ACCOUNTS AND REPORTS 2024

FINECO

Accounts and Reports 2024

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Board of Directors, Board of Statutory Auditors and External Auditors

	Board of Directors
Marco Mangiagalli	Chairman
Gianmarco Montanari	Vice Chairman
Alessandro Foti	Chief Executive Officer and General Manager
Arturo Patarnello Elena Biffi Giancarla Branda Maria Alessandra Zunino De Pignier Maria Lucia Candida Marin Gueorguiev Paola Generali Patrizia Albano	Directors
	Board of Statutory Auditors
Luisa Marina Pasotti	Chairman
Giacomo Ramenghi Massimo Gatto	Standing Auditors
Lucia Montecamozzo Marco Salvatore	Alternate Auditors
KPMG S.p.A.	External Auditors
Erick Vecchi	Manager responsible for preparing the Company's financial reports

The Board of Directors was appointed by the Ordinary Shareholders' Meeting of FinecoBank of April 27th, 2023 and will remain in office until the approval of the annual Financial Statements as at December 31st, 2025.

The Board of Directors of FinecoBank on 17th September 2024 has appointed - with the favourable opinion of the Board of Statutory Auditors - Mr Erick Vecchi as Manager Responsible for Preparing the Company's Financial Reports pursuant to art. 154-bis of the TUF and art. 28 of the Articles of Association, in replacement of Ms Lorena Pelliciari, who retains the role of Chief Financial Officer of the Bank. The appointment is effective from 18th September 2024 and will be valid until the date of the Shareholders' Meeting called to approve the financial statements as at 31 December 2025.

Registered office

Piazza Durante 11, 20131 Milan, Italy

"FinecoBank Banca Fineco S.p.A."
in abbreviated form "FinecoBank S.p.A.", or "Banca Fineco S.p.A." or "Fineco Banca S.p.A.".
Bank enrolled in the Register of Banks and Parent Company of the FinecoBank Banking Group – enrolled in the Register of Banking Groups at No. 3015, Member of the National Guarantee Fund and National Interbank Deposit Guarantee Fund.
Tax Code and Milan-Monza-Brianza-Lodi Companies Register no. 01392970404 – R.E.A. (Economic and Administrative Index) no. 1598155, VAT No. 12962340159

Introduction to the Annual Accounts and Reports

In implementation of Legislative Decree no. 38 of February 28th, 2005, these Annual Accounts and Reports comprise the Consolidated Financial Report and Accounts of the FinecoBank Group (hereinafter Group) and the Financial Report and Accounts of FinecoBank Banca Fineco S.p.A. (hereinafter FinecoBank or Fineco or the Bank), which have been prepared in accordance with the IAS/IFRS issued by the International Accounting Standards Board (IASB), including the SIC and IFRIC interpretation documents, as endorsed by the European Commission, pursuant to EU Regulation 1606/2002 of July 19th, 2002 and applicable to financial reports for the periods starting on January 1st, 2024. It also includes, in a separate section of the Consolidated Report on Operations, the Sustainability Reporting, prepared in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of June 26, 2013, and the legislative decree adopted in implementation of Article 13 of Law No. 15 of February 21, 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 June 18, 2020 (Corporate Sustainability Reporting Directive hereinafter "CSRD").

In its Circular 262 of December 22, 2005 as amended, the Bank of Italy laid down the formats for the financial statements and explanatory notes to the accounts of banks and regulated financial companies that are parents of banking groups, in the exercise of the powers established by art. 43 of the legislative decree August 18th, 2015 n. 136, which have been used by the Bank to prepare the Consolidated Report and Accounts and the Separate Report and Accounts.

The Consolidated Report and Accounts consists of:

- the **Consolidated Financial Statements,** represented by the Consolidated Balance Sheet, the Consolidated Income Statement, the Statement of Consolidated Comprehensive Income, the Statement of Changes in Consolidated Shareholders' Equity, the Consolidated Cash Flow Statement, presented with a comparison to the corresponding financial statements of 2023;
- the **Notes to the Consolidated Accounts**;

and is accompanied by:

- the **Consolidated Report on Operations**, which includes the condensed accounts, the main results of the various business areas, and comments on the results for the year. It also includes, in a special section, the Sustainability Reporting prepared in accordance with CSRD. In support of the comments on the results for the year, the condensed Income Statement and Balance Sheet tables are presented and illustrated in the Consolidated Report on Operations, the reconciliation of which with the consolidated Financial Statements is shown in the Annexes (in line with Consob Communication No. 6064293 of July 28th, 2006), and the Alternative Performance Measures ("APMs") are used, the explanatory description of which regarding the content and, if applicable, the calculation methods used are shown in the Glossary (in line with the guidelines published on October 5th, 2015 by the European Securities and Markets Authority (ESMA/2015/1415));

and includes:

- **the Certification of the Consolidated Report and Accounts pursuant to Article 81-ter of Consob Regulation no. 11971 of May 14th, 1999 and subsequent amendments;**
- **the Certification of Sustainability Reporting pursuant to Article 81-ter, paragraph 1, of Consob Regulation No. 11971 of May 14, 1999, as amended and supplemented.**

Any lack of correspondence between the figures shown in the Consolidated Report on Operations and the Consolidated Financial Statements is due to roundings.

The Financial Report and Accounts consists of:

- the **Financial Statements,** represented by the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Shareholders' Equity, the Cash Flow Statement, presented with a comparison to the corresponding financial statements of 2023;
- the **Notes to the Accounts**;

and includes **the Certification of the Annual Financial Statements pursuant to Article 81-ter of Consob Regulation no. 11971 of May 14th, 1999 and subsequent amendments**.

For the Report on Operations pertaining to the Financial Report and Accounts of FinecoBank S.p.A., please refer to the Consolidated Report on Operations in which, in a specific section, the reclassified financial statements, their quarterly evolution and the comments on the Bank results of the financial year are shown. The reconciliation of the condensed Financial Statements with the Financial Statements is reported in the Annexes.

The annual report also includes:

- the Report of the Board of Statutory Auditors;
- the Reports of the External Auditors.

As previously mentioned, FinecoBank prepares a single document called "Report and accounts" which include the Group's Consolidated Financial Statements and the FinecoBank's Financial Statements. The integration of the contents of the two Financial Statements documents into a single one leads to the elimination of duplications of some of qualitative information presented in both documents and the adoption of a system of cross-references between the chapters dedicated to the consolidated financial statements and the company ones, in order to facilitate the reading; pursuant to these references the contents of the each referenced paragraph is entirely reported in the paragraph containing the reference. For further details on this, please refer to the Annex “Summary of references to qualitative information in the consolidated financial statements” of the Financial Statements of FinecoBank.

Information regarding corporate governance and ownership structures, required pursuant to art. 123-bis, paragraph 3 of Legislative Decree February 24th 1998 n. 58, appear in a separate report approved by the Board of Directors, which can be consulted in the “Governance” section of the FinecoBank website (https://about.finecobank.com).

In addition, the following documents, drawn up in accordance with the relevant approval procedures, are also published and made available on the FinecoBank website (https://about.finecobank.com): the "Report on the remuneration policy and remuneration paid", drawn up in accordance with art. 123-ter of Legislative Decree no. 58 of 24 February 1998 and art. 84-quater, paragraph 1, of the Issuers' Regulation); the document "Country by Country Information", drawn up pursuant to art. 89 of Directive 2013/36/EU of the European Parliament and of the European Council (CRD IV), amended by Directive (EU) 2019/878 (so-called CRD V), and the document "Disclosure to the public of the FinecoBank Group - Pillar III as at December 31st, 2024", by Regulation (EU) 575/2013 (so called CRR) and subsequent Regulations amending its content.

