183,721**	**50,523**

IRAP *(thousands of €)*	**31.12.2025**		**31.12.2024**	
	amount of temporary differences	**tax effect**	**amount of temporary differences**	**tax effect**
- Value adjustments to customer receivables (including signature credits)	27,217	1,762	27,217	1,390
- Provisions for risks and charges	23,936	1,222	40,418	2,065
- Banca di Treviso Goodwill (freed by BPM)	4,031	255	4,031	206
- BPM+BTV merger goodwill (freed by BPAA)	5,921	302	11,842	605
- "Mimosa" goodwill	-	-	2,167	111
- Client Relationship PPA merger BPM+BTV (freed by BPAA)	874	45	874	45
- Real estate write-downs (buildings and land)	1,968	100	1,968	101
- Change to accounting criteria (adoption of IFRS 9)	23,242	1,665	23,387	1,195
- Other	2,978	152	3,350	171
- Negative OCI reserve measurement of security bonds FVOCI/HTCS (*)	1,606	82	1,753	90
- Negative OCI reserve measurement of investments FVOCI/HTCS (*)	2,841	145	2,829	145
Total	**94,614**	**5,730**	**119,835**	**6,122**

Deferred tax assets ("DTA"), recognised referred to temporary deductible differences, amounted to 46 million of which 45 for taxes entered through profit and loss and 1 million for taxes entered through shareholders' equity.
The former mainly refer to the share not yet offset by benefits connected to deductibility in future years of adjustments on receivables from customers in prior years (before 2016), to depreciation of buildings, to amortisation of credits measured at *fair value*, to provisions to risks and charges and to the income components deriving from the first time adoption of the IFRS 9 accounting standard.
Deferred tax assets through equity refer almost solely to taxation on valuations of equity investments and bonds at FVOCI entered in the statement of comprehensive income (OCI).

Total DTA as at 31.12.2024 convertible into tax credits pursuant to Italian Law no. 214/2011

Law No. 207/2024 (2025 Budget Law) provided in paragraph 14 of Article 1 that the portion of net value adjustments on previous loans to customers deductible, for IRES and IRAP purposes, in the tax period ending on 31 December 2025 is deferred, on a straight-line basis, to the tax period ending on 31 December 2026 and the following three tax periods.
The subsequent paragraph 16 provided for the deferral of the repayment plan for the stock of amortisation (and write-down) of goodwill not deducted until the tax period ending on 31 December 2017, so that the portion deductible, for IRES and IRAP purposes, in the tax period ending on 31 December 2025 is deferred, on a straight-line basis, to the tax period ending on 31 December 2026 and the following three tax periods.

10.2 Deferred tax liabilities: breakdown

IRES	**31.12.2025**		**31.12.2024**	
(thousands of €)	**amount of temporary differences**	**tax effect**	**amount of temporary differences**	**tax effect**
- Administrative statutory/fiscal misalignment on tangible and intangible assets	974	268	661	182
- Write-backs of receivables at FVTPL	5,802	1,595	6,617	1,820
- Write-backs of bank receivables (item 40a BS)	-	-	470	129
- Exchange rate valuations	-	-	-	-
- Default interest	193	53	187	51
- Change to accounting criteria (adoption of IFRS 9)	-	-	-	-
- Other	-	-	-	-
- Positive OCI reserve measurement of security bonds FVOCI/HTCS (*)	7,753	2,132	12,299	3,382
- Positive OCI reserve measurement of investments FVOCI/HTCS (*)	-	-	-	-
- Positive OCI reserve from measurement of DEBT SECURITIES FVOCI/HTCS CURRENCY	63	17	12	3
Total	**14,785**	**4,065**	**20,245**	**5,567**

IRAP	**31.12.2025**		**31.12.2024**	
(thousands of €)	**amount of temporary differences**	**tax effect**	**amount of temporary differences**	**tax effect**
- Administrative statutory/fiscal misalignment on tangible and intangible assets	-	-	-	-
- Change to accounting criteria (adoption of IFRS 9)	582	30	582	30
- Other	-	-	-	-
- Negative OCI reserve measurement of security bonds FVOCI/HTCS (*)	7,753	396	12,299	628
- Negative OCI reserve measurement of investments FVOCI/HTCS (*)	-	-	-	-
- Positive OCI reserve from measurement of DEBT SECURITIES FVOCI/HTCS CURRENCY	63	3	240	12
Total	**8,398**	**429**	**13,120**	**670**

10.3 Changes in deferred tax assets (recognised through profit or loss)

(thousands of €)		IRES	IRAP	31.12.2025	31.12.2024
1.	**Opening amount**			**55,929**	**76,057**
2.	**Increases**	**2,057**	**1,047**	**3,104**	**3,506**
2.1	Deferred tax assets recognised in the year	2,057	147	2,204	3,506
	a) relative to previous years	-	-	-	-
	b) due to change in accounting standards	-	-	-	-
	c) write-backs	-	-	-	-
	d) Other	2,057	147	2,204	3,506
2.2	New taxes or increases in tax rates	-	900	900	-
2.3	Other increases	-	-	-	-
3.	**Decreases**	**12,484**	**1,432**	**13,916**	**23,634**
3.1	Deferred tax assets cancelled in the year	12,484	1,432	13,916	23,634
	a) Reversals	12,484	1,422	13,906	23,634
	b) impairment losses due to irrecoverability	-	-	-	-
	c) change in accounting standards	-	-	-	-
	d) Other	-	10	10	-
3.2	Reductions in tax rates	-	-	-	-
3.3	Other decreases	-	-	-	-
	a) conversion into tax credits as per (It.) Law 214/2011	-	-	-	-
	b) other	-	-	-	-
4.	**Closing balance**			**45,117**	**55,929**

10.3 bis Changes in deferred tax assets as per Italian Law 214/2011 (recognised through profit and loss)

(thousands of €)		IRES	IRAP	31.12.2025	31.12.2024
1.	**Opening amount**			**16,458**	**29,836**
2.	**Increases**	**-**	**422**	**422**	**-**
3.	**Decreases**	**-**	**1**	**1**	**13,378**
3.1	Reversals	-	1	1	13,378
3.2	Conversion in tax credits	-	-	-	-
	a) deriving from losses for the year	-	-	-	-
	b) deriving from tax losses	-	-	-	-
3.3	Other decreases	-	-	-	-
4.	**Closing balance**	**-**	**421**	**16,879**	**16,458**

Movements of deferred tax assets as per Law 214/2011 recognised through profit and loss refers to the reversals relating to the franked goodwill and the value adjustments on loans to customers made up to 2015.

10.4 Changes in deferred tax liabilities (recognised through profit or loss)

(thousands of €)		IRES	IRAP	31.12.2025	31.12.2024
1.	**Opening amount**			**2,212**	**2,099**
2.	**Increases**	**157**	**-**	**157**	**323**
2.1	Deferred tax liabilities recognised in the year	157	-	157	323
	a) relative to previous years	-	-	-	-
	b) due to change in accounting standards	-	-	-	-
	c) other	157	-	157	323
2.2	New taxes or increases in tax rates	-	-	-	-
2.3	Other increases	-	-	-	-
3.	**Decreases**	**423**	**-**	**423**	**210**
3.1	Deferred tax liabilities reversed during the year	423	-	423	210
	a) reversals	423	-	423	210
	b) due to change in accounting standards	-	-	-	-
	c) other	-	-	-	-
3.2	Reductions in tax rates	-	-	-	-
3.3	Other decreases	-	-	-	-
4.	**Closing balance**	**-**	**-**	**1,946**	**2,212**

10.5 Changes in deferred tax assets (recognised through equity)

(thousands of €)		IRES	IRAP	31.12.2025	31.12.2024
1.	**Opening amount**			**716**	**3,394**
2.	**Increases**	**-**	**1**	**1**	**367**
2.1	Deferred tax assets recognised in the year	-	1	1	367
	a) relative to previous years	-	-	-	-
	b) due to change in accounting standards	-	-	-	-
	c) other	-	1	1	367
2.2	New taxes or increases in tax rates	-	-	-	-
2.3	Other increases	-	-	-	-
3.	**Decreases**	**40**	**7**	**47**	**3,046**
3.1	Deferred tax assets cancelled in the year	40	7	47	3,046
	a) reversals	40	7	47	3,046
	b) impairment losses due to irrecoverability	-	-	-	-
	c) due to change in accounting standards	-	-	-	-
	d) other	-	-	-	-
3.2	Reductions in tax rates	-	-	-	-
3.3	Other decreases	-	-	-	-
4.	**Closing balance**	**-**	**-**	**670**	**716**

Movements of taxes recognised through equity mainly refer to recognition of the deferred taxes through the negative OCI reserve from measurement of investments and bonds at FVOCI.

10.6 Changes in deferred tax liabilities (recognised through equity)

(thousands of €)		IRES	IRAP	31.12.2025	31.12.2024
1.	**Opening amount**			**4,025**	**2,877**
2.	**Increases**	**17**	**3**	**20**	**1,155**
2.1	Deferred tax liabilities recognised in the year	17	3	20	1,155
	a) relative to previous years	-	-	-	-
	b) due to change in accounting standards	-	-	-	-
	c) other	17	3	20	1,155
2.2	New taxes or increases in tax rates	-	-	-	-
2.3	Other increases	-	-	-	-
3.	**Decreases**	**1,253**	**244**	**1,497**	**6**
3.1	Deferred tax liabilities reversed during the year	1,253	244	1,497	6
	a) reversals	1,253	244	1,497	6
	b) due to change in accounting standards	-	-	-	-
	c) other	-	-	-	-
3.2	Reductions in tax rates	-	-	-	-
3.3	Other decreases	-	-	-	-
4.	**Closing balance**	**-**	**-**	**2,548**	**4,025**

Movements of taxes recognised through equity mainly refer to recognition of the deferred taxes through the positive OCI reserve from measurement of investments and bonds at FVOCI.

10.7 Other information

Breakdown of the item "current tax assets"

(thousands of €)		31.12.2025	31.12.2024
1.	Assets for direct taxes (IRES - IRAP)	54,237	40,407
2.	Assets for indirect and other taxes	45,186	17,575
3.	Withheld taxes suffered	1,092	878
4.	Total current tax assets	380	550
	Total	**100,895**	**59,409**

Breakdown of the item "current tax liabilities"

(thousands of €)		31.12.2025	31.12.2024
1.	Liabilities for direct taxes	62,194	47,582
2.	Liabilities for indirect taxes	11,541	9,283
3.	Taxes withheld at source to be deposited	-	-
4.	Other current tax liabilities	-	-
	Total	**73,735**	**56,864**

Probability test on deferred taxes

The international accounting standard IAS 12 establishes that deferred tax assets and liabilities be recognised applying the following criteria:

- taxable temporary differences: a deferred tax liability must be recognised for all the taxable temporary differences;
- deductible temporary differences: a deferred tax asset must be recognised for all the deductible temporary differences, if a taxable income is probable for which the deductible temporary difference can be used. Deferred tax assets not recognised in the past – as there were no reasons for their recognition – must be entered in the year in which those requirements emerge.

The amount of deferred tax assets entered in the financial statements must therefore be tested every year, to check whether there is a reasonable certainty to earn taxable incomes in the future and therefore the possibility to recover the deferred tax assets.

Considering the amount of deferred tax assets entered, an analysis was carried out to check whether the future profitability forecasts are such as to guarantee re-absorption and justify recognition and maintenance in the financial statements (so-called "probability test").

In particular, for deferred tax assets from deductible temporary differences related to write downs and losses on credits ("qualified deferred tax assets" and "qualified temporary differences") it recognises the consideration that, starting from the tax period closed as at 31 December 2011, the conversion in tax credits of deferred tax assets (IRES) recognised in the financial statements against tax losses from deferred deduction of qualified temporary differences is established (art. 2, paragraph 56-bis, D.L. no. 225 of 29 December 2010, introduced by art. 9, D.L. 201, of 6 December 2011).

Starting from the 2013 tax period 2013, a similar conversion is established if a negative net production value emerges from the IRAP returns, related to the deferred tax assets (IRAP) referring to qualified temporary differences that were part of calculation of the negative net production value (art. 2, paragraph 56-bis.1, D.L. no. 225 of 29 December 2010, introduced by L art. 147/2013).

That convertibility - added to what is already established for the case where the financial statements for the year show a loss for the year (art. 2, paragraphs 55 and 56, D.L. 225/2010, as recently amended by L.147/2013) – is suitable for ensuring recovery of the qualified deferred tax assets in every situation, regardless of the company's future profitability. In fact, if in a certain year there should be qualified temporary difference surpluses compared to the taxable income of the net production value, recovery of the relative deferred tax assets would not be a reduction of current taxes but, through recognition of the deferred tax assets on the tax loss and on the negative net production value, would be convertible in tax credits pursuant to art. 2, paragraphs 56-bis and 56-bis.1, D.L. 225/2010.

Please note that, following approval of D.L.83/2015 which introduced for banks the immediate deductibility of losses and write-downs on customer receivables, the stock deferred tax assets transformable cannot be increased.

The convertibility of deferred tax assets on tax losses and negative net production value caused by qualified temporary differences is considered as a sufficient assumption for recognition in the financial statements of qualified deferred tax assets, making the relative probability test unnecessary.

That implementation is also confirmed in the joint Bank of Italy, Consob and ISVAP document no. 5 of 15 May 2012 (issued as part of the Coordination table on application of the IAS/IFRS), related to "Accounting processing of deferred tax assets resulting from Law 214/2011", and in the subsequent document IAS ABI no. 112 of 31 May 2012 ("Tax credit resulting from transformation of tax assets: clarifications of the Bank of Italy Consob and ISVAP on application of the IAS/IFRS").

The test therefore concerned:

- identification of the deferred tax assets, other then those related to write downs and losses on credits, goodwill and other indefinite life intangible assets ("non-qualified deferred tax assets"), recognised in the financial statements;
- analysis of those non qualified deferred tax assets and the deferred tax assets entered in the consolidated financial statements, distinguishing them by type of origin, therefore, foreseeable re-absorption timing;

- foreseeable quantification of future Bank profitability, to check the absorption capacity of deferred tax assets in the point above.

The detailed analysis in points b) and c) was not necessary for the deferred tax assets (and, consequently, liabilities) recognised in the financial statements for IRAP purposes, as almost all of them had certain use prospects pursuant to art. 2, paragraph 56 bis.1, D.L. 225/2010 and as the "non qualified" deferred IRAP tax assets were for a negligible amount The analysis carried out highlighted an expected taxable base that was amply able to absorb deferred taxes recognised in the financial statements as at 31 December 2025.

Section 11 NON CURRENT ASSETS AND ASSET GROUPS HELD FOR SALE AND ASSOCIATED LIABILITIES – ITEM 110 OF ASSETS AND ITEM 70 OF LIABILITIES

11.1 *Non-current assets and asset groups held for sale: breakdown by asset type*

(thousands of €)	31.12.2025	31.12.2024
A. Assets held for sale		
A.1 Financial assets	-	-
A.2 Investments	-	-
A.3 Tangible assets	896	2,228
of which: obtained through enforcement of guarantees received	-	-
A.4 Intangible assets	-	-
A.5 Other non current assets	-	-
Total (A)	**896**	**2,228**
of which measured at cost	-	-
of which measured at fair value level 1	-	-
of which measured at fair value level 2	-	-
of which measured at fair value level 3	896	2,228
B. Operating activities terminated		
B.1 Financial assets at fair value with impact on Profit and loss	-	-
- financial assets held for trading	-	-
- financial assets designated at *fair value*	-	-
Other financial assets obligatorily measured at *fair value*	-	-
B.2 Financial assets measured at fair value through other comprehensive income	-	-
B.3 Financial assets valued at amortised cost	-	-
B.4 Investments	-	-
B.5 Tangible assets	-	-
of which: obtained through enforcement of guarantees received	-	-
B.6 Intangible assets	-	-
B.7 Other assets	-	-
Total (B)	**-**	**-**
of which measured at cost	-	-
of which measured at fair value level 1	-	-
of which measured at fair value level 2	-	-
of which measured at fair value level 3	-	-
C. Liabilities associated with assets held for sale		
C.1 Payables	-	-
C.2 Securities	-	-
C.3 Other liabilities	-	-
Total (C)	-	-
of which measured at cost	-	-
of which measured at fair value level 1	-	-
of which measured at fair value level 2	-	-
of which measured at fair value level 3	-	-
D. Liabilities associated with operating activities terminated	-	-
D.1 Financial liabilities measured at amortised cost	-	-
D.2 Financial liabilities held for trading	-	-
D.3 Financial liabilities designated at *fair value*	-	-
D.4 Funds	-	-
D.5 Other liabilities		
Total (D)	**-**	**-**
of which measured at cost	-	-
of which measured at fair value level 1	-	-
of which measured at fair value level 2	-	-
of which measured at fair value level 3	-	-

11.2 Other information

At the financial statement date, there was no further information to be provided.

Section 12 OTHER ASSETS - ITEM 120

12.1 Other assets: breakdown

(thousands of €)		31.12.2025	31.12.2024
1.	Items travelling with branches	50	78
2.	Collateral	9,059	8,253
3.	Items being processed	153,159	136,742
4.	Sundry suspended (items awaiting final recognition)	7,625	8,105
5.	Revenues accrued and expired to be received	23,941	17,102
6.	Values held by the cashier	144	60
7.	Accruals and deferrals not attributable	610	618
8.	Expenses on leased assets	10,161	10,417
9.	Tax credits	120,597	183,253
	Total	**325,345**	**364,627**

LIABILITIES

Section 1 FINANCIAL LIABILITIES MEASURED AT AMORTISED COST - ITEM 10

1.1 *Financial liabilities at amortised cost: breakdown of payables due to banks by type*

Transaction type/Values	31.12.2025				31.12.2024			
	BV	*Fair value*			BV	*Fair value*		
		L1	L2	L3		L1	L2	L3
(thousands of €)								
1. Due to Central banks		**X**	**X**	**X**	**-**	**X**	**X**	**X**
2. Payables to banks	**211,006**	**X**	**X**	**X**	**229,126**	**X**	**X**	**X**
2.1 Current accounts and on demand deposits	28,735	X	X	X	29,643	X	X	X
2.2 Fixed-term deposits	25,545	X	X	X	67,405	X	X	X
2.3 Loans	156,630	X	X	X	132,058	X	X	X
2.3.1 Repurchase agreement liabilities		X	X	X		X	X	X
2.3.2.Other	156,630	X	X	X	132,058	X	X	X
2.4 Debt from buyback commitments on treasury equity instruments		X	X	X	-	X	X	X
2.5 Payables for leases	38	X	X	X		X	X	X
2.6 Other payables	58	X	X	X	20	X	X	X
Total	**211,006**	**-**	**163,503**		**229,126**	**-**	**172,839**	**-**

Repurchase agreement transaction liabilities against assets sold and not derecognised from the financial statements are detailed in Part E.

1.2 *Financial liabilities measured at amortised cost: breakdown of payables due to customers by type*

Transaction type/Values	31.12.2025				31.12.2024			
	BV	*Fair value*			BV	*Fair value*		
		L1	L2	L3		L1	L2	L3
(thousands of €)								
1. Current accounts and at sight deposits	8,638,384	X	X	X	8,025,998	X	X	X
2. Fixed-term deposits	596,116	X	X	X	593,770	X	X	X
3. Financing	201,668	X	X	X	232,553	X	X	X
3.1. Repurchase agreement liabilities	143,157	X	X	X	190,061	X	X	X
3.2. Other	58,511	X	X	X	42,492	X	X	X
4. Debt from buyback commitments on treasury equity instruments	-	X	X	X	-	X	X	X
5. Payables for leases	19,728	X	X	X	20,077	X	X	X
6. Other payables	31,741	X	X	X	36,483	X	X	X
Total	**9,487,637**	**-**	**9,460,974**	**-**	**8,908,881**	**-**	**8,874,100**	**-**

1.3 *Financial liabilities measured at amortised cost: breakdown of debt securities issued by type*

(thousands of €)	31.12.2025				31.12.2024			
	BV	*Fair value*			BV	*Fair value*		
		L1	L2	L3		L1	L2	L3
(thousands of €)								
A. Securities								
1. Bonds	1,210,866	-	1,134,451	76,415	1,130,182	-	1,053,825	76,357
1.1 Structured		-				-		-
1.2 Other	1,210,866	-	1,134,451	76,415	1,130,182	-	1,053,825	76,357
2. Other securities		-				-		-
2.1 Structured		-				-		-
2.2 Other		-				-		-
Total	**1,210,866**	**-**	**1,134,451**	**76,415**	**1,130,182**	**-**	**1,053,825**	**76,357**

At the financial statement date, there were no structured amounts payable to banks.

1.4 *Breakdown of subordinated debts/securities*

Here below are the main characteristics of instruments existing as at 31 December 2025:

	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	6%	9.00% 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

1.5 *Breakdown of structured debts*

At the financial statement date, there were no structured amounts debts.

1.6 *Payables for leases*

Lease liabilities as at 31 December 2025 amounted to €19.8 million (discounted), of which (undiscounted) €8.7 million are due within 2 years, €8.9 million between 3 and 5 years, and €3.1 million beyond 5 years, with a discounting effect of €0.9 million.

Rents for a total of EUR 5.4 million were paid in 2025.

Section 2 FINANCIAL LIABILITIES HELD FOR TRADING - ITEM 20

2.1 *Financial liabilities held for trading: breakdown by type*

Transaction type/Values	31.12.2025					31.12.2024				
	VN	FV			FV *	VN	FV			FV *
(thousands of €)		L1	L2	L3			L1	L2	L3	
A. Cash liabilities										
1. Payables to banks	-	-	-	-		-	-	-	-	-
2. Payables to clients	-	-	-	-		-	-	-	-	-
3. Debt securities	-	-	-	-		-	-	-	-	-
3.1 Bonds	-	-	-	-		-	-	-	-	-
3.1.1 Structured	-	-	-	-	X	-	-	-	-	X
3.1.2 Other bonds	-	-	-	-	X	-	-	-	-	X
3.2 Other securities	-	-	-	-		-	-	-	-	-
3.2.1 Structured	-	-	-	-	X	-	-	-	-	X
3.2.2 Other	-	-	-	-	X	-	-	-	-	X
Total A	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B. Derivative instruments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Financial derivatives	-	12	-	-	-	-	47	-	-	-
1.1 For trading	X	12	-	-	X	X	47	-	-	X
1.2 Connected to the fair value option	X	-	-	-	X	X	-	-	-	X
1.3 Other	X	-	-	-	X	X	-	-	-	X
2. Credit derivatives	-	-	-	-	-	-	-	-	-	-
2.1 For trading	X	-	-	-	X	X	-	-	-	X
2.2 Connected to the fair value option	X	-	-	-	X	X	-	-	-	X
2.3 Other	X	-	-	-	X	X	-	-	-	X
Total B	**X**	**12**	**-**	**-**	**X**	**X**	**47**	**-**	**-**	**X**
Total (A+B)	**X**	**12**	**-**	**-**	**X**	**X**	**47**	**-**	**-**	**X**

Key
FV *fair value*
FV* *fair value calculated excluding changes in value due to changes in the issuer's creditworthiness compared to the date of issuance*
VN nominal or notional value
L1 Level 1
L2 Level 2
L3 Level 3

2.2 *Breakdown of "Financial liabilities held for trading": subordinate liabilities*

At the financial statement date, there were no subordinate financial liabilities held for trading.

2.3 *Breakdown of "Financial liabilities held for trading": structured debts*

At the financial statement date, there were no financial liabilities held for trading related to structured debts.

Section 3 FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE - ITEM 30

3.1 Financial liabilities designated at fair value: breakdown by type

At the reporting date there were no financial liabilities designated at *fair value*.

3.2 Breakdown of "Financial liabilities measured at fair value": subordinate liabilities

At the reporting date there were no subordinate financial liabilities measured at *fair value*.

Section 4 HEDGING DERIVATIVES - ITEM 40

4.1 Hedging derivatives: breakdown by type of hedge and hierarchical levels

(thousands of €)			Fair value 31.12.2025			VN	Fair value 31.12.2024			VN
			L1	L2	L3		L1	L2	L3	
A.	**Financial derivatives**		**-**	**2,431**	**-**	**110,000**	**-**	**5,094**	**-**	**110,000**
	1)	Fair value	-	2,431	-	110,000	-	5,094	-	110,000
	2)	Financial flows	-	-	-	-	-	-	-	-
	3)	Foreign investments	-	-	-	-	-	-	-	-
B.	**Credit derivatives**		**-**	**-**	**-**	-	**-**	**-**	**-**	**-**
	1)	Fair value	-	-	-	-	-	-	-	-
	2)	Financial flows	-	-	-	-	-	-	-	-
	Total		**-**	**2,431**	**-**	**110,000**	**-**	**5,094**	**-**	**110,000**

Key
NV = nominal value
L1 = Level 1
L2 = Level 2
L3 = Level 3

4.2 Hedging derivatives: breakdown by hedged portfolios and by type of hedge

(thousands of €)	Fair value							Financial flows		
	Specific									
Operations/Type of coverage	debt securities and interest rates	equity securities and share indices	currencies and gold	Credit	goods	other	Generic	Specific	Generic	Foreign invest-ments
1. Financial assets measured at fair value through other comprehensive income	-	-	-	-	X	X	X	-	X	X
2. Financial assets measured at amortised cost	2,431	X	-	-	X	X	X	-	X	X
3. Portfolio	X	X	X	X	X	X	-	X	-	X
4. Other transactions	-	-	-	-	-	-	X	-	X	-
Total assets	**2,431**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Financial liabilities	-	X	-	-	-	-	X	-	X	X
2. Portfolio	X	X	X	X	X	X	-	X	-	X
Total liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Expected transactions	X	X	X	X	X	X	X	-	X	X
2. Portfolio of financial assets and liabilities	X	X	X	X	X	X	-	X	-	-

The table indicates the *fair value* negative of hedging derivatives, divided in relation to the asset or liability hedged and the type of hedging carried out.
These are derivative contracts for specific hedging of the *fair value* of the debt securities of the assets.

Section 5 VALUE ADJUSTMENT OF FINANCIAL LIABILITIES SUBJECT TO MACRO HEDGING - ITEM 50

5.1 Adjustment in value of hedged financial liabilities: breakdown by hedged portfolios

At the reporting date there were no financial liabilities subject to macro hedging.

Section 6 TAX LIABILITIES - ITEM 60

For the information in this section, please refer to what is stated in Section 10 of assets.

Section 7 LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE – ITEM 70.

For the information in this section, please refer to what is stated in Section 11 of assets.

Section 8 OTHER LIABILITIES - ITEM 80

8.1 Other liabilities: breakdown

(thousands of €)		31.12.2025	31.12.2024
1.	Adjustments to illiquid items related to the bills portfolio	115,293	111,983
2.	Items travelling with branches	-	-
3.	Different sums available (banks, suppliers etc.)	100,654	96,008
4.	Sums available to customers	70,959	73,914
5.	Items being processed (wire transfers, etc.)	24,012	16,987
6.	Other items for different creditors	3,709	3,049
7.	Accruals and deferrals not attributable	133	202
8.	Withheld taxes and taxes to be reversed	15,733	22,546
	Total	**330,492**	**324,689**

Section 9 EMPLOYEE SEVERANCE INDEMNITIES - ITEM 90

9.1 Employee severance indemnities: annual changes

(thousands of €)		31.12.2025	31.12.2024
A.	**Opening balance**	**11,691**	**12,411**
B.	**Increases**	**403**	**438**
	B1. Allocations for the year	403	438
	B2. Other changes	-	-
C.	**Decreases**	**1,489**	**1,158**
	C1. Settlements made	1,243	946
	C2. Other changes	246	212
D.	**Closing inventories**	**10,605**	**11,691**

9.2 Other information

As was described in Part A – Accounting policies, following the supplementary pension reform, the severance indemnity of personnel recognised in this financial statement item only refers to the share accrued since 31st December 2006. The provision does not include the shares that due to the aforementioned reform are deposited as supplementary pension or with the INPS Treasury fund. In that case, the personnel severance indemnity accrued as of 1st January 2007 include a "defined contribution plan" and are recognised amongst personnel costs in the sub-item "severance indemnity", based on contribution owed without applying actuarial calculation methods, as a counter-item to recognition of the capital item "Other liabilities" or of a cash availability expense.

The TFR actuarial assessment was implemented applying the "benefits accrued" method in compliance with the *Projected Unit Credit* criterion regulated by paragraphs 70-74 and 75-98 of IAS 19, and is based on the following main demographic, economic and financial hypotheses:

Main demographic and actuarial assumptions for measuring the Severance Indemnity (TFR) fund	
Employee survival rate	RG48 survival table published by the General State Accountancy Office.
Frequency and amount of TFR advances	Calculated based on the historical experience through seniority of service. A 1.50% value was used for the current year.
Inability	INPS table by age and sex
Frequency of turnover	Calculated based on the historical experience for the company and similar companies by age and sex and equal to 2.00%.
Retirement probability	100% on reaching the retirement requirement set by the General Obligatory Insurance (AGO).
Annual discounting rate	it was deduced, consistently with par. 83 of IAS 19, from the Iboxx Corporate AA index with a duration of 7-10 recorded at the valuation date. For that purpose, the return with a duration comparable to the duration of the group of workers being assessed was chosen, of 3.37%.
Annual inflation rate	2.00% for the entire reference period
Annual employee severance indemnity increase rate	3.00% for the entire reference period

Other information	31.12.2025
Service cost pro future annual	0.00
Plan duration	7.2

Please note that the criteria underlying the above demographic and actuarial assumptions are essentially aligned with those used last year.
Considering IAS 19 and the absence of specific provisions from regulatory Bodies, it is felt that the identification and choice of the rate in question represents one of the numerous valuations and estimates that the IFRS accounting standards require when preparing the financial statements. In particular, the standard specifies that the discounting rate must be calculated with reference to market returns, at the year closure date, of the bonds of primary companies of the country the entity operates in ("*high quality corporate bond yield*") and, alternatively, as there is often no market for those bonds, referred to the market returns of government bonds.
For the 2025 financial year, the annual discount rate used to calculate the current value of the bond was assumed, consistently with par. 83 of IAS 19, from the Iboxx Corporate AA index with a duration of 7-10 recorded at the valuation date. For that purpose, the choice went to the return with a duration comparable to the duration of the group of workers being assessed.
Reference to the "AA" rating class is a result of clarifications provided by the IFRS Interpretations Committee, during the second half of 2013, based on which the "primary quality" must be considered in an absolute meaning so cannot change from one year to the next in order to consider all the companies belonging to the "*high quality corporate bond yield*" issuer pool.
Specifically, the IFRS Interpretations Committee specifies that the significance of the "*high quality corporate bond yield" pool* must be measured including bonds issued by companies from other countries, as long as denominated in the same currency as the one used to pay employee benefits.

Sensitivity analyses

In compliance with IAS 19, the following additional information is being provided:

- sensitivity analyses for each actuarial hypothesis relevant at year end, showing the effects that there would have been following variations to the actuarial hypotheses reasonably possible at that date, in absolute terms;
- indication of the contribution for the following year;
- indication of the average financial duration of the bond for the defined benefit plans;
- disbursements included in the plan.