Finally, it should be noted that, under Directive 2004/109/EC (the "Transparency Directive") and Delegated Regulation (EU) 2019/815, it is mandatory for issuers of securities listed on regulated markets in the European Union to prepare their annual financial reports in the XHTML format and to tag their IFRS consolidated financial statements using the XBRL tagging language, based on the European Single Electronic Format (ESEF) approved by ESMA. The Group's Consolidated Annual Financial Report, which includes both the consolidated and parent company financial statements, is prepared in XHTML format and includes the tagging, in the consolidated financial statements, of the information required by the Regulations for 2023. In particular, issuers are required to mark all information disclosed in the IFRS consolidated financial statements, or through cross-references to other parts of the annual financial reports, that corresponds to the information specified in Annex II of the Delegated Regulation, if present in the IFRS consolidated financial statements. It can be consulted on FinecoBank's website (https://www.finecobank.com). For further information, please refer to the paragraph "The single electronic reporting format for preparing annual financial reports" in Part A - Accounting policies of the Notes to the consolidated accounts.

This document, PDF format, does not fulfill the obligations deriving from Directive 2004/109/EC (the "Transparency Directive") and Delegated Regulation (EU) 2019/815 (the "ESEF Regulation" - European Single Electronic Format) for which a dedicated XHTML format has been prepared.

This report has been translated into the English language solely for the convenience of international readers.

Summary data

FinecoBank is one of the leading FinTech banks in Europe. Listed on the FTSE MIB, Fineco offers a unique business model in Europe, combining the best platforms with a large network of financial advisors (hereinafter Network). It offers banking, credit, trading and investment services from a single account through transactional and advisory platforms developed with proprietary technologies. Fineco is a leader in brokerage in Europe, and one of the most important players in private banking in Italy, with evolved and highly personalized advisory services. As at December 31st, 2024, the Network consisted of 3,002 financial advisors, spread across the territory with 438 financial shops (Fineco Centers).

The FinecoBank Group consists of the Parent Company Fineco and Fineco Asset Management DAC (hereinafter Fineco AM), a collective asset management company under Irish law, whose mission is to develop investments solutions in partnership with top international assets manager.

FinecoBank is listed on the Milan Stock Market and is included on Borsa Italiana's FTSE Mib index STOXX Europe 600 Index.

On April 19th, 2024, S&P Global Ratings agency confirmed the rating assigned to Fineco: "BBB" long-term with a stable outlook and maintaining "A-2" short-term.

FinecoBank is included in Borsa Italiana MIB ESG Index (Euronext), FTSE4Good, Bloomberg Gender Equality Index (GEI) 2023, S&P Global 1200 ESG Index and S&P Global LargeMidCap ESG Index, Standard Ethics Italian Banks Index, and Standard Ethics Italian Index sustainability indices. In addition:

- Standard Ethics: rating of "EEE-", on a scale ranging from F to EEE;
- Sustainalytics: ESG risk rating of 12.1 (Low risk), on a scale of 100 (worst performance - Severe) to 0 (best performance - Negligible);
- S&P Global ESG Score: score of 68 out of 100;
- CDP Climate Change[1]: rating of "C", on a scale of "D-" to "A";
- MSCI: ESG rating of "AA", on a scale of "CCC" to "AAA";
- Moody's Analytics: ESG overall score of 59 points out of 100;
- LSEG ESG Score: score of 82 out of 100.

In 2024, the Group recorded very robust growth, further confirmation of its ability to adapt perfectly to the new scenario, benefiting in particular from the strong push towards investments and advanced advisory services. Results that confirm, on the one hand, the strengthening of asset management and, on the other, the increasing interest of clients in interacting with the markets through the Bank's investment platform. Added to this is the contribution of Fineco AM, which also accelerated growth in 2024 with a wide range of internally developed investment solutions that allow gradual exposure to equity markets and the real economy.

During 2024, 152,357 new customers were acquired, bringing the total to 1,655,649.

Total net sales recorded in 2024 came to € 10,083 million, confirming the acceleration of the Bank's growth dynamics. In particular the net sales of assets under custody, the net sales of assets under management and the direct deposits recorded positive net inflows of € 4,779 million, € 4,093 million and € 1,211 million respectively. Fineco AM's ratio, calculated by comparing the company's net retail sales to net sales of assets under management, is 118% (77.4% in 2023). During 2024, net sales through the Network totaled € 7,834 million.

At the end of 2024, the balance of Total Financial Assets from customers stood at € 140,766 million, recording a 14.9% compared to € 122,557 million at the end of 2023, thanks to the net sales recorded in 2024 and to positive market effect. As at December 31st, 2024 the balance of Total Financial Assets of the Network amounts to € 121,741 million. The balance of Total Financial Assets related to Private clients, i.e. with assets above € 500,000, totaled € 68,426 million, equals to 48.6% of the Group's Total Financial Assets, up by 22.3% compared to December 31st, 2023.

Credit quality remains high, driven by the principle of offering credit exclusively to existing customers, making use of specialist tools to analyse the bank's vast information base. The cost of risk, equal to 5 bps, is structurally low and net impaired loans was 0.08% of loans to ordinary customers as at December 31st, 2024 (0.07% as at December 31st, 2023).

The brokerage business also performed strongly in 2024, with revenues 13% higher than previous year.

The net profit for the year amounted to € 652.3 million, showing an increase of 7.1% on the previous year. The cost/income ratio amounted to 25.22% (24.10% as at December 31st, 2023), confirming the operating efficiency of the Group and the spread of the company culture on controlling costs.

As at December 31st, 2024 the Common Equity Tier 1 ratio stood at 25.91%, up from 24.34% as at December 31st, 2023. The Leverage ratio stands at 5.22%, up from 4.95% as at the end of 2023. The Group's liquidity indicators at December 31st, 2024 are very strong: the Liquidity Coverage Ratio (LCR) is equal to 909%[2] and the Net Stable Funding Ratio (NSFR) is equal to 382%.

[1] The rating for the reporting year 2023 was released in February 2024, last available data.

[2] Calculated as the average of the liquidity coverage ratio based on month-end observations over the last 12 months for each quarter of the relevant reporting period, consistent with Pillar 3 Disclosures.

Summary data

Condensed financial statements and indicators

The Consolidated Report on operations presents and illustrates the reclassified income statement and balance sheet (Alternative Performance Measures, “APMs”). The main reclassifications and aggregations of the items reported in the condensed financial statements are shown at the end of the Condensed Consolidated Income Statement and Condensed Consolidated Balance Sheet, whereas the full reconciliation of which with the consolidated financial statements is shown in the Appendices "Reconciliation Schedules for the Preparation of the Reclassified Consolidated Financial Statements" (in line with Consob Communication No.6064293 of July 28th, 2006). In addition, other APMs are also used, the content and, where applicable, the calculation methods used of which are described in the Glossary (in line with the guidelines published on October 5th, 2015 by the European Securities and Markets Authority (ESMA/2015/1415)).

With reference to APMs, the European Securities and Markets Authority (ESMA) has issued specific guidelines[3] on the criteria for their presentation in regulated information, including therefore the Consolidated Financial Report, when such indicators are not defined or provided for in the financial reporting framework. These guidelines are intended to promote the usefulness and transparency of APMs, and compliance with them will improve the comparability, reliability and understandability of APMs, with consequent benefits for users of financial information. Consob has transposed the Guidelines in Italy and incorporated them into its own supervisory practices[4]. According to the definition of the ESMA Guidelines, an APM is an indicator of historical or future financial performance, financial position or cash flows that is different from a financial indicator defined or specified in applicable financial reporting frameworks and is usually derived from financial statement items prepared in accordance with applicable financial reporting frameworks. Indicators published in application of the prudential regulation do not strictly fall within the definition of APM.

[3] ESMA/2015/1415.
[4] Consob Communication No. 0092543 of December 3rd, 2015.

Summary data

Condensed Accounts

Consolidated balance sheet

(Amounts in € thousand)

ASSETS	Amounts as at 12/31/2024	Amounts as at 12/31/2023	Changes Amounts	Changes %
Cash and cash balances	1,962,876	2,266,550	(303,674)	-13.4%
Financial assets held for trading	28,539	14,109	14,430	102.3%
Loans and receivables to banks	370,733	376,373	(5,640)	-1.5%
Loans and receivables to customers	6,235,643	6,198,541	37,102	0.6%
Financial investments	23,425,447	21,403,026	2,022,421	9.4%
Hedging instruments	527,272	707,274	(180,002)	-25.5%
Property, plant and equipment	146,296	146,497	(201)	-0.1%
Goodwill	89,602	89,602	-	n.a.
Other intangible assets	35,242	34,465	777	2.3%
Tax assets	53,250	49,997	3,253	6.5%
Tax credits acquired	1,259,059	1,618,030	(358,971)	-22.2%
Other assets	554,858	411,236	143,622	34.9%
Total assets	**34,688,817**	**33,315,700**	**1,373,117**	**4.1%**

(Amounts in € thousand)

LIABILITIES AND SHAREHOLDERS' EQUITY	Amounts as at 12/31/2024	Amounts as at 12/31/2023	Changes Amounts	Changes %
Deposits from banks	850,600	866,978	(16,378)	-1.9%
Deposits from customers	29,988,914	28,757,589	1,231,325	4.3%
Debt securities in issue	810,228	809,264	964	0.1%
Financial liabilities held for trading	8,130	6,997	1,133	16.2%
Hedging instruments	45,321	28,712	16,609	57.8%
Tax liabilities	19,519	86,706	(67,187)	-77.5%
Other liabilities	576,793	564,778	12,015	2.1%
Shareholders' equity	2,389,312	2,194,676	194,636	8.9%
- capital and reserves	*1,756,076*	*1,592,305*	*163,771*	10.3%
- revaluation reserves	*(19,049)*	*(6,730)*	*(12,319)*	183.0%
- net profit	*652,285*	*609,101*	*43,184*	7.1%
Total liabilities and Shareholders' equity	**34,688,817**	**33,315,700**	**1,373,117**	**4.1%**

Summary data

Consolidated balance sheet - Quarterly data

(Amounts in € thousand)

	Amounts as at				
ASSETS	12/31/2024	09/30/2024	06/30/2024	03/31/2024	12/31/2023
Cash and cash balances	1,962,876	2,863,043	2,833,922	3,425,309	2,266,550
Financial assets held for trading	28,539	21,365	21,214	19,456	14,109
Loans and receivables to banks	370,733	429,706	388,285	382,959	376,373
Loans and receivables to customers	6,235,643	6,050,507	6,116,128	6,097,730	6,198,541
Financial investments	23,425,447	21,510,148	20,729,052	20,406,723	21,403,026
Hedging instruments	527,272	562,503	737,713	704,784	707,274
Property, plant and equipment	146,296	141,645	142,826	142,723	146,497
Goodwill	89,602	89,602	89,602	89,602	89,602
Other intangible assets	35,242	33,306	33,515	34,159	34,465
Tax assets	53,250	49,503	49,466	50,859	49,997
Tax credits acquired	1,259,059	1,317,226	1,298,821	1,622,329	1,618,030
Other assets	554,858	347,013	341,226	291,585	411,236
Total assets	**34,688,817**	**33,415,567**	**32,781,770**	**33,268,218**	**33,315,700**

(Amounts in € thousand)

	Amounts as at				
LIABILITIES AND SHAREHOLDERS' EQUITY	12/31/2024	09/30/2024	06/30/2024	03/31/2024	12/31/2023
Deposits from banks	850,600	925,420	1,171,776	1,032,627	866,978
Deposits from customers	29,988,914	28,580,571	28,005,234	28,070,347	28,757,589
Debt securities in issue	810,228	808,368	804,009	799,699	809,264
Financial liabilities held for trading	8,130	14,599	9,722	10,033	6,997
Hedging instruments	45,321	38,733	(1,366)	6,398	28,712
Tax liabilities	19,519	100,174	33,418	148,158	86,706
Other liabilities	576,793	573,759	544,316	531,359	564,778
Shareholders' equity	2,389,312	2,373,943	2,214,661	2,669,597	2,194,676
- capital and reserves	*1,756,076*	*1,889,060*	*1,900,957*	*2,529,155*	*1,592,305*
- revaluation reserves	*(19,049)*	*(5,112)*	*(6,616)*	*(6,564)*	*(6,730)*
- net profit	*652,285*	*489,995*	*320,320*	*147,006*	*609,101*
Total liabilities and Shareholders' equity	**34,688,817**	**33,415,567**	**32,781,770**	**33,268,218**	**33,315,700**

Summary data

The main reclassifications and combinations of asset items of the condensed consolidated balance sheet concern the following:

- debt securities accounted for under item “40. Financial assets at amortised cost, a) loans and receivables to banks” and under item “40. Financial assets at amortised cost, b) loans and receivables to customers” were reclassified and shown under “Financial investments”. In the same combination, securities accounted for under item "20. Financial assets at fair value through profit and loss c) other financial assets mandatorily at fair value", "30. Financial assets at fair value through other comprehensive income" and "70. Equity investments”;
- financial assets accounted for under item “40. Financial assets at amortised cost, a) loans and receivables to banks” and under item “40. Financial assets at amortised cost, b) loans and receivables to customers” other than debt securities are shown, respectively, under item “Loans and receivables to banks” and “Loans and receivables to customers”;
- items “50. Hedging derivatives” and “60. Changes in fair value of portfolio hedged financial assets (+/-)” have been combined and shown under item “Hedging instruments” of assets on condensed consolidated balance sheet;
- the credits acquired as part of Decree Law 34/2020, recorded under item "130. Other assets", were reported under "Tax credits acquired”.

With reference to the liabilities of the condensed consolidated balance sheet, the main reclassifications and combinations of the items concern the following:

- items “40. Hedging derivatives” and “50. Changes in fair value of portfolio hedged financial liabilities (+/-)” have been combined and shown under item “Hedging instruments” of liabilities on condensed consolidated balance sheet;
- items “80. Other liabilities”, “90. Provision for employee severance pay” and “100. Provisions for risks and charges” have been combined and shown under item “Other liabilities”;
- items that represent the Shareholder’s equity have been combined and shown under item “Shareholders' equity”.

Summary data

Consolidated Income Statement

(Amounts in € thousand)

	Year		Changes	
	2024	2023	Amounts	%
Financial margin	711,162	687,956	23,206	3.4%
of which Net interest	710,454	687,748	22,706	3.3%
of which Profits from Treasury	708	208	500	240.4%
Dividends and other income from equity investments	17	(68)	85	n.a.
Net commission	527,026	489,906	37,120	7.6%
Net trading, hedging and fair value income	79,043	60,402	18,641	30.9%
Net other expenses/income	(773)	(565)	(208)	36.8%
REVENUES	**1,316,475**	**1,237,631**	**78,844**	**6.4%**
Staff expenses	(137,847)	(126,867)	(10,980)	8.7%
Other administrative expenses	(370,018)	(307,918)	(62,100)	20.2%
Recovery of expenses	201,658	163,603	38,055	23.3%
Impairment/write-backs on intangible and tangible assets	(25,791)	(27,139)	1,348	-5.0%
Operating costs	**(331,998)**	**(298,321)**	**(33,677)**	**11.3%**
OPERATING PROFIT (LOSS)	**984,477**	**939,310**	**45,167**	**4.8%**
Net impairment losses on loans and provisions for guarantees and commitments	(2,088)	(3,596)	1,508	-41.9%
NET OPERATING PROFIT (LOSS)	**982,389**	**935,714**	**46,675**	**5.0%**
Other charges and provisions	(44,873)	(63,587)	18,714	-29.4%
Net income from investments	1,768	111	1,657	n.a.
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**939,284**	**872,238**	**67,046**	**7.7%**
Income tax for the year	(286,999)	(263,137)	(23,862)	9.1%
NET PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	**652,285**	**609,101**	**43,184**	**7.1%**
PROFIT (LOSS) FOR THE YEAR	**652,285**	**609,101**	**43,184**	**7.1%**
NET PROFIT (LOSS) FOR THE YEAR ATTRIBUTABLE TO THE GROUP	**652,285**	**609,101**	**43,184**	**7.1%**

Summary data

Consolidated Income Statement - Quarterly data

(Amounts in € thousand)