Sensitivity analyses of the main measurement parameters on data as at 31.12.2025 (values represent the change generated on the IAS value of the plan)	**Measurement parameters**	**DBO**
(thousands of €)		
Turnover rate	+1.00%	10,636.17
Turnover rate	-1.00%	10,571.68
Inflation rate	+0.25%	10,712.54
Inflation rate	-0.25%	10,498.78
Discount rate	+0.25%	10,438.07
Discount rate	-0.25%	10,776.17

Service Cost and Duration	
Service cost pro future annual	0.0
Plan duration	7.2

Estimated future disbursements	
Years	
1	1,077,779.46
2	445,564.19
3	711,937.29
4	1,086,133.57
5	1,224,652.22

Section 10 - PROVISIONS FOR RISKS AND CHARGES - ITEM 100

10.1 Provisions for risks and charges: breakdown

(thousands of €)	**31.12.2025**	**31.12.2024**
1. Provisions for credit risk related to commitments and financial guarantees granted	7,860	8,480
2. Provisions on other commitments and other guarantees granted	-	-
3. Corporate provisions for pensions	-	-
4. Other provisions for risks and charges	25,786	40,416
4.1 legal and tax disputes	25,786	40,416
4.2 personnel expenses	-	-
4.3 Other	-	-
Total	**33,646**	**48,896**

10.2 Provisions for risks and charges: annual changes

(thousands of €)		Provisions for pensions	Other provisions for risks and charges	Total
A.	**Opening balance**	**-**	**40,416**	**40,416**
B.	**Increases**	**-**	**2,976**	**2,976**
	B.1. Allocations for the year	-	1,852	1,852
	B.2. Changes due to the passage of time	-	-	-
	B.3. Changes due to changes in the discount rate	-	1,124	1,124
	B.4. Other changes	-		-
C.	**Decreases**	**-**	**17,605**	**17,605**
	C.1. Use during the year	-	1,733	1,733
	C.2. Changes due to changes in the discount rate	-	-	-
	C.3. Other changes	-	15,872	15,872
D.	**Closing inventories**	**-**	**25,787**	**25,787**

10.3 Provisions for credit risks related to commitments and financial guarantees granted

	Provisions for credit risk related to commitments and financial guarantees granted				
	First stage	Second stage	Third stage	impaired acquired or originated	**Total**
(thousands of €)					
1. Loan commitments	418	72	2,921	-	3,411
2. Financial guarantees issued	1,443	1,793	1,214	-	4,450
Total	**1,861**	**1,865**	**4,135**	**-**	**7,861**

10.4 Provisions on other commitments and other guarantees granted

At the reporting date there are no provisions relating to other commitments and other guarantees granted.

10.5 Provisions for defined benefit plan pensions

At the financial statement date, there were no provisions for defined performance pension funds.

10.6 Provisions for risks and charges - other provisions

The item "Provisions for risks and charges", sub-item "Other provisions for risks and charges", for 25.8 million, includes allocations for potential liabilities, including the related expenses.

Section 11 OTHER REDEEMABLE SHARES - ITEM 120

11.1 Redeemable shares: breakdown

There were no redeemable shares at the reporting date.

Section 12 COMPANY EQUITY - ITEMS 110, 130, 140, 150, 160, 170 AND 180

12.1 Share capital and treasury shares: breakdown

	31.12.2025	31.12.2024
- Number of treasury shares or quotas	50,498,438	50,498,438
of which treasury shares in portfolio	218,524	551,172

As at 31 December 2025, share capital amounted to €201,993,752 and was formed by 50,498,438 ordinary shares, with no indication of nominal value. So the share capital referred to each share can be calculated by dividing the total share capital by the number of outstanding shares.
As at 31st December 2025, Volksbank held 218,524 treasury shares in portfolio.
All the ordinary outstanding shares have been subscribed and fully paid in. The shares have no constraints or privileges and each share has the same rights in dividend collection and capital repayment terms. There are no other share categories besides ordinary shares.

12.2 Share capital - Number of shares: annual changes

		Ordinary	Other
A.	**Shares held at the beginning of the year**	**50,498,438**	**-**
	- fully paid-up	50,498,438	-
	- not fully paid-up		-
A.1	Treasury shares (-)	(551,172)	-
A. 2	**Outstanding shares: opening balance**	**49,947,266**	**-**
B.	**Increases**	**490,691**	**-**
B.1	New issues	-	-
	for a fee:	-	-
	- business combination transactions	-	-
	- conversion of bonds	-	-
	- exercise of warrants	-	-
	- other	-	-
	free of charge:	-	-
	- in favour of employees	-	-
	- in favour of directors	-	-
	- other	-	-
B.2	Sale of treasury shares	490,691	-
B.3	Other changes	-	-
C.	**Decreases**	**158,043**	**-**
C.1	Cancellation	-	-
C.2	Purchase of treasury shares	158,043	-
C.3	Sale of treasury shares	-	-
C.4	Other changes	-	-
D.	**Outstanding shares: closing balance**	**50,279,914**	**-**
D.1	Treasury shares (+)	218,524	-
D.2	Shares held at the end of the year	50,498,438	-
	- fully paid-up	50,498,438	-
	- not fully paid-up	-	-

12.3 Share capital: other information

At the financial statement date, there was no further information to be provided.

12.4 Profit reserves: other information

	(thousands of €)	31.12.2025	31.12.2024
1.	Legal reserve	138,200	138,200
2.	Extraordinary reserve	341,289	265,627
3.	Purchase of treasury shares reserve	-	-
4.	Concentration reserve (Law 30.07.1990/218)	8,584	8,584
5.	Other reserves	10,281	18,850
	Total	**498,354**	**431,261**

Pursuant to art. 2427, paragraph 1, no. 7 bis of the Italian Civil Code, we are providing the summary of Equity items divided by origin and indicating possible use and distribution and their use in the previous years.

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	**(2,385)**	**-**		**-**	**0**
Share premium reserves	**254,651**	**A,B,C**	**254,651**	**-**	**(39,013)**
Earnings reserves					
- Legal reserve	138,200	A(2),B	97,801		
- Extraordinary reserve	341,289	A,B,C	341,289		
- Reserve unavail. pursuant to art. 6 Legislative Decree 38/2005	2,343	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	136	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	(2,696)	(*)		-	
Financial assets (other than equity securities) measured at fair value through other comprehensive income	4,791	(*)		-	
Actuarial gains (losses) on defined-benefit pension plans	(765)	(*)		-	
Special revaluation laws	**-**				
Capital instruments	**-**				
Profits/Losses carried forward	**131,202**			**-**	
Total	**1,085,146**			**-**	**(39,013)**

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 c.c. 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 the second and third paragraphs of art. 2445 Italian c.c. If it is distributed to shareholders it will be considered part of the company's taxable income.

(4) Reserve set aside as an alternative to the payment of extraordinary tax 2023 following the introduction of Article 26 of Decree-Law No. 104 of 10 August 2023, converted, with amendments, by Law No. 136 of 9 October 2023. The reserve was subject to the payment of the extraordinary contribution provided for in paragraph 69, Article 1 of the 2026 Budget Law.

12.5 Capital instruments: breakdown and annual changes

At the financial statement date, there were no capital instruments other than ordinary shares.

12.6 Other information

At the financial statement date, there was no further information to be provided.

OTHER INFORMATION

1. *Commitments and financial guarantees granted (other than those designated at fair value)*

	Nominal amount of commitments and financial guarantees granted					
	First stage	Second stage	Third stage	impaired acquired or originated	31.12.2025	31.12.2024
(thousands of €)						
1. Loan commitments					**2,555,101**	**2,678,253**
a) Central Banks	-	-	-	-	-	-
b) Public authorities	211,607	-	-	-	211,607	356,666
c) Banks	17,971	-	-	-	17,971	15,657
d) Other financial companies	33,825	306	-	-	34,131	49,247
e) Non-financial companies	1,853,088	108,509	15,021	-	1,976,618	1,964,390
f) Households	303,842	9,851	1,081	-	314,774	292,293
2. Financial guarantees issued	**-**	**-**	**-**	**-**	**484,489**	**458,813**
a) Central Banks	-	-	-	-	-	-
b) Public authorities	326	-	-	-	326	330
c) Banks	257	-	-	-	257	369
d) Other financial companies	17,378	-	-	-	17,378	4,144
e) Non-financial companies	389,084	47,178	3,626	-	439,888	422,865
f) Households	23,997	2,485	158	-	26,640	31,105

Commitments to allocate provisions for uncertain use to customers mainly refer to corporate clients.

Other commitments and other guarantees granted

1. At the reporting date there are no other commitments and other guarantees granted.

Assets used as collateral for own liabilities and commitments

(thousands of €)	31.12.2025	31.12.2024
1. Financial assets measured at fair value through profit or loss	101,615	117,115
2. Financial assets measured at fair value through other comprehensive income	267,509	246,912
3. Financial assets measured at amortised cost	2,404,119	2,541,652
4. Tangible fixed assets	-	-
of which: property, plant and equipment qualifying as inventories	-	-

Assets used as collateral for own liabilities and commitments for repurchase agreement transactions collected amount to 139.5 million, whereas bonds as deposit and collateral for other transactions are entered for 643.1 million.

4. Administration and mediation on behalf of third parties

Type of services (thousands of €)	Amount
1. Execution of orders on behalf of clients	**-**
a) Purchasing	-
1. Settled	-
2. Not settled	-
b) Sales	-
1. Settled	-
2. Not settled	-
2. individual portfolio management	**-**
3. Safekeeping and administration of securities	**8,193,767**
a) Third party securities in custody: associated with depositary bank services (excluding portfolio management)	-
1. securities issued by the reporting bank	-
2. other securities	-
b) Third party securities in custody (excluding portfolio management): other	2,734,288
1. securities issued by the reporting bank	-
2. other securities	2,734,288
c) Third party securities held with third parties	1,549,874
d) Own securities held with third parties	3,909,604
4. Other transactions	**-**

Financial assets offset in the financial statements or subject to offsetting framework or similar agreements

At the reporting date there are no financial assets offset in the financial statements or subject to offsetting framework or similar agreements to be reported.

Financial liabilities offset in the financial statements or subject to offsetting framework or similar agreements

At the reporting date there are no financial liabilities offset in the financial statements or subject to offsetting framework or similar agreements to be reported.

Bond loan transactions

At the reporting date, there were no bond loan transactions.

Disclosure of joint control activities

At the financial statement date, there were no joint control activities.

PART C INFORMATION ON THE INCOME STATEMENT

Section 1 INTEREST - ITEMS 10 AND 20

1.1 Interest income and similar income: breakdown

Items/Technical forms *(thousands of €)*	Debt securities	Financing	Other transactions	31.12.2025	31.12.2024
1. Financial assets at fair value through profit or loss					
1.1 Financial assets held for trading	217	-	-	217	55
1.2. Financial assets designated at *fair value*	-	-	-	-	-
1.3 Other financial assets obligatorily measured at *fair value*	8	665	-	673	625
2. Financial assets measured at fair value through other comprehensive income	31,442	-	X	31,442	25,604
3. Financial assets measured at amortised cost:					
3.1 Loans to banks	-	6,735	-	6,735	6,984
3.2 Receivables from customers	72,547	267,234	-	339,781	408,973
4. Hedging derivatives	X	X	-	-	992
5. Other assets	X	X	12,366	12,366	14,368
6. Financial liabilities	X	X	X	-	-
Total	**104,214**	**274,634**	**12,366**	**391,214**	**457,601**
of which: interest receivable from impaired financial assets		7,881		7,881	11,381
of which: interest receivable from financial leases	X	-	X	-	-

The item also includes interest income on bonds the purpose of funding repurchase agreements.
The item interest receivable on loans to customers includes, for 0.5 million, the effects for amortisation, applying the effective interest rate method, of the *fair value* of the loans identified during the Purchase Price Allocation (PPA) process of the Banca Popolare di Marostica Group.

1.2 Interest income and similar income: other information

1.2.1 Interest income on financial foreign currency assets

(thousands of €)	31.12.2025	31.12.2024
a) on assets in currency	95	115

1.3 Interest and similar expenses: breakdown

Items/Technical forms *(thousands of €)*	Payables	Securities	Other transactions	31.12.2025	31.12.2024
1. Financial liabilities measured at amortised cost					
1.1 Due to central banks	-	X	X	-	(9,648)
1.2 Due to banks	(9,894)	X	X	(9,894)	(13,410)
1.3 Payables to clients	(88,143)	X	X	(88,143)	(140,340)
1.4 Debt securities issued	X	(36,102)	X	(36,102)	(28,994)
2. Financial liabilities held for trading	-	-	-	-	-
3. Financial liabilities at fair value	-	-	-	-	-
4. Other liabilities and provisions	X	X		-	-
5. Hedging derivatives	X	X	(682)	(682)	-
6. Financial assets	X	X	X	-	-
Total	**(98,037)**	**(36,102)**	**(682)**	**(134,821)**	**(192,392)**
of which: interest payable for lease debts	(283)	X	X	(283)	(221)

1.4 Interest and similar expenses: other information

1.4.1 Interest expense on foreign currency liabilities

(thousands of €)	31.12.2025	31.12.2024
a) on liabilities in currency	(5,609)	(7,415)

1.5 Differentials related to hedging transactions

(thousands of €)	31.12.2025	31.12.2024
a) Positive differentials related to hedging transactions	-	992
b) Negative differentials related to hedging transactions	682	-
c) Balance (A-B)	**(682)**	**992**

Section 2 COMMISSION - ITEMS 40 AND 50

2.1 Commission income: breakdown

Service type/Amounts ***(thousands of €)***		**31.12.2025**	**31.12.2024**
a)	**Financial instruments**	**5,179**	**4,255**
	1. Securities placement	376	261
	1.1 Underwritten and/or on an irrevocable commitment	-	-
	1.2 Without irrevocable commitment	376	261
	2. Receiving and transmitting orders and executing orders on behalf of clients	2,155	1,936
	2.1 Reception and transmission of orders for one or more financial instruments	2,155	1,936
	2.2 Execution of orders on behalf of clients	-	-
	3. Other commissions related to financial instrument activities	2,648	2,058
	of which: proprietary trading	2,176	1,605
	of which: individual portfolio management	-	-
b)	**Corporate finance**	**-**	**-**
	1. Mergers and acquisitions consultancy	-	-
	2. Treasury services	-	-
	3. Other fees related to corporate finance services	-	-
c)	**Investment advisory services**	**-**	**-**
d)	**Clearing and settlement**	**-**	**-**
e)	**Custody and administration**	**-**	**-**
	1. Depository bank	-	-
	2. Other fees related to custody and administration activities	-	-
f)	**Central administrative services for collective portfolio management**	**-**	**-**
g)	**Fiduciary activity**	**-**	**-**
h)	**Payment services**	**53,682**	**52,958**
	1. Current accounts	27,396	27,252
	2. Credit Cards	6,887	6,180
	3. Debit cards and other payment cards	9,837	9,627
	4. Bank transfers and other payment orders	6,069	6,250
	5. Other fees related to payment services	3,493	3,649
i)	**Distribution of third-party services**	**41,276**	**36,376**
	1. Collective portfolio management	26,210	23,327
	2. Insurance products	14,836	12,909
	3. Other products	230	140
	of which: individual portfolio management	-	-
j)	**Structured finance**	**53**	**-**
k)	**Servicing activities for securitisation transactions**	**155**	**312**
l)	**Loan commitments**	**16,037**	**16,598**
m)	**Financial guarantees issued**	**4,622**	**4,178**
	of which: credit derivatives	-	-
n)	**Financing operations**	**1,670**	**2,074**
	of which: for factoring transactions	-	-
o)	**Currency trading**	**768**	**744**
p)	**Goods**	**-**	**-**
q)	**Other commission income**	**660**	**2,130**
	of which: for management of multi-lateral trading systems	-	-
	of which: for management of organized trading systems	-	-
Total		**124,102**	**119,625**

2.2 Commission income: product and service distribution channels

Channels/Amounts *(thousands of €)*	31.12.2025	31.12.2024
a) C/o own counters:	**41,652**	**36,687**
1. asset management	-	-
2. placement of securities	376	311
3. third-party services and products	41,276	36,376
b) Off-site offer:	**1**	**1**
1. asset management	-	-
2. placement of securities	-	-
3. third-party services and products	1	1
c) Other distribution channels:	**-**	**-**
1. asset management	-	-
2. placement of securities	-	-
3. third-party services and products	-	-

2.3 Commission expense: breakdown

Services/Amounts *(thousands of €)*	31.12.2025	31.12.2024
a) Financial instruments	**(633)**	**(621)**
of which: trading in financial instruments	(633)	(621)
of which: placement of financial instruments	-	-
of which: individual portfolio management	-	-
- Own assets	-	-
- Delegated to third parties	-	-
b) Clearing and settlement	**(76)**	**(67)**
c) Custody and administration	**(582)**	**(508)**
d) Collection and payment services	**(5,988)**	**(6,192)**
of which: credit cards, debit cards and other payment cards	(5,499)	(5,670)
e) Servicing activities for securitisation transactions	**-**	**-**
f) Commitments to receive funds	**-**	**-**
g) Financial guarantees received	**(2,059)**	**(2,702)**
of which: credit derivatives	-	-
h) Off-site offer of financial instruments, services and products	**-**	**-**
i) Currency trading	**(164)**	**(160)**
l) Other commission expenses	**(2,698)**	**(3,589)**
internet banking	(1,123)	(1,087)
Other	(1,575)	(2,502)
Total	**(12,200)**	**(13,839)**

Section 3 DIVIDENDS AND SIMILAR INCOME - ITEM 70

3.1 Dividends and similar income: breakdown

Items/Revenue *(thousands of €)*	31.12.2025		31.12.2024	
	Dividends	Similar revenue	Dividends	Similar revenue
A. Financial assets held for trading	-	-	2	-
B. Other financial assets obligatorily measured at fair value	-	1,656	-	1,124
C. Financial assets measured at fair value through other comprehensive income	3,609	-	2,496	-
D. Equity investments	-	-	-	-
Total	**3,609**	**1,656**	**2,498**	**1,124**

Section 4 NET PROFIT (LOSS) FROM TRADING - ITEM 80

4.1 Net profit (loss) from trading: breakdown

Transactions/Income components *(thousands of €)*	**Capital gains (A)**	**Profit from trading (B)**	**Capital losses (C)**	**Losses from trading (D)**	**Net result [(A+B) - (C+D)]**
1. Financial assets held for Trading	**30**	**87**	**43**	**1**	**74**
1.1 Debt securities	30	84	43	1	71
1.2 Equity securities	-	3	-	-	3
1.3 UCI units	-	-	-	-	-
1.4 Financing	-	-	-	-	-
1.5 Other	-	-	-	-	-
2. Financial liabilities held for trading:	**-**	**-**	**-**	**-**	**-**
2.1 Debt securities	-	-	-	-	-
2.2 Payables	-	-	-	-	-
2.3 Other	-	-	-	-	-
3. Other financial assets and liabilities:					
exchange rate differences	**X**	**X**	**X**	**X**	**(140)**
4. Derivative instruments	**28**	**581**	**144**	**684**	**(288)**
4.1 Financial derivatives:	28	581	144	684	(288)
- on debt securities and interest rates	28	396	144	467	(186)
- on equity instruments and share indices		185		217	(33)
- on currencies and gold	X	X	X	X	(68)
- other					-
4.2 Credit derivatives	-	-	-	-	-
of which: natural hedges connected to the *fair value option*	X	X	X	X	-
Total	**58**	**668**	**186**	**685**	**(353)**

The sub-item "Financial derivatives - on debt securities and interest rates", is related to margins and spreads on trading IRS, futures and options on securities and rates.

The column "Net result" includes, profits, losses, capital gains and losses from transactions on currencies and from derivatives on currencies and gold.

Section 5 NET PROFIT (LOSS) FROM HEDGING - ITEM 90

5.1 Net profit (loss) from hedging: breakdown

Income Components/Values *(thousands of €)*		31.12.2025	31.12.2024
A	**Income related to:**		
A.1	Fair value hedging derivatives	3,623	37
A. 2	Hedged financial assets (fair value)	-	65
A. 3	Hedged financial liabilities (fair value)	-	-
A. 4	Financial derivatives for cash flow hedging	-	-
A.5	Currency assets and liabilities	-	-
	Total income from hedging activities (A)	**3,623**	**102**
B.	**Expenses related to:**		
B.1	Fair value hedging derivatives	(28)	(59)
B.2	Hedged financial assets (fair value)	(3,643)	-
B.3	Hedged financial liabilities (fair value)	-	-
B.4	Financial derivatives for cash flow hedging	-	-
B.5	Currency assets and liabilities	-	-
	Total expenses of hedging activities (B)	**(3,671)**	**(59)**
C.	**Net result of hedging (A - B)**	**(48)**	**43**
	of which: result of hedges on net positions	-	-

The bank avails itself of the option, provided for at the time of the introduction of IFRS 9, to continue to fully apply the provisions of IAS 39 on "hedge accounting" (in the "carve-out" version approved by the European Commission). For this reason, in the table "5.1 net profit (loss) from hedging: breakdown", there are no entries in the row "of which: result of hedges on net positions" for subjects applying the IFRS 9 accounting standard also for hedges.

Section 6 PROFIT (LOSS) FROM SALE/BUYBACK - ITEM 100

6.1 Profit (loss) from sale/ buyback

Items/Income components *(thousands of €)*		31.12.2025			31.12.2024		
		Profit	Losses	Net profit	Profit	Losses	Net profit
	Financial assets						
1.	Financial assets measured at amortised cost	4,810	(1,358)	3,452	7,590	(785)	6,805
	1.1 Loans and advances to banks	-	-	-	-	-	-
	1.2 Receivables from customers	4,810	(1,358)	3,452	7,590	(785)	6,805
2.	Financial assets measured at fair value through other comprehensive income	8,109	(1,001)	7,108	9,642	(8,971)	671
	2.1 Debt securities	8,109	(1,001)	7,108	9,642	(8,971)	671
	2.2 Financing	-	-	-	-	-	-
	Total assets	**12,919**	**(2,359)**	**10,560**	**17,232**	**(9,756)**	**7,476**
	Financial liabilities						
1.	Payables to banks	-	-	-	-	-	-
2.	Payables to clients	-	-	-	-	-	-
3.	Debt securities issued	-	-	-	-	-	-
	Total liabilities	**-**	**-**	**-**	**-**	**-**	**-**

Section 7 NET RESULT OF FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS - ITEM 110

7.1 *Net change in the value of other financial assets and liabilities at fair value through profit or loss: breakdown of financial assets designated at fair value*

Transactions/Income components *(thousands of €)*	Capital gains (A)	Gains on sale (B)	Capital losses (C)	Losses on sale (D)	Net result [(A+B) - (C+D)]
1. Financial assets	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-
1.2 Financing	-	-	-	-	-
2. Financial liabilities	**-**	**-**	**-**	**-**	**-**
2.1 Debt securities issued	-	-	-	-	-
2.2 Payables to banks	-	-	-	-	-
2.3 Payables to clients	-	-	-	-	-
3. Financial assets and liabilities in currency: exchange rate differences	**X**	**X**	**X**	**X**	**-**
Total	**-**	**-**	**-**	**-**	**-**

7.2 *Net change in the value of other financial assets and liabilities at fair value through profit or loss: breakdown of financial assets obligatorily measured at fair value*

Transactions/Income components *(thousands of €)*	Capital gains (A)	Gains on sale (B)	Capital losses (C)	Losses on sale (D)	Net result [(A+B) - (C+D)]
1. Financial assets	**335**	**778**	**(1,052)**	**(1,319)**	**(1,258)**
1.1 Debt securities	-	-	-	(345)	(345)
1.2 Equity securities	-	-	-	-	-
1.3 UCI units	262	778	(1,040)	-	-
1.4 Financing	73	-	(12)	(974)	(913)
2. Financial assets in currency: exchange rate differences	**X**	**X**	**X**	**X**	**-**
Total	**335**	**778**	**(1,052)**	**(1,319)**	**(1,258)**

Section 8 ADJUSTMENTS/WRITE-BACKS OF NET VALUE FOR CREDIT RISK – ITEM 130

8.1 *Net credit risk value adjustments related to financial assets measured at amortised cost: breakdown*

Transactions/Income components *(thousands of €)*	Value adjustments						Write-backs				31.12.2025	31.12.2024
	First stage	Second stage	Third stage		Impaired acquired or originated		First stage	Second stage	Third stage	Impaired acquired or originated		
			Write-off	Other	Write-off	Other						
A. Receivable from banks	**(78)**	**-**	**-**	**-**	**-**	**-**	**74**	**-**	**-**	**-**	**(4)**	**251**
- Financing	(1)	-	-	-	-	-	4	-	-	-	3	22
- Debt securities	(77)	-	-	-	-	-	70	-	-	-	(7)	229
of which: purchased or originated credit impaired loans	-	-	-	-	-	-	-	-	-	-	-	-
B. Receivable from clients	**(17,955)**	**(20,814)**	**(9,381)**	**(27,260)**	-	-	**42,323**	**15,543**	**16,955**		**(589)**	**(4,602)**
- Financing	(17,487)	(20,814)	(9,381)	(27,260)	-	-	41,803	15,543	16,955	-	(641)	(4,300)
- Debt securities	(468)	-	-	-	-	-	520	-	-	-	52	(302)
of which: purchased or originated credit impaired loans	-	-	-	-	-	-	-	-	-	-	-	-
C. Total	**(18,033)**	**(20,814)**	**(9,381)**	**(27,260)**	**-**	**-**	**42,397**	**15,543**	**16,955**		**(593)**	**(4,351)**

8.2 Net credit risk adjustments related to financial assets measured at fair value through other comprehensive income: breakdown

Transactions/Income components *(thousands of €)*		Value adjustments						Write-backs				31.12.2025	31.12.2024
		First stage	Second stage	Third stage		Impaired acquired or originated		First stage	Second stage	Third stage	Impaired acquired or originated		
				Write-off	Other	Write-off	Other						
A.	Debt securities	(368)		-	-	-	-	354		-	-	(14)	29
B.	Financing	-	-	-	-	-	-	-	-	-	-	-	-
	- To customers	-	-	-	-	-	-	-	-	-	-	-	-
	- To banks	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**(368)**	**-**	**-**	**-**	**-**	**-**	**354**		**-**	**-**	**(14)**	**29**

Section 9 GAINS/LOSSES FROM CONTRACTUAL AMENDMENTS WITHOUT WRITE-DOWNS - ITEM 140

9.1 Profit (loss) from contractual amendments: composition

This item includes the effect of changes in conditions applied to credit positions without this resulting in the cancellation of the original position.

Section 10 ADMINISTRATIVE EXPENSES - ITEM 160

10.1 Personnel expenses: breakdown

Type of Charges/Amounts *(thousands of €)*	31.12.2025	31.12.2024
1) Employees	(123,658)	(117,125)
a) wages and salaries	(85,876)	(81,268)
b) social charges	(23,015)	(21,933)
c) severance indemnities	-	-
d) social security costs	-	-
e) provision for employee severance indemnities	(4,257)	(4,140)
f) provision for retirement pensions and similar obligations:	-	-
- defined contribution	-	-
- defined benefit	-	-
g) payments to external supplementary pension funds:	(5,481)	(5,208)
- defined contribution	(5,481)	(5,208)
- defined benefit	-	-
h) costs arising from share-based payment agreements	-	-
i) other employee benefits	(5,029)	(4,576)
2) Other personnel in service	(27)	(40)
3) Directors and Statutory Auditors	(1,436)	(1,409)
4) Retired personnel	-	-
5) Recovery of expenses for employees seconded to other companies	-	-
6) Reimbursement of expenses for third-party employees seconded to the company	-	-
Total	**(125,121)**	**(118,574)**

Item 3 "Directors and Auditors" includes remuneration paid to members of the company's Board of Directors and Board of Statutory Auditors.

10.2 Average number of employees by category

		31.12.2025	31.12.2024
1.	**Employees**	**1,316**	**1,269**
	a) managers	36	33
	b) middle managers	585	557
	c) remaining personnel	696	679
2.	**Other personnel**	-	-
	Total	**1,316**	**1,269**

The average number of employees does not include directors and auditors. Part-time employees are traditionally considered at 50%.

10.3 Provisions for defined benefit plan pensions: costs and revenue

There were no defined benefit pension provisions during the year.

10.4 Other employee benefits

Other employee benefits, the costs of which are shown in table 10.1 above at point i) mainly include costs of 1.7 million for meal vouchers, costs for insurance policies covering employees of 1.3 million, and personnel training expenses of 0.86 million.

10.5 Other administrative expenses: breakdown

(thousands of €)		31.12.2025	31.12.2024
1.	Machine and software rental fees	(6,048)	(5,126)
2.	Vehicle, food and travel expenses reimbursement	(2,189)	(2,093)
3.	Professional fees	(5,794)	(6,335)
4.	Membership fees	(921)	(894)
5.	SEC management costs (data processing centre)	(16,887)	(17,074)
6.	Donations	(461)	(1,116)
7.	Building rental expenses	(390)	(337)
8.	Stamp duty and tax on stock exchange contracts	(17,749)	(16,492)
9.	Indirect taxes	(1,189)	(1,033)
10.	Insurance premiums	(814)	(782)
11.	Transport expenses	(869)	(887)
12.	Security expenses	(1,112)	(1,095)
13.	Electricity, heating and service charges	(2,577)	(2,637)
14.	Office material supply charges	(1,065)	(1,075)
15.	Information and title search costs	(1,522)	(1,529)
16.	Legal collection costs	(1,338)	(1,428)
17.	Property, furniture and plant maintenance expenses	(5,309)	(4,663)
18.	Advertising and entertainment expenses	(3,483)	(3,351)
19.	Cleaning costs	(1,154)	(1,140)
20.	Telephone, postal, data and telex charges	(2,696)	(2,577)
21.	Taxes and charges	(2,850)	(2,688)
22.	Treasury Consortium	(512)	(304)
23.	Levies and charges relating to the banking system	(680)	(8,194)
24.	Other expenses	(717)	(502)
Total		**(78,326)**	**(83,352)**

The item "Levies and charges relating to the banking system" includes the contribution to the Interbank Deposit Protection Fund (FITD) for the year 2025 for -€0.74 million.

Section 11 NET ALLOCATIONS TO PROVISIONS FOR RISKS AND CHARGES - ITEM 170

11.1 Net provisions for credit risk related to loan commitments and financial guarantees granted: breakdown

(thousands of €)		31.12.2025	31.12.2024
a)	Net provision for commitments to provide funds	862	(753)
b)	Net provision for financial guarantees issued	(242)	947
c)	Use for enforcement of guarantees	-	-
Total		**620**	**194**

11.2 Net provisions relating to other commitments and other guarantees issued: breakdown

At the reporting date there are no provisions relating to other commitments and other guarantees.

11.3 Net provisions for other provisions for risks and charges: breakdown

(thousands of €)		31.12.2025	31.12.2024
a)	Provision for sundry civil suits, bankruptcy clawbacks and other charges	(2,976)	(631)
b)	Net provisions for sundry personnel charge funds	-	-
c)	Provisions for winding up	15,872	849
Total		**12,896**	**218**

Section 12 NET ADJUSTMENTS/WRITEBACKS TO TANGIBLE ASSETS – ITEM 180

12.1 Net value adjustments to tangible assets: breakdown

Asset/income component *(thousands of €)*	**Depreciation (a)**	**Value adjustments for deterioration per deterioration (b)**	**Write-backs (c)**	**Net result (a+b-c)**
A. Tangible fixed assets				
1 For functional use	(13,887)	-	-	(13,887)
- owned	(8,755)	-	-	(8,755)
- rights of use acquired with leases	(5,132)	-	-	(5,132)
2 Held for investment purposes	(319)	-	-	(319)
- owned	(319)	-	-	(319)
- rights of use acquired with leases	-	-	-	-
3 Inventories	-	-	-	-
B. Assets held for sale	-	-	-	-
Total	**(14,206)**	**-**	**-**	**(14,206)**

Section 13 NET ADJUSTMENTS/WRITEBACKS TO INTANGIBLE ASSETS – ITEM 190

13.1 Net value adjustments to intangible assets: breakdown

Asset/income component *(thousands of €)*	**Depreciation (a)**	**Value adjustments for deterioration per deterioration (b)**	**Write-backs (c)**	**Net result (a+b-c)**
A. Intangible fixed assets				
A.1 Owned	(1,307)	-	-	(1,307)
- generated internally by the company		-	-	-
- Other	(1,307)	-	-	(1,307)
A. 2 Rights of use acquired with leases		-	-	-
Total	**(1,307)**	**-**	**-**	**(1,307)**

Section 14 OTHER OPERATING INCOME/EXPENSES - ITEM 200

14.1 Other operating expenses: breakdown

(thousands of €)	31.12.2025	31.12.2024
1. Cash differences, materiality and management	(38)	(53)
2. Losses for receivables from the Deposit Protection Fund	-	-
3. Other charges	(3,800)	(4,029)
Total	**(3,838)**	**(4,082)**

14.2 Other operating income: breakdown

(thousands of €)	31.12.2025	31.12.2024
1. Building rental income	933	926
2. Recovery of operating costs	753	775
3. Debited to third parties for sundry recoveries	20,692	19,462
4. Other income	609	870
Total	**22,987**	**22,033**

Section 15 PROFITS (LOSSES) ON EQUITY INVESTMENTS - ITEM 220

15.1 Profits (losses) on equity investments: breakdown

Income Component/Amounts (thousands of €)	31.12.2025	31.12.2024
A. Income	-	743
1. Revaluations	-	-
2. Profits from disposal	-	-
3. Write-backs	-	743
4. Other income	-	-
B. Expenses	(753)	-
1. Write-downs	-	-
2. Value adjustments for deterioration	(753)	-
3. Losses on disposal	-	-
4. Other charges	-	-
Net profit	**(753)**	**743**

Section 16 NET RESULT OF MEASUREMENT AT FAIR VALUE OF TANGIBLE AND INTANGIBLE ASSETS - ITEM 230

16.1 Net result of the measurement at fair value (or at re-measured value) or presumed collection value for tangible and intangible assets: breakdown

During the year and in the last one there were no profits or losses from measurement at fair value of tangible and intangible assets.