	2024			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Financial margin	180,762	182,495	177,574	170,331
of which Net interest	179,003	182,495	178,533	170,423
of which Profits from Treasury	1,759	-	(959)	(92)
Dividends and other income from equity investments	(7)	15	1	8
Net commission	128,582	128,600	129,986	139,858
Net trading, hedging and fair value income	17,489	20,219	18,368	22,967
Net other expenses/income	177	(29)	(176)	(745)
REVENUES	**327,003**	**331,300**	**325,753**	**332,419**
Staff expenses	(33,389)	(33,634)	(35,083)	(35,741)
Other administrative expenses	(87,314)	(90,900)	(89,794)	(102,010)
Recovery of expenses	47,818	49,692	52,529	51,619
Impairment/write-backs on intangible and tangible assets	(6,403)	(6,214)	(6,437)	(6,737)
Operating costs	**(79,288)**	**(81,056)**	**(78,785)**	**(92,869)**
OPERATING PROFIT (LOSS)	**247,715**	**250,244**	**246,968**	**239,550**
Net impairment losses on loans and provisions for guarantees and commitments	(260)	(1,429)	(985)	586
NET OPERATING PROFIT (LOSS)	**247,455**	**248,815**	**245,983**	**240,136**
Other charges and provisions	(38,110)	457	(3,539)	(3,681)
Net income from investments	399	582	817	(30)
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**209,744**	**249,854**	**243,261**	**236,425**
Income tax for the period	(62,738)	(76,540)	(73,586)	(74,135)
NET PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	**147,006**	**173,314**	**169,675**	**162,290**
PROFIT (LOSS) FOR THE PERIOD	**147,006**	**173,314**	**169,675**	**162,290**
NET PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE GROUP	**147,006**	**173,314**	**169,675**	**162,290**

Summary data

(Amounts in € thousand)

	2023			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Financial margin	157,431	170,847	180,184	179,494
of which Net interest	157,431	170,765	180,047	179,505
of which Profits from Treasury	-	82	137	(11)
Dividends and other income from equity investments	-	(6)	(28)	(34)
Net commission	120,871	121,254	120,074	127,707
Net trading, hedging and fair value income	15,123	14,956	16,249	14,074
Net other expenses/income	235	(19)	(479)	(302)
REVENUES	**293,660**	**307,032**	**316,000**	**320,939**
Staff expenses	(29,795)	(30,583)	(31,145)	(35,344)
Other administrative expenses	(74,630)	(72,727)	(76,613)	(83,948)
Recovery of expenses	37,625	38,832	43,366	43,780
Impairment/write-backs on intangible and tangible assets	(6,587)	(6,650)	(6,884)	(7,018)
Operating costs	**(73,387)**	**(71,128)**	**(71,276)**	**(82,530)**
OPERATING PROFIT (LOSS)	**220,273**	**235,904**	**244,724**	**238,409**
Net impairment losses on loans and provisions for guarantees and commitments	(664)	(1,415)	78	(1,595)
NET OPERATING PROFIT (LOSS)	**219,609**	**234,489**	**244,802**	**236,814**
Other charges and provisions	(9,269)	(2,737)	(39,974)	(11,607)
Net income from investments	(723)	142	692	-
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**209,617**	**231,894**	**205,520**	**225,207**
Income tax for the period	(62,365)	(70,266)	(60,200)	(70,306)
NET PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	**147,252**	**161,628**	**145,320**	**154,901**
PROFIT (LOSS) FOR THE PERIOD	**147,252**	**161,628**	**145,320**	**154,901**
NET PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE GROUP	**147,252**	**161,628**	**145,320**	**154,901**

Summary data

The main reclassifications and combinations of items of the condensed consolidated income statement concern the following:

- under item “Financial margin”, item “30. Net interest margin” is shown and gains and losses on disposal or repurchase of non-impaired debt securities accounted for item “100. Gains and losses on disposal or repurchase of: a) financial assets at amortised cost – debt securities” and “100. Gains (Losses) on disposal and repurchase of: b) financial assets at fair value through other comprehensive income – debt securities” are reclassified and shown. In the same aggregate, income from securities lending activities performed by the Parent Company's treasury, recorded under item “40. Fee and commission income”, is included;
- under item “Dividends and other income from equity investments”, in addition to dividends received on equity investments valued at cost, if any, write-backs (write-downs) of investments accounted for using the equity method, recorded under item “250. Profit (loss) on equity investments”, are reclassified;
- item “Net commission”, includes item “60. Net fee and commission income”, less net commissions on Treasury securities lending carried out by Parent Company’s treasury, and the other charges/income related to the asset manager activity performed by the subsidiary Fineco AM related to the application of the Fixed Operating Expenses model, recorded under item “230. Other net operating income”, are reclassified;
- under item “Net trading, hedging and fair value income”, items “80. Gains (losses) on financial assets and liabilities held for trading”, “90. Fair value adjustments in hedge accounting”, “100. Gains (losses) on disposal or repurchase of: b) financial asset at fair value through other comprehensive income”, less unimpaired debt securities shown under item “Financial margin”, and “110. Gains (losses) on financial assets and liabilities at fair value through profit or loss” are aggregated and shown. In the same aggregate dividends and similar revenues from held-for-trading or mandatorily at fair value equity instruments, recorded under item “70. Dividend income and similar revenue”, are reclassified and shown;
- adjustments of leasehold improvements, recorded under item “230. Other net operating income”, are shown in item “Other administrative expenses”;
- recovery of expenses, recorded under item “230. Other net operating income”, are shown in item “Recovery of expenses”;
- contributions to the Single Resolution Fund (SRF), Deposit Guarantee Schemes (DGS) and Life insurance guarantee fund, recorded under item “190. Administrative expenses - b) other administrative expenses”, are reclassified and shown in item “Other charges and provisions”. In the same aggregate item “200. Net provisions for risks and charges” is shown;
- impairment losses/write-backs for credit risk on debt securities, recorded under item “130. Net impairment/write-backs for credit on: a) financial assets at amortised cost” and “130. Impairment losses/writebacks on: b) financial assets at fair value through other comprehensive income”, are reclassified and shown in item “Net income from investments”.

Summary data

Main balance sheet figures

(Amounts in € thousand)

	Amounts as at		Changes	
	12/31/2024	12/31/2023	Amounts	%
Loans receivable with ordinary customers (1)	5,242,769	5,535,383	(292,614)	-5.3%
Total assets	34,688,817	33,315,700	1,373,117	4.1%
Direct deposits (2)	29,668,225	28,441,830	1,226,395	4.3%
Indirect TFA (3)	111,097,547	94,114,670	16,982,877	18.0%
Total customers sales (direct and indirect)	140,765,772	122,556,500	18,209,272	14.9%
Shareholders' equity	2,389,312	2,194,676	194,636	8.9%

(1) Loans receivables to ordinary customers refer solely to loans granted to customers (current account overdrafts, credit cards, personal loans, mortgages and unsecured loans).
(2) Direct deposits include overdrawn current accounts and Cash Park deposit accounts.
(3) Indirect TFA consist of products placed online or through FinecoBank personal financial advisors.

Operating structure

	Data as at	
	12/31/2024	12/31/2023
No. Employees	1,451	1,384
No. Personal financial advisors	3,002	2,962
No. Financial shops [1]	438	428

(1) Number of operating financial shops: financial shops managed by the Bank and financial shops managed by personal financial advisors (so called Fineco Centers).

Summary data

Profitability, productivity and efficiency ratios

(Amounts in € thousand)

	Data as at	
	12/31/2024	12/31/2023
Financial margin/Revenues	54.02%	55.59%
Income from brokerage and other income/Revenues	45.98%	44.42%
Income from brokerage and other income/Operating costs	182.32%	184.28%
Cost/income ratio	25.22%	24.10%
Operating costs/TFA	0.25%	0.26%
Cost of risk	5 bps	5 bps
ROE	27.08%	27.67%
Return on assets	1.88%	1.83%
EVA (calculated on regulatory capital)	569,370	538,362
EVA (calculated on accounting capital)	381,733	369,637
RARORAC (calculated on regulatory capital)	79.18%	83.06%
RARORAC (calculated on accounting capital)	16.27%	16.84%
ROAC (calculated on regulatory capital)	90.71%	93.97%
ROAC (calculated on accounting capital)	27.80%	27.75%
Total sales to customers/Average employees	99,271	90,115
Total sales to customers/(Average employees + average PFAs)	31,992	28,502

Key

Income from brokerage and other income: Net commission, Net trading, hedging and fair value income and Net other expenses/income.

Cost/income ratio: Operating Costs divided by Revenues.

Operating costs/TFA: ratio of operating costs to Total Financial Assets (direct and indirect inflows). The TFA used for the ratio is the average for the year, calculated as the average between the balance as at December 31st, 2024 and the balance as at the previous December 31st.

Cost of risk: is the ratio of Net impairment losses of loans to customers in the last 12 months to loans and receivables to customers (average of the averages of the last four quarters, calculated as the average balance at the end of the quarter and the balance at the end of the previous quarter). The scope only includes loans to ordinary customers.

CoR (incentive system): is the ratio of Net impairment losses of commercial loans to customers in the last 12 months, including adjustments to the available margins of credit lines granted, to commercial loans and receivables to customers (average of the balance as at December 31st, 2024 and the balance at December 31st of the previous year). The scope only includes loans to ordinary customers.

ROE: ratio between the profit (loss) for the year and the book shareholders' equity (excluding dividends expected to be distributed and the revaluation reserves) for the year. ROE published in the 2023 financial report was calculated using the average shareholders' equity for the year as the denominator (average of the balance at the end of the year and that of the previous 31 December 31st) as denominator, therefore, the comparative figure for 2023 was recalculated and restated.

Return on assets: ROA: ratio of profit (loss) for the year to total assets.

EVA (Economic Value Added): shows the firm's ability to create value; it's calculated as the difference between profit (loss) for the year, excluding extraordinary charges/income and related tax effects (integration costs and net profits from extraordinary investments), and the figurative cost of the allocated capital calculated using both the regulatory capital and the book value of shareholders' equity for the year. EVA published in the 2023 financial report was calculated using the average shareholders' equity for the year as the denominator (average of single end quarters) as denominator, therefore, the comparative figure for 2023 was recalculated and restated.

RARORAC (Risk adjusted Return on Risk adjusted Capital): it's calculated both as the ratio between EVA (as described above) and the regulatory capital of the year and as the ratio between EVA (as described above) and book value of shareholders' equity for the year and expresses in percentage terms the capacity to create value per unit of risk taken. RARORAC published in the 2023 financial report was calculated using the average shareholders' equity for the year as the denominator (average of single end quarters) as denominator, therefore, the comparative figure for 2023 was recalculated and restated.

ROAC (Return on Allocated Capital): it's calculated both as the ratio of profit (loss) for the year and the regulatory capital of the year, and as the ratio of profit (loss) for the year and book value of shareholders' equity for the year. ROAC published in the 2023 financial report was calculated using the average regulatory capital of the year and the average shareholders' equity for the year as the denominator (average of single end quarters) as denominator, therefore, the comparative figure for 2023 was recalculated and restated.

Summary data

Balance Sheet indicators

	Data as at	
	12/31/2024	12/31/2023
Loans receivable to ordinary customers/Total assets	15.11%	16.62%
Loans and receivables to banks/Total assets	1.07%	1.13%
Financial assets/Total assets	67.53%	64.24%
Direct sales/Total liabilities and Shareholders' equity	85.53%	85.37%
Shareholders' equity (including profit)/Total liabilities and Shareholders' equity	6.89%	6.59%
Ordinary customer loans/Direct deposits	17.67%	19.46%

Credit quality	Data as at	
	12/31/2024	12/31/2023
Non-performing loans/Loans receivable to ordinary customers	0.08%	0.07%
Bad loans/Loans receivable to ordinary customers	0.02%	0.02%
Coverage ratio[1] - Bad loans	95.37%	93.07%
Coverage ratio[1] - Unlikely to pay	72.37%	67.96%
Coverage ratio[1] - Impaired past-due exposures	60.67%	56.85%
Coverage ratio[1] - Total Non-performing loans	85.15%	83.54%

(1) Calculated as the ratio between the amount of write-down provision and gross exposure.

Consolidated Own funds and capital ratios

	Data as at	
	12/31/2024	12/31/2023
Common Equity Tier 1 Capital (€ thousand)	1,311,917	1,151,527
Total Own Funds (€ thousand)	1,811,917	1,651,527
Total risk-weighted assets (€ thousand)	5,064,224	4,731,105
Ratio - Common Equity Tier 1 Capital	25.91%	24.34%
Ratio - Tier 1 Capital	35.78%	34.91%
Ratio - Total Own Funds	35.78%	34.91%

	Data as at	
	12/31/2024	12/31/2023
Tier 1 Capital (€ thousand)	1,811,917	1,651,527
Exposure for leverage (€ thousand)	34,736,372	33,356,370
Leverage ratio	5.22%	4.95%

Summary data

Market share

Trading on Italian Stock Market (AMF Italia)	12/31/2024	12/31/2023
Third party volumes traded on MTA	26.67%	26.85%
Classification of third party volumes traded on MTA	1	1

Personal financial advisors (Assoreti)	12/31/2024	12/31/2023
Stock volumes	13.39%	13.59%
Stock Classification	3	2

Personal financial advisors (Assoreti)	12/31/2024	12/31/2023
Net Sales volumes	15.18%	16.21%
Net Sales Classification	3	2°

Total Deposits (Bank of Italy)	09/30/2024	12/31/2023
Market share - Total Financial Assets	2.46%	2.31%
Market share - Direct Deposits	1.52%	1.48%
Market share - Assets under Administration	3.09%	3.00%

Some of the above figures refer to September 30th, 2024 as they are the latest figures available.

Summary data

The macroeconomic scenario and monetary policy

The euro area economy grew by 0.3% in the first quarter, 0.2% in the second quarter and 0.4% in the third quarter 2024. Growth was mainly driven by increased consumption, partly reflecting one-off factors that stimulated tourism over the summer, and stockpiling by businesses. However, more recent data show a loss of momentum. According to Eurostat's preliminary estimate, the economy stagnated in the fourth quarter of 2024 and is expected to remain weak in the short term. Surveys point to continued contraction in the manufacturing sector compared to expansion in the services sector. Consumer confidence is fragile, and households have not yet drawn sufficient stimulus from rising real incomes to significantly increase their spending. Nevertheless, the conditions for a recovery continue to exist. Despite weakening in recent months, the labor market continues to show vigor, with the unemployment rate remaining low at 6.3% in December. According to European Central Bank experts, the gradual recovery of the euro area economy is expected to continue in the coming years in the face of significant geopolitical and economic uncertainties. In particular, rising real wages and employment, in the presence of robust developments in labor markets, should support a recovery in which consumption would be confirmed as one of the main determinants. Domestic demand would also be supported by easing financing conditions, in line with market expectations about the future profile of interest rates. Fiscal policies, although characterized by a high level of uncertainty, are assumed to be on a consolidation path overall. Funds made available under the Next Generation EU should, nonetheless, support the expansion of the economy until the program expires in 2027. Under the assumption in the baseline scenario that Europe's main trading partners keep their trade policies unchanged, foreign demand is expected to strengthen and support euro area exports. As a result, the contribution made to GDP growth by net trade would be essentially neutral, despite existing competitiveness problems. The unemployment rate is expected to fall further, bringing it to low levels in historical perspective. Productivity is expected to accelerate over the projection horizon, in a context where some of the cyclical factors that led to a reduction in the recent past are beginning to fade, although structural challenges remain. Overall, according to the December 2024 projections, average annual real GDP expansion is expected at 0.7% in 2024, 1.1% in 2025, and 1.4% in 2026, before declining to 1.3% in 2027.