Section 17 VALUE ADJUSTMENTS OF GOODWILL - ITEM 240

17.1 Value adjustments of goodwill: breakdown

There were no value adjustments to goodwill during the year.

Section 18 PROFITS (LOSSES) ON DISPOSAL OF INVESTMENTS - ITEM 250

18.1 Profits (losses) on disposal of investments: breakdown

Income Component/Amounts *(thousands of €)*	**31.12.2025**	**31.12.2024**
A. Mortgage	705	619
- Profits from disposal	705	623
- Losses on disposal	-	(4)
B. Other assets	(24)	3
- Profits from disposal	8	35
- Losses on disposal	(32)	(32)
Net profit	**681**	**622**

Section 19 INCOME TAXES FOR THE YEAR RELATING TO CURRENT OPERATIONS – ITEM 270

19.1 Income taxes for the year relating to current operations: breakdown

Income Component/Amounts *(thousands of €)*		**IRES**	**IRAP**	**31.12.2025**	**31.12.2024**
1.	Current tax expense (-)	(46,631)	(9,412)	(56,043)	(44,270)
2.	Change in current taxes over previous years (+/-)	1,162	-	1,162	(14)
3.	Reductions in current taxes for the year (+)	-	-	-	-
3 bis	Reductions in current taxes for the year for tax credits as per Italian Law no. 214/2011 (+)	-	-	-	-
4.	Changes in deferred tax assets (+/-)	(7,100)	(364)	(7,464)	(18,435)
5.	Changes in deferred tax liabilities (+/-)	(106)	-	(106)	(222)
5 bis.	Transfer from tax provision item 270 to tax provision item 60a SP	(1,500)	-	(1,500)	(1,000)
6.	**Taxes for the year (-) (-1 +/- 2 + 3 + 3bis +/- 4 +/- 5)**	**-**	**-**	**(63,951)**	**(63,940)**

19.2 Reconciliation between the theoretical tax charge and the actual tax charge in the financial statements

(thousands of €)	**TAXES**	***% incidence on theoretical taxable profit***
Income tax - theoretical tax burden	**68,762**	**35.2%**
Increases in taxes	**2,765**	**1.4%**
Other non-deductible costs	2,474	1.3%
Other	291	0.1%
Decrease in taxes	**(7,575)**	**-3.9%**
Effects of participation exemption	-	0.0%
Dividends	(1)	0.0%
Personnel expenses	(6,251)	-3.2%
Other	**(1,324)**	**-0.7%**
Total changes in taxes	**(4,811)**	**-2.5%**

Section 20 PROFIT (LOSS) ON DISCONTINUED OPERATIONS AFTER TAX - ITEM 290

20.1 Profit (Loss) on discontinued operations after tax: breakdown

There were no profits or losses from discontinued operating activities after tax during the year for which breakdown should be reported.

20.2 Detail of income taxes relating to discontinued operations

No income taxes were levied on discontinued operations during the year.

Section 21 OTHER INFORMATION

21.1 Collection of receivables on behalf of third parties: adjustments to debit and credit

(thousands of €)	31.12.2025	31.12.2024
a) "Debit" adjustments	**863,969**	**857,785**
1. Current accounts	256,554	252,625
2. Central Portfolio	606,314	602,492
3. Cash	272	2,246
4. Other accounts	830	423
b) "Credit" adjustments	**979,263**	**969,768**
1. Current accounts	242,909	231,489
2. Assigned effects and documents	735,424	737,196
3. Other accounts	930	1,082

Section 22 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.

The diluted earnings per share also considers the dilution effects resulting from the conversion of potential ordinary shares, established as financial instruments attributing the right to obtain ordinary shares to the owner. Accordingly, for the purposes of the calculation, the numerator and denominator of the ratio are adjusted to take into account the effects of the additional shares that would be in circulation in the event of conversion of all potential ordinary shares with dilutive effects.

	31.12.2025	31.12.2024
Basic earnings per share	2.61	2.55
Diluted earnings per share	2.61	2.55

"Earning per Share" (or EPS) is a performance measure providing an indicator of shareholder participation in the result for the year and is obtained by comparing profit for the year with the weighted average of outstanding shares.

	31.12.2025	31.12.2024
Weighted average of ordinary shares	50,289,187	49,689,593
Adjustment for dilution effect	-	-
Weighted average of ordinary shares with diluted capital	50,289,187	49,689,593

At the reporting date there were no operations with dilutive effects.

22.1 Average number of ordinary shares with diluted capital

At the reporting date there were no transactions with dilutive effects on the number of shares.

22.2 Other information

There is no significant information other than that indicated in the preceding sections.

PART D COMPREHENSIVE INCOME

Analytical statement of comprehensive income

(thousands of €)

	Other income not reversed to the income statement	140	90
20.	Equity securities designated at fair value through other comprehensive income:	(77)	(79)
	a) change in *fair value*	(253)	(95)
	b) transfers to other components of shareholders' equity	176	16
30.	Financial liabilities designated at fair value through profit or loss (changes in credit rating):	-	-
	a) change in *fair value*	-	-
	b) transfers to other components of shareholders' equity	-	-
40.	Hedging of equity instruments designated at fair value through other comprehensive income:	-	-
	a) change in fair value (hedged instrument)	-	-
	b) change in fair value (hedging instrument)	-	-
50.	Tangible fixed assets	-	-
60.	Intangible fixed assets	-	-
70.	Defined benefit plans	201	163
80.	Non-current assets and disposal groups held for sale	-	-
90.	Share of valuation reserves of equity accounted investments	-	-
100.	Income taxes relating to other income components not reversed to profit and loss	16	6
	Other income components reversed to profit and loss	(2,626)	7,891
110.	Foreign investment hedges:	-	-
	a) changes in *fair value*	-	-
	b) reversal to profit and loss	-	-
	c) other changes	-	-
120.	Exchange rate differences:	-	-
	a) value changes	-	-
	b) reversal to profit and loss	-	-
	c) other changes	-	-
130.	Cash flow hedges:	-	-
	a) changes in fair value	-	-
	b) reversal to profit and loss	-	-
	c) other changes	-	-
	of which: result of net positions	-	-
140.	Hedging tools (Non-designated items):	-	-
	a) value changes	-	-
	b) reversal to profit and loss	-	-
	c) other changes	-	-
150.	Financial assets (other than equity securities) measured at fair value through other comprehensive income:	(4,322)	11,726
	a) changes in *fair value*	349	6,211
	b) reversal to profit and loss	(4,671)	5,515
	- adjustments for credit risk	14	(29)
	- gains/losses on disposal	(4,685)	5,544
	c) other changes	-	-
160.	Non-current assets and disposal groups held for sale	-	-
	a) changes in *fair value*	-	-
	b) reversal to profit and loss	-	-
	c) other changes	-	-
170.	Share of valuation reserves of equity accounted investments:	-	-
	a) changes in *fair value*	-	-
	b) reversal to profit and loss	-	-
	- adjustments from deterioration	-	-
	- gains/losses on disposal	-	-
	c) other changes	-	-
180.	Income tax on other income components reversed to profit and loss	1,696	(3,835)

PART E INFORMATION ON RISKS AND RELATED HEDGING POLICIES

Section 1 Credit risk

QUALITATIVE INFORMATION

1. General aspects

The Bank's lending activities are designed to support the development and consolidation of small and medium-sized enterprises and to accompany families in their financing requirements, with the dual objective of financially supporting the development of the local economies in the territories in which the Bank operates and of establishing itself as a recognised, capable and long-standing partner for its customers.
The Bank's credit policy has always been based on responding to requests for finance from private customers and businesses, always paying special attention to the risk/return ratio and the presence of adequate coverage with mortgage guarantees, in particular for medium/long-term exposures.
With regard to private customers, the Bank's activity focuses on mortgage and personal loans, for which it provides a broad, complete offer. It selects customers on the basis of reliability and the merit of the customer's specific financial requirements and objectives.
For small businesses, demand has mainly concentrated on short-term loans, characterised by a high risk spread; while for medium and large companies, the Bank sought to increase medium-term loans, with a specific focus on loans secured by collateral.
Particular attention was paid to selecting economic sectors, with priority given to those deemed to be less risky. Support for businesses has been provided through special finance operations, such as property financing projects managed and monitored throughout their progress and redemption by use of a specific IT procedure.
In general, the loan portfolio is monitored in order to achieve broad diversification across sectors of economic activity and geographical areas (the provinces of Trentino Alto Adige, Veneto and Friuli Venezia Giulia), in order to mitigate the effects of any crises. Careful, precise controls are imposed on the most significant exposures, taking account of all the legal and economic links between the counterparties, in order to maintain them within limits so as not to risk the Bank's financial and economic equilibrium.
In all cases, the credit policy is guided by a prudent approach and oriented towards establishing relationships with trusted customers based on mutual confidence and transparency with a view to fostering personalised, long-term relationships.

2. Credit risk management policies

2.1. General aspects

The credit risk management process is based on the maximum involvement of all relevant departments, at the various structure levels, to reconcile the need for fast fulfilment of customer requests with an analytical assessment of the credit risk. The credit process stages are expressed in the planning of credit policies, in the investigation, allocation, periodical review, monitoring and management of "non-performing" loans.
The credit policy, implementing strategic guidelines set by company Bodies during planning and in complying with the maximum risk levels established by the RAF, establishes the size of the loans portfolio and the relative breakdown, in order to guarantee an adequate mix between the profile of the risk taken and return levels achieved. At company planning level, the guidelines become targets, for business structures, for the quality of the portfolio integrated with those of growth and profitability, to be achieved consistent with capital and risk constraints.

The deliberative autonomy system, ruled by the Board of Directors through the "cascade" delegation principle, foresees attributing limited rights to the peripheral structures, privileging control by specialised central units. Involving the various company bodies and departments in control of the credit process involves the entire company:

- the Board of Directors supervises and monitors correct allocation of resources, defines the strategic guidelines and credit policies, sets the criteria for the recognition, management and assessment of risks, approves delegation of powers and signature to be attributed to the Bodies and business Units for granting and reviewing credit lines. Checks that the structure of control functions is defined in compliance with strategic guidelines; that the latter have appropriate autonomy of judgement and adequate qualitative and quantitative resources;
- the internal credit Committee analyses and examines the credit risk management policies. Specifically, the Committee is informed of compliance with limits set in the annual Credit Strategies, and examines the overall quality trend of the loans portfolio;
- General Management implements the strategies and policies established by the Board of Directors; in particular, it prepares rules, activities, procedures and organisational structures able to ensure adoption and maintenance of an efficient credit process and a solid risks control system, intervenes to eliminate any shortcomings and malfunctioning detected;
- through the credit assessment organisational units, the Loans Department supports the decision-making bodies by receiving loans dossiers from peripheral offices, checks their formal correctness and completeness, and finalisation of the inquiry;
- branches manage the relationship with the customer, acquire documents, perform a first selection of applications, make decisions directly for the ones they are responsible for, monitor the credit ratio evolution daily, checking for any potential anomalous situations;
- Risk Management defines, develops and maintains the "models" underlying the rating system used for management purposes, checks the reliability and effectiveness of estimates it produces and possibly intervenes to improve it. Assesses, based on various analysis scales, loans portfolio riskiness, produces the relative information flows and makes them available for the bodies responsible and operating departments. The main responsibilities of Risk Management for the proper management of credit risk include the definition and implementation of the RAF, the ICAAP, the stress tests and the Recovery Plan, the monitoring of all the activities carried out by the offices responsible for monitoring and managing credit risk, with particular regard to the evolution of the rating system, the design, development and maintenance of the models and metrics adopted for measuring credit risk for management purposes, the supervision of the planning of credit policies in line with the RAF and the monitoring of its timely application, the monitoring of the overall quality of the credit portfolio through aggregate analyses and, where necessary, on individual positions, the assessment of the most significant credit exposures in terms of risk, preparing the relevant analyses and carrying out the verification of exceptions to the rating opinions expressed by the operational structures.

2.2 Management, measurement and control systems

Control of the credit risk is supported by an internal management rating system developed by the Bank.
The models cover the management segments "Private Individuals", "Micro-Companies" and "Non-Micro-Companies". Those models enable assigning a rating to each counterpart and an associated estimate of the single-name probability of default (PD); the latter estimates the probability that an entrepreneur becomes insolvent within a year. The rating depends exclusively on the characteristics of the counterparty and is therefore independent of any collateral acquired.
Rating assessments, produced by statistical models, are divided into 12 classes.
The rating is used in the credit process stages going from planning credit policies to monitoring trends.

Impaired positions include bad debts, unlikely to pay and loans expired and/or over the limits to a relevant extent and exceeding 90 days. Ratings issued by independent agencies are used in determining capital requirements for credit and counterparty risk, with the Bank adopting the so-called "standardised" assessment approach, which involves assigning exposure weighting coefficients on the basis, where available, of the rating assigned to each counterparty by a specialist firm (rating agencies such as Standard & Poor's, Moody's, Fitch Ratings, DBRS and Cerved Group).
With regard to counterparty risk, in addition to the continuous monitoring of the main lending groups, a specific analysis of each position taken is carried out periodically, conducted through the joint consideration of various indicators, including the rating assessment, data derived from accounting disclosures and market data. At portfolio level, credit risk is assessed along various analytical axes, including the distribution of counterparties over time by rating class and by economic and production sector.
Those assessments support formulating credit policy guidelines and enable adopting suitable management measures and providing operational guidelines to the central and peripheral departments involved.
For what concerns the credit risk and extension of the use of its measurements to the various management areas, for some time now the Bank has introduced expected loss control targets (cost of the credit risk) when preparing the annual budgets.
The credit process also foresees, in its single stages, a number of risk mitigation controls.
The inquiry stage, to ascertain presumed reliability by assessing the credit merit of applicants, foresees examining the consistency of the transaction characteristics with the funding purpose, control of the suitability of any collateral hedging the non-repayment risk, the cost-effectiveness of the credit action. In that area, the judgement expressed by the internal rating system, when available, and the associated default estimates are duly considered, as essential, indispensable elements for a full assessment of the customer.
The decision to grant the loan is made by the decision-making bodies responsible, at the time of allocation, carefully assessing all the information gathered during the inquiry, and any further opinion element possibly available. In order to guarantee greater control of the credit risk, the mechanism setting the autonomy limits for the decision-making bodies at the base of the hierarchical scale flanks the transaction's nominal value with a delegation system, also considering an objective counterparty credit riskiness measure expressed by the internal rating.
The credit lines then become operational and are then only made available to the borrower when what is foreseen in the decision has been finalised; with specific attention for acquiring guarantees, controls and assessment that they can limit the credit risk.
After granting, exposures are reviewed periodically, or revised, to ascertain that the conditions found during the inquiry and considered to allocate the funding are still applicable.
The revision can also take place automatically, with reference to positions presenting limited riskiness levels, ascertained with a rigorous examination of suitable, pre-set indicators. Credit and guarantees are monitored by continuously observing counterparty reliability and with a periodical control that general and specific requirements still exist and with the value of protections acquired; in order to guarantee full, effective enforceability if the debtor should become insolvent.
Monitoring, performed in compliance with formalised organisational procedures, is conducted so as to establish early whether any negative symptoms have arisen and promptly, effectively take the actions needed to prevent the situation getting worse. Related to that, an important role is assigned to the branches holding the credit positions because, through relations with customers, they can immediately perceive any signs of anomaly.
Specific head office departments are dedicated to analysing all the information available to continually assess the credit merit of each exposure and identify those with a greater exposure to risk.

Information of a guiding type is also produced periodically to support monitoring, based on relevant analysis routes, of how the credit portfolio risk is evolving. Related to the monitoring of credits displaying anomalies, it also identifies the specific analysis of overflowing, in order to intervene promptly on problematic positions.
The Anomalous Credits Analysis Operating Unit, within the Credit Department, using measurement and trend control methods deriving from the application of Early Warning models based on internal and system data, jointly, when available, with the judgement assigned by the rating system, identifies potentially problematic counterparts and promotes actions to mitigate the credit risk. Those positions are subjected to suitable analysis and, when concrete signs of tension are detected, they are classified among different levels of risk based on their gravity.
Controls on the concentration of risks for significant exposures with single counterparties or groups of counterparties with legal and/or economic connections are carried out during the inquiry, allocation, revision and monitoring stages.
For dossiers qualified as of greater important ("OMR"), based on the amount of exposure and the amount of a new loan request, a specific procedure takes place, compliant with regulations applicable. Specifically, those dossiers, integrated by the credit line investigation report, are transmitted to Risk management responsible for assessing transaction consistency with the risk target system identified in the RAF (Risk Appetite Framework).

2.3 Methods used to measure expected losses

In order to calculate the impairment of an exposure, the IFRS 9 accounting standard envisages:
- for performing *exposures* that do not present a significant increase in credit risk compared to *origination*, an estimate of the expected loss at 12 months, to include losses arising from default events that may occur within one year;
- for *performing* exposures presenting a significant increase in credit risk compared to *origination*, the estimated expected loss over the *lifetime* horizon, taking account of all losses arising from default events that may occur during the residual life of the instrument;
- for *non-performing* positions, cash flows discounted at the effective interest rate of the loan are considered.

The Bank has developed a position allocation model that reflects the various ways of calculating expected loss. In particular, each relationship is assigned according to a system of assignment stages, which identifies:
- stage 1: as performing exposures *that* have not suffered a significant increase in credit risk since origination;
- stage 2: *performing* exposures for which there has been a significant increase of the credit risk (*Significant Increase of Credit Risk* – "SICR") between the *origination* and reporting dates;
- stage 3: non-performing exposures which are therefore classified as *non-performing* on the reporting date, according to the definition of default adopted by the Bank.

The criteria applied by the Bank to recognise a significant increase in credit risk (and therefore forming the basis for stage 2 classification) can be grouped into two types:
- qualitative criteria, which identify a set of indicators whose presence is assumed to significantly increase risk. Three criteria can be distinguished:
    - the presence of *forbearance* measures (i.e. special concessions, such as amendments to existing contractual terms or refinancing following a substantial change in the economic situation of the counterpart);
    - the so-called *rebuttable presumption*, i.e. the presence of a continuous overrun or expired over 30 days;
    - the presence of the position on the Bank's watch list.
- the quantitative criterion, based on calculation of the *lifetime* PD ratio (LtPDR), which is a measure of the increase in the *lifetime* riskiness of a position at the reporting date compared to the *origination* date; stage 2 classification of a position based on the quantitative criterion occurs by comparing the LtPDR with a significance level estimated statistically.

The *lifetime* PD model developed by Volksbank plays a decisive role in calculation of the ECL and in the *stage allocation* of individual credit exposures. In particular, the value of MPD (*marginal* PD) at time t is used to obtain the expected loss of ECL_t at any time t≤T until maturity T; for *stage allocation*, on the other hand, the level of risk expressed by the PD over the residual life of an instrument is used to identify positions that show a significant increase in credit risk, and which are consequently classified in stage 2.
The selected estimation method focuses on the estimation of *lifetime* PD curves with a Weibull function, following the derivation of the Cumulative Default Rates by means of Kaplan-Meier survival analysis. The reasoning behind the choice of this methodology is based on the model's greater flexibility, the theoretical soundness of the approach and the defined implementation effort, consistent with the size, internal organisational structure and the nature, scope and complexity of the Bank's business and credit portfolio.
With reference to the logic of defining impairment for exposures classified as past due or likely to default without analytical assessment, the ECL is equal to EAD● LGD. In particular, the formula applied is as follows:

$$IMPAIRMENT = EAD * CCF * \left\{1 - \left(\frac{(1 - LGD)}{(1 + EIR)^{TTR}}\right)\right\}$$

where:

$$LGD = \frac{EAD - FORECAST\_REC\_OK}{EAD}$$

$$FORECAST\_REC\_OK = min\{EAD; RECOVERY\_FORECAST\}$$

For positions classified as "Non-performing" or subject to analytical assessment, the expected loss is equal to:

IMPAIRMENT = SPECIFIC_WRITEDOWNS

In particular, the value of exposures classified as impaired is equal to the estimate of the present value of the cash flows expected to be obtained. For secured positions, the value of the cash flows that the Bank expects to recover coincides with the value of the flows deriving from completion of the process of recovering the value of each guarantee, net of costs incurred, and not contingent on the probability that the enforcement action has been taken. The TTR (recovery time) and the discount rate are necessary to estimate the present value of the cash flows.
With regard to application of sale scenarios, please see the contents of Chapter A "Accounting Policies" of the explanatory notes.
In the context of risk management for the Abnormal Loan Analysis business unit, the Loans Department is responsible for ensuring:

- credit control and the management and monitoring of positions, liaising with the branch and area offices responsible for customer relations;
- the proposal, on its own initiative, of rules for the management of positions within the scope of its competence, including with reference to specific dedicated units;
- a contribution to the implementation and maintenance of an information base that enables the assessment and performance control of individual positions and the customer's overall exposure to the Bank;
- guarantee correct management of positions, providing the necessary assistance and advice to the units responsible for the customer relationship;
- systematic monitoring of the evolution of performing positions with the tools available, also referring to the *Early Warning* model, and promptly identification of positions showing signs of deterioration and which risk slipping into Stage 2;

- implementation of measures to reduce and/or contain risk exposure for those positions identified by the *Early Warning* engine in which there is a real risk of slipping into Stage 2.

For risk management purposes, it should be noted that the model adopted by the Bank provides for an *Early Warning* process based on SICR measurement methods developed during the implementation of IFRS 9. In particular, development of an *Early Warning* methodology consistent with IFRS 9 methods appears necessary in order to harmonise risk management tools with the accounting framework and consistently integrate the stage allocation process with the credit risk management practices and the way in which these practices are managed for the purposes of recognition and assessment of expected credit losses.

The natural evolution of the *Early Warning* system is therefore to play a complementary role to stage 2, in which it plays the role of preventing the occurrence of a significant increase in risk.

The *Early Warning* mechanism minimises stage 2 migration, reducing the impact on capital and regulatory ratios, and allows for an enrichment of the tools available for credit risk management. In particular, this methodology involves identification of a *threshold* of significance ("SICR") estimated by means of a statistical model of quantile *regression* that defines the discriminatory level of risk as an estimate of the quantile of the distribution of LtPDRs that optimises the forecast of credit deterioration. In order to ensure that deterioration phenomena are captured sufficiently in advance, the *Early Warning* model is developed by extrapolating the SICR thresholds downwards, so that positions are identified that are closest to the discriminating SICR threshold for stage 2 classification in terms of *lifetime* PD variation (ΔPD).

The development of this methodology makes it possible to achieve a double benefit:

- it enables integration of the two stage *allocation* and *Early Warning* systems, without overlaps, resulting in harmonious functioning in two operating environments;
- it implements a methodology that is consistent across its classification and accounting assessment and its credit risk management aspects. In particular, the focus of the *Early Warning* model on the LtPDR (that is on the variation of the *lifetime* PD) bases the risk management model on the *lifetime* PD model adopted for accounting purposes, which refers to the rating system, of which it adopts and reflects the implicit risk profile estimates.

Lastly, related to use of future provisions containing *forward looking* elements, in particular scenario-dependent, the model defining the macroeconomic scenarios, suitably parametrized and based on specific rules defining the "transmission model" of evolutionary trends in the *scenario-dependent* structures, helps determine the risk parameters as part of the ECL calculation process. Three different macro-scenarios are adopted enabling implementation, in compliance with what is required by the standard, a sufficiently structured, punctual forecasting estimate, yet suitable for Bank size, structure and complexity. The baseline scenario, based on the "central" evolutionary trend of the macroeconomic variables compared to previous values observed up to the time of the estimate, which therefore constitutes the one whose implementation is generally considered as the most probable, is flanked by an adverse scenario which presents an unfavourable yet plausible evolution of the macroeconomic context and a moderately favourable scenario which presents a favourable, realistic evolution compared to the situation observed when the estimate took place.

Credit risk mitigation techniques

In order to mitigate credit risk, the Bank uses all the main forms of collateral typical of the banking business, both real and personal. The main collateral acquired consist of:

- mortgages on properties;
- pledges on money and various types of securities (government securities, bonds, mutual funds, asset management, insurance policies, certificates of deposit, foreign securities, shares, etc.).

With regard to the management methods, these guarantees are acquired with a regular pledge agreement and by a notarial deed (for mortgages) and are entered into the "Loans and Guarantees" electronic procedure which enables the management, control and monitoring of such guarantees.

Personal guarantees are mainly issued by:
- natural persons in favour of companies of which they are shareholders and/or directors;
- natural persons in favour of other natural persons to whom they are linked by family relationships;
- consortia in favour of individual companies/firms associated with them (following agreements stipulated with the Bank).
- public financial institutions (guarantee funds).

To a limited extent, personal guarantees are also provided by companies in favour of other subsidiaries/associates and financial institutions in favour of companies.

An analysis of the characteristics of the guarantees provided does not reveal a particular degree of concentration in the various forms of coverage/guarantee, since the guarantees acquired, except in particular cases, can essentially be considered "specific" to each individual position. Furthermore, in general terms, no contractual constraints are in place that could undermine their legal validity.

Lastly, to check the legal and operational effectiveness of the guarantees, an information / organisational / legal system (electronic credit line folder) is used and prepares texts and IT supports of the various guarantees, including:
- the regulatory operating processes of internal regulations, foreseeing and establishing rules on the values to be attributed to guarantees acquired (estimate opinions, confirmation/control/monitoring of events with cadastral preliminary enquiries, IT assessments in real time of the values of listed securities, etc.);
- verification of the authenticity of the signatures on the various guarantees (verification of company documents, witnessing in the presence of our operators, notarial authentication, etc.).

With specific reference to mortgages, reliable principles and standards are adopted to value the properties and obtain realistic, detailed estimates of the value of assets used as collateral. The Bank is also equipped with a process that can ensure efficient management and specific assessment of constrained properties in real time, through the census of assets and filing of estimates in a specific IT procedure. Furthermore, in order to fulfil supervisory provisions, to supervise the value of property, both residential and commercial/industrial, they are periodically revalued. The existence of specific requirements on properties, needed to mitigate the credit risk (regardless of the property's value, the counterpart's credit value, independence of repayment from financial flows from the asset and direct use of the property or its rental), it is checked by the departments appointed and made clear in the electronic credit line folders for the subsequent control of investigators and decision-making bodies.

The value of the real guarantees on financial instruments, listed on regulated markets, is automatically reviewed on a daily basis and based on list prices, in order to check, compared to the loan granted, that the initial coverage continues and permit, if that is not the case, prompt examination by managers.

3. Non-performing loan exposures

3.1 Management strategies and policies

The specific, transversal competences in the management of problematic and/or non-performing loans ("NPL") are concentrated in the Loans Department, divided into three dedicated Business Units:
- abnormal loan analysis organisational unit;
- bad debts organisational unit;
- credit monitoring organisational unit.

The organisational model described above involves management in activities for the recovery of positions in difficulty up to those concerning the management of positions classified as non-performing.

The central role of Management, also in support of the strategic decisions of the office responsible for strategic supervision, can be identified as its methodological, monitoring, and process management, designed and constantly maintained in order to promote active management of the items for which it is responsible.

Loans for which particularly severe stress signals recur are classified as impaired ("*Non-Performing Exposures*") in accordance with the "Guidelines on the application of the definition of default pursuant to Article 178 of Regulation (EU) no. 575/2013" (EBA/GL/2016/07) and the "Regulatory Technical Standards relating to the materiality threshold of credit obligations in arrears" and the related Delegated Regulation (EU) 171/2018 of the European Commission of 19 October 2017 (EBA/RTS/2016/06), which were in turn transposed at the national level by the Bank of Italy (so-called "new DoD" discipline).

Based on how serious the anomaly is, they are divided into the following categories:

- Bad Debts, total existing exposures with insolvent subjects or essentially equivalent situations regardless of their guarantees and/or any expected losses;
- Unlikely to pay, total exposures with debtors who, in the Bank's opinion, are unlikely, without the use of actions such as enforcing the guarantees, to fully fulfil (capital and/or interest) their debt obligations ("*unlikely to pay*"). That assessment is performed regardless of the presence of any amounts (or instalments) that have expired and were not paid;
- Exposures expired and/or impaired past due, cash exposures, other than those classified amongst the bad debts and unlikely to pay, that have expired or been overdrawn by more than 90 days according to regulations in force.

Management of "non-performing" loans involves taking actions consistent with how serious the situation is in order to return it to normal or, if that is impossible, to implement a suitable recovery procedure.

From the bad debt management method point of view, the NPL Management Strategy is of specific importance, as required by the Bank of Italy with its "Guidelines for the Less Significant Italian Banks on the management of non-performing loans" published on 30 January 2018. In particular, in the context of the definition of the NPL management strategy, the forecast values of NPL are calculated as the evolution of 2 separate portfolios:

- the stock of loans already disbursed by the Bank and amortised;
- the stock of future loans to be disbursed by the Bank.

The above two portfolios are further divided into 3 sub-portfolios:

- guaranteed by residential properties;
- guaranteed by non-residential properties;
- not guaranteed by the properties.

The model developed by the Bank used as input data:

- analytical forecasts for the stock of *non-performing exposures* ("NPEs") developed by the Bank. The analytical forecasts were used as the basis for the development of the forecast management model;
- the transition matrices recorded by the Bank over the last two years, adjusted on the basis of internal valuation elements and with reference to the macroeconomic context. The matrices were used to estimate percentage point rate of passage between risk classes;
- the percentages of receipts and cancellations calculated from the financial statements for the last three years;
- the new stock of loans that the Bank intends to grant in the three-year planning period in accordance with the business plan in place on the date the strategy was approved;
- the amortisation plan for the stock of existing loans and the newly-disbursed loans;
- the amount of "item 130 a) Net adjustments/write-backs on credit risk of financial assets valued at amortised cost" for the period 2025-2027 as included in the current strategic planning.

These values, which constitute model input data, were used to estimate the maximum applicable prospective coverage.

Transfers between the various risk classes are calculated by applying a specific approach to the individual exposure classes:

- Performing: *default* rate recorded;
- Past Due and UTPs: *danger rates and care rates*;
- Bad debts: *cure rate*.

In addition, with regard to loans classified as non-performing positions, other sources of stock reduction have been modelled such as:

- percentages of historical collections recorded by the Bank for the individual risk classes;
- percentages of historical write-offs recorded by the Bank for the individual risk classes;
- extraordinary cancellations entered as input data in a precise manner as shared with the Bank;
- sales of NPL portfolios specifically included as shared with the Bank.

Further source of a decrease in loan stock classified as Performing are the specific amortisation plans.

3.2 *Write-off*

IFRS 9 states that "an entity shall directly reduce the gross carrying amount of a financial asset when the entity has no reasonable expectation of recovery of all or a portion of it. A write-off constitutes a derecognition event".
The "Guidelines for Banks on Impaired Loans - NPLs" published by the European Central Bank in March 2017 specify that "the reduction in the gross book value of a financial asset corresponds to the value of the write-off"; furthermore, "the write-off of a financial asset, even partially, should be carried out by the bank in the financial year in which the loan or part of it has been considered unrecoverable" and it follows that "the write-off may take place before the judicial actions taken against the debtor to recover the loan have been definitively concluded. Cancellation does not imply that the Bank waives its legal right to recover the debt." Finally,"once derecognised, an amount may not be reinstated, unlike provisions, the value of which may be reinstated in the profit and loss account if there are changes in the estimate. Derecognition should not be restored and if cash flows or other assets are recovered as a last resort, their value should be recognised in the income statement as part of the income statement."
Bank of Italy Circular No. 262/2005, in its current version, establishes that "a *write-off* may concern the entire amount of a financial asset or a portion thereof and corresponds to:

- the reversal of total value adjustments, as a balancing entry to the gross value of the financial asset, and
- for the part exceeding the amount of the total value adjustments, to the loss in value of the financial asset recognised directly in the Income statement.

Any recoveries from collections subsequent to the write-off are recognised in the income statement under write-backs. The term "total *write-offs*" refers to the cumulative amounts of partial and total *write-offs* on financial assets".
As part of the new provisions implementation process, the scope of positions to be *written-off* is defined by the positions, measured at amortised cost and belonging to the *Hold To Collect* Business Model, which are classified as doubtful or unlikely to pay and are subject to analytical loss projections.
Performing positions, whether in Stage 1 or Stage 2, and positions measured at *fair value* are therefore excluded from the *write-off*.

3.3 *Impaired financial assets acquired or originated*

"Impaired financial assets acquired or originated" are credit exposures that are impaired on initial recognition. Consequently, any purchase of credit exposure of Non-Performing customers or significant new disbursements made to already Non-Performing customers must be considered as a POCI (*Purchased or Originated Credit Impaired Asset*). Activities flagged as POCI are characterised in terms of determination of the impairment. In fact, value adjustments equal to the ECL lifetime must be recorded for the instruments in question from the date of initial recognition and for their entire life.

At the balance sheet date, no *impaired* or originated financial assets had been acquired.

4. Financial assets subject to business renegotiations and forborne exposures

Forbearance measures consist of concessions to a debtor who is experiencing or about to experience difficulties in the fulfilment of their financial obligations ("financial difficulties"). Financially troubled exposures are therefore identified as forborne impaired, i.e. exposures subject to forbearance measures; renegotiations and refinancing for commercial reasons, which are independent of the borrower's financial difficulties, are to be excluded from the notion of forborne.
The definition of forborne exposure is independent of the macro-categories of classification of loans (performing and non-performing). Loans subject to forbearance measures must be in either Stage 2 (performing) or Stage 3 (non-performing).
The forbearance measures provide for different minimum monitoring periods for exiting forborne status, which vary according to the risk status assigned to the counterparty:
– 24 months for performing positions ("probation period");
– 36 months for positions classified as impaired, including a 12-month "cure period", after which the status switches from "forborne non-performing" to "forborne performing". This status is monitored for at least the next 24 months ("under probation period"). The occurrence of impairment events during this period may again lead to a reclassification from "forborne perfoming under probation" to "forborne non-perfoming".

QUANTITATIVE INFORMATION

A. CREDIT QUALITY

A.1 Non-performing and performing loan exposures: stocks, value adjustments, dynamic and economic distribution

A.1.1 Distribution of financial assets by portfolio and credit quality (book values)

Portfolio/Quality *(thousands of €)*	**Bad debts**	**Unlikely to pay**	**Past due non-performing exposures**	**Past due performing exposures**	**Other performing exposures**	**Total**
1. Financial assets measured at amortised cost	31,453	74,323	5,519	63,353	10,075,058	**10,249,706**
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	1,123,418	**1,123,418**
3. Financial assets designated at *fair value*	-	-	-	-	-	**-**
4. Other financial assets obligatorily measured at *fair value*	-	4,840	-	-	1,475	**6,315**
5. Financial assets under disposal	-	-	-	-	-	**-**
Total as at 31.12.2025	**31,453**	**79,163**	**5,519**	**63,353**	**11,199,951**	**11,379,439**
Total as at 31.12.2024	**36,223**	**86,228**	**8,148**	**75,466**	**10,573,316**	**10,779,381**

Financial assets measured at amortised cost include non-performing exposures subject to forbearance of 228.5 million, of which 58.9 are due to bad debts and 43.0 are due to unlikely to pay positions, and non-performing exposures subject to forbearance of 126.6 million

A.1.2 Distribution of financial assets by portfolio and credit quality (gross and net values)

Portfolio/Quality *(thousands of €)*	Non-performing assets				Unimpaired assets			Total (net exposures)
	Gross exposure	Overall value adjustments	Net exposure	Overall partial write-offs*	Gross exposure	Overall value adjustments	Net exposure	
1. Financial assets measured at amortised cost	260,302	149,005	111,296	34,488	10,221,878	83,468	10,138,410	**10,249,706**
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	1,124,024	606	1,123,418	**1,123,418**
3. Financial assets designated at *fair value*	-	-	-	-	-	-	-	**-**
4. Other financial assets obligatorily measured at *fair value*	4,840	-	4,840	-	X	X	1,475	**6,315**
5. Financial assets under disposal	-	-	-	-	-	-	-	**-**
Total as at 31.12.2025	**265,142**	**149,005**	**116,136**	**34,488**	**11,345,902**	**84,074**	**11,263,303**	**11,379,439**
Total as at 31.12.2024	**308,550**	**177,950**	**130,600**	**32,178**	**10,720,853**	**89,805**	**10,648,782**	**10,779,382**

* value to be indicated for information purposes

Portfolio/Quality *(thousands of €)*	Assets of evidently poor credit quality		Other assets
	Accumulated capital losses	Net exposure	Net exposure
1. Financial assets held for trading	-	-	15,267
2. Hedging derivatives	-	-	-
Total as at 31.12.2025	**-**	**-**	**15,267**
Total as at 31.12.2024	**-**	**-**	**1,682**

A.1.3 Breakdown of financial assets by past due buckets (book values)

Risk portfolios/stages (thousands of €)	First stage: From 1 day to 30 days	First stage: Between 30 days and 90 days	First stage: More than 90 days	Second stage: From 1 day to 30 days	Second stage: Between 30 days and 90 days	Second stage: More than 90 days	Third stage: From 1 day to 30 days	Third stage: Between 30 days and 90 days	Third stage: More than 90 days	Impaired acquired or originated: From 1 day to 30 days	Impaired acquired or originated: Between 30 days and 90 days	Impaired acquired or originated: More than 90 days
1. Financial assets measured at amortised cost	33,024	-	-	15,695	13,692	941	5,384	8,404	54,526	-	-	-
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
3. Financial assets under disposal	-	-	-	-	-	-	-	-	-	-	-	-
Total as at 31.12.2025	**33,024**	**-**	**-**	**15,695**	**13,692**	**941**	**5,384**	**8,404**	**54,526**	**-**	**-**	**-**
Total as at 31.12.2024	**33,986**	**-**	**-**	**21,012**	**17,176**	**3,292**	**4,145**	**7,931**	**57,234**	**-**	**-**	**-**

A.1.4 Financial assets, loan commitments and financial guarantees granted: overall impairment losses/reversals and overall provisions

Grounds/Stages of risk (thousands of €)	Overall value adjustments – Activities in the first stage: Loans to Central Banks and at sight central banks	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Assets held for sale	of which: individual impairment	of which: collective impairment	Activities in the second stage: Loans to Central Banks and at sight central banks	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Assets held for sale	of which: individual impairment	of which: collective impairment	Activities in the third stage: Loans to banks and on demand central banks	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Assets held for sale	of which: individual impairment	of which: collective impairment	impaired financial assets acquired or originated: Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Assets held for sale	of which: individual impairment	of which: collective impairment	Overall provisions on loan commitments and financial guarantees granted: Stage 1	Stage 2	Stage 3
Opening balance	**6**	**43,662**	**592**	**-**	**2,393**	**41,867**	**-**	**45,547**	**-**	**-**	**635**	**44,912**	**-**	**177,950**	**-**	**-**	**53,252**	**124,698**	**-**	**-**	**-**	**-**	**-**	**1,365**	**1,687**	**5,428**
Increases from purchased or originated financial assets		11,131	415	-	744	10,802	-	6,642	-	-	-	6,642	-	18,315	-	-	6,420	11,895	-	-	-	-	-	999	906	731
Derecognitions other than write-offs		(6,004)	(226)	-	(393)	(5,837)	-	(4,972)	-	-	-	(4,972)	-	(48,948)	-	-	(20,987)	(27,961)	-	-	-	-	-	(531)	(843)	(2,869)
Net adjustments/write-backs on credit risk (+/-)	(4)	(10,412)	(174)	-	(607)	(9,983)	-	(2,127)	-	-	226	(2,353)	-	7,717	-	-	6,574	1,143	-	-	-	-	-	29	115	845
Contractual amendments without write-downs				-	-	-	-		-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
Changes in estimation method				-	-	-	-		-	-	-	-	-	(6,028)	-	-	-	-	-	-	-	-	-	-	-	-
Write-off				-	-	-	-		-	-	-	-	-		-	-	(6,028)	-	-	-	-	-	-	-	-	-
Other changes				-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing inventories	**2**	**38,377**	**607**	**-**	**2,137**	**36,849**	**-**	**45,090**	**-**	**-**	**861**	**44,229**	**-**	**149,006**	**-**	**-**	**39,231**	**109,775**	**-**	**-**	**-**	**-**	**-**	**1,862**	**1,865**	**4,135**
Reversals from collections on financial assets written off	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-
Write-offs recognised directly through profit or loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

A.1.5 *Financial assets, loan commitments and financial guarantees granted: transfers between different credit risk stages (gross and nominal amounts)*

Risk portfolios/stages	Gross value/nominal value					
	Transfers between first stage and second stage		Transfers between second stage and third stage		Transfers between first stage and third stage	
(thousands of €)	From first to second stage	From second to first stage	From second to third stage	From third to second stage	From first to third stage	From third to first stage
1. Financial assets measured at amortised cost	293,170	241,593	40,822	10,615	11,373	4,491
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-
3. Financial assets under disposal	-	-	-	-	-	-
4. Loan commitments and financial guarantees granted	64,823	133,655	3,641	195	2,016	2
Total as at 31.12.2025	**357,993**	**375,248**	**44,463**	**10,810**	**13,389**	**4,493**
Total as at 31.12.2024	**449,630**	**308,439**	**25,069**	**6,837**	**14,118**	**1,002**

A.1.6 *On and off-balance sheet loan exposures to banks: gross and net values*

Types of exposure/Values (thousands of €)	Gross exposure					Overall value adjustments and overall provisions					Net exposure	Overall partial write-offs*
		First stage	Second stage	Third stage	Impaired acquired or originated		First stage	Second stage	Third stage	Impaired acquired or originated		
A. ON-BALANCE-SHEET EXPOSURES												
A1. AT SIGHT												
a) Non-performing	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	199,268	199,268	-	-	-	(2)	(2)	-	-	-	199,266	-
A2. OTHER												
a) Bad debts	-	X	-	-	-	-	X	-	-	-	-	-
- of which: exposures subject to forbearance	-	X	-	-	-	-	X	-	-	-	-	-
b) Unlikely to pay	-	X	-	-	-	-	X	-	-	-	-	-
- of which: exposures subject to forbearance	-	X	-	-	-	-	X	-	-	-	-	-
c) Past due non-performing exposures	-	X	-	-	-	-	X	-	-	-	-	-
- of which: exposures subject to forbearance	-	X	-	-	-	-	X	-	-	-	-	-
d) Past due performing exposures	-	-	-	X	-	-	-	-	X	-	-	-
- of which: exposures subject to forbearance	-	-	-	X	-	-	-	-	X	-	-	-
e) Other performing exposures	1,104,988	1,104,988	-	X	-	(607)	(607)	-	X	-	1,104,381	-
- of which: exposures subject to forbearance	-		-	X	-	-	-	-	X	-	-	-
TOTAL (A)	**1,304,256**	**1,304,256**	**-**	**-**	**-**	**(609)**	**(609)**	**-**	**-**	**-**	**1,303,647**	**-**
B. OFF-BALANCE-SHEET LOAN EXPOSURES												
a) Non-performing	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	18,345	18,345	-	X	-	1	1	-	X	-	18,346	-
TOTAL (B)	**18,345**	**18,345**	**-**	**-**	**-**	**1**	**1**	**-**	**-**	**-**	**18,346**	**-**
TOTAL (A+B)	**1,322,601**	**1,322,601**	**-**	**-**	**-**	**(608)**	**(608)**	**-**	**-**	**-**	**1,321,993**	**-**

* value to be indicated for information purposes

On-balance-sheet exposures include all cash financial assets due from banks, regardless of their accounting portfolio allocation.

"Off-balance-sheet" exposures include all financial transactions other than sheet exposures (guarantees granted, commitments, derivatives, etc.) involving assumption of a loan risk, whatever the purpose of those transactions (trading, hedging, etc.).

A.1.7 On-balance-sheet and off-balance-sheet credit exposures to clients: gross and net values

Types of exposure/Values	Gross exposure					Overall value adjustments and overall provisions						
(thousands of €)		First stage	Second stage	Third stage	Impaired acquired or originated		First stage	Second stage	Third stage	Impaired acquired or originated	Net exposure	Overall partial write-offs*
A. CASH CREDIT EXPOSURES												
a) Bad debts	124,127	X	-	124,127	-	(92,674)	X	-	(92,674)	-	31,453	34,488
- of which: exposures subject to forbearance	43,029	X	-	43,029	-	(32,176)	X	-	(32,176)	-	10,853	13,177
b) Unlikely to pay	133,066	X	-	133,066	-	(53,903)	X	-	(53,903)	-	79,163	-
- of which: exposures subject to forbearance	63,705	X	-	63,705	-	(23,400)	X	-	(23,400)	-	40,305	-
c) Past due non-performing exposures	7,948	X	-	7,948	-	(2,429)	X	-	(2,429)	-	5,519	-
- of which: exposures subject to forbearance		X	-	-	-	-	X	-	-	-	-	-
d) Past due performing exposures	65,640	33,346	32,294	X	-	(2,287)	(321)	(1,966)	X	-	63,353	-
- of which: exposures subject to forbearance	2,460	-	2,460	X	-	(172)	-	(172)	X	-	2,288	-
e) Other performing exposures	10,191,894	9,446,299	728,892	X	-	(81,180)	(38,055)	(43,124)	X	-	10,110,714	-
- of which: exposures subject to forbearance	124,097	-	124,097	X	-	(4,858)	-	(4,858)	X	-	119,239	-
TOTAL (A)	**10,522,675**	**9,479,645**	**761,186**	**265,141**	**-**	**(232,473)**	**(38,376)**	**(45,090)**	**(149,006)**	**-**	**10,290,202**	**34,488**
B. OFF-BALANCE-SHEET LOAN EXPOSURES												
a) Non-performing	19,790	X	X	19,790	-	(4,135)	X	-	(4,135)	-	15,655	-
b) Performing	3,144,185	2,833,466	168,329	X	-	(3,725)	(1,861)	(1,865)	X	-	3,140,460	-
TOTAL (B)	**3,163,975**	**2,833,466**	**168,329**	**19,790**	**-**	**(7,860)**	**(1,861)**	**(1,865)**	**(4,135)**	**-**	**3,156,115**	**-**
TOTAL (A+B)	**13,686,650**	**12,313,111**	**929,515**	**284,931**	**-**	**(240,333)**	**(40,237)**	**(46,955)**	**(153,141)**	**-**	**13,446,317**	**34,488**

* value to be indicated for information purposes

On-balance-sheet exposures include all cash financial assets due from clients, regardless of their accounting portfolio allocation.
"Off-balance-sheet" exposures include all financial transactions other than sheet exposures (guarantees granted, commitments, derivatives, etc.) involving assumption of a loan risk, whatever the purpose of those transactions (trading, hedging, etc.).

A.1.8 On-balance-sheet credit exposures to banks: trends of gross impaired exposures

At that date, there were no impaired exposures to banks.

A.1.8bis On-balance-sheet exposures to banks: trends in gross forborne exposures broken down by credit quality

At that date, there were no impaired exposures to banks.

A.1.9 On-balance-sheet credit exposures to clients: changes in gross impaired exposures

	Causes/Categories *(thousands of €)*	Bad debts	Unlikely to pay	Past due non-performing exposures
A.	**Initial gross exposure**	**155,037**	**142,220**	**11,292**
	of which: exposures transferred but not derecognised	2,991	14,053	381
B.	**Increases**	**22,116**	**60,003**	**7,610**
	B.1 inflows from performing exposures	7,173	51,002	6,938
	B.2 inflows from impaired financial assets acquired or originated	-	-	-
	B.3. transfers from other categories of impaired exposures	13,577	4,738	-
	B.4 contractual changes without cancellation	-	-	-
	B.5 other increases	1,366	4,263	672
C.	**Decreases**	**(53,026)**	**(69,156)**	**(10,954)**
	C.1 outflows to performing exposures		(12,440)	(1,672)
	C.2 write-off	(12,791)	(13,372)	(207)
	C.3 collections	(1,537)	(12,374)	(1,266)
	C.4 proceeds from disposals	(13,292)		-
	C.5 Losses on disposal			-
	C.6 transfers to other categories of impaired exposures		(12,105)	(6,210)
	C.7 contractual changes without cancellation			-
	C.8 other decreases	(25,406)	(18,865)	(1,599)
D.	**Final gross exposure**	**124,127**	**133,067**	**7,948**
	of which: exposures transferred but not derecognised	-	-	-

A.1.9bis On-balance-sheet exposures to customers: trends in gross forborne exposures broken down by credit quality

Causes/Categories *(thousands of €)*		Forborne exposures: non-performing	Forborne exposures: performing
A.	**Initial gross exposure**	**117,036**	**103,235**
	of which: exposures transferred but not derecognised	5,235	8,208
B.	**Increases**	**28,187**	**82,404**
	B.1 inflows from non-forborne performing exposures	17,275	74,890
	B.2 inflows from performing forborne exposures	5,512	X
	B.3 inflows from non-performing forborne exposures	X	7,327
	B.4 inflows from non-forborne non-performing exposures	4,850	-
	B.5 other increases	550	187
C.	**Decreases**	**(38,490)**	**(59,081)**
	C.1 outflows to non-forborne performing exposures	X	(34,044)
	C.2 outflows to performing forborne exposures	(7,327)	X
	C.3 outflows to non-performing forborne exposures	X	(1,502)
	C.4 write-offs	(5,078)	-
	C.5 collections	(11,366)	(14,193)
	C.6 proceeds from disposals		-
	C.7 losses on disposal		-
	C.8 other decreases	(14,719)	(9,342)
D.	**Final gross exposure**	**106,733**	**126,558**
	of which: exposures transferred but not derecognised	-	-

A.1.10 On-balance-sheet exposures to banks: trends in overall value adjustments

Causes/Categories		Bad debts		Unlikely to pay		Past due non-performing exposures	
(thousands of €)		Total	Of which: forborne exposures	Total	Of which: forborne exposures	Total	Of which: forborne exposures
A.	**Total initial adjustments**	-	-	-	-	-	-
	of which: exposures transferred but not derecognised	-	-	-	-	-	-
B.	**Increases**	-	-	-	-	-	-
	B.1 value adjustments from impaired financial assets acquired or originated	-	X	-	X	-	X
	B.2. other value adjustments	-	-	-	-	-	-
	B.3 losses on disposal	-	-	-	-	-	-
	B.4 transfers from other categories of impaired exposures	-	-	-	-	-	-
	B.5 contractual amendments without write-downs	-	X	-	X	-	X
	B.6 other increases	-	-	-	-	-	-
C.	**Decreases**	-	-	-	-	-	-
	C.1 impairment reversals from measurement	-	-	-	-	-	-
	C.2 value recoveries from collection	-	-	-	-	-	-
	C.3 gains on disposal	-	-	-	-	-	-
	C.4 write-offs	-	-	-	-	-	-
	C.5 transfers to other non-performing loan categories	-	-	-	-	-	-
	C.6 contractual modifications without derecognition	-	X	-	X	-	X
	C.7 other decreases	-	-	-	-	-	-
D.	**Total final corrections**	-	-	-	-	-	-
	of which: exposures transferred but not derecognised	-	-	-	-	-	-

A.1.11 On-balance-sheet exposures to customers: trends in overall value adjustments

Causes/Categories		Bad debts		Unlikely to pay		Past due non-performing exposures	
(thousands of €)		Total	Of which: forborne exposures	Total	Of which: forborne exposures	Total	Of which: forborne exposures
A.	**Total initial adjustments**	**118,814**	**38,096**	**56,137**	**24,065**	**3,144**	**-**
	of which: exposures transferred but not derecognised	1,924	791	4,496	1,532	110	-
B.	**Increases**	**16,958**	**2,820**	**25,288**	**9,694**	**2,044**	**-**
	B.1 value adjustments from impaired financial assets acquired or originated	-	X	-	X	-	X
	B.2. other value adjustments	7,754	2,820	21,415	8,369	1,705	-
	B.3 losses on disposal	-	-	-	-	-	-
	B.4 transfers from other categories of impaired exposures	5,471	-	1,308	-	-	-
	B.5 contractual amendments without write-downs	-	X	-	X	-	X
	B.6 other increases	3,733	-	2,565	1,325	339	-
C.	**Decreases**	**(39,832)**	**(8,739)**	**(27,426)**	**(10,360)**	**(2,759)**	**-**
	C.1 impairment reversals from measurement	(2,366)	(8,739)	(10,071)	(10,360)	(530)	-
	C.2 value recoveries from collection	(9,899)	-	(4,915)	-	(354)	-
	C.3 gains on disposal	-	-	-	-	-	-
	C.4 write-offs	(27,567)	-	(7,033)	-	(62)	-
	C.5 transfers to other non-performing loan categories	-	-	(5,053)	-	(1,727)	-
	C.6 contractual modifications without derecognition	-	X	-	X	-	X
	C.7 other decreases	-	-	(354)	-	(86)	-
D.	**Total final corrections**	**95,940**	**32,177**	**53,999**	**23,399**	**2,429**	**-**
	of which: exposures transferred but not derecognised	-	-	-	-	-	-

Transactions for the conversion of receivables into equity instruments

During the year, in the context of agreements to restructure impaired positions, no operations to convert receivables into equity instruments were completed.

A.2 Classification of financial assets, loan commitments and financial guarantees granted based on external and internal rating

A.2.1 Breakdown of financial assets, loan commitments and financial guarantees granted by external rating class (gross amounts)

Considering the breakdown of loan portfolios, mainly including exposures with small and medium-sized enterprises, family companies and craftsmen, professionals and consumer families, distribution of on-balance-sheet and "off-balance-sheet" exposures for external rating classes is not significant.
For prudential purposes, credit risks are measured using the standardised method. Rating judgements generated internally are not relevant for prudential purposes.

A.3 Distribution of guaranteed exposures by guarantee type

A.3.1 On-balance-sheet and off-balance-sheet credit exposures to secured banks

At the Balance Sheet date, there were no secured bank exposures.

A.3.2 *On-balance-sheet and off-balance-sheet credit exposures to secured clients*

(thousands of €)	Gross exposure	Net exposure	Collateral (1)				Personal guarantees (2)									Total (1)+(2)
							Credit derivatives					Unsecured loans				
								Other derivatives								
			Property Mortgages	Property loans for leases	Securities	Other collateral guarantees	CLN	Central counterparties	Banks	Other finance companies	Other entities	Public authorities	Banks	Other finance companies	Other entities	
1. Guaranteed on-balance-sheet exposures:	**6,394,212**	**6,240,766**	**4,503,063**	**-**	**19,895**	**9,783**	**-**	**-**	**-**	**-**	**-**	**789,060**	**697**	**35,955**	**595,155**	**5,953,608**
1.1 totally guaranteed	5,611,330	5,492,615	4,465,175	-	10,478	5,755	-	-	-	-	-	429,226	697	25,504	555,780	5,492,615
- of which non-performing	145,470	85,261	71,255	-	138	94	-	-	-	-	-	6,397	-	243	7,135	85,262
1.2 partially guaranteed	782,882	748,151	37,888	-	9,417	4,028	-	-	-	-	-	359,834	-	10,451	39,375	460,993
- of which non-performing	47,492	20,688	5,001	-	41	41	-	-	-	-	-	5,104	-	212	1,612	12,011
2. Guaranteed "off-balance-sheet" credit exposures:	**492,499**	**491,124**	**21,038**	**-**	**4,361**	**11,863**	**-**	**-**	**-**	**-**	**-**	**23,019**	**694**	**10,286**	**402,006**	**473,267**
2.1 totally guaranteed	443,962	442,655	19,877	-	3,127	8,411	-	-	-	-	-	12,004	478	8,379	390,229	442,505
- of which non-performing	4,386	4,115	75	-	33	143	-	-	-	-	-	15	-	36	3,667	3,969
2.2 partially guaranteed	48,537	48,469	1,161	-	1,234	3,452	-	-	-	-	-	11,015	216	1,907	11,777	30,762
- of which non-performing	516	513	-	-	-	253	-	-	-	-	-	21	-	-	-	274

A.4 *Financial and non-financial assets obtained by enforcing guarantees received*

At the reporting date there were no assets obtained through the enforcement of guarantees received.

B. DISTRIBUTION AND CONCENTRATION OF CREDIT EXPOSURES

B.1 Geographical breakdown of on- and off-balance-sheet exposures to clients

Exposures/counterparties		Public authorities		Other public bodies		Company corporations		Insurance companies		Non-financial corporations	
(thousands of €)		Net exposure	Overall impairment losses/reversals	Net exposure	Overall impairment losses/reversals	Net exposure	Overall impairment losses/reversals	Net exposure	Overall impairment losses/reversals	Net exposure	Overall impairment losses/reversals
A.	**Cash credit exposures**										
	A.1 Bad debts	-	-	1	207	-	-	21,047	71,790	10,406	20,676
	- of which: exposures subject to forbearance	-	-	-	120	-	-	7,025	25,824	3,827	6,233
	A.2 Unlikely to pay	-	-	10	4	-	-	53,919	40,159	25,233	13,740
	- of which: exposures subject to forbearance	-	-	-	-	-	-	26,347	16,258	13,958	7,142
	A.3 Past due non-performing exposures	1	1	10	5	-	-	1,061	589	4,448	1,834
	- of which: exposures subject to forbearance	-	-	-	-	-	-	-	-	-	-
	A.4 Non-impaired exposures	2,593,795	2,439	397,667	2,350	18,719	104	3,776,839	61,257	3,405,766	17,421
	- of which: exposures subject to forbearance	-	-	300	3	-	-	86,317	4,151	34,910	876
	Total (A)	**2,593,796**	**2,440**	**397,688**	**2,566**	**18,719**	**104**	**3,852,866**	**173,795**	**3,445,853**	**53,671**
B.	**Off-balance-sheet loan exposures**										
	B. 1 Non-performing exposures	-	-	-	-	-	-	14,637	3,919	1,018	216
	B.2 Performing exposures	211,931	2	51,361	147	-	-	2,394,627	3,328	340,157	248
	Total (B)	**211,931**	**2**	**51,361**	**147**	**-**	**-**	**2,409,264**	**7,247**	**341,175**	**464**
	Total (A+B) as at 31/12/2025	**2,805,727**	**2,442**	**449,049**	**2,713**	**18,719**	**104**	**6,262,130**	**181,042**	**3,787,028**	**54,135**

B.2 Geographical distribution of on-balance-sheet and off-balance-sheet credit exposures to clients

Exposures/Geographical areas	Italy		Other European countries		America		Asia		Rest of the World	
(thousands of €)	Net exposure	Overall impairment losses/reversals	Net exposure	Overall impairment losses/reversals	Net exposure	Overall impairment losses/reversals	Net exposure	Overall impairment losses/reversals	Net exposure	Overall impairment losses/reversals
A. Cash credit exposures										
A.1 Bad debts	31,418	(92,636)	35	(37)	-	-	-	-	-	-
A. 2 Unlikely to pay	75,442	(49,504)	3,721	(4,104)	-	-	-	(295)	-	-
A. 3 Past due non-performing exposures	4,586	(2,125)	933	(303)	-	-	1	-	-	-
A. 4 Performing exposures	9,758,114	(82,971)	338,542	(435)	75,592	(56)	1,643	(4)	177	-
Total A:	**9,869,560**	**(227,236)**	**343,231**	**(4,879)**	**75,592**	**(56)**	**1,644**	**(299)**	**177**	**-**
B. Off-balance-sheet loan exposures										
B.1 Non-performing exposures	15,651	(4,131)	4	(4)	-	-	-	-	-	-
B.2 Performing exposures	2,993,725	(3,722)	4,350	(4)	-	-	-	-	-	-
Total (B)	**3,009,376**	**(7,853)**	**4,354**	**(8)**	**-**	**-**	**-**	**-**	**-**	**-**
Total (A+B) as at 31/12/2025	**12,878,936**	**(235,089)**	**347,585**	**(4,887)**	**75,592**	**(56)**	**1,644**	**(299)**	**177**	**-**
Total (A+B) as at 31/12/2024	**13,378,005**	**(289,736)**	**104,312**	**(1,735)**	**34,600**	**(75)**	**1,532**	**(7)**	**199**	**(1)**

Exposures/Geographical areas	Italy North West		Italy North-East		Italy Central		Italy South and Islands	
(thousands of €)	Net exposure	Overall impairment losses/reversals	Net exposure	Overall impairment losses/reversals	Net exposure	Overall impairment losses/reversals	Net exposure	Overall impairment losses/reversals
A. Cash credit exposures								
A.1 Bad debts	556	(2,079)	29,896	(89,461)	936	(949)	31	(147)
A. 2 Unlikely to pay	2,042	(986)	73,339	(48,413)	61	(105)	-	-
A. 3 Past due non-performing exposures	129	(51)	4,381	(2,047)	73	(25)	2	(1)
A. 4 Performing exposures	282,444	(5,176)	7,114,667	(76,911)	2,352,450	(769)	8,553	(116)
Total (A)	**285,171**	**(8,292)**	**7,222,283**	**(216,832)**	**2,353,520**	**(1,848)**	**8,586**	**(264)**
B. Off-balance-sheet loan exposures								
B.1 Non-performing exposures	575	(50)	15,075	(4,080)	2	(1)	-	-
B.2 Performing exposures	92,676	(170)	2,874,414	(3,518)	23,288	(29)	3,347	(5)
Total (B)	**93,251**	**(220)**	**2,889,489**	**(7,598)**	**23,290**	**(30)**	**3,347**	**(5)**
Total (A+B) as at 31/12/2025	**378,422**	**(8,512)**	**10,111,772**	**(224,430)**	**2,376,810**	**(1,878)**	**11,933**	**(269)**
Total (A+B) as at 31/12/2024	**269,316**	**(7,652)**	**10,123,523**	**(278,036)**	**2,975,984**	**(3,588)**	**9,182**	**(460)**

B.3 Geographical distribution of on-balance-sheet and off-balance-sheet credit exposures to banks

Exposures/Geographical areas	Italy		Other European countries		America		Asia		Rest of the World	
(thousands of €)	Net exposure	Overall impairment losses/reversals	Net exposure	Overall impairment losses/reversals	Net exposure	Overall impairment losses/reversals	Net exposure	Overall impairment losses/reversals	Net exposure	Overall impairment losses/reversals
A. Cash credit exposures										
A.1 Bad debts	-	-	-	-	-	-	-	-	-	-
A. 2 Unlikely to pay	-	-	-	-	-	-	-	-	-	-
A. 3 Past due non-performing exposures	-	-	-	-	-	-	-	-	-	-
A. 4 Performing exposures	953,554	(398)	349,534	(211)	558	-	-	-	-	-
Total (A)	**953,554**	**(398)**	**349,534**	**(211)**	**558**	**-**	**-**	**-**	**-**	**-**
B. Off-balance-sheet loan exposures										
B.1 Non-performing exposures	-	-	-	-	-	-	-	-	-	-
B.2 Performing exposures	-	-	18,344	(1)	-	-	-	-	-	-
Total (B)	**-**	**-**	**18,344**	**(1)**	**-**	**-**	**-**	**-**	**-**	**-**
Total (A+B) as at 31/12/2025	**953,554**	**(398)**	**367,878**	**(212)**	**558**	**-**	**-**	**-**	**-**	**-**
Total (A+B) as at 31/12/2024	**633,383**	**(424)**	**251,774**	**(246)**	**675**	**-**	**-**	**-**	**-**	**-**

Exposures/Geographical areas	Italy North West		Italy North-East		Italy Central		Italy South and Islands	
(thousands of €)	Net exposure	Overall impairment losses/reversals	Net exposure	Overall impairment losses/reversals	Net exposure	Overall impairment losses/reversals	Net exposure	Overall impairment losses/reversals
A. Cash credit exposures								
A.1 Bad debts	-	-	-	-	-	-	-	-
A. 2 Unlikely to pay	-	-	-	-	-	-	-	-
A. 3 Past due non-performing exposures	-	-	-	-	-	-	-	-
A. 4 Performing exposures	394,037	(188)	446,207	(138)	113,310	(71)	-	-
Total (A)	**394,037**	**(188)**	**446,207**	**(138)**	**113,310**	**(71)**	**-**	**-**
B. "Off-balance-sheet" credit exposures								
B.1 Non-performing exposures	-	-	-	-	-	-	-	-
B.2 Performing exposures	-	-	-	-	-	-	-	-
Total (B)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (A+B) as at 31/12/2025	**394,037**	**(188)**	**446,207**	**(138)**	**113,310**	**(71)**	**-**	**-**
Total (A+B) as at 31/12/2024	**271,622**	**(250)**	**310,897**	**(122)**	**50,863**	**(51)**	**-**	**-**

B.4 Large exposures

	Number of large exposures	Credit exposure *(thousands of €)*	Weighted amount for large exposures *(thousands of €)*
31.12.2025	7	4,127,253	205,134
31.12.2024	7	4,246,878	354,405

The number of large exposures entered in the table is decided with reference to the non-weighted "exposures" exceeding 10% of capital allowable, as set forth in EU Regulation 575/2013 (so-called CRR), where "exposures" are intended as the sum of on-balance and off-balance-sheet risk assets (excluding those deducted from capital) with a client, or a group of connected clients, without applying the weighting factor.
The Balance Sheet table for large exposures also includes entities which - although 0% risk-weighted - have a non-weighted exposure of more than 10% of the eligible capital for the purposes of large risks.
As at 31 December 2025, exposures (market risks and included) exceeding 10% of the Supervisory Capital concerned 7 groups of clients for a gross exposure of 4.2 billion. In detail the positions concern one position belonging to the central administrations and central banks portfolio, two belonging to the public sector body portfolio, three belonging to the financial sector and one belonging to the company sector.