The disinflation process is well underway. According to the macroeconomic projections made in December 2024 by Eurosystem experts for the euro area, overall inflation is expected to average 2.4% in 2024, 2.1% in 2025, 1.9% in 2026 and 2.1% in 2027, the year of the entry into force of the expanded EU emissions trading scheme. For inflation net of the energy and food component, experts anticipate an average of 2.9% in 2024, 2.3% in 2025 and 1.9% in 2026 and 2027. Most measures of core inflation suggest that inflation will be stably around the 2% medium-term target pursued by the European Central Bank's Governing Council. Domestic inflation has declined but remains elevated, mainly because wages and prices in certain sectors continue to adjust, with considerable lag, to past increases in inflation. Despite an easing following the recent interest rate reductions decided by the European Central Bank's Governing Council, making new loans to businesses and households gradually less onerous, financing conditions remain tight as monetary policy remains restrictive and past interest rate hikes are still being transmitted to outstanding loan stocks. At its meeting on March 6th, 2025, the Governing Council of the European Central Bank decided to reduce the three key interest rates by an additional 25 basis points. In particular, the decision to reduce the rate on deposits with the central bank, through which monetary policy is guided, stems from the updated assessment of the inflation outlook, the dynamics of core inflation and the intensity of monetary policy transmission. The interest rates on deposits with the central bank, the main refinancing operations and the marginal lending operations were reduced to 2.50%, 2.65% and 2.90%, respectively, effective March 12th, 2025.

As for Italy, output stagnated in the third quarter of 2024, still held back by weakness in manufacturing against the slight expansion of services and construction. Household consumption rose sharply, while investment fell sharply and the contribution of net exports was negative. Bank of Italy experts estimated that output would remain weak in the fourth quarter as well. The sluggishness in manufacturing continued, although subsiding, while value added would again be slightly up in construction and services. On the demand side, the recovery in net exports, due to a decrease in imports, would be accompanied by a still tenuous investment dynamic and a softening in the contribution of consumption after the jump recorded in the third quarter. The Bank of Italy's December 2024 projections, prepared as part of the Eurosystem's coordinated exercise, estimate Italy's GDP to increase by 0.5% in 2024 (by 0.7% in unadjusted terms for working days) and accelerate over the three-year period 2025-2027, with output expanding by about 1% a year on average over the period, driven by a recovery in consumption and exports.

Consumer inflation is projected to rise to 1.5% in the two-year period 2025-2026, from just over 1 percent on average in 2024; it would reach 2% in 2027 due to the temporary uptick in the energy component as a result of the entry into force of the new EU Emission Trading System 2. Core inflation is projected to decline, from 2.2% in 2024 to just over 1.5% on average over the three-year period 2025-2027, a period in which it is estimated that pressures associated with accelerating wages will be largely absorbed by declining profit margins.

Summary data

The Russian-Ukrainian conflict

As at December 31^{st}, 2024, the context resulting from the Russia-Ukraine conflict in which the Group operates is substantially unchanged from that illustrated in the Annual Report as at December 31^{st}, 2023.

In fact, the Group has no direct exposure to Russian assets affected by the conflict, and indirect exposures, represented by collateral received as part of pledge-backed financing transactions (Credit Lombard and pledged overdraft), are of insignificant amounts. The Group has no direct commodity exposures and has limited ruble exposure. With reference to: (i) obligations to freeze funds with respect to sanctioned persons and entities, (ii) restrictions on the buying and selling of certain securities because they are issued by or related to sanctioned issuers, (iii) restrictions on financial flows to and from Russia, both in terms of prohibiting credit exposure to sanctioned entities and in terms of prohibiting the acceptance of deposits from Russian nationals or individuals or legal entities residing in Russia subject to specific exceptions, (iv) to the obligations to report to the relevant authorities, the Group uses safeguards to monitor the names of sanctioned individuals and entities and the ISINs of sanctioned financial instruments, which are necessary to initiate the consequent asset freezing activities required by the regulations. As of December 31^{st}, 2023, there were no direct or indirect exposures to individuals or entities subject to sanction measures applicable to the Group, so no asset freezing actions required by the regulations have been implemented on the individuals concerned. Finally, the Group constantly monitors the evolution of the regulatory framework of reference through information tools that enable the timely updating of the sanctions framework applicable to the Bank and the appropriate adjustment of the safeguards in place.

During 2024, therefore, there is no impact on the Group's economic and financial situation, and also from a prospective viewpoint there is no impact in terms of strategic orientation, objectives and business model.

Summary data

Events during the period

Issuance and repurchase of Additional Tier1 instruments

On March 4th, 2024, FinecoBank successfully completed the placement on the market of Additional Tier1 instruments, intended for institutional investors, for a total amount of € 500 million and a semi-annual coupon equal to 7.5% for the first 5.5 years (with spread equal to 5.5 year Mid Swap rate interpolated plus 488.9 basis points) compared to an initial guidance of 8%. The final spread is the lowest level in the Italian market since the beginning of 2023 for this type of instrument, thanks to overall demand that is around 7x the supply and to the quality of the credit.

The placement registered an order volume of above € 3.45 billion, confirming the appreciation shown towards FinecoBank by the market also in the fixed-income segment. Only institutional investors took part in the placement, mainly asset managers (67% of the total) and banks/private banks (17%). The issuance was placed mainly to institutional investors in the United Kingdom (28%), France (26%), Italy (18%), Germany and Austria (7%), and Switzerland (6%).

In detail, the issuance has the following features: the notes are perpetual with call option for the issuer on the fifth year and half and thereafter on a semiannual basis, public placement, intended for trading on the regulated market managed by Euronext Dublin, rating of BB- (S&P Global Ratings), fixed-rate semi-annual coupon for the first 5.5 years. It should be noted that the notes have been issued under the EMTN (Euro Medium Terms Notes[5]) programme.

BNP Paribas and UniCredit acted as Global Coordinators and BNP Paribas, Morgan Stanley & Co. Limited, UBS Europe SE and UniCredit Bank acted as joint bookrunners and joint lead managers.

At the same time, FinecoBank announced its intention to proceed with an cash tender offer of the Additional Tier1 instrument issued in July 2019 with a nominal amount of € 300 million and to reserve the right to call the Additional Tier1 private placement issued in January 2018 with a nominal amount of € 200 million, at the earliest available date, thereby keeping the overall amount of Additional Tier1 instruments eligible for inclusion in its capital unchanged at € 500 million.

On March 11th, 2024, the tender offer of the above Additional Tier 1 instrument was concluded and the aggregate nominal amount of the instruments validly tendered in the Offer amounted to € 168 million. FinecoBank has given mantate to BNP Paribas and UniCredit, as dealer managers, for the "any & all" Cash Tender Offer at a fixed price.

On June 3rd, 2024, the Additional Tier1 private placement issued in January 2018 with a face value of € 200 million, fully subscribed by UniCredit S.p.A., was called off.

Finally, on December 3rd, 2024 the option to fully redeem the Additional Tier 1 instrument, issued in July 2019, for the portion not repurchased in the offering concluded on March 11, 2024, amounting to € 132 million was exercised.

Shareholders' Meeting

On April 24th, 2024, the FinecoBank Shareholders' Meeting was held and resolved favorably on all items on the agenda.

In the ordinary session, the resolutions concerned:

- approval of the Financial Statements for the year 2023 of FinecoBank S.p.A.;
- allocation of FinecoBank S.p.A.'s 2023 net profit of the year;
- approval of the 2024 Remuneration Policy;
- favourably decision on the 2023 Remuneration Report;
- 2024 Incentive System for Employees belonging to the Most Relevant Personnel;
- 2024-2026 Long Term incentive Plan for Employees;
- 2024 Incentive System for Financial Advisors identified as "Most Relevant Personnel";
- authorization to purchase and dispose of treasury shares to service the 2024 PFA System;
- delegation to the Board of Directors to approve free capital increases to implement the incentive systems for the employees.