C. SECURITISATION TRANSACTIONS

QUALITATIVE INFORMATION

Securitisation of residential mortgage loans - S.P.V. VOBA n. 7 S.r.l. (May 2018)

On 19 May 2025, the contract for the sale of the Residual Portfolio was entered into between the company VOBA N.7 S.r.l., a securitisation vehicle, and Banca Popolare dell'Alto Adige S.p.A. as part of the securitisation transaction initiated in 2018. The bank, as the sole holder of the Junior Securities, authorised the bringing forward of the Payment Date to 27 May 2025, the reduction of the related collection period and the early preparation of the necessary reports.
The consideration for the purchase of the Residual Portfolio is equal to the sum of the nominal values of the Receivables included in the Residual Portfolio on the Economic Effective Date.

QUANTITATIVE INFORMATION

C.1 *Exposures from the main "own" securitisations broken down by type of securitised asset and type of exposure*

Type of securitised assets/Exposures	On-balance-sheet exposures						Guarantees issued						Credit lines					
	Senior		Mezzanine		Junior		Senior		Mezzanine		Junior		Senior		Mezzanine		Junior	
(thousands of €)	Book value	Impairment losses/reversals	Book value	Impairment losses/reversals	Book value	Impairment losses/reversals	Net exposure	Impairment losses/reversals	Net exposure	Impairment losses/reversals	Net exposure	Impairment losses/reversals	Net exposure	Impairment losses/reversals	Net exposure	Impairment losses/reversals	Net exposure	Impairment losses/reversals
A. Subject of complete derecognition from the financial statements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B. Subject to partial derecognition from the financial statements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C. Not derecognised from the financial statements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mortgage loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

C.2 *Exposures arising from main "third party" securitisation transactions broken down by type of securitised asset and by type of exposure*

Type of underlying asset/Exposures	On-balance-sheet exposures						Guarantees issued						Credit lines					
	Senior		Mezzanine		Junior		Senior		Mezzanine		Junior		Senior		Mezzanine		Junior	
(thousands of €)	Book value	Impairment losses/reversals	Book value	Impairment losses/reversals	Book value	Impairment losses/reversals	Net exposure	Impairment losses/reversals	Net exposure	Impairment losses/reversals	Net exposure	Impairment losses/reversals	Net exposure	Impairment losses/reversals	Net exposure	Impairment losses/reversals	Net exposure	Impairment losses/reversals
VIVERAQUA	22,497	(251)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Securitisation of bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

C.3 Special purpose vehicle for the securitisation

At the reporting date, there were no interests in securitisation companies.

C.4 Unconsolidated securitisation vehicle

At the reporting date, there were no interests in non-consolidated securitisation companies. Moreover, there are no exposures to these companies and no interventions or support agreements, including financial support, have been approved for these companies.

C.5 Servicer activities - own securitisations: collection of securitised loans and redemption of securities issued by the securitisation vehicle

At the reporting date, there were no interests in securitisation companies.

D. INFORMATION ON STRUCTURED ENTITIES NOT CONSOLIDATED FOR ACCOUNTING PURPOSES (OTHER THAN SECURITISATION VEHICLE COMPANIES)

QUALITATIVE INFORMATION

At the reporting date, the company did not have any structured entities that are not consolidated for accounting purposes.

QUANTITATIVE INFORMATION

At the reporting date, the company did not have any structured entities that are not consolidated for accounting purposes.

E. SALES TRANSACTIONS

The information provided in this part apply to all sales transactions, including securitisation transactions.

A. Financial assets sold and not fully derecognised

QUALITATIVE INFORMATION

Transactions mainly refer to the use of debt securities in portfolio for short and medium-term repurchase agreements and to receivables from clients sold in the context of the securitisation transactions. With regard to transactions in debt securities under medium and long-term repurchase agreements, please refer to the Notes to the Financial Statements - Part B.

QUANTITATIVE INFORMATION

E.1 Financial assets sold and fully recognised and associated financial liabilities: book values

Technical forms/portfolio		**Financial assets sold and fully recognised**				**Associated financial liabilities**		
(thousands of €)		Book value	of which: subject to securitisation transactions	of which: subject to repurchase agreements	of which non-performing	Book value	of which: subject to securitisation transactions	of which: subject to repurchase agreements
A.	**Financial assets held for trading**	**-**	**-**	**-**	**X**	**-**	**-**	**-**
	1. Debt securities	-	-	-	X	-	-	-
	2. Equity securities	-	-	-	X	-	-	-
	3. Financing	-	-	-	X	-	-	-
	4. Derivatives	-	-	-	X	-	-	-
B.	**Other financial assets obligatorily measured at *fair value***	-	-	-	-	-	-	-
	1. Debt securities	-	-	-	-	-	-	-
	2. Equity securities	-	-	-	X	-	-	-
	3. Financing	-	-	-	-	-	-	-
C.	**Financial assets designated at *fair value***	-	-	-	-	-	-	-
	1. Debt securities	-	-	-	-	-	-	-
	2. Financing	-	-	-	-	-	-	-
D.	**Financial assets measured at *fair value* through other comprehensive income**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	1. Debt securities	-	-	-	-	-	-	-
	2. Equity securities	-	-	-	X	-	-	-
	3. Financing	-	-	-	-	-	-	-
E.	**Financial assets measured at amortised cost**	**149,548**	**-**	**149,548**	**-**	**-**	**-**	**-**
	1. Debt securities	149,548	-	149,548	-	-	-	-
	2. Financing	-	-	-	-	-	-	-
	Total as at 31.12.2025	**149,548**	**-**	**149,548**	**-**	**-**	**-**	**-**
	Total as at 31.12.2024	**370,949**	**173,240**	**197,709**	**5,867**	**-**	**-**	**-**

Financial liabilities against financial assets sold but not derecognised relate to both securitisations and repurchase agreements against securities recorded as assets. However, repurchase agreements relating to securities received under reverse repurchase agreements are not included.

E.2 Financial assets sold, partially recognised, and associated financial liabilities: book values

At the Balance Sheet date, there were no partially recognised transferred financial assets or associated financial liabilities.

E.3 *Transfer transactions with liabilities with recourse exclusively to the assets transferred and not fully derecognised: fair value*

The table shows the *fair value* of the financial assets sold but still recorded, respectively, in full or in part, under the assets of the Balance Sheet, as well as the *fair value* of the associated financial liabilities recorded following such sale, if the liabilities can only be recourse to the related assets sold. In the case of assets sold belonging to two or more accounting portfolios, the associated liabilities must, by convention, be indicated in proportion to the weight that the assets sold (measured at *fair value*) forming part of a given accounting portfolio have on the total assets sold. This last case was not present at 31 December 2025.
This table does not show covered bond transactions where the selling bank and the financing bank are one and the same.

		Fully recognised	Partially recognised	Total	
(thousands of €)				31.12.2025	31.12.2024
A.	**Financial assets held for trading**	**-**	**-**	**-**	**-**
	1. Debt securities	-	-	-	-
	2. Equity securities	-	-	-	-
	3. Financing	-	-	-	-
	4. Derivatives	-	-	-	-
B.	**Other financial assets obligatorily measured at *fair value***	**-**	**-**	**-**	**-**
	1. Debt securities	-	-	-	-
	2. Equity securities	-	-	-	-
	3. Financing	-	-	-	-
C.	**Financial assets designated at *fair value***	**-**	**-**	**-**	**-**
	1. Debt securities	-	-	-	-
	2. Financing	-	-	-	-
D.	**Financial assets measured at fair value through other comprehensive income**	**-**	**-**	**-**	**-**
	1. Debt securities	-	-	-	-
	2. Equity securities	-	-	-	-
	3. Financing	-	-	-	-
E.	**Financial assets measured at amortised cost**	**1,188,246**	**-**	**-**	**-**
	1. Debt securities	-	-	-	-
	2. Financing	1,188,246	-	-	-
	Total financial assets	**1,188,246**	**-**	**-**	**-**
	Total associated financial liabilities	-	-	X	X
	Net value 31.12.2025	**1,188,246**	**-**	**1,188,246**	**X**
	Net value 31.12.2024	**946,658**	**-**	**946,658**	**X**

B. *Financial assets sold and derecognised in full with entry in the continuing involvement*

At the reporting date there were no financial assets sold and derecognised in full entered in the continuing involvement.

E.4 Covered Bond Transactions

On 30 August 2019, the Board of Directors authorised a covered bonds Program for a maximum amount of 3 billion based on the sale to a special purpose vehicle of residential landed-property loans and secured mortgages originated by the Bank itself.

On 1 October 2019 there was a without recourse sale, pursuant to and for the purposes of the combined provisions of arts. 4 and 7 bis of Law 130 of 30 April 1999, to the vehicle VOBA CB S.r.l. of a portfolio of total 460 million performing loans related to the issue of the first series of bank covered bonds for a total 300 million that took place on 28 October 2019 for a 7 year duration. On 15 November 2021, a second sale of residential mortgages in the amount of 170 million was made in order to ensure a sufficient level of coverage against the natural amortisation of the loans sold. On 11 September 2023, a third sale of residential mortgages in the amount of 337 million was made to secure the second issue of covered bonds on 27 September 2023. On 7 May 2024, the Bank sold a new portfolio of residential mortgages in the amount of 458 million to strengthen the cover pool in view of the issue on 17 July 2024. On 13 June 2025, a further sale of residential mortgages in the amount of 277 million was made in order to ensure a sufficient level of coverage against the natural amortisation of the loans sold.

The Covered Bond transactions involved the sale of residential mortgages to the vehicle and the contextual transfer to it of a subordinate loan to settle the sale price. As the Bank still carries all the risks and benefits connected to those loans, those transactions do not emerge as types relevant for derecognition from the financial statements of the loans being sold as specified by IFRS 9.

The main strategic objectives pursued include that of providing the Bank with instruments intended for the market. In addition activation of instruments like this can contribute to:

- lengthening the due dates of the collection so strengthen the relation between the latter and the medium/long term loan assets;
- diversify long-term supply sources;
- use of favourable conditions, compared to those available through normal non-covered bonds.

A complex and detailed process has been set up to comply with regulatory requirements, specifically to enable the calculation and monitoring of legal and contractual tests, check compliance with the suitability requirements for the assets sold, draw up reports required by regulations and by rating agencies and fulfil all controls. For the counterparties involved for various reasons, the independent auditing firm BDO Italia S.p.A., as "asset monitor", audits the regulatory tests.

The transactions show a regular trend compared to what was established contractually. Regulations also establishes that the objectives, risks, also legal and reputational, and the control procedures implemented be assessed by corporate bodies with strategic supervision and controls functions.

ISIN Code	IT0005388647
Date of issue	28 October 2019
Expiry date	28 October 2026
Currency	Euro
Amount	300,000,000
Type of rate	Fixed
Parameter	n.a.
Coupon	0.250%, per annum, annual frequency
Law applicable	Italian

Series and tranches	**2-1**
ISIN Code	IT0005565988
Date of issue	27 September 2023
Expiry date	27 September 2028
Currency	Euro
Amount	250,000,000
Type of rate	Fixed
Parameter	n.a.
Coupon	4.000%, per annum, annual frequency
Law applicable	Italian

Series and tranches	**3-1**
ISIN Code	IT0005605180
Date of issue	17 July 2024
Expiry date	17 July 2031
Currency	Euro
Amount	300,000,000
Type of rate	Fixed
Parameter	n.a.
Coupon	3.375%, per annum, annual frequency
Law applicable	Italian

F. MODELS FOR MEASURING CREDIT RISK

The bank does not use internal portfolio models to measure the exposure to credit risk.

Section 2 MARKET RISKS

2.1 Interest rate risk and price risk - supervisory trading book

QUALITATIVE INFORMATION

A. General aspects

The supervisory trading book constitutes a very small fraction of the proprietary book; the majority of the financial instruments held are registered in the accounting categories Hold To Collect & Sell (HTCS) and Hold To Collect (HTC) and accordingly belonging to the banking book.
However, the analytical instrumentation used to measure market risks (interest rate risk and price risk) is the same for the entire proprietary portfolio.
Interest rate risk represents the risk associated with the possibility of incurring losses on the Bank's financial assets as a result of unfavourable market interest rates.
Price risk, on the other hand, represents the risk associated with changes in the value of outstanding positions, deriving from fluctuations in market prices. It breaks down into:

- generic risk: a change in the price of an equity instrument as a result of fluctuations in the reference stock market;
- specific risk: change in the market price of a specific equity security resulting from changes in the market's expectations of the issuer's capital strength or prospects.

The proprietary portfolio is managed with a view to prudent management of transactions, geared to limiting market risks and in compliance with the strategic indications and operating limits contained in the "Investment Policy", the document "Finance and liquidity limits and delegations policy" and the annual "Operating Plan".
The main source of interest rate risk is proprietary bonds; trading is aimed at absolute return targets by maximising portfolio profitability in strict compliance with the Value at Risk (VaR) and Stop-Loss limits, defined in the internal regulations mentioned above. The portfolio's bond section consists of floating-rate and fixed-rate securities with a limited duration. Most of the bonds held refer to securities issued by the Italian Republic or by Italian banks of national importance. The interest rate risk is assumed by the Securities Portfolio & ALM, which also uses derivative instruments (futures, IRS) for hedging purposes.
The main source of price risk, where assumed, consists instead of positions linked to highly liquid equity indices. In this case, too, the strategy pursued is geared towards prudent asset management and conscious risk-taking. They also apply to the price risk limits of Value at Risk and Stop-Loss.
Almost all of the financial instruments in the portfolio are denominated in euros, making the exchange rate risk entirely marginal.
The assets in the proprietary portfolio did not undergo significant changes compared to the previous year, except for the average stock that decreased in accordance with the strategic planning guidelines.

B. Management processes and methods for measuring interest rate risk and price risk

The internal control and market risk management processes (interest rate and price) are contained in the "Investments policy" and in the document "Finance and liquidity limits and delegations policy", both reviewed periodically and decided by the Board of Directors.
The policies formalise the performance of risk management activities relating to market risks, define the tasks and responsibilities assigned to the various organisational units with competence in the matter and specify, in particular, the main operating processes, measurement methods, exposure limits, information flows and any corrective actions.
Investment and trading activities are accordingly carried out in compliance with internal policies and are carried out within the framework of an articulated internal regulatory system of delegation of management powers, which provides for management limits defined in terms of negotiable financial instruments, amount, duration, investment markets, types of issues and issuers, sector and rating.
As part of its risk management activities, Risk management produces daily and monthly reports.

Related to the market risk control and management methods, here below please find the control indicators and the first and second level internal control processes on the overall operations of the proprietary portfolio. In general, limits are differentiated amongst the various market risk types (rate and price), but are nevertheless brought back into a unitary framework, built with a homogeneous logic.
The structure of the operating powers of finance is divided into four levels:

- operating limits
- position limits: credit and concentration risk
- Stop-Loss limits
- Value-at-Risk (VaR) limits

The structure of the operating limits requires the use of the following risk indicators:

- interest rate risk: sensitivity (change in profits or losses that would occur in the event of a change of one hundredth of a point in the reference curve, with a parallel shift);
- equity risk: delta equivalent (market value for equity positions and cash equivalent position for equity derivatives);
- maximum amount invested: countervalue of securities/funds at loading prices to ensure compliance with the average stocks allocated.

The position limits are structured on:

- limits on the assumption of credit risk: overall limits are set on exposure on the rating classes, in particular below the investment grade bracket;
- sectoral limits;
- credit sensitivity limits (change in profits or losses that would occur in the event of a change of one hundredth of a point in the credit spread);
- limits for maturity bands;
- constraints related to eligibility criteria for Eurosystem purposes;
- country limits: there are limits on the maximum permissible exposure per country depending on the country's rating.

The Stop-Loss limits are checked on the results achieved and not achieved during the last business day, accumulated over the last 5 business days (weekly stop-loss) and accumulated over the last 30 calendar days (monthly stop-loss), reinforced by a cumulative check since the beginning of the year, with a process of reporting to the bodies responsible for the appropriate decisions. The limits are based on the maximum level of loss deemed acceptable in the reference period, in line with the Bank's strategic choices (Risk Capital within the Risk Appetite Framework, RAF) and contained in the Annual Operating Plan. The Risk Capital is in turn divided between the various asset classes forming the portfolio.
Related to the VaR limits, the latter is defined as the threshold amount beyond which no losses should occur with a confidence level and on a specific time horizon. VaR is a uniform measurement indicator applicable to all types of trading on the markets and all financial instruments, thus making it possible to compare risk values from the point of view of both time and daily profitability. For the calculation of VaR, the Bank uses the parametric model of variance-covariance provided by Prometeia, 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. The responsibility for daily checks on operating, position, Stop-Loss and VaR limits lies with the risk control function, which, in order to avoid and prevent possible overruns of authorised risk limits, checks and verifies the approaching of the thresholds by means of a standardised daily reporting system.

VaR models are for management purposes only and are not used to calculate capital requirements on market risks for which, instead, the standardised methodology is adopted for the purposes of the relative supervisory reporting to the Bank of Italy.

1. *Supervisory trading book: distribution by residual maturity (repricing date) of financial assets and liabilities in cash and financial derivatives*

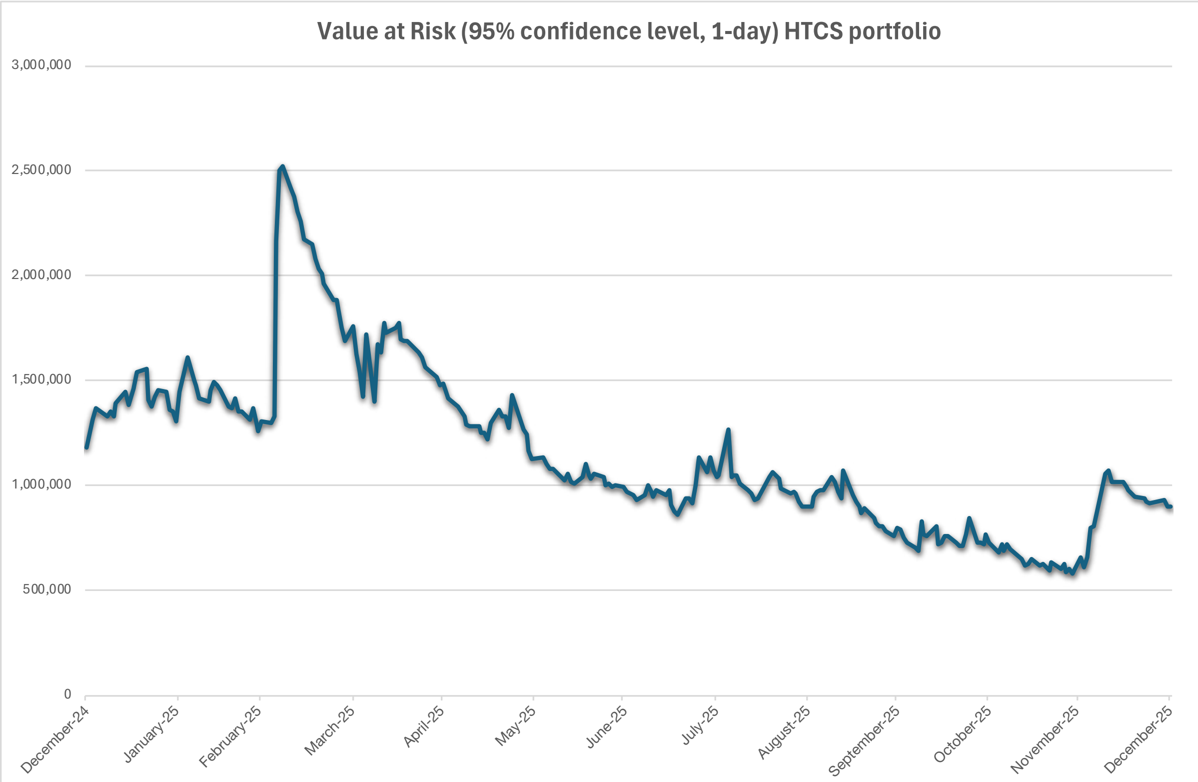
Type/Remaining time (thousands of €)		At sight	Up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 5 years	Over 5 years to 10 years	Over 10 years	Indefinite duration
1.	***Cash assets***	**-**	**-**	**-**	**5,039**	**-**	**9,978**	**-**	**-**
1.1	Debt securities	-	-	-	5,039	-	9,978	-	-
	- With early redemption option	-	-	-	-	-	-	-	-
	- other	-	-	-	5,039	-	9,978	-	-
1.2	Other assets	-	-	-	-	-	-	-	-
2.	***Cash liabilities***	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1	P.C.T. liabilities	-	-	-	-	-	-	-	-
2.2	Other liabilities	-	-	-	-	-	-	-	-
3.	***Financial derivatives***	**-**	**205**	**(1)**	**-**	**-**	**-**	**-**	**-**
3.1	With underlying security	-	-	-	-	-	-	-	-
	- Options	-	-	-	-	-	-	-	-
	+ Long positions	-	-	-	-	-	-	-	-
	- Short positions	-	-	-	-	-	-	-	-
	- Other derivatives	-	-	-	-	-	-	-	-
	+ Long positions	-	-	-	-	-	-	-	-
	- Short positions	-	-	-	-	-	-	-	-
3.2	Without underlying security	-	205	(1)	-	-	-	-	-
	- Options	-	-	-	-	-	-	-	-
	+ Long positions	-	-	-	-	-	-	-	-
	- Short positions	-	-	-	-	-	-	-	-
	- Other derivatives	-	205	(1)	-	-	-	-	-
	+ Long positions	-	122,900	185	-	-	-	-	-
	- Short positions	-	(122,695)	(186)	-	-	-	-	-

2. *Supervisory trading book: distribution of exposures in equities and equity indices for the main countries of the quotation market*

	Type of transactions/Listing index	Listed				Not listed
		Italy	dollar	Germany	Switzerland	
A.	Equity securities	-	-	-	-	-
	+ long positions	-	-	-	-	-
	- short positions	-	-	-	-	-
B.	Buying/selling not yet regulated on equity securities	-	-	-	-	-
	+ long positions	-	-	-	-	-
	- short positions	-	-	-	-	-
C.	Other derivatives on equity securities	-	-	-	-	-
	+ long positions	-	-	-	-	-
	- short positions	-	-	-	-	-
D.	Derivatives on share indices	-	-	-	-	-
	+ long positions	-	-	-	-	-
	- short positions	-	-	-	-	-

3. *Supervisory trading book - internal models and other methods for sensitivity analysis*

Below please find the VaR trend related to 2025 (confidence 95%, timeframe 1 day), referred to the proprietary portfolio of Volksbank (however excluding what is priced at amortised cost):



In addition to traditional VaRs, a 99.9% daily VaR is also calculated using the so-called "Extreme Value Theory". The metric in question (based on the same HTCS portfolio) amounted, for example, to approximately €4.4 million in December 2025. The use of this methodology has a considerable advantage in terms of accuracy, especially in the evaluation of extreme events (unlikely situations, but high impact).

2.2 Interest rate risk and price risk - Supervisory trading book

QUALITATIVE INFORMATION

A. General aspects

Interest rate risk relates to the potential impact that changes in market interest rates may have on the profitability and economic value of the supervisory trading book. The interest rate risk is generated, specifically, from the repricing risk, the risk associated with the yield curve, the option risk and the base risk. A further source of risk is identified in the change in market credit spreads.

B. Methods for measuring interest rate risk and price risk

The internal measurement, control and management process for the interest rate risk of the banking book uses a monitoring system based on an internal model for the daily calculation of the Value at Risk (VaR), also used to analyse sensitivity to the price risk.

This model is for the financial assets classified under "other financial assets obligatorily measured at *fair value*", the "financial assets measured at *fair value* with an impact on comprehensive income" and the "financial assets measured at amortised cost".

The relative internal risk control and management process, for both interest rate and price, and the method, are the same as what is detailed in the qualitative information related to "Interest rate and price risk - supervisory portfolio".

On monitoring based on the sensitivity analyses using ALM methods, the difference is made between the interest rate risk from "*fair value*" and the interest rate risk from "*cash flow*". The main sources of interest rate risk from "*fair value*" are found in collection transactions - especially at sight - and loans - mainly mortgages and debt securities - at fixed rate. The rate risk from "*cash flow*" also comes from the remaining assets and liabilities at sight or at indexed rate.

The guidelines and discipline for the management of interest rate risk are contained in the "Finance and treasury policy" and the "Risk management regulation" according to a clear and easily understandable model. The measurement of interest rate risk is based on a calculation model using full revaluation, in which the banking book is valued separately in the base and stress scenarios, with the difference being recorded in terms of:

- annual interest margin (12 months): the effect of an instantaneous and parallel shift of the yield curve by two percentage points is calculated for Euro transactions (the by far most relevant currency), which is assumed to occur instantaneously and in parallel on all maturities on the day following the reference date;
- economic value of assets: the effect on the present value of assets and liabilities of shocks of a different nature (parallel shift, short-term rate shock and rotation shock) is verified, recalculating the difference (the "delta") with respect to the previous situation. The risk indicator represents the ratio between the change in value in the worst of the shocks and class 1 primary capital.

The sensitivity to interest rate risk of the interest margin and the present value of assets are expressed by the regulatory indicators:

- ΔNII %: Delta Net Interest Income - Interest Margin: (parallel shock delta) / CET1
- ΔEVE %: Delta Economic Value of Equity – Change in Economic Value: (delta on the worst of the regulatory shocks) / CET1

For the first indicator, a regulatory limit of 5% is set and for the second a limit of 15%.

The sensitivity to credit spread risk is measured by the indicator

- ΔEVE_CSRBB %: (delta on the worst credit-spread shock) / CET1

C. Processes for managing interest rate risk and price risk

The Risk Management function calculates monthly the sensitivity of the Bank's net interest and assets margin at pre-set changes in the interest rate curve on transactions outstanding at the reference date. A supervisory report on IRRBB (Interest Rate Risk in the Banking Book) is prepared on a quarterly basis. The sensitivity in equity terms to credit spread shocks is calculated on a quarterly basis.
The results of the analyses, together with the interest rate forecasts prepared by the Securities Profile & ALM and Treasury Units, are contained in a monthly report and contribute to defining the interest rate risk hedging policy established by the bank's ALCO. They are discussed on a quarterly basis in the Finance Committee itself. The Securities Profile & ALM and Treasury Units are accordingly responsible for implementing the decisions taken in practice.

D. Fair value hedging activities

At the reporting date, there were two interest rate swaps under hedge accounting. Interest Rate Swaps cover the interest rate risk exposure, in terms of *fair value*, of two government bonds in the proprietary portfolio on a total nominal position of 110 million.

E. Cash flow hedging activities

At the reporting date, there were no cash flow hedges.

F. Hedging of foreign investments

For further information, reference should be made to the section on the exchange rate risk.