At the extraordinary session, the resolutions concerned:

- the delegation to the Board of Directors, pursuant to Article 2443 of the Civil Code, of the power to resolve, also in several times and for a maximum period of five years from the date of the shareholders' meeting resolution, a free share capital increase, pursuant to Article 2349 of the Civil Code, for a maximum amount of € 200,566.74 (to be charged entirely to share capital), with the issuance of up to 607,778 new ordinary FinecoBank shares with a par value of € 0.33 each, having the same characteristics as those in circulation and regular dividend entitlement, to be allotted to FinecoBank's Most Relevant Personnel 2024, for the purpose of executing the 2024 Incentive System; consequent amendments to the Articles of Association;
- the delegation to the Board of Directors, pursuant to Article 2443 of the Civil Code, of the power to resolve in 2029 a free share capital increase, pursuant to Article 2349 of the Civil Code, of up to a maximum of € 39,933.30 corresponding to a maximum number of 121,010 ordinary FinecoBank shares with a par value of € 0.33 each, having the same characteristics as those in circulation, regular dividend

[5] The renewal of the EMTN (Euro Medium Term Notes) program was approved by Fineco's Board of Directors on January 16th, 2024, and was finalized on February 13th, 2024.

entitlement, to be allotted to FinecoBank's 2023 Most Relevant Personnel, for the purpose of completing the execution of the 2023 Incentive System; consequent amendments to the Articles of Association;

- the delegation to the Board of Directors, pursuant to Article 2443 of the Civil Code, of the power to resolve, also in several times and for a maximum period of five years from the date of the shareholders' meeting resolution, a free share capital increase, pursuant to Article 2349 of the Civil Code, for a maximum amount of € 460,286.64 (to be charged entirely to share capital), with the issuance of up to 1,394,808 new ordinary FinecoBank shares with a par value of € 0.33 each, having the same characteristics as those in circulation and regular dividend entitlement, to be allotted to FinecoBank's Most Relevant Personnel, for the purpose of executing the 2024 – 2026 Long Term; consequent amendments to the Articles of Association.

With reference to the allocation of FinecoBank S.p.A.'s 2023 results, the Shareholders' Meeting approved the proposals formulated by the Board of Directors, which provide, among other things, for the distribution to the Shareholders of a unit dividend of € 0.69 per share, for a total amount of € 421.6 million, which was put up for payment, in accordance with the applicable laws and regulations, on May 22nd, 2024 with an "ex-dividend" date of May 20th, 2024. Pursuant to Article 83-terdecies of Legislative Decree No. 58 of February 24, 1998 ("TUF"), those who were shareholders on the basis of the evidence of the accounts relating to the end of the accounting day of May 21st, 2024 were, therefore, entitled to receive the dividend.

Business performance

Performance of total financial assets

As at December 31st, 2024 the balance of total financial assets (direct and indirect) amounted to € 140,766 million up 14.9% compared to December 31st, 2023, thanks to Assets under Custody-AUC, Assets under Management-AUM and direct deposits realised during the year and to the positive market effect. The balance of indirect total financial assets (Assets Under Management-AUM and Assets Under Custody-AUC) amounted to € 111,098 million, up from € 94,115 million as at December 31st, 2023 (+18.0%). The ratio of FAM' retail Assets under Management to total managed managed deposits is 37.7%.

Direct deposits, amounting to € 29,668 million is driven by the high appreciation degree of the quality of services offered by the Group – indeed the preponderant amount of direct deposits is of a "transactional" nature, supporting the overall operations of customers.

In 2024, net sales amounted to € 10.083 million, up 14,7% from 2023, confirming the acceleration of the Bank's growth dynamics. The mix of deposits showed a marked improvement over the previous year: managed deposits amounted to € 4,093 million (€ 2,662 million in 2023, up 53.8%), Assets under Custody stood at € 4,779 million (€ 8,258 million in 2023) and direct deposits amounted to € 1,211 million (€ - 2.128 million in 2023).

The table below shows the figures for the balance of direct and indirect deposits of the Bank's customers, including both those linked to a personal financial advisor and those operating exclusively through the online channel.

Total financial assets

(Amounts in € thousand)

	Amounts as at		Amounts as at		Changes	
	12/31/2024	Comp%	12/31/2023	Comp%	Absolute	%
DIRECT DEPOSITS	**29,668,225**	**21.1%**	**28,441,830**	**23.2%**	**1,226,395**	**4.3%**
Current accounts and demand deposits	28,568,868	20.3%	27,748,318	22.6%	820,550	3.0%
Time deposits and reverse repos	1,099,357	0.8%	693,512	0.6%	405,845	58.5%
ASSETS UNDER MANAGEMENT	**66,382,586**	**47.2%**	**58,016,137**	**47.3%**	**8,366,449**	**14.4%**
UCITS and other investment funds	45,645,271	32.4%	38,838,704	31.7%	6,806,567	17.5%
Insurance products	12,944,305	9.2%	13,760,462	11.2%	(816,157)	-5.9%
Assets under custody under advisory	7,360,364	5.2%	5,052,451	4.1%	2,307,913	45.7%
Other	432,646	0.3%	364,520	0.3%	68,126	18.7%
ASSETS UNDER CUSTODY	**44,714,961**	**31.8%**	**36,098,533**	**29.5%**	**8,616,428**	**23.9%**
Equities	24,188,917	17.2%	18,602,363	15.2%	5,586,554	30.0%
Bonds	20,164,547	14.3%	16,748,477	13.7%	3,416,070	20.4%
Third-party deposits	303,642	0.2%	629,825	0.5%	(326,183)	-51.8%
Other	57,855	0.0%	117,868	0.1%	(60,013)	-50.9%
TOTAL FINANCIAL ASSETS	**140,765,772**	**100.0%**	**122,556,500**	**100.0%**	**18,209,272**	**14.9%**
of which Advanced Advisory Service	34,519,685	24.5%	27,982,557	22.8%	6,537,128	23.4%

It should be noted that the percentage reported for Advanced Advisory Service, which is equal to 24.5% as at December 31st, 2024, is calculated by comparing their amounts with total financial assets amounts.

Business performance

The table below shows the figures for net direct sales, assets under management and assets under administration during 2024 compared with the same period of the previous year, for both customers linked to a personal financial advisor and online-only customers.

Net sales

(Amounts in € thousand)

	Year 2024	Comp %	Year 2023	Comp %	Changes Absolute	Changes %
DIRECT DEPOSITS	**1,210,918**	**12.0%**	**(2,128,050)**	**-24.2%**	**3,338,968**	**-156.9%**
Current accounts and demand deposits	823,797	8.2%	(2,821,558)	-32.1%	3,645,355	-129.2%
Time deposits and reverse repos	387,121	3.8%	693,508	7.9%	(306,387)	-44.2%
ASSETS UNDER MANAGEMENT	**4,092,848**	**40.6%**	**2,661,999**	**30.3%**	**1,430,849**	**53.8%**
UCITS and other investment funds	3,452,167	34.2%	2,594,318	29.5%	857,849	33.1%
Insurance products	(1,310,019)	-13.0%	(2,366,563)	-26.9%	1,056,544	-44.6%
Assets under custody under advisory	1,898,662	18.8%	2,413,347	27.4%	(514,685)	-21.3%
Other	52,038	0.5%	20,897	0.2%	31,141	149.0%
ASSETS UNDER CUSTODY	**4,778,973**	**47.4%**	**8,258,439**	**93.9%**	**(3,479,466)**	**-42.1%**
Equities	2,211,487	21.9%	(95,175)	-1.1%	2,306,662	n.a.
Bonds	2,953,343	29.3%	8,086,766	92.0%	(5,133,423)	-63.5%
Third-party deposits	(326,182)	-3.2%	268,598	3.1%	(594,780)	-221.4%
Other	(59,675)	-0.6%	(1,750)	0.0%	(57,925)	n.a.
NET SALES	**10,082,739**	**100.0%**	**8,792,388**	**100.0%**	**1,290,351**	**14.7%**
of which Advanced Advisory Service	4,106,334	40.7%	2,817,878	32.0%	1,288,456	45.7%

It should be noted that the percentage reported for Advanced Advisory Service, which is equal to 40.7% as at December 31st, 2024, is calculated by comparing their amounts with total net sales amounts.

Business performance

Performance of main balance sheet aggregates

Cash and cash balances amounted to € 1,962.9 million down by € 303.7 million from previous year (€ 2,266.6 million as at December 31st, 2023). The item consisted mainly from the overnight deposit opened at the Bank of Italy, for a total amount of € 1,688 million, the liquidity deposited to the Bank of Italy net of the stock related to the minimum reserve requirement allocated for the current reporting period, which is represented in the item Loans and receivables to banks, in the amount of € 0.9 million, as well as liquidity deposited on current accounts with credit institutions for the settlement of payment transactions, for the settlement of securities transactions and for the management of Fineco AM's liquidity, for an amount of € 274 million.