QUANTITATIVE INFORMATION

1. *Banking book: distribution by residual maturity (re-pricing date) of financial assets and liabilities*

Type/Remaining time *(thousands of €)*		**At sight**	**Up to 3 months**	**Over 3 months to 6 months**	**Over 6 months to 1 year**	**Over 1 year to 5 years**	**Over 5 years to 10 years**	**Over 10 years**	**Term**
1.	**Cash assets**	**1,366,419**	**3,524,961**	**896,142**	**266,739**	**2,976,922**	**1,594,282**	**798,571**	**-**
1.1	Debt securities	1,821	162,988	763,383	118,840	1,925,292	798,767	6,412	-
-	with early redemption option	-	-	-	-	-	-	-	-
-	other	1,821	162,988	763,383	118,840	1,925,292	798,767	6,412	-
1.2	Loans to banks	199,475	126,359	-	-	-	-	-	-
1.3	Loans to customers	1,165,123	3,235,614	132,759	147,899	1,051,630	795,515	792,159	-
-	- current accounts	754,040	464	29,877	452	7,291	1,013	-	-
-	- other debts	411,083	3,235,150	102,882	147,447	1,044,339	794,502	792,159	-
-	- with early redemption option	55,517	3,199,637	83,463	139,469	987,752	774,792	777,891	-
-	- other	355,566	35,513	19,419	7,978	56,587	19,710	14,268	-
2.	**Cash liabilities**	**9,016,118**	**419,810**	**58,483**	**371,400**	**693,998**	**315,339**	**14,299**	**-**
2.1	Payables to clients	8,830,695	214,200	58,483	71,586	265,266	13,085	14,299	-
-	CURRENT ACCOUNT	8,617,847	-	-	-	-	-	-	-
-	other payables	212,848	214,200	58,483	71,586	265,266	13,085	14,299	-
-	with early redemption option	-	-	-	-	-	-	-	-
-	other	212,848	214,200	58,483	71,586	265,266	13,085	14,299	-
2.2	Payables to banks	185,423	25,545	-	-	-	-	-	-
-	CURRENT ACCOUNT	28,735	-	-	-	-	-	-	-
-	other payables	156,688	25,545	-	-	-	-	-	-
2.3	Debt securities	-	180,065	-	299,814	428,732	302,254	-	-
-	with early redemption option	-	-	-	-	-	-	-	-
-	other	-	180,065	-	299,814	428,732	302,254	-	-
2.4	Other liabilities	-	-	-	-	-	-	-	-
-	with early redemption option	-	-	-	-	-	-	-	-
-	other	-	-	-	-	-	-	-	-
3.	**Financial derivatives**	**-**	**(40,000)**	**-**	**(70,000)**	**-**	**110,000**	**-**	**-**
3.1	With underlying security	-	-	-	-	-	-	-	-
-	Options	-	-	-	-	-	-	-	-
	+ long positions	-	-	-	-	-	-	-	-
	- short positions	-	-	-	-	-	-	-	-
-	other derivatives	-	-	-	-	-	-	-	-
	+ long positions	-	-	-	-	-	-	-	-
	- short positions	-	-	-	-	-	-	-	-
3.2	Without underlying security	-	(40,000)	-	(70,000)	-	110,000	-	-
-	Options	-	-	-	-	-	-	-	-
	+ long positions	-	-	-	-	-	-	-	-
	- short positions	-	-	-	-	-	-	-	-
-	other derivatives	-	(40,000)	-	(70,000)	-	110,000	-	-
	+ long positions	-	-	-	-	-	110,000	-	-
	- short positions	-	(40,000)	-	(70,000)	-	-	-	-
4.	**Other off-Balance-Sheet transactions**	**(148,179)**	**7**	**7**	**60**	**2,987**	**10,831**	**134,233**	**-**
	+ long positions	-	7	7	60	2,987	10,831	134,233	-
	- short positions	(148,179)	-	-	-	-	-	-	-

2. Banking book: internal models and other methods for the sensitivity analysis

With reference to assets and liabilities generating an interest margin - other than the debt securities of the supervisory trading book, of the P.C.T. assets and liabilities (with underlying debt securities of the supervisory trading book) to the other contracts in the information on the supervisory trading book - as defined in the qualitative information to this section, please note that exposure to the interest rate risk in terms of capital (Economic Value Delta) is carried out using the "full evaluation" method, revaluing - under different shock scenarios - the economic value of all the positions that make up the interest-bearing assets and the interest-bearing liabilities of the banking book. It is specified that trade margins and other spread components on the coupon component are excluded from the calculation. Only the "risk-free" remuneration component of the coupon is therefore taken into account. Cash flows are discounted using a single risk-free baseline curve. For each of the rate shocks, the change in the economic value of the banking book is calculated with respect to the base rate scenario and compared to CET 1.
In order to ensure a realistic treatment of on-demand assets and liabilities (current accounts in euros and in foreign currency and savings deposits), the analysis uses an econometric model parametrised on the basis of the historical behaviour of the items themselves. Standardised prepayment models for fixed-rate loans and *early redemption* models for releasable term deposits are also used.
At the end of the financial year, the delta EV for CET 1 is below the regulatory and internal limits for each regulatory shock.
The measurement of interest rate risk exposure in terms of income (Delta Interest Margin) is carried out under the assumption of a "constant balance sheet". The transactions expiring in the 12-month timeframe are renewed with simulated transactions that replicate their characteristics. Trade margins are included in the calculation and are assumed stable during the timeframe.
As per regulatory guidelines, the shocks considered are the parallel shifts of +/- 200bp on the EUR curve. The difference between the level of net interest income in the worst-case shock scenario and the level of net interest income in the base-case scenario is related to CET1.
At the end of the financial year, the delta MI for CET1 is below the regulatory limits.
The Credit Spread Risk exercise in the banking book is conducted by recording the change in the economic value of the *marketable* banking book, which consists of the positions, both assets and liabilities, for which a market price can be observed.
No regulatory shocks are prescribed and therefore the calibration was performed using an internal methodology. In 2025, the Bank monitored the risk levels assumed by the capital sensitivity indicator (Economic Value delta) in relation to the change in credit spread and adopted internal management limits.

2.3 Exchange rate risk

QUALITATIVE INFORMATION

A. General aspects, management processes and methods for measuring exchange rate risk

Support for commercial activities in foreign currencies and the trading service for foreign securities are the main source generating an exchange rate risk for the Bank.
Management of the exchange rate risk is centred with the Treasury with limited exposures.
Automatic network systems interfaced with a single position keeping system give the Treasury Service continual control and in real time of flows in currency that are instantly transferred to the Forex interbank market. The position is updated in real time in the Treasury. The Service can therefore act on the interbank market to balance any imbalances created due to the aforementioned transactions.
The integrated IT treasury procedure (Kondor Plus) allows efficient management of spot, forward and optional flows within the framework of pre-established operating limits, defined in the "Investment Policy" and the annual "Operating Plan".

All currency positions are revalued daily at the reference exchange rates of the European Central Bank and constitute the economic contribution of the foreign exchange business to the overall profitability of the Bank.

B. Exchange rate risk hedging activities

Exposure to exchange rate risk is limited by the Company's extremely prudent attitude, expressed in a highly circumscribed currency trading activity.
The exchange rate risk generated by lending and borrowing activities in foreign currencies is also systematically hedged in real time through a hedging and/or borrowing operation in the same currency.

QUANTITATIVE INFORMATION

2. Distribution of assets, liabilities and derivatives by currency of denomination

Items *(thousands of €)*	**Currencies**					
	US dollar	**Swiss Francs**	**British pound**	**Japanese Yen**	**Canadian Dollars**	**Other currencies**
A. Financial assets	**34,501**	**1,573**	**86**	**31**	**275**	**131**
A.1 Debt securities	30,657	-	-	-	-	-
A. 2 Equity securities	-	-	-	-	-	-
A. 3 Loans to banks	410	513	86	31	221	131
A. 4 Loans to customers	3,434	1,060	-	-	54	-
A.5 Other financial assets	-	-	-	-	-	-
B. Other assets	**384**	**263**	**51**	**37**	**41**	**50**
C. Financial liabilities	**61,956**	**4,118**	**896**	**937**	**192**	**76**
C.1 Payables to banks	25,587	16	-	-	-	-
C.2 Payables to clients	36,369	4,102	896	937	192	76
C.3 Debt securities	-	-	-	-	-	-
C.4 Other financial liabilities	-	-	-	-	-	-
D. Other liabilities	**-**	**-**	**-**	**-**	**-**	**-**
E. Financial derivatives	**58,344**	**2,296**	**753**	**860**	**(122)**	**(44)**
- Options	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-
- short positions	-	-	-	-	-	-
- Other derivatives	58,344	2,296	753	860	(122)	(44)
+ long positions	60,891	5,304	1,300	860	51	67
- short positions	(2,547)	(3,008)	(547)	-	(173)	(111)
Total assets	**95,776**	**7,140**	**1,437**	**928**	**367**	**248**
Total liabilities	**64,503**	**7,126**	**1,443**	**937**	**365**	**187**
Unbalance (+/-)	**31,273**	**14**	**(6)**	**(9)**	**2**	**61**

3. Internal models and other methodologies for sensitivity analysis

The exchange rate risk generated by the trading and banking books is monitored using an internal model, described in the section "Interest rate risk and price risk - Supervisory trading book" where, in addition to the section "Interest rate risk and price risk - Banking book", the values assumed by this indicator are shown.

Technical forms/portfolio *(thousands of €)*		Financial assets sold and fully recognised				Associated financial liabilities		
		Book value	of which: subject to securitisation transactions	of which: subject to repurchase agreements	of which non-performing	Book value	of which: subject to securitisation transactions	of which: subject to repurchase agreements
A.	**Financial assets held for trading**	**-**	**-**	**-**	**X**	**-**	**-**	**-**
	1. Debt securities	-	-	-	X	-	-	-
	2. Equity securities	-	-	-	X	-	-	-
	3. Financing	-	-	-	X	-	-	-
	4. Derivatives	-	-	-	X	-	-	-
B.	**Other financial assets obligatorily measured at *fair value***	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	1. Debt securities	-	-	-	-	-	-	-
	2. Equity securities	-	-	-	X	-	-	-
	3. Financing	-	-	-	-	-	-	-
C.	**Financial assets designated at *fair value***	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	1. Debt securities	-	-	-	-	-	-	-
	2. Financing	-	-	-	-	-	-	-
D.	**Financial assets measured at fair value through other comprehensive income**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	1. Debt securities	-	-	-	-	-	-	-
	2. Equity securities	-	-	-	X	-	-	-
	3. Financing	-	-	-	-	-	-	-
E.	**Financial assets measured at amortised cost**	**149,548**	**-**	**149,548**	**-**	**-**	**-**	**-**
	1. Debt securities	149,548	-	149,548	-	-	-	-
	2. Financing	-	-	-	-	-	-	-
	Total as at 31.12.2025	**149,548**	**-**	**149,548**	**-**	**-**	**-**	**-**
	Total as at 31.12.2024	**370,949**	**173,240**	**197,709**	**5,867**	**-**	**-**	**-**

Section 3 Derivatives and hedging policies

3.1 *Derivative instruments held for trading*

A. FINANCIAL DERIVATIVES

A.1 Financial derivatives held for trading: notional values at the end of the period

Underlying assets/ Type of derivatives	**31.12.2025**				**31.12.2024**			
	Over the counter				Over the counter			
		Without central counterparties				Without central counterparties		
(thousands of €)	Central counterparties	With netting agreements	Without netting agreements	Organised markets	Central counterparties	With netting agreements	Without netting agreements	Organised markets
1. Debt securities and interest rates	**-**	**-**	**125,000**	**-**	**-**	**-**	**-**	**-**
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	125,000	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
2. Equity securities and share indices	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
3. Currencies and gold	**-**	**-**	**65,113**	**-**	**-**	**-**	**92,938**	**-**
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forward	-	-	65,113	-	-	-	92,938	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
4. Goods	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
5. Other	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**-**	**-**	**190,113**	**-**	**-**	**-**	**92,938**	**-**

A.2 *Financial derivatives held for trading: gross positive and negative fair value - breakdown by product*

Type of derivatives	**31.12.2025**				**31.12.2024**			
	Over the counter				Over the counter			
		Without central counterparties				Without central counterparties		
(thousands of €)	Central counterparties	With netting agreements	Without netting agreements	Organised markets	Central counterparties	With netting agreements	Without netting agreements	Organised markets
1. *Positive fair value*								
a) Options	-	-	-	-	-	-	95	-
b) Interest rate swaps	-	-	-	-	-	-	-	-
c) Cross currency swaps	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-
e) Forward	-	-	123	-	-	-	244	-
f) Futures	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-
Total	**-**	**-**	**123**	**-**	**-**	**-**	**339**	**-**
2. *Negative fair value*								
a) Options	-	-	-	-	-	-	-	-
b) Interest rate swaps	-	-	-	-	-	-	-	-
c) Cross currency swaps	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-
e) Forward	-	-	12	-	-	-	107	-
f) Futures	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-
Total	**-**	**-**	**12**	**-**	**-**	**-**	**107**	**-**

A.3 OTC trading financial derivatives: notional values, gross positive and negative fair value by counterparty

Underlying assets *(thousands of €)*	Central counterparties	Banks	Other finance companies	Other entities
Contracts not covered by netting agreements				
1) Debt securities and interest rates				
- notional value	X	125,000	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
2) Equity securities and share indices				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
3) Currencies and gold				
- notional value	X	64,257	-	856
- positive fair value	X	117	-	5
- negative fair value	X	12	-	1
4) Other values		**-**	**-**	**-**
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
Contracts covered by netting agreements				
1) Debt securities and interest rates				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
2) Equity securities and share indices				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
3) Currencies and gold				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
4) Other values				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-

A.4 Residual life of OTC financial derivatives held for trading: notional amounts

Underlying/Residual life ***(thousands of €)***	**Up to 1 year**	**Over 1 and up to 5 years**	**Over 5 years**	**Total**
A.1 Financial derivatives on debt securities and interest rates	125,000	-	-	125,000
A. 2 Financial derivatives on equity securities and share indices	-	-	-	-
A. 3 Financial derivatives on foreign currencies and gold	65,113	-	-	65,113
A. 3 Financial derivatives on goods	-	-	-	-
A. 4 Other financial derivatives	-	-	-	-
Total as at 31.12.2025	**190,113**	**-**	**-**	**190,113**
Total as at 31.12.2024	**92,938**	**-**	**-**	**92,938**

B. CREDIT DERIVATIVES

B.1 Credit derivatives held for trading: notional values at the end of the period

At the reporting date, there were no trading credit derivatives.

B.2 Financial derivatives held for trading: gross positive and negative fair value - breakdown by product

At the reporting date, there were no trading credit derivatives.

B.3 OTC trading credit derivatives: notional values, gross positive and negative fair values by counterparty

At the reporting date, there were no trading credit derivatives.

B.4 Residual life of OTC trading credit derivatives: notional values

At the reporting date, there were no trading credit derivatives.

B.5 Credit derivatives associated with the fair value option: annual changes

At the reporting date, there were no credit derivatives associated with the *fair value* option.

3.2 Accounting hedges

QUALITATIVE INFORMATION

A. Fair value hedging activities

The hedging activities implemented by the Bank are aimed at immunising the supervisory trading book from changes in the fair value of asset securities caused by movements in the interest rate curve (interest rate risk).
The Bank adopts specific hedges (micro fair value hedges) that hedge government bonds recorded as assets.
The derivatives used are plain interest rate swaps (IRS) realised with third parties.
Derivatives are not listed on regulated markets, but traded on over-the-counter (OTC) circuits. Over-the-counter (OTC) contracts also include those concluded through Clearing Houses.

B. Cash flow hedging activities

At the reporting date, there were no cash flow hedges in place.

C. Hedging of foreign investments

At the reporting date, there were no foreign investment hedges in place.

D. Hedging instruments

The main causes of ineffectiveness detected by the model adopted by the Bank for verifying the effectiveness of hedges are attributable to the following phenomena:
- mismatch between the notional amount of the derivative and the underlying hedged item recognised at the time of the initial designation or generated thereafter;

- application of different curves on hedging derivative and hedged item for the purpose of performing the effectiveness test on fair value hedges. Derivatives entered into through Clearing House are discounted to the Overnight curve, while hedged items are discounted to the index curve of the hedging instrument;
- inclusion in the effectiveness test of the value of the variable leg of the hedging derivative, assuming a "fair value hedge".

The ineffectiveness of the hedge is promptly detected for the purposes:

- of determining the effect on the profit and loss account;
- of assessing whether the hedge accounting rules can continue to be applied.

The Bank does not use dynamic hedges, as defined in IFRS 7, paragraph 23C.

E. Covered elements

Debt securities on the asset side are covered.

QUALITATIVE INFORMATION

A) Hedging financial derivatives

A.1 Hedging financial derivatives: notional values at the end of the period

(thousands of €)	**31.12.2025**				**31.12.2024**			
	Over the counter				Over the counter			
Underlying assets/type of derivatives		Without central counter-parties				Without central counter-parties		
	Central counterpar-ties	With netting agreements	Without netting agreements	Organised markets	Central counterpar-ties	With netting agreements	Without netting agreements	Organised markets
1. Debt securities and interest rates	**-**	**110,000**	**-**	**-**	**-**	**110,000**	**-**	**-**
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	110,000	-	-	-	110,000	-	-
2. Equity securities and share indices	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
3. Currencies and gold	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
4. Goods	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
5. Other	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**-**	**110,000**	**-**	**-**	**-**	**110,000**	**-**	**-**

A.2 Financial derivatives held for trading: gross positive and negative fair value - breakdown by product

(thousands of €)	31.12.2025				31.12.2024			
	Over the counter				Over the counter			
		Without central counter-parties				Without central counter-parties		
Type of derivatives	Central counterparties	With netting agreements	Without netting agreements	Organised markets	Central counterparties	With netting agreements	Without netting agreements	Organised markets
1. Positive fair value								
a) Options	-	-	-	-	-	-	-	-
b) Interest rate swaps	-	-	-	-	-	-	-	-
c) Cross currency swaps	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-
e) Forward	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2. Negative fair value								
a) Options	-	-	-	-	-	-	-	-
b) Interest rate swaps	-	-	-	-	-	-	-	-
c) Cross currency swaps	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-
e) Forward	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-
g) Other	-	2,431	-	-	-	5,094	-	-
Total	**-**	**2,431**	**-**	**-**	**-**	**5,094**	**-**	**-**

A.3 OTC financial derivatives held for trading: notional amounts, gross positive and negative fair value by counterparty

(thousands of €) Underlying assets	Central counterparties	Banks	Other finance companies	Other entities
Contracts not covered by netting agreements				
1) Debt securities and interest rates				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
2) Equity securities and share indices				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
3) Currencies and gold				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
4) Other values				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
Contracts covered by netting agreements				
1) Debt securities and interest rates				
- notional value		110,000	-	-
- positive fair value		-	-	-
- negative fair value		(2,431)	-	-
2) Equity securities and share indices				
- notional value		-	-	-
- positive fair value		-	-	-
- negative fair value		-	-	-
3) Currencies and gold				
- notional value		-	-	-
- positive fair value		-	-	-
- negative fair value		-	-	-
4) Other values				
- notional value		-	-	-
- positive fair value		-	-	-
- negative fair value		-	-	-

A.4 Residual life of OTC financial derivatives held for trading: notional amounts

(thousands of €)

Underlying/Residual life		Up to 1 year	Over 1 and up to 5 years	Over 5 years	**Total**
A.1	Financial derivatives on debt securities and interest rates	-	-	110,000	110,000
A. 2	Financial derivatives on equity securities and share indices	-	-	-	-
A. 3	Financial derivatives on foreign currencies and gold	-	-	-	-
A. 3	Financial derivatives on goods	-	-	-	-
A. 4	Other financial derivatives	-	-	-	-
	Total as at 31.12.2025	**-**	**-**	**110,000**	**110,000**
	Total as at 31.12.2024	**-**	**-**	**110,000**	**110,000**

B) Hedging credit derivatives

B.1 Credit derivatives held for trading: notional values at the end of the period

At the reporting date, there were no hedging credit derivatives.

B.2 Hedging credit derivatives: gross positive and negative fair value - breakdown by product

At the reporting date, there were no hedging credit derivatives.

B.3 OTC trading credit derivatives: notional values, gross positive and negative fair values by counterparty

At the reporting date, there were no hedging credit derivatives.

B.4 Residual life of OTC hedging credit derivatives: notional values

At the reporting date, there were no hedging credit derivatives.

C) Non-derivative hedging instruments

C.1 Hedging instruments other than derivatives: breakdown by accounting portfolio and type of hedge

At the reporting date, there were no hedging instruments other than derivatives.

D) Hedged instruments

The Bank avails itself of the option, allowed when IFRS 9 was introduced, to continue to fully apply the provisions of IAS 39 on hedge accounting (in the carved out version approved by the European Commission) for each type of hedge (for both specific hedges and macro hedges).

E) Effects of hedging transactions on equity

The Bank avails itself of the option, allowed when IFRS 9 was introduced, to continue to fully apply the provisions of IAS 39 on hedge accounting (in the carved out version approved by the European Commission) for each type of hedge (for both specific hedges and macro hedges).

3.3 Other information on derivatives (trading and hedging)

A. FINANCIAL AND CREDIT DERIVATIVES

A.1 OTC financial and credit derivatives: net fair value for counterparties

At the reporting date, there were no hedging transactions.

B.1 OTC financial derivatives: counterparty risk/financial risk - Internal models

For the purposes of calculating the capital requirement for counterparty risk, the Company does not use internal EPE models validated by the supervisory authorities.
For management and capital adequacy assessment purposes (ICAAP process), it uses a risk estimation model for the component represented by over-the-counter (OTC) derivative transactions.
This model uses internal market risk estimation methodologies to determine the potential short-term evolution of the *fair value* of positions, incorporating the benefits of market correlations and including the impacts of guarantee agreements.

Section 4 Liquidity risk

QUALITATIVE INFORMATION

A. General aspects, management procedures and measurement methods of the liquidity risk

The liquidity risk typically occurs as a non compliance with payment commitments or being unable to finance the financial statement assets promptly and based on cost-effectiveness criteria. Those negative circumstances can occur because of:
- not being able to raise funds or to obtain them at reasonable costs (*funding liquidity risk*);
- not being able to sell or reduce a position without significantly affecting the price, due to the bad market efficiency or its malfunctioning (*market liquidity risk*).

B. Processes of management of liquidity risk;

The Bank's general liquidity risk management strategy, characterised by a limited appetite for risk, is displayed first of all by adopting specific management guidelines enabling the reduction of the unfavourable circumstances described above probably happening.
In particular, referred to the first of the aforementioned risk sources, the Bank's commitment is mainly addressed at maintaining a broad, stable, retail collection base, adequately diversified. Further important supply sources are from Italian and international companies and from banking counterparties from whom the Bank has no difficulty with financing itself at market rates.
The potential liquidity risk from difficulties to disinvest its positions is limited thanks to the Bank's choice to keep a portfolio of high quality bonds. It mainly includes Government bonds, and, to a lesser extent, bonds issued by other issuers, with high cash value characteristics as they are easy to sell on markets and can be used, with a need for liquidity, in both repurchase agreement transactions with bank counterparties and in the European Central Bank refinancing transactions if the bonds, as most of them are, are eligible.
The liquidity risk is controlled through the actions of different business units: the first control is the action implemented by the operating functions foreseeing specific control that activities they are responsible for are carried out correctly and that they draw up the summary of daily operations.
Liquidity risk management is described in the Risk Management Policy and Regulation as well as in the Finance, Treasury and ALM Policy. The documents are reviewed and approved annually by the Board of Directors. They define in detail:
- the organisational model, which assigns roles and responsibilities to the organisational functions involved in the liquidity management and control process;
- operational and structural liquidity management policies, with an indication of the models and metrics used to measure, monitor and control the liquidity risk, as well as to perform stress tests;
- the *Contingency Funding Plan* (CFP) foreseeing, besides a description of the indicators supporting identification of possible emergencies, the organisation processes and actions to re-establish the normal liquidity management condition.

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.

In addition, the regulation clearly defines the organisational structure of the structures and functions responsible for liquidity management and related controls and the emergency plans to be implemented in the event of stress or crisis situations (CFPs, Contingency Funding Plans), the declaration of which originates from the problematic development of a predefined series of exogenous and endogenous factors.
Finally, the internal transfer rate (ITR) legislation has the following objectives:

- the transfer of interest rate and liquidity risks from the commercial network to the treasury unit, so as to ensure centralised assessment and management of the Bank's exposure to these types of risks;
- the transfer from the commercial network to the treasury unit of contributions resulting from the transformation of maturities;
- the possibility of evaluating in precise ways the actual contribution at the level of each individual business unit and each individual client relationship.

The internal transfer rates at the base of the system, in addition to being differentiated by maturity (multiple TITs), being based on market rates that are effectively negotiable by the treasury, guaranteeing profit margins for the operating units consistent with the Bank's overall profitability, are all made up of several components with different purposes:

- the interest rate free component (TIT risk free) which transfers interest rate risk from commercial units to the treasury unit;
- the liquidity component (TIT or "Funding Spread"), which takes into account the cost of funding (refinancing) that the Bank has to face on the interbank market and the risk-taking capabilities set out in the "Risk Policy" and the "Risk management regulation";
- the "bonus-malus" component as an instrument with which to manage any commercial incentives.

C. Methods for measuring liquidity risk;

The liquidity risk is measured, primarily, through the regulatory liquidity indicators of the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR).
The measurement and control of operational liquidity and structural liquidity are supported by a system of indicators, limits and periodic internal reporting, on a daily basis. In particular, a so-called *maturity ladder* has been set up, i.e. a system for monitoring the net financial position that makes it possible to highlight the balances and accordingly the imbalances between expected flows and outflows over predefined time bands and, through the construction of cumulative imbalances, the calculation of the net balance of financial needs (or surpluses) estimating a *survival period*.
The Bank measures the level of *Unencumbered High Quality Liquid Assets* in order to hold a minimum level of reserves that are, or can be readily mobilised to meet liquidity needs.
The Debt-to-Loan Ratio (DLRk) indicator monitors, on a monthly basis, the Bank's structural liquidity profile and its ability to finance its core lending activity with stable funds from customers.
For the measurement of *funding liquidity* risk, the Bank also uses the so-called *Liquidity-at-Risk* (LaR) model, which is based on the observation of "autonomous" negative net flows of liquidity and on the application of the *Extreme-Value-Theory* which enables improving the precision of the analysis for high levels of confidence. In particular, daily data are used for the following variables: compulsory reserve with the Bank of Italy, interbank deposits, bond issues, securitisations, movements in securities, extraordinary flows. The data are processed in order to determine the daily cash flows attributable exclusively to decisions outside the direct control of the Bank and accordingly attributable to client behaviour. The 3 levels of confidence hypothesised represent the Bank's liquidity needs in normal (up to the LaR value with 99% confidence), stress (up to 99.9%) and extreme conditions (up to 99.99%) at 1 day, 1 week (5 working days), 2 weeks (10 working days) and one month (20 working days).
Another key liquidity risk management activity concerns the execution of a stress test programme to assess the Bank's vulnerability to exceptional but plausible events. In particular, stress tests are performed in terms of scenario analysis, consistent with the definition of liquidity risk adopted and trying to simulate the behaviour of their cash flows in unfavourable conditions against subjective conjectures based on corporate experience and/or indications provided by regulations and supervisory guidelines.

QUANTITATIVE INFORMATION

1. *Distribution of financial assets and liabilities over time by residual contractual duration*

	Items/Scales of time (thousands of €)	At sight	Over 1 day to 7 days	over 7 days to 15 days	over 15 days to 1 month	over 1 month to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 5 years	Over 5 years	Indefinite duration
Cash assets		**1,004,988**	**13,899**	**28,157**	**147,781**	**316,355**	**488,706**	**704,961**	**4,577,175**	**4,477,853**	**124,122**
A.1	Government bonds	704	-	1,011	-	10,062	52,007	38,329	1,244,074	1,070,777	-
A. 2	Other debt securities	2,696	82	1,184	7,151	30,433	37,894	99,882	863,254	332,386	-
A. 3	UCI units	33,895	-	-	-	-	-	-	-	-	-
A. 4	Financing	967,693	13,817	25,962	140,630	275,860	398,805	566,750	2,469,847	3,074,690	124,122
	- Banks	199,478	-	-	2,238	-	-	-	-	-	124,122
	- Customers	768,215	13,817	25,962	138,392	275,860	398,805	566,750	2,469,847	3,074,690	-
Cash liabilities		**8,823,876**	**144,943**	**29,773**	**19,779**	**44,723**	**60,687**	**381,614**	**799,950**	**472,616**	**-**
B.1	Deposits and current accounts	8,792,161	1,786	29,773	19,546	43,676	59,285	72,825	247,871	-	-
	- Banks	1,445	-	25,574	-	-	-	-	-	-	-
	- Customers	8,790,716	1,786	4,199	19,546	43,676	59,285	72,825	247,871	-	-
B.2	Debt securities	-	-	-	-	121	216	307,951	534,525	370,000	-
B.3	Other liabilities	31,715	143,157	-	233	926	1,186	838	17,554	102,616	-
"Off-balance-sheet" transactions		**(148,179)**	**6**	**(1)**	**8**	**(81)**	**7**	**(597)**	**2,987**	**145,065**	**-**
C.1	Financial derivatives with exchange of capital	-	6	(1)	8	193	-	(1)	-	-	-
	+ Long positions	-	8,676	6,095	805	57,325	185	185	-	-	-
	- Short positions	-	(8,670)	(6,096)	(797)	(57,132)	(185)	(186)	-	-	-
C.2	Financial derivatives without exchange of capital	-	-	-	-	(281)	-	(656)	-	-	-
	+ Long positions	-	-	-	-	-	-	-	-	-	-
	- Short positions	-	-	-	-	(281)	-	(656)	-	-	-
C.3	Deposits and loans to be received	-	-	-	-	-	-	-	-	-	-
	+ Long positions	-	-	-	-	-	-	-	-	-	-
	- Short positions	-	-	-	-	-	-	-	-	-	-
C.4	Irrevocable commitments to disburse funds	(148,179)	-	-	-	7	7	60	2,987	145,065	-
	+ Long positions	-	-	-	-	7	7	60	2,987	145,065	-
	- Short positions	(148,179)	-	-	-	-	-	-	-	-	-
C.5	Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6	Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7	Credit derivatives with exchange of capital	-	-	-	-	-	-	-	-	-	-
	+ Long positions	-	-	-	-	-	-	-	-	-	-
	- Short positions	-	-	-	-	-	-	-	-	-	-
C.8	Credit derivatives without exchange of capital	-	-	-	-	-	-	-	-	-	-
	+ Long positions	-	-	-	-	-	-	-	-	-	-
	- Short positions	-	-	-	-	-	-	-	-	-	-

DISCLOSURE OF INVESTMENTS IN HEDGE FUNDS

At the date, there are no Hedge Funds in the Bank's portfolio.

Section 5 Operational risk

QUALITATIVE INFORMATION

A. General aspects, management processes and methods for measuring operational risk

In line with supervisory requirements, operational risk is defined as the risk of loans losses due to errors, violations, interruptions, external events or damage resulting from malfunctions in internal processes or inadequacies of persons and/or systems. Operational risks include, amongst other things, losses resulting from theft and fraud, human error, operational disruption, system unavailability, transaction execution, breach of contract, data processing, property damage and natural disasters.
With reference to governing operating 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.
This will be followed by a distinction between operational risk in the strict sense and ICT/IT and outsourcing risk.

OPERATIONAL RISK IN THE STRICT SENSE

Monitoring and measurement of operational losses

The most advanced method of measuring the operational risk profile involves the combined use of information on internal and external historical operating losses, with qualitative factors deriving from scenario analysis and evaluations relating to the control system and the operating context.
With regard to the monitoring of operational risks, it should first of all be noted that the Bank is a member of the interbank consortium DIPO (Italian Data Base for Operational Losses) promoted by the Italian Banking Association, and accordingly regularly collects information on operating losses.
The internal database of operating losses reports all events with a gross operating loss of more than 500 Euros. Reports from the network and the internal business units are integrated with losses deriving from passive legal actions and complaints from clients; both the latter types of events are systematically recorded and monitored during their evolution in special internal databases under the responsibility of the Legal Advice organisational unit and the Compliance department respectively.
Where a legal and accounting analysis reveals elements that may suggest a probable future disbursement of economic resources, adequate provisions will be made for risks and charges as a precautionary measure and, if possible, settlement policies will be implemented.
The information obtained from the internal and external databases (DIPO), the detailed analysis of the most significant loss events according to their impact and/or frequency of occurrence, the countermeasures already taken or to be taken are discussed periodically in the Internal Control Committee. This meeting, possibly also involving the operational functions (*process owners*) affected from time to time, identifies the main sources of manifestation of operational risks and potential critical situations, the adequacy of existing operational processes with respect to possible sources of loss, the actions to be taken with a view to prevention and mitigation, and the quality of insurance cover. As already indicated, where deemed appropriate, certain categories of operational risks are mitigated through the conclusion of ad hoc insurance contracts. The Bank also has a sophisticated going concern plan, reviewed and verified on an annual basis; it establishes principles, targets and procedures aimed at reducing the damage resulting from accidents and catastrophes to an acceptable level.

The Risk Management department also carries out numerical analysis and processing activities, based on data from the internal database of operating losses and DIPO return flows, with the aim of calculating the VaR values of operating losses (Operational VaR, or potential losses). The model consists of running Monte Carlo simulations on a large number of scenarios. In each scenario, the operating losses incurred in a year are simulated, numerically and as an amount, by acting on 2 independent distributions that model the following key variables:
- distribution of the frequency of loss events (number of events in 1 year); the Poisson distribution is used;
- distribution of the impact (amount) of the loss events ("*severity loss distribution*"); the generalised Pareto distribution is used according to the methodology of the *Extreme-Value-Theory* (EVT, model of the extreme values).

To calculate the capital requirements referred to the operating risk, the Bank uses the standardised method (*Standardised Approach*) based on provisions in Regulation (EU) 575/2013 of 26 June 2013 and subsequent amendments, the latest version of which implements the principles of the so-called Basel 3+ framework. It establishes that the overall capital requirement is calculated using an indicator based on the size of the Bank's business (business indicator component or BIC). It is obtained by summing the three-year averages of the interest and dividends (ILDC), services (SC) and financial (FC) components (BI), adjusted by an incremental Beta coefficient dependent on the size of the Bank's BI.

Processes for identifying and assessing operational risks

A key element used to identify, assess and implement operating risks containment actions in company operations is the company process system.

The assessment of inherent and residual operational risks takes place through a *risk self-assessment* methodology and process, common to all control departments, by means of which the operational processes underlying the Bank's business activities are analysed with respect to every possible risk factor, considering its potential impact. Each type of risk (inherent and residual) is then assigned an overall assessment of its "relevance" using as a guideline a breakdown of the analysis on two dimensions:
- impact of the risk on normal business operations;
- the probability (or frequency) that the risk will occur over a given period of time.

The assessment of the residual risk starts from that of the inherent risk, reducing it on the basis of the degree of mitigation that is expected to be provided by the controls; a greater robustness of the controls leads to a reduction of the residual risk. Risk Management uses the following tools to correctly assess the significance of the risks:
- mapping of processes in order to identify critical risk points, interdependencies between different risks, control areas and possible control deficiencies,
- the results of the verification activities carried out by the control functions,
- information of various kinds relating to the probability of entry of a risk and the possible economic damage that may result from it,
- risks for which there is insufficient information on probability of occurrence and damage caused, will, where appropriate, be subject to qualitative estimation analysis.

Specific methods for analysis, measurement and monitoring are developed to manage certain types of operational risk, such as model risk, i.e. the risk of potential negative consequences arising from decisions made on the basis of results obtained from unreliable or incorrectly used models.

Control management processes

The monitoring of operational risks, within the Internal Control System, is guaranteed by the adoption of an integrated control model which, in line with the supervisory provisions, is divided into three levels and involves, each with own specific role, the business functions responsible for line controls (or 1st level controls) and the company control functions responsible for 2nd level controls (Risk management and Compliance) and 3rd level controls (Internal audit).

The results of monitoring and control activities are periodically discussed and evaluated by the Internal Control Committee, which is composed of all the company's control functions and which, in particular, has the task of establishing priorities for action and coordinating the performance of control activities.
In addition, operational risk monitoring makes use of the results of the monitoring and analysis of operational losses contained in the periodic report prepared by the Risk Management Department and the related discussion within the Internal Control Committee itself.

First level controls

In order to enable the Bank's Management and Control Functions to properly oversee the first-level controls carried out by the individual heads of Organisational Units (Process Owners), in 2025 the Bank adopted an application to ensure the correct recording of first-level line controls. These controls were mapped in the IT application (Model to Go) and assigned to the individual activities that make up the Bank's processes. The individual managers were then asked to perform the checks described in the controls, within the indicated deadlines, and to record the results directly in the application, attaching the relevant evidence. This ensures, on the one hand, accountability for the controls by the direct managers and, on the other, allows the control functions (Risk Management, Compliance and Internal Audit) to carry out the verification activities within their remit, using the IT tool. After an initial survey of the existing controls in the application (the opportunity was taken to update them to bring them up to date with the activities actually carried out), the Bank asked an external consultancy firm to verify and propose a detailed series of new controls (benchmarks) resulting from a comparison with banks similar to Volksbank in terms of size and business. This allowed the bank to expand its archive of first level controls, making the activities more compliant with the reference regulations for the processes performed.

Second level controls

Level 2 controls are entrusted to different structures, independent of the production ones and:
- contribute to the definition of risk measurement methodologies, verifying compliance with the assigned limits also in terms of consistency of operations with the set risk/return targets (RAF),
- contribute to the definition of methodologies for the measurement/assessment of conformity risk, identify suitable procedures for the prevention of the risks identified and request their adoption,
- certify/declare the company's accounting information in accordance with the law.

These controls are mainly aimed at monitoring risks, verifying compliance with risk limits and external and internal regulatory provisions, checking the consistency of the various operations with the strategic targets of risk-return, and reporting conduct or events that differ from the usual operations.
During 2025, the Bank's control functions adopted a new integrated GRC platform enabling each unit to manage and share its activities, and which will be integrated during 2026 with an automatic flow incorporating first-level controls and their outcomes.
In order to have a holistic view of all controls, the Bank has chosen to associate all regulations, processes, risks and controls with a revised and customised ABILab taxonomy in order to have clear and unambiguous monitoring.
The Risk Management function (as a risk management function) and the Compliance function and the anti-money laundering function carry out part of their activities within the scope of level 2 controls. In order to ensure the effectiveness of the performance of their duties, the functions responsible for carrying out level 2 checks will be provided with the necessary independence, authority and professionalism.

Third level controls

Third-level controls, entrusted to the Internal Audit Function as an independent third line separate from the production units, aim to identify anomalous trends and breaches of procedures and regulations, and to assess the overall functionality of the internal control system. That activity was carried continually during the year, periodically or for exceptions, through in loco controls and by using remote instruments, in accordance with Supervisory Instructions.

ICT/CYBER AND OUTSOURCING RISK

In line with supervisory regulations, and as required by the recent DORA regulation (Reg. EU 2022/2554), IT risk is defined as the risk of incurring economic, reputational and market share losses in relation to the use of Information and Communication Technologies (ICT). The Bank, as an essential entity and critical infrastructure within the national system, is required to take measures to prevent ICT and cyber incidents from generating risks or damage to other parties, including citizens, businesses and other critical infrastructures. (EU Directive 2022/2555).
The IT risk arises from an event involving the violation or imminent threat of violation of company information security rules and practices, such as computer fraud, attacks via the Internet, malfunctions and disruptions. With regard to the governance of IT risks, the specific Operational & ICT Risk Function was introduced within the Risk Management function, responsible for supervising IT and cyber risks by implementing the ICT Risk function provided for in the 40th update to Regulation 285.
In this way, methodologies are established and the execution of IT and cyber risk management and control processes is coordinated, with dedicated information flows prepared for the competent corporate bodies and functions, with a view to ensuring full awareness and governance of the risk phenomena, including potential ones, to which the Bank is exposed. The Operational & ICT Risk Function contributes to the implementation of the Bank's Digital Operational Resilience Strategy, ensuring compliance with external regulations and internal security regulations, and also fostering efficient management of risks associated with relations with Third Parties by coordinating activities with other internal Operating Units.
The ICT and security risk management methodology is part of a general IT and cyber risk management framework that defines the guidelines adopted and includes specific roles and responsibilities of the departments involved. This framework includes specific KRIs and indicators that are monitored monthly and reported quarterly as part of Risk Profile monitoring, defined in a structured manner within each business process to track risk and the application of security measures in relation to the operating model. The IT Risk Management Framework is reviewed on an annual basis or following instructions from the supervisory authorities, conclusions arising from relevant digital operational resilience tests, audit processes or incidents related to Information and Communication Technologies.
The operational activities implemented for the detection of IT and cyber risk and the application of prevention and mitigation measures include in-depth checks and measurements of the Bank's IT risk profile within a scope divided into three macro areas:

- internal IT component;
- IT component outsourced to the main outsourcer;
- IT component outsourced to various outsourcers.

For the internal IT component, the risk management function uses the COBIT for Risk framework and has identified specific Key Risk Indicators to support analysis activities, as well as a Risk Register for the constant monitoring of risk trends and the plan of measures to mitigate the risks detected. Monthly monitoring of the trend of the RAF indicators is also carried out.

For the IT component outsourced to the main outsourcer, there is a specific risk management methodology inspired by the ISO/IEC 27001 and ISO 31000 family of standards, shared and accepted between the parties and constantly monitored.

For the IT component outsourced to different outsourcers, the ISO/IEC 27001 methodology plus specific DORA provisions apply. In this case, too, there is constant monitoring.
With regard to the outsourcing risk component, it is specified that this refers to the risk of errors in the management of contractual relations with outsourcing companies (EIF and non-EIF) and providers in general.
It includes the risk of failure on the part of outsourced service providers or economic difficulties on their part. It also includes the possibility of opportunistic behaviour on the part of the service provider, in the event of heavy dependence on the latter, the loss of specific know-how, and the risks associated with changing providers and/or the exit strategy.
Also with reference to governing outsourcing 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.
For this purpose, the Risk management function has adopted a special methodology for the evaluation of Third Parties, also in compliance with the DORA Regulation, including more extensive and specific controls aimed at monitoring the provision of ICT services. This control framework is carried out in a risk-based manner and according to the principle of proportionality in relation to the type of classification assumed by the outsourcer. In this context, the risk control function performs its own plant assessments in the contractual phase on third parties and on an ongoing basis, according to a pre-defined annual plan.

QUANTITATIVE INFORMATION

The most significant impact in absolute terms is represented by the presence of losses connected to breaches of regulatory provisions an/or adoption of inappropriate commercial and market practices, mainly configurable as prudential provisions made for legal or conduct disputes.
The total amount of operating losses also includes errors made when performing daily activities, in particular when executing transactions or as part of relations with counterparties that are not customers, and the losses resulting from events of an exogenous nature, such as forgery / fraudulent collection of cheques and theft / loss / cloning payment cards, normally mitigated through specific insurance policies.
Internal reporting for 2025 showed approximately 203 new reports with a gross loss of approximately €1,679,000, of which 14% from external or internal fraud cases (equal to 4.3% of the value), 71% from process execution errors (with 79.8% of the value), 15% from other factors, system failures, legal disputes, etc. (15.9% of the value).
By way of comparison, in 2024 there were 246 events, corresponding to gross losses of approximately €1,760,000.

PART F INFORMATION ON ASSETS

Section 1 COMPANY ASSETS

A. QUALITATIVE INFORMATION

The solidity of the banking system is a public, specifically protected interest and the solvency and reliability of banks assumes they maintain suitable capital resources. For the Company those resources must be able to absorb any losses without prejudicing the reasons of depositing parties. So the real consistency of those resources is a founding element of the Company's reputation.

Faithful to its people's bank cultural matrix, the Company has identified in its capitalisation policy the instrument that, favouring the creation of the partner-customer figure, enables it to pursue the autonomous growth strategy. Company growth has therefore involved periodical increases in capital, in simple, transparent forms in the technical methods that can give the corporate body clear, immediate understanding of transaction characteristics.

The financial means collected with those transactions, together with the allocations of profits made in compliance with statutory specifications have enabled the Company to expand its activities uniformly and look towards future challenges with a certain tranquillity.

The Bank assigns a priority role to activities aimed at managing and allocating capital according to the risks taken, in order to carry out transactions with a view to creating value. The activities are divided into the different stages of the planning and control process and, in particular:

- in the planning and budget processes with the formulation of the proposed risk appetite and capitalisation targets and the development and proposal of the capital plan and the *dividend policy*;
- in the monitoring processes with the analysis of achieved performance and preparation of management data for internal and external use, the analysis and control of the achievement of targets and compliance with limits, and the analysis and performance control of capital ratios.

Capital management activities include the development of capital plans as well as the monitoring of regulatory capital ratios. Monitoring refers on the one hand to capital according to both the accounting and supervisory definitions (equity, comprising Common Equity Tier 1, Additional Tier 1 and Tier 2, and MREL-eligible liabilities) and, on the other hand, to the planning and development of Risk Weighted Assets (RWAs) and total exposures (the denominator of the Leverage Ratio).

B. QUANTITATIVE INFORMATION

B.1 Company's equity: breakdown

Items/Amounts *(thousands of €)*		31.12.2025	31.12.2024
1.	**Capital**	**201,994**	**201,994**
2.	**Share premium reserves**	**254,651**	**259,774**
3.	**Reserves**	**498,354**	**431,261**
	- of profits	498,354	431,261
	a) legal	138,200	138,200
	b) extraordinary	341,289	265,627
	c) treasury shares	-	-
	d) other	18,865	27,434
	- other	-	-
4.	**Capital instruments**	**-**	**-**
5.	**(Treasury shares)**	**(2,385)**	**(5,523)**
6.	**Valuation reserves**	**1,330**	**3,992**
	- Equity securities designated at fair value through other comprehensive income	(2,696)	(2,460)
	- Hedging of equity securities designated as at fair value through other comprehensive income	-	-
	- Financial assets (other than equity securities) measured at fair value with impact on total revenue	4,791	7,417
	- Tangible fixed assets	-	-
	- Intangible fixed assets	-	-
	- Foreign investment hedges	-	-
	- Cash flow hedges	-	-
	- Hedging instruments (non-designated elements)	-	-
	- Exchange rate differences	-	-
	- Non-current assets and disposal groups held for sale	-	-
	- Financial liabilities designated at fair value through profit or loss (changes in credit rating)	-	-
	- Actuarial gains (losses) on defined-benefit pension plans	(765)	(965)
	- Portion of valuation reserves relating to investee companies valued by the equity method	-	-
	- Special revaluation laws	-	-
7.	**Profit (loss) for the year**	**131,202**	**126,478**
	Total	**1,085,146**	**1,017,976**

B.2 Valuation reserves for financial assets measured at fair value through other comprehensive income: breakdown

(thousands of €)					
1.	Debt securities	5,874	(1,083)	8,599	(1,181)
2.	Equity securities	-	(2,696)	224	(2,684)
3.	Financing	-	-	-	-

B.3 *Valuation reserves for financial assets measured at fair value through other comprehensive income: annual changes*

(thousands of €)	Debt securities	Equity securities	Financing
1. Opening balance	**7,417**	**(2,459)**	**-**
2. Positive changes	**5,860**	**17**	**-**
2.1 Increases in fair value	3,237	-	-
2.2 Value adjustments for credit risk	368	X	-
2.3 Transfer to Profit and Loss Account of negative reserves on disposal	189	X	-
2.4 Transfers to other equity components (equity securities)	-	-	-
2.5 Other changes	2,066	17	-
3. Negative changes	**(8,486)**	**(253)**	**-**
3.1 Reductions in fair value	(2,888)	(13)	-
3.2 Value reinstatements for credit risk	(354)	-	-
3.3 Reversal to Profit and Loss from positive reserves: - from sale	(4,874)	X	-
3.4 Transfers to other equity components (equity securities)	-	(240)	-
3.5 Other changes	(370)	-	-
4. Closing inventories	**4,791**	**(2,695)**	**-**

B.4 *Valuation reserves relating to defined benefit plans: annual changes*

(thousands of €)	31.12.2025		31.12.2024	
	Positive reserve	**Negative reserve**	**Positive reserve**	**Negative reserve**
Employee benefit plans	-	(765)	-	(965)
Total	**-**	**(765)**	**-**	**(965)**

(thousands of €)	
1. Opening balance	**(965)**
2. Positive changes	**200**
Gains due to changes in the discount rate	200
Other changes	-
3. Negative changes	**-**
Losses due to changes in the discount rate	-
Other changes	-
4. Closing inventories	**(765)**

Section 2 EQUITY AND SUPERVISION RATIOS

Please refer to the information on own funds and capital adequacy in the document “Disclosure by institutions (Pillar III)”, available on the bank's website.

PART G BUSINESS COMBINATIONS INVOLVING UNDERTAKINGS OR BUSINESSES

Section 1 OPERATIONS IMPLEMENTED DURING THE FINANCIAL YEAR

There were no business combinations during the year.

Section 2 OPERATIONS IMPLEMENTED AFTER THE CLOSING OF THE FINANCIAL YEAR

No business combinations were carried out after the end of the financial year.

Section 3 RETROSPECTIVE ADJUSTMENTS

No retrospective adjustments were made during the year.

PART H TRANSACTIONS WITH RELATED PARTIES

1. Information on the remuneration of directors, statutory auditors and key management personnel

The following table summarises the remuneration paid to directors, statutory auditors and the remaining employees who, pursuant to the “Group Regulation for management of transactions with Related Parties and Connected Subjects”, fall into the category of “Manager with strategic responsibilities”, namely: 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 €)	**31.12.2025**
Directors	1,046
Statutory Auditors	194
Relevant persons	7,150
Total	**8,390**

Remuneration of key personnel ***(thousands of €)***	**31.12.2025**
of which	
short-term benefits	6,146
benefits after employment	560
long-term benefits	299
benefits payable on termination	-
share-based payments	145
Total	**7,150**

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.

2. Information on transactions with related parties

In accordance with the indications of IAS 24, applied to the organisational and governance structure of the Bank, the following individuals and legal entities are considered related parties:

- subsidiaries, companies over which the Bank exercises direct or indirect control, as defined by IAS 27;
- associated companies, companies in which the Bank exercises significant direct or indirect influence, as defined by IAS 28;
- jointly controlled companies, companies over which the Bank exercises direct or indirect joint control, as defined by IAS 31;
- executives with strategic responsibilities (including directors, statutory auditors, the General Manager and the Deputy General Manager);
- close family members, i.e. the spouse or partner living together as man and wife, as well as the children of the latter;
- subsidiaries, jointly controlled companies by the Bank's directors, statutory auditors, the General Manager and the Deputy General Managers, as well as by their close relatives as defined above.

Transactions with subsidiaries and associates

The main Balance Sheet and Profit and Loss Account transactions with subsidiaries and associates are set out below.

Transactions with subsidiaries

(thousands of €)	Receivables for loans granted	Bonds underwritten	Payables for loans/ deposits received	Bonds issued	Guarantees	Commitments
31.12.2025	4,881	-	657	-	-	-
Incidence	0.06%	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
31.12.2025	53	-	10	-	1	-
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 received	Bonds issued	Guarantees	Commitments
31.12.2025	5,226	-	-	-	329	1,695
Incidence	0.07%	0.00%	0.00%	0.00%	0.07%	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
31.12.2025	165	-	-	-	13	-
Incidence	0.04%	0.00%	0.00%	0.00%	0.01%	0.00%

Transactions with Directors, Statutory Auditors and members of General Management

The main capital and economic transactions with Directors, Statutory Auditors and Managers with strategic responsibilities are listed below.

(thousands of €)		Directors		Statutory Auditors		Strategic executives		Total
		Direct	Indirect	Direct	Indirect	Direct	Indirect	
Credit line granted*		13,508	-	-	13,162	-	-	26,670
Loans*		1,443	152	-	77	959	312	2,943
	Incidence	0.02%	0.00%	0.00%	0.00%	0.01%	0.00%	0.04%
Unsecured loans*		152	-	-	1	-	-	153
	Incidence	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%
Direct funding*		11,457	5,040	1,227	582	525	128	18,958
	Incidence	0.12%	0.05%	0.01%	0.01%	0.01%	0.00%	0.20%
Indirect funding*		1,051	1,794	107	52	1,383	461	4,848
	Incidence	0.02%	0.03%	0.00%	0.00%	0.02%	0.01%	0.08%
Interest revenue**		71	8	-	5	20	6	110
	Incidence	0.02%	0.00%	0.00%	0.00%	0.01%	0.00%	0.03%
Interest expense**		177	46	7	6	10	4	250
	Incidence	0.13%	0.03%	0.01%	0.00%	0.01%	0.00%	0.19%
Commissions and other revenue**		28	10	4	6	2	2	51
	incidence	0.02%	0.01%	0.00%	0.01%	0.00%	0.00%	0.04%

Key		
*	=	balances as at 31/12/2025
**	=	amounts accrued in 2025

3. Management of Transactions with related parties

The bank approved– through Board of Directors resolution of 19.05.2023, with prior positive approval from the Committee of Independent Directors and the Board of Statutory Auditors – the "Group Regulation for management of transactions with Related Parties and 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 31 December 2025. In the year 2025, 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.

PART I 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 Directive 2013/36/EU (CRD IV-Capital Requirements Directive) and most recently by the European Directive 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.

The allocation of the shares of the Financial instruments compensation plan is subject to the achievement of the performance targets for the year 2025 as well as to the respect, for the individual periods of the plan, of the economic-financial, equity and liquidity bank indices, as indicated by the remuneration policies adopted.

The allocation of shares can take place if and only if, at the end of each period of the plan, the economic-financial, equity and liquidity indices, which constitute the "conditions of access" to the incentive system, are reached. Under these conditions, 50% of the 2024 incentives are recognised in shares provided that, in the year of allocation of the shares, the equivalent net share value exceeds the materiality threshold indicated by the remuneration policies.

Once the conditions for access to the incentive system have been verified for key personnel, as well as the effective achievement of the assigned qualitative and quantitative objectives, the variable remuneration is paid:

- 50% spot, immediately after the approval of the financial statements and,
- 50% with 4-year deferral, payable on a straight-line basis for each year of deferral when the underlying performance will be considered definitively acquired as the established access threshold remains satisfied.

In application of EU Delegated Regulation no. 527/2014 of the commission of 12 March 2014 and of the supervisory provisions of the Bank of Italy, the disbursable financial instruments represent, in BPAA, 50% of the incentives for both the upfront and deferred components, and are recognized according to the rules indicated in the "Financial instruments compensation plan".

In compliance with the reference legislation, the Bank has established that, if the annual variable remuneration assigned to the recipient does not exceed €50,000 and does not represent more than one third of its total annual remuneration, the variable remuneration of the key personnel will be paid in cash and in a single solution (up front).

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

B. QUANTITATIVE INFORMATION

With regard to the bonuses for the results relating to the 2025 financial year to be paid in the year 2026 and subsequent years, the calculated amount to be paid in the form of Bank shares is equal to 299,460.68 euros; in addition, with regard to the bonuses for the results for the 2024 financial year, 126,748.10 euros remain to be paid in the period 2026-2029; for the 2023 financial year, 68,547.36 euros remain to be paid in the period 2026-2028; with regard to the bonuses for the results relating to the 2022 financial year, 37,679.09 euros remain to be paid in the period 2026-2027, and, finally, with regard to the bonuses for the results for the 2021 financial year, 15,252.23 euros remain to be paid in 2026. The aforementioned amounts will be paid out in accordance with the applicable regulations if the conditions for the award of the bonus ("Entry Gates") are met, including the portions subject to deferral.
The number of corresponding shares will be determined based on the market price at the end of the month preceding the Board of Directors' approval of the financial statements for the previous financial year, as established by the Remuneration Policies adopted by the Bank and the Remuneration Plans implementing them.

PART L SECTOR REPORTING

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 figures shown in the financial statements.

Distribution by sector of activity: economic data

Economic data *(thousands of €)*	**Private individuals**	**Businesses**	**Financial/ ALM BL**	**reconciliation**	**Total**
Net interest revenue on assets	98,559	179,799	112,857	-	391,216
Net interest expense	(38,743)	(54,799)	(41,279)	-	(134,822)
Interest margin	**59,816**	**125,000**	**71,578**	**-**	**256,394**
Net commission	62,626	49,559	(285)	-	111,900
Financial margin	517	2,749	10,900	-	14,166
Net banking income	**122,959**	**177,308**	**82,193**	**-**	**382,461**
Net value adjustment on receivables and financial transactions	(149)	(792)		-	(940)
Net profit from financial activities	**122,810**	**176,517**	**82,193**	**-**	**381,520**
Administrative expenses	(92,023)	(111,424)	-	-	(203,447)
Provisions for risks and charges	12,994	522	-	-	13,516
Amortisation on tangible and intangible assets	-	-	-	(15,513)	(15,513)
Other operating charges/revenue	10,717	8,432	-	-	19,150
Operating costs	**(68,312)**	**(102,470)**	**-**	**(15,513)**	**(186,294)**
Gains (losses) on equity investments/on disposal of investments	-	-	-	(72)	(72)
Profit (loss) from continuing operations before tax	**54,499**	**74,047**	**82,193**	**(15,585)**	**195,153**

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	-	-	376,376	-	376,376
Receivables from customers	3,857,603	6,015,728	-	-	9,873,331
Financial assets measured at *fair value*	12	6,272	1,266,994	-	1,273,277
Payables to banks	-	-	211,006	-	211,006
Direct funding	5,208,737	4,278,900	1,210,866	-	10,698,503
- Payables to clients	5,208,737	4,278,900	-	-	9,487,637
- Securities issued	-	-	1,210,866	-	1,210,866
Indirect funding	4,991,954	514,273	-	-	5,506,227

The amounts included in the reconciliation column refer to business that is not attributable to the reported segments.

It should be noted that the company's operating revenue is generated and its activities carried out in Italy, 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. 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.

PART M INFORMATION ON LEASES

Section 1 LESSEE

QUALITATIVE INFORMATION

Leases refer to real estate leasing contracts, in particular for properties intended for office use or bank branches and to a leasing contract for a car.
The real estate contracts do not normally last longer than 12 months and typically have renewal and extinction options that can be exercised by the lessee based on laws or specific contractual provisions.
These contracts do not include purchase options at the end of the lease or significant reversal costs for the Bank.
For contracts with an overall lease term of or for less than 12 months and to contracts with underlying asset value, when new, of less than or equal to €5,000 ("low value") IFRS 16 is not applied. In these cases, instalments related to those leases are entered as cost with a constant quota criterion for the lease term or based on another systematic criterion if more representative of how the lessee perceives the benefits.

QUANTITATIVE INFORMATION

For information on rights of use acquired with leases, please refer to what was said in Part B Assets.
For information on payables for leases, please refer to what was said in Part B Liabilities.
For information on interest expense on lease payables and other expenses connected to rights of use acquired with leases, profits and losses resulting from sale and lease-back transactions and income from sub-leasing transactions, please refer to what is said in Part C, Information of Profit and Loss.

Section 2 LESSOR

QUALITATIVE INFORMATION

The bank does not take on the lessor role for IFRS16 purposes.

QUANTITATIVE INFORMATION

The bank does not take on the lessor role for IFRS16 purposes.

CERTIFICATION OF THE FINANCIAL STATEMENTS

Certification of the financial statements pursuant to art. 81 – ter of CONSOB Regulation No. 11971 of 14 May 1999 as amended.

1. The undersigned Lukas Ladurner, in the capacity of Chairman of the Board of Directors of Banca Popolare dell'Alto Adige Societa per Azioni and Alberto Caltroni, in the capacity of Financial Reporting Officer of Banca Popolare dell'Alto Adige Societa per Azioni, hereby certify, including pursuant to 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 financial statements during 2025

2. We also certify that:

   2.1. the financial statements for the year ended 31 December 2025:

   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 report on operations includes a reliable analysis of the performance and result of operations, together with the issuer's situation and a description of the main risks and uncertainties to which the issuer is exposed.

Bolzano, 20 March 2026

The Chairman of the Board of Directors

Lukas Ladurner

The Manager in charge of preparing the corporate accounting documents

Alberto Caltroni

REPORT OF THE BOARD OF STATUTORY AUDITORS

REPORT OF THE BOARD OF STATUTORY AUDITORS

REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE SHAREHOLDERS' MEETING PURSUANT TO ART. 2429, PARAGRAPH 2 OF THE ITALIAN CIVIL CODE AND ART. 153 OF (IT.) LEGISLATIVE DECREE. NO. 58/1998

Dear Shareholders,

With this report, drawn up in compliance with the provisions of the Italian Civil Code - in particular with art. 2429, paragraph 2 - and with art. 153, paragraph 1, of (It.) Legislative Decree 58 of 24 February 1998, the Board of Statutory Auditors of Banca Popolare dell'Alto Adige S.p.A. (hereinafter the "Bank", the "Company" or "Volksbank"), Parent Company of the Banca Popolare dell'Alto Adige banking Group, reports on the supervision and control activities conducted during the financial year closed as at 31 December 2025.

Summary of supervisory activity

During the fiscal year 2025, the Board of Statutory Auditors performed the supervisory activities established by the Italian Civil Code, by Legislative Decree 385/1993 (Consolidated Banking Act - T.U.B.), by Legislative Decrees 39/2010 and 58/1998 ("T.U.F." Consolidated Finance Act), by the guidelines of the public Authorities exercising supervision and control activities, by statutory regulations and by the principles and codes of conduct recommended by the National Association of Chartered Accountants. Moreover, having adopted the traditional governance model, the Internal Control and Audit Committee identifies with the Board of Statutory Auditors, which is responsible for additional specific control and monitoring functions in relation to financial reporting and statutory auditing provided for by art. 19 of Legislative Decree No. 39 of 27 January 2010 as amended.

The Board of Statutory Auditors, if it has decided to make recommendations or suggestions, has communicated this both during meetings with the internal functions concerned, and directly to the body with the function of management and strategic supervision and to the related internal board committees, as recorded from time to time. The Board of Statutory Auditors has constantly reported to the Board of Directors on the activities carried out and the opinions issued. In addition, the Board, taking into account the provisions of the document "Standards of conduct of the Board of Statutory Auditors of listed companies" updated by the CNDCEC on 21 December 2025, in particular in Standard Q.1.7 – Self-assessment of the Board of Statutory Auditors – conducted, with the help of a consulting firm, a self-assessment process as a result of which the Board of Statutory Auditors expressed an overall assessment of suitability with regard to its size and composition, as well as a favourable opinion on the requirements of professionalism, independence and good repute and on the functioning mechanisms of the body.

In 2025, the Board of Statutory Auditors met 28 times, participated in 2 Shareholders' Meetings, 16 meetings of the Board of Directors and, also through its own representative or in joint session, participated in all the meetings of the Risk Committee and of the other internal Board Committees (Independent Directors Committee and Credit Committee) as well as those of the Supervisory Body, set up in the Bank pursuant to Legislative Decree 231/2001, obtaining exhaustive information on activities carried out and on the most important transactions conducted by the Bank and ascertaining the regularity of management through periodical audits.

The Board of Statutory Auditors maintained a profitable and constant dialogue with the corporate bodies, the heads of the corporate control departments and with the various Departments and the various organisational structures of the Bank, also maintaining a continuous and proactive exchange with the company that audits the accounts and with the Manager in charge of preparing the Bank's corporate accounting documents.

The Board of Statutory Auditors was updated on the meetings held by the Supervisory Board and information was also exchanged in communications between the Board and the auditor member of the Supervisory Board, without receiving any reports and/or notations worthy of mention.

In particular, during the year the Board of Statutory Auditors:

- has obtained the required information on compliance with law, the Articles of Association and regulations, on observance of the principles of sound administration, the adequacy of the Bank's organisational structure and its internal control and administrative-accounting systems;
- has obtained significant information on management, its evolution and the Bank's most significant economic, financial and capital transactions from Directors and General Management;
- has performed audits on the Internal Control System ("ICS"), including through participation by the Head of Internal Audit at its meetings, and liaised with managers of the Risk Management, Compliance and Anti-Money Laundering departments to oversee the necessary interrelationship of their respective control duties, and duly informing them of the outcomes; the Board appreciated the Board of Directors' decision to carry out an Assessment on

the internal control system in order to strengthen its effectiveness and efficiency. In particular, action plans were provided with reference to the activities and to the areas for improvement identified, whose timely implementation is judged by the Board of statutory auditors as essential and that require special attention by the management body;

- has reviewed the audits carried out by the Internal Audit regarding the outsourcing of Essential or Important Operating Functions, sharing the comments contained therein;
- systematically continued its in-depth analysis and constant verification of the areas subject to inspections conducted by the Bank of Italy in recent years, supervising the adequacy and effective implementation of the resulting corrective actions. In particular, the Board of Statutory Auditors continuously monitored the aspects relating to the sound management of credit, as well as the process of defining and implementing the new rating system, assessing its consistency with the applicable regulatory framework and with the principles of sound and prudent management, and paid specific attention to activities relating to transparency, in order to ascertain compliance with the laws and regulations in force and with the internal procedures adopted by the Bank;
- also promoted and monitored the process relating to the appointment of the new independent auditing firm, in view of the expiry of the existing mandate for the statutory audit of the accounts and the limited audit of the sustainability report, and the granting of the new mandate for the nine-year period starting from the financial year 2028, for the financial year 2027 and for the three-year period 2028-2030, respectively, as required by the relevant regulatory provisions;
- verified transactions that come within the scope of Article 136 of the T.U.B. and ensured compliance with the obligation, established in Article 2391 bis of the Italian Civil Code, to adopt rules to guarantee the transparency and substantive and procedural propriety of transactions with related parties. No significant findings emerged from these audits. Information on transactions with related parties is provided in section “H” of the explanatory notes to the financial statements;
- in light of orders issued by the Supervisory Authorities on remuneration and incentive systems, the Board of Statutory Auditors, in close collaboration with the other corporate functions, ensured that the rules on the remuneration of the heads of corporate control bodies and of the executive responsible for preparing corporate accounting documents were correctly applied. The Board of Statutory Auditors has acknowledged the audits carried out by and endorsed the observations of the corporate auditing functions on the compliance of remuneration practices with policies and the regulatory environment, leading to a satisfactory assessment. On the basis of the information available, the Board of Statutory Auditors considers that the principles set out in the Remuneration Report are not inconsistent with the corporate objectives, strategies, and policies of prudent risk management;
- has duly ascertained the adequacy of orders given to subsidiaries;
- has regularly acquired information on the procedures, management methods and evolution of complaints and assessment of relative risks with specific reference to management of complaints regarding Bank shareholders;
- in close and continuous cooperation with the auditing firm KPMG S.p.A., has verified compliance with laws and regulations in force on financial statement preparation, implementation and layout processes for year 2025, and the compliance with laws and regulations in force and consistency with Board of Directors’ resolutions.

Significant transactions during the year

In carrying out the activities of supervision and control, the Board of Statutory Auditors obtained periodically from the Directors, including through the participation in meetings of the Board of Directors, information on the activities carried out and on the most important economic, financial and equity operations approved and implemented by the Bank.

On the basis of the information provided, the Board of Statutory Auditors found that the transactions were based on observance of the principles of proper administration, compliance with law and the Articles of Association, and were not manifestly imprudent, risky, involving conflicts of interest, contrary to resolutions adopted, or liable to compromise the integrity of the company’s assets.

Please refer to what is described in the Management Report on significant events during the year.

Complaints received pursuant to art. 2408 Italian Civil Code

The Board of Statutory Auditors did not receive any complaints from shareholders pursuant to Article 2408 of the Italian Civil Code during the 2025 financial year.

Supervision of the administrative-accounting system, of the financial reporting process, and of the Sustainability Report

The Board of Statutory Auditors, in its role as Committee for internal control and auditing, monitored the process and the efficiency of internal monitoring systems and risk management with regards to financial reporting.

The minutes of the Board of Statutory Auditors' meetings, which sometimes contain explicit recommendations to rapidly resolve difficulties that have come to light, are always made available in their entirety to the Chairman of the Board of Directors. The Chairman of the Risks Committee is kept abreast of the activities of the Board of Statutory Auditors. This will all ensure an adequate flow of information between the committees within the Board of Directors.

The Head of Internal Auditing also attends the meetings of the Board of Statutory Auditors, as a permanent invitee for the continuous interaction with the corporate function of third-level control.

The Board of Statutory Auditors, within the scope of its supervision of the observance of the principles of proper administration – and fulfilling the obligation in Article 150 of the Consolidated Law on Finance – has periodically obtained information from the Directors, control functions, Management and Statutory Auditor on the activities carried out and on the most significant economic, financial and capital transactions performed by the Bank.

The Board of Statutory Auditors periodically met the manager responsible for the exchange of information regarding the administrative-accounting system and the reliability of the same for the purposes of correct representation of management events in the accounting.

The Board examined the report of the Financial Reporting Manager prepared for the 2025 financial year and acknowledged the result of the checks carried out.

The Board of Statutory Auditors also examined declarations by the Chairman of the Board of Directors and by the Financial Reporting Officer, in accordance with the provisions contained in Article 154 bis of the Consolidated Law on Finance and in Article 81 ter of the Italian Securities and Exchange Commission Regulations 11971/1999, from which no failings emerged that might affect the judgement of adequacy of the administrative-accounting procedures.

The Board of Statutory Auditors acknowledges that it has not received, during the periodic meetings held with the Financial Reporting Manager, reports of significant deficiencies in the operating and control processes that may affect the judgment of suitability and effective application of administrative-accounting procedures, in order to correctly represent the economic, capital and financial aspects of transactions, in accordance with international accounting standards.

In accordance with the provisions of Article 19 of Legislative Decree No. 39/2010, the Board of Statutory Auditors, in its capacity as the Internal Control and Audit Committee, carried out its supervisory activities on the Auditing Company within the limits set down by the applicable regulations. During the year, the Board of Auditors held meetings with the managers of the independent auditing firm, also pursuant to Article 150(3) of the T.U.F. As part of the supervision referred to in Article 19 of Italian Legislative Decree 39/2010, the Board of Statutory Auditors obtained information from KPMG S.p.A. regarding the planning and execution of the audit. Data and information on the performance of their respective tasks were duly exchanged during the meetings, and no facts or situations worthy of note emerged. On 30 March 2026, the independent auditors issued their report pursuant to Article 14 of Italian Legislative Decree 39/2010. The contents confirm what was anticipated during the exchanges of information. In particular, the independent auditing firm has, in its reports:

- issued an opinion that the financial statements of Banca Popolare dell'Alto Adige S.p.A. give a true and fair view of the financial position of Banca Popolare dell'Alto Adige S.p.A. as at 31 December 2025, together with its net result and cash flows for the year ended, in accordance with the International Financial Reporting Standards adopted by the European Union and with orders issued pursuant to art. 9 of Legislative Decree 38/05;

- issued an opinion on the consistency of the Report on Operations (which accompanies the financial statements as of 31 December 2025) and of certain specific information contained in the Report on Corporate Governance and Ownership Structure indicated in Art. 123-bis(4), 4, of the T.U.F., with the financial statements;
- issued an opinion on the consistency of the Report on Operations which accompanies the financial statements as of 31 December 2025, excluding the section on sustainability reporting, and of certain specific information contained in the Report on Corporate Governance and Ownership Structure indicated in Art. 123-bis(4), 4, of the T.U.F. are drawn up in accordance with the law;
- issued an opinion on the compliance with the law of the Report on Operations, excluding the section on sustainability reporting, and of certain specific information contained in the Report on Corporate Governance and Ownership Structure indicated in Art. 123-bis(4), of the T.U.F.; 4, T.U.F.;
- declared, with regard to any significant errors in the Management Report, on the basis of knowledge and an understanding of the company and the relevant context acquired during the audit, to have nothing to report.

The Board of Statutory Auditors, taking into account the information acquired through participation in the Risk Committee meetings, from the Financial Reporting Officer and the managers of the Independent Auditing Firm, has no observations concerning the correct use of the accounting standards and the homogeneity of their use for the purpose of preparing the financial statements. On 30 March 2026, the Independent Auditing Firm also issued to the Board of Statutory Auditors the Additional Report required by Article 11 of Regulation (EU) No. 537/2014. Together with this Report, the Independent Auditing Firm presented the Board of Statutory Auditors with the declaration regarding independence pursuant to Article 6 of EU Regulation 537/2014, from which no situations emerge that might compromise independence. Pursuant to Art. 19(1)(a) of Legislative Decree 39/2010, the Board of Statutory Auditors promptly forwarded the Additional Report to the Board of Directors, without making any observations. Pursuant to Article 19(1)(e) of Legislative Decree No. 39/2010, the Board of Statutory Auditors, in its role as the Internal Control and Audit Committee, verified and monitored the independence of the auditing firm. The checks did not bring to light any situations that could compromise the independence of the auditing firm or causes of incompatibility within the meaning of the applicable regulations. The above is also confirmed with the declaration issued by KPMG S.p.A. pursuant to Article 6(2)(a) of EU Regulation 537/2014.

The Board of Statutory Auditors points out that during 2025, in addition to the auditing assignments, KPMG S.p.A. was entrusted with the assignments as detailed in the Annexes to the Company's Financial Statements of the Annual Financial Report for the year 2025, in particular in the Information pursuant to art. 149 - duodecies of Regulation 11971 of 14 May 1999 (Issuers Regulation).

The external Auditing Firm also confirmed to the Board that, during the year and in the absence of the conditions for their release, it did not issue opinions pursuant to the law.

As provided by law, the Board of Directors produced the draft financial statement of Banca Popolare dell'Alto Adige for the year ended 31st December 2025. The Board of Statutory Auditors monitored compliance with the rules of procedure on the preparation and layout of the financial statements and the Report on Operations.

With regard to the above, no elements emerged to conclude that activities had not been carried out in accordance with the principles of correct administration or that the organisational structure, the internal audit and accounting and administrative systems were not, in their entirety, substantially adequate to the needs and size of the company.

The Board of Statutory Auditors notes that, as of the financial year 2024, pursuant to Legislative Decree no. 125/2025 that implemented the CSRD, the Company is required to prepare and include the sustainability report ("Sustainability Report") in a separate section of the management report. As provided for in Art. 10(1) of Legislative Decree no. 125/2025, the Board of Statutory Auditors, in fulfilling the duties assigned to it by the law, monitored compliance with the provisions of Legislative Decree No. 125/2025. In particular, it monitored compliance with the provisions governing the preparation and publication of the Sustainability Report, also taking into account the provisions of EU Regulation 2020/852 (the Taxonomy Regulation). The Board of Statutory Auditors also supervised the process of producing the information for the Sustainability Report. As part of its supervisory activities, including through participation in the meetings of the Board of Statutory Auditors and of the Board Committees, the former ascertained that during 2025, the Company, with the support of an external consultant, continued to structure an internal control system for sustainability, in compliance with the European Sustainability Reporting Standards ("ESRS") (prepared by EFRAG and issued by the European Commission with Delegated Regulation (EU) 2023/2772). The Board of Statutory Auditors verified the approval of the Sustainability Report, contained in a specific paragraph of the Management Report, by the Board of Directors on 20 March 2026. KPMG S.p.A. issued the certification for the Sustainability Report pursuant to Article 14-bis of Legislative Decree no. 39/2010 dated 30 March 2026, confirming the conclusions drawn from the exchanges of information. In the context of this report, KPMG S.p.A. certified that, based on the work performed, nothing has come to its attention to suggest that the Sustainability Report has not been prepared, in all material respects, in accordance with the ESRS, or that the Taxonomy-related information has not been provided in the Sustainability Report, in all material respects, in accordance with Article 8 of the Taxonomy Regulation. The Board of Statutory Auditors, in turn, notes that, as a result of the activities performed, nothing indicating non-compliance with the relevant regulatory provisions on sustainability reporting has come to its attention.

Proposals concerning the financial statements, their approval, and matters coming within the competence of the Board of Statutory Auditors

As already mentioned in this report, the Board of Statutory Auditors verified the feasibility of the internal procedures, which were found to be sufficiently adequate and suitable to ensure compliance with the law, regulations and bylaws. The Board of Statutory Auditors ascertained that the decision-making process takes into account the riskiness and effects of the management choices made and that the corporate bodies have a good system in place for the exchange of information, also with regard to any interests of the Directors. The organisational structure, the administrative accounting system and the statutory audit process were found to be adequate and suitable for the tasks they are required to perform. It was also verified that there were no elements that would make the structure of the internal control system and the governance and risk management process unreliable, notwithstanding the aspects for improvement that the Board of Statutory Auditors has pointed out in the exercise of its mandate.

With respect to the financial statements for the year ended 31 December 2025, it should be noted that:

- the statutory audit of the accounts of Banca Popolare dell'Alto Adige, as mandated by the Shareholders' Meeting, was entrusted, pursuant to Article 2409 bis of the Italian Civil Code, to the independent auditing firm KPMG S.p.A. for the financial years 2019-2027;
- on 30 March 2026, the Auditing Firm released its audit report on the financial statements as at 31 December 2025 pursuant to art. 14 and 16 of Italian Legislative Decree 39/2010 and 10 of EU Regulation 537 of 16 April 2014 On the merits, it should be noted that the financial statements were published without any observations or objections. The financial statements also include an assessment of the consistency of the report on operations;
- in meetings with the independent auditors, application of accounting standards and the recognition and representation in the financial statements of elements of economic, financial and capital significance were discussed. During these meetings, no anomalies, critical issues or omissions were detected by the Auditors;
- the draft financial statements for the year ended 31 December 2025, as approved by the Board of Directors on 20 March 2026, were presented, and information was provided on the layout of the financial statements, their general compliance with legislation, including regulations, on their formation and structure, also in accordance with the IAS/IFRS international accounting standards and the instructions issued by the Bank of Italy in circular No. 262 of 22 December 2005 and subsequent updates;
- in the role of Internal Control and Audit Committee, the Board of Statutory Auditors carried out the supervisory activity required by art. 19 of (It.) Legislative Decree no. 39/2010, obtained the results of the audits carried out by the Independent Auditors on the proper keeping of company accounts and on the correct recognition of management facts in the accounting records. It also monitored the overall effectiveness of the internal control system relating to financial reporting. No significant events worthy of mention emerged from this supervisory activity;
- the Board of Directors' report on operations describes the course of operations during the year and contains an analysis of the Bank's situation and operating result. There are no particular issues to report in this regard;

- the directors did not make use of the exception set forth in art. 2423, paragraph 4 of the Italian Civil Code. Meetings with the Financial Reporting Officer did not reveal any significant shortcomings in administrative and accounting processes and controls that would invalidate the conclusion that the administrative and accounting procedures used to oversee proper representation of the company's financial position, in accordance with current international accounting standards, were adequate and effective;
- On 21 March 2026, in accordance with Article 154 bis of the T.U.F. and Article 81 ter of Consob Regulation 11971/1999, the Chairman of the Board of Directors and the Financial Reporting Officer signed the report for the 2025 financial year. The report did not reveal any shortcomings that could invalidate the assessment that administrative and accounting procedures were adequate.

In accordance with Art. 19 of Legislative Decree 39/2010, controls performed enabled monitoring of the administrative and accounting processes for financial reporting, the effectiveness of the internal control and risk management systems, the effectiveness of audits, and the independence of the statutory auditor.

Conclusions

Following the supervisory activities conducted by the Board of Statutory Auditors, no reprehensible facts, omissions or irregularities emerged that need to be included in this Report.

Having said all of the above, the Board of Statutory Auditors, taking into account the specific duties of the Independent Auditors, in terms of the statutory auditing of the accounts, which issued its opinion without modifications and in the light of the certification issued by the Manager in charge of preparing the accounting documents and corporate bodies and the Chairman of the Board of Directors does not have observations to make to the Board of Directors on approval of the financial statements as at 31 December 2025, accompanied by the management report, as presented by the Board of Directors, and the proposal for the allocation of the profit for the year and distribution of dividends formulated by the same Board of Directors.

Bolzano, 30 March 2026

THE BOARD OF STATUTORY AUDITORS

Georg Hesse – Chairman Rosella Cazzulani Cinzia Giaretta

AUDITORS' REPORT

KPMG S.p.A.
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(Translation from the Italian original which remains the definitive version)

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

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Banca Popolare dell'Alto Adige S.p.A. (the "bank"), which comprise the balance sheet as at 31 December 2025, the profit and loss account, the statement of other comprehensive income, the statement of changes in shareholders' equity and the cash flow statement for the year then ended and notes thereto, which include material information on the accounting policies.

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

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

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

Notes to the financial statements "Part B - Information on the balance sheet - Assets": section 4 "Financial assets measured at amortised cost - Item 40"

Notes to the financial statements "Part C - Information on the income statement": section 8 "Adjustments/write-backs of net value for credit risk – Item 130"

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

Key audit matter	Audit procedures addressing the key audit matter
Lending to customers is one of the bank's core activities. Loans and receivables with customers recognised under financial assets at amortised cost totalled €9,873.3 million at 31 December 2025, accounting for 79.3% of total assets. Net write-backs on loans and receivables with customers recognised in profit or loss during the year totalled €0.6 million. For valuation purposes, the directors make analyses that are sometimes complex in order to identify those positions that show evidence of impairment after disbursement. To this end, they consider both internal information about the performance of exposures and external information about the reference sector or the borrowers' overall exposure to banks. Measuring loans and receivables with customers is a complex activity, with a high degree of uncertainty and subjectivity, with respect to which the directors apply internal valuation models that consider many quantitative and qualitative factors, including historical collection flows, expected cash flows and related estimated collection dates, the existence of any indicators of impairment, the borrower's estimated repayment ability, an assessment of any guarantees, the impact of macroeconomic variables, future scenarios and risks of the sectors in which the bank's customers operate. The complexity of the directors' estimation process is affected by the geopolitical uncertainties, which have worsened current economic conditions and the outlook for future macroeconomic scenarios. For the above reasons, we believe that the measurement of loans and receivables with customers recognised under financial assets at amortised cost are a key audit matter.	Our audit procedures included: • gaining an understanding of the bank's processes and IT environment in relation to the disbursement, monitoring, classification and measurement of loans and receivables with customers; • assessing the design and implementation of controls and performing procedures to assess the operating effectiveness of material controls, especially in relation to the identification of exposures with indicators of impairment and the calculation of impairment losses; • analysing the classification criteria used for allocating loans and receivables with customers to the relevant valuation categories (staging); • analysing the individual and collective impairment assessment policies and models used and checking the reasonableness of the main assumptions and variables included therein, as well as the adjustments made as a result of the financial effects of the geopolitical situation. We carried out these procedures with the assistance of experts of the KPMG network; • selecting a sample of exposures tested collectively and checking the correct application of the measurement models applied; • selecting a sample of exposures tested individually and checking the reasonableness of the indicators of impairment identified and of the assumptions about their recoverability, including considering the guarantees received; • analysing the significant changes in the loan and receivable categories and in the related impairment rates compared to the previous years' figures and discussing the results with the relevant internal departments; • assessing the appropriateness of the disclosures about loans and receivables with customers recognised under financial assets measured at amortised cost.

Measurement of other provisions for risks and charges recognised under provisions for risks and charges

Notes to the financial statements “Part A - Accounting policies”: section A.2.11 “Provisions for risks and charges”

Notes to the financial statements “Part B - Information on the balance sheet - Liabilities”: Section 10 “Provisions for risks and charges - Item 100”

Notes to the financial statements “Part C - Information on the income statement”: Section 11 “Net allocation to provision for risks and charges – Item 170”

Notes to the financial statements “Part E – Information on risks and related hedging policies”: section 5 “Operational risk”

Key audit matter	Audit procedures addressing the key audit matter
The financial statements at 31 December 2025 include other provisions for risks and charges of €25.8 million related to pending litigation under provisions for risks and charges. The net other accruals recognised in profit or loss during the year totalled €12.9 million. Measuring provisions for other risks and charges for pending litigation is a complex activity, with a high degree of uncertainty, and entails directors’ estimates about the outcome of the litigation, the risk of losing and the timing for its settlement. For the above reasons, we believe that the measurement of other provisions for risks and charges is a key audit matter.	Our audit procedures included: • understanding the process for the measurement of the other provisions for risks and charges and assessing the design and implementation of controls; • analysing the changes in the composition of the other provisions for risks and charges compared to the previous year end and discussing the results with the relevant internal departments; • analysing the discrepancies between past years’ estimates of the other provisions for risks and charges and actual figures resulting from the subsequent settlement of disputes, in order to check the accuracy of the estimation process; • sending written requests for information to the legal advisors assisting the bank about the assessment of the risk of losing pending litigation and the quantification of the related liability and checking the consistency of the information obtained with the elements considered by the directors to measure the other provisions for risks and charges; • analysing the reasonableness of the assumptions used to measure the other provisions for risks and charges relating to the main litigation through discussions with the relevant internal departments and analysis of the supporting documentation; • analysing the subsequent events after the reporting date; • assessing the appropriateness of the disclosures about the other provisions for risks and charges.

Responsibilities of the bank’s directors and board of statutory auditors (“Collegio Sindacale”) for the separate financial statements

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

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

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the bank's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the bank to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the measures taken to eliminate those threats or the safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are, therefore, the key audit matters. We describe these matters in our auditors' report.

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

On 30 March 2019, the bank's shareholders appointed us to perform the statutory audit of its financial statements as at and for the years ending from 31 December 2019 to 31 December 2027.

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

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

Report on other legal and regulatory requirements

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

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

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

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

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

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

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

Our opinion on the compliance with the applicable law does not extend to the report on operations' section which includes the sustainability statement. Our conclusion on the compliance of this section with the legislation governing its preparation and with the disclosure requirements of article 8 of Regulation (EU) 2020/852 is included in the assurance report prepared in accordance with article 14-bis of Legislative decree no. 39/10.

Bolzano, 30 March 2026

KPMG S.p.A.

(signed on the original)

Vito Antonini
Director of Audit

ANNEXES TO THE COMPANY'S FINANCIAL STATEMENTS

ANNEXES TO THE COMPANY'S FINANCIAL STATEMENTS

Information pursuant to art. 149 – duodecies of Regulation 11971 of 14 May 1999 (Issuers Regulation)

The fees for 2025 for auditing services and for services other than auditing provided by the Independent Auditors itself or entities belonging to its network are set out below.

Type of services *(thousands of €)*	Subject who provided the service	Recipient	Remuneration (1)
Auditing	KPMG S.p.A.	Volksbank	124,321
Report of the independent auditing company pursuant to art. 23, paragraph 7, of the Implementation Regulation of articles 4-undecies and 6, paragraph 1, letters b) and c-bis) of Legislative Decree 58/98 ("Mifid II")	KPMG S.p.A.	Volksbank	33,193
Limited review of the Sustainability Report (so-called "CSRD")	KPMG S.p.A.	Volksbank	40,600
Total			**198,114**

(1)) The amounts are stated net of VAT, Consob contribution and ancillary expenses

Financial statements of subsidiary Valpolicella Alta Societa Agricola S.r.l.

Valpolicella Alta Società Agricola S.r.l.

Valpolicella Alta Società Agricola S.r.l. - Single Shareholder
Registered office in Bolzano (BZ),Via del Macello no. 55
Share capital EUR 10,000 fully paid up
Listed in the Bolzano Companies Register
Tax Code 02625480211
A company subject to management and coordination
by Banca Popolare dell’Alto Adige S.p.A., with registered office in Bolzano - Italy

FINANCIAL STATEMENTS AS AT 31/12/2025
BALANCE SHEET

ASSETS	31.12.2025	31.12.2024
(in €)		
A. Receivables from shareholders for outstanding payments	**-**	**-**
B. Fixed assets		
I. Intangible assets	-	-
II. Tangible assets		
1. Land and buildings	2,053,633	2,053,633
2. Plant and machinery	123,068	144,746
4. Other goods	420,507	465,357
5. Assets under construction and advances	-	-
Total	2,597,208	2,663,736
III. Financial assets		
1. Investments in:		
c. Parent companies	-	-
Total	-	-
Total fixed assets (B)	**2,597,208**	**2,663,736**
C. Current assets		
I. Inventories		
II. Credits		
1. From customers	85,150	31,000
4. Due to parent companies	13,046	13,046
5.bis Tax receivables	7,453	7,588
5.quater quater To others	47	413
Total	105,696	52,047
III. Financial current assets		
IV. Cash and cash equivalents		
1. Bank and postal deposits	656,985	656,239
3. Cash and securities on hand	58	58
Total	657,043	656,297
Total current assets (C)	**762,739**	**708,344**
D. Accrued income and prepaid expenses	**3**	**3**
TOTAL ASSETS	**3,359,950**	**3,372,083**

FINANCIAL STATEMENTS AS AT 31/12/2025
BALANCE SHEET

LIABILITIES		31.12.2025	31.12.2024
(in €)			
A. Shareholders' equity			
I.	Capital	10,000	10,000
IV.	Legal reserve	2,000	2,000
VII.	Other reserves		
	1. Extraordinary reserve	436,465	436,465
	6. Payments on account of future capital increase	36,000	36,000
	13. Sundry other reserves	1	1
		472,466	*472,466*
VIII.	Profits (losses) carried forward	2,038,293	2,037,452
IX.	Profit (loss) for the year	(10,485)	840
Total		**2,512,274**	**2,522,758**
B. Provisions for risks and charges			
	4. Other	37,500	37,500
	Total	**37,500**	**37,500**
C. Employee severance indemnities		**-**	**-**
D. Payables			
	3. Payables to shareholders for loans	806,156	806,156
	4. Payables to banks	-	-
	7. Trade payables	3,246	4,895
	11. Payables to parent companies	-	-
	11 bis. Payables to companies controlled by the parent company	-	-
	12. Tax payables	-	111
	14. Other payables	774	774
	Total	**810,176**	**811,825**
E.	**Accrued expenses and deferred income**	**-**	**-**
TOTAL LIABILITIES		**3,359,950**	**3,372,083**

FINANCIAL STATEMENTS AS AT 31/12/2025
PROFIT AND LOSS ACCOUNT

INCOME STATEMENT ITEMS	31.12.2025	31.12.2024
(in €)		
A. Production value		
1. Revenues from sales and services	-	-
5. Other revenues and income	61,900	62,000
Total	**61,900**	**62,000**
B. Production costs		
6. Raw materials, ancillary supplies, consumables and goods	-	-
7. For services	14,783	16,186
8. For leased assets	-	-
10. Amortisation and write-downs		
b. depreciation of tangible assets	66,528	66,528
	66,528	66,528
14. Other operating expenses	1,056	4,281
Total production costs	**86,995**	**111,467**
Difference between value and costs of production (A-B)	**20,467**	**24,995**
C. Financial income and expenses		
16. Other financial income		
d. income other than the above	9,982	25,835
17. Interest and other financial expenses	-	-
Total financial income and expenses	**9,982**	**25,835**
D. Value adjustments to financial assets		
Net result (A-B+C+D+E)	**10,485**	**840**
20. Taxes for the year, current, deferred tax assets, deferred tax liabilities	-	-
21. PROFIT (LOSS) FOR THE YEAR	**10,485**	**840**

Financial statements of the subsidiary Quartiere Brizzi S.r.l.

Quartiere Brizzi S.r.l.

Quartiere Brizzi S.r.l. - Single Shareholder

Registered office in Bolzano (BZ),Via del Macello no. 55
Share capital EUR 10,000 fully paid up
Listed in the Bolzano Companies Register
Tax Code 02519580217
A company subject to management and coordination
by Banca Popolare dell'Alto Adige S.p.A., with registered office in Bolzano - Italy

FINANCIAL STATEMENTS AS AT 31/12/2025
BALANCE SHEET

(in €)	31.12.2025	31.12.2024
ASSETS		
A. Receivables from shareholders for outstanding payments	**-**	**-**
C. Current assets		
I. Inventories		
2. Work in progress and semi-finished products	5,591,547	8,549,618
II. Credits		
1. To customers	-	-
4. Due to parent companies	3,842	-
5.bis Tax receivables	10,609	102,700
5.quater To others	-	-
Total	14,451	102,700
IV. Cash and cash equivalents	-	-
Total current assets (C)	**5,605,998**	**8,652,318**
D. Accrued income and prepaid expenses	**28,577**	**32,006**
TOTAL ASSETS	**5,634,575**	**8,684,384**

FINANCIAL STATEMENTS AS AT 31/12/2025
BALANCE SHEET

LIABILITIES	31.12.2025	31.12.2024
(in €)		
A. Shareholders' equity		
I. Capital	10,000	10,000
IV. Legal reserve	2,000	2,000
VII. Other reserves		
8. Payments to cover losses	992,719	1,749,967
13. Sundry other reserves	(1)	(1)
VIII. Profits (losses) carried forward	-	-
IX. Profit (loss) for the year	(893,039)	(757,248)
Total	**111,679**	**1,004,718**
D. Payables		
3. Payables to shareholders for loans	4,934,707	6,849,825
6. Advances	-	300,000
7. Trade payables	548,077	307,995
11. Payables to parent companies	29,657	6,184
12. Tax payables	455	5,662
14. Other payables	10,000	210,000
Total	**5,522,896**	**7,679,666**
TOTAL LIABILITIES	**5,634,575**	**8,684,384**

FINANCIAL STATEMENTS AS AT 31/12/2025
PROFIT AND LOSS ACCOUNT

INCOME STATEMENT ITEMS		31.12.2025	31.12.2024
(in €)			
A.	**Production value**		
	1. Revenues from sales and services	2,388,370	3,772,250
	2. Changes to inventories of products In progress, semi-finished and finished goods	(2,958,071)	(1,765,224)
	5. Other revenues and income	7,201	15,143
	Total	**(562,500)**	**2,022,169**
B.	**Production costs**		
	6. Raw materials, ancillary supplies, consumables and goods	5	37,971
	7. For services	262,012	2,581,462
	8. For leased assets	10,828	6,102
	14. Other operating expenses	4,459	33,138
	Total production costs	**277,304**	**2,658,673**
	Difference between value and costs of production (A-B)	**(839,804)**	**(636,504)**
C.	**Financial income and expenses**		
	17. Interest and other financial expenses	(53,235)	(120,744)
	Total financial income and expenses	(53,235)	(120,744)
	Net result (A-B+C+D+E)	**(893,039)**	**(757,248)**
	20. Taxes for the year, current, deferred tax assets, deferred tax liabilities	-	-
	21. PROFIT (LOSS) FOR THE YEAR	**(893,039)**	**(757,248)**

Financial statements of the subsidiary Volksbank Lumina 1 S.r.l.

Volksbank Lumina 1 S.r.l.

Volksbank Lumina 1 S.r.l. - with a single shareholder
Registered office in Bolzano (BZ),Via del Macello no. 55
Share capital EUR 15,000 fully paid up
Listed in the Bolzano Companies Register
Tax Code 14358210962
A company subject to management and coordination
by Banca Popolare dell'Alto Adige S.p.A., with registered office in Bolzano - Italy

FINANCIAL STATEMENTS AS AT 31/12/2025
BALANCE SHEET

ASSETS	31.12.2025	31.12.2024
(in €)		
A. Receivables from shareholders for outstanding payments	**-**	**-**
B. Fixed assets		
I. Intangible assets	-	-
II. Tangible assets	-	-
1. Land and buildings	546,940	-
5. Assets under construction and advances	517,560	-
Total	1,064,500	-
III. Financial assets	-	-
Total fixed assets (B)	**1,064,500**	**-**
C. Current assets		
I. Inventories	-	-
II. Credits	-	-
5.bis Tax receivables	142,800	-
5. quater From others	268,159	-
Total	410,959	-
III. Financial current assets	-	-
IV. Cash and cash equivalents	-	-
1. Bank and postal deposits	3,514,976	-
Total	3,514,976	-
Total current assets (C)	**3,925,935**	**-**
TOTAL ASSETS	**4,990,435**	**-**

FINANCIAL STATEMENTS AS AT 31/12/2025
BALANCE SHEET

LIABILITIES	**31.12.2025**	**31.12.2024**
(in €)		
A. Shareholders' equity		
I. Capital	15,000	-
VI. Other reserves	-	-
6. Payments on account of future capital increase	671,000	-
13. Sundry other reserves	513,000	-
	1,184,000	-
IX. Profit (loss) for the year	(9,087)	-
Total	**1,189,913**	**-**
B. Provisions for risks and charges		
D. Payables		
3. Payables to shareholders for loans	3,800,000	-
4. Payables to banks	62	-
7. Trade payables	272	-
12. Tax payables	188	-
Total	**3,800,522**	**-**
TOTAL LIABILITIES	**4,990,435**	**-**

FINANCIAL STATEMENTS AS AT 31/12/2025
PROFIT AND LOSS ACCOUNT

INCOME STATEMENT ITEMS	31.12.2025	31.12.2024
(in €)		
A. Production value	-	-
B. Production costs		
7. For services	9,033	-
14. Other operating expenses	54	-
Total production costs	9,087	-
Difference between value and costs of production (A-B)	**(9,087)**	**-**
C. Financial income and expenses	-	-
D. Value adjustments to financial assets	-	-
Net result (A-B+C+D)	(9,087)	-
20. Taxes for the year, current, deferred tax assets, deferred tax liabilities	-	-
21. PROFIT (LOSS) FOR THE YEAR	**(9,087)**	**-**

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