Loans and receivables to banks amounted to € 370.7 million, decreasing by € 5.6 million compared to December 31st, 2023.

Loans and receivables to customers came to € 6,235.6 million with an increase of € 37.1 million compared to December 31st, 2023. During 2024 loans of an additional € 229.9 million were disbursed to Cronos Vita Assicurazioni S.p.A., while mortgages, personal loans and current account overdrafts showed a general reduction in terms of outstanding amounts compared to December 31st, 2023. Impaired loans net of impairment losses totalled € 4.1 million (€ 4 million as at December 31st, 2023), with a coverage ratio of 85.2%. The ratio between impaired loans and total loans to ordinary customers was confirmed equal to 0.08% (0.07% as at December 31st, 2023).

Financial investments came to € 23,425.4 million, increasing by € 2,022.4 million compared to December 31st, 2023, mainly due to the purchases of debt securities at amortised cost during the year. It should be noted that this item also includes the net negative valuation of fixed-rate securities specifically hedged against interest rate risk, in the amount of € 459.7 million (€ 640.8 million as at December 31st, 2023).

Hedges recognised as assets in the balance sheet amounted to € 527.3 million and include the positive fair value valuation of hedging derivatives and the value adjustment of assets subject to generic hedging, represented by fixed-rate mortgages. **Hedges recognised as liabilities** in the balance sheet amounted to € 45.3 million and include the negative fair value measurement of hedging derivatives and the value adjustment of liabilities subject to generic hedging, represented by direct funding from customers. The negative change in fair value of hedging derivative contracts recognized in the year is mainly attributable to the reduction in fair value of existing contracts. The valuation of the hedged items, as a result, evolved in the opposite direction, recording a positive change. It should be noted that the negative valuation recorded by securities specifically hedged is shown in Other Financial investments item, as described above.

Tax credits acquired amounted to € 1,259.1 million. The item includes the carrying amount of tax credits purchased during under Decree-Law 34/2020 and subsequent updates, that decreased compared to € 1,618.0 million as at December 31st, 2023, due to amounts offset during 2024. It should be noted that as of December 31, 2023, there were also tax credits acquired by FinecoBank on the secondary market that were subject to preventive seizure in the criminal sphere after purchase. In December 2024, the Bank reached a settlement agreement with the assigning counterparty under which the parties agreed to cancel by mutual consent FinecoBank's acceptance of the aforementioned tax credits as well as additional tax credits reported as not usable by the assigning counterparty itself. By virtue of the agreement reached, the assigning counterparty returned to FinecoBank the assignment consideration for the said credits paid by the Bank.

Deposits from banks totaled € 850.6 million, showing a decrease of € 16.4 million compared to December 31st, 2023. During 2024, liabilities for variation margins received mainly from derivative transactions decreased by € 150.8 million, due to the negative change in fair value recorded by hedging derivative contracts, while the amount of stock lending transactions, securities lending transactions secured by sums of money that fall within the full economic availability of the lender, increased by € 133.6 million. The outstanding amounts of stock lending transactions as of the balance sheet date vary depending on the requests to borrow securities received from counterparties.

Deposits from customers came to € 29,988.9 million, showing an increase of € 1.231.3 million compared to December 31st, 2023, mainly due to the increase in direct deposits on current accounts from customers.

Debt securities in issue, amounted to € 810.2 million, exclusively include the Senior Preferred Bond issued by FinecoBank. During the year no new securities were issued.

Shareholders' equity amounted to € 2,389.3 million, increasing by € 194.6 million from December 31st, 2023, mainly thanks to the profit for 2024, amounted to € 652.3 million, which more than offset the main reductions recognised in the year, due to the distribution of dividends resolved by the Shareholders' Meeting of April 24th, 2024, totalling € 421.6 million, and the payment of coupons on the Additional Tier 1 instruments issued by FinecoBank, the amount of which, net of the related taxation, resulted in a reduction in Shareholders' equity of € 26.5 million.

Business performance

Performance of main income statement aggregates

Revenues amounted to € 1,316.5 million, registering a 6.4% increase compared to the € 1,237.6 million recorded in 2023, mainly thanks to the contribution of Financial margin, Net commission and Net trading, hedging and fair value income.

Financial margin increased of 3.4% compared to 2023 (+ € 23.2 million) supported by the **Interest margin** which increased by 3.3% compared to previous year (+ € 22.7 million). **Profits from Treasury** increased by € 0.5 million compared to 2023.

Net commission increased by € 37.1 million compared to the previous year, mainly attributable to commissions generated by Investing (+ € 39.6 million) thanks to the greater contribution of Fineco AM and the growth in AUM, and to commissions generated by Brokerage (+ € 10.2 million), thanks to higher trading fees. During 2024, the subsidiary Fineco AM generated net commissions of € 168.1 million.

Net trading, hedging and fair value income amounted to € 79.0 million and increased by € 18.6 million compared to previous year. This item mainly includes profits realised by the Brokerage segment, which includes internalisation of securities and regulated/OTC derivatives, financial instruments used for operational hedging of securities and internalised derivatives and the exchange differences on assets and liabilities denominated in currency. The item also includes the ineffectiveness component of hedging transactions, amounting to - € 2.2 million (-€ 7.2 million in 2023), determined by the application of different curves for the fair value valuation of derivative contracts hedging interest rate risk and hedged items as part of fair value hedge transactions.

Operating costs increased by € 33.7 million compared to the previous year (+ € 11.0 million for "Staff expenses", + € 24 million for "Other administrative expenses net of Recovery of expenses", partially offset by decrease of € 1.3 million for "Impairment/write-backs on intangible and tangible assets"). The 11.3% increase is partly attributable to expenses closely linked to the growth of the business (assets, volumes, customers and structure), certified by a cost/income ratio of 25.2% (24.1% as at December 31st, 2023).

Net impairment losses on loans and provisions for guarantees and commitments in 2024 amounted to € -2.1 million (€ -3.6 million in 2023). The cost of risk is 5 basis points.

Other charges and provisions amounted to € -44.9 million, down 29.4% compared to 2023. The item, in addition to net allocations to the provision for risks and charges for claims and disputes and net allocations to the provision for supplementary customer indemnity, mainly includes annual contributions paid to the Interbank Deposit Guarantee Fund within the framework the Deposit Guarantee Scheme (DGS) in the amount of € 35.3 million (€ 35 million paid in the previous year). Starting from 2024, the item also includes the 2024 contribution to be paid to the Life Insurance Guarantee Fund in the amount of €1.2 million. It should be noted that in fiscal year 2023 the contribution paid to the Single Resolution Fund under Directive 2014/59/EU was also recognized in the amount of € 6.6 million, which was not required in fiscal year 2024, and the provision for obligations arising from the cost rebalancing agreement that FinecoBank signed with the other distributing banks as part of the transaction aimed at protecting Cronos policyholders.

Net income from investments stood at € 1.8 million (€ 0.1 million in 2023).

Profit before tax from continuing operations amounted to € 939.3 million, up 7.7% compared to the previous year, mainly thanks to higher Financial margin (+ € 23.2 million), Net commission (+ € 37.1 million) and Net trading, hedging and fair value income (+€ 18.6 million), partially offset by the growth of Operating costs (+ € 33.7 million); the result also benefited from lower Other charges and provisions of € 18.7 million.

Net profit for the year amounted to € 652.3 million, increasing by 7.1% compared to € 609.1 million of the previous year.

Business performance

Communications and external relations

In 2024, the Italian media on several occasions delved into the topic of developments in artificial intelligence connected with new opportunities in the field of investment. Fineco's positioning among the leading fintech banks at the European level facilitated the bank's participation in this public debate. On these occasions, the focus on technological innovation went hand in hand with the enhancement of the human component in the customer relationship.

In May, Fineco's CEO and General Manager, interviewed by Il Sole 24 Ore, addressed the issue of the evolution of investment choices and the change in savers' approach to markets, emphasizing the increasingly close link between Investing and Brokerage. These issues were in several cases the cue to present the financial education initiatives promoted by Fineco, both through webinars and through events in the territory and campaigns in schools. In collaboration with Feduf (Foundation for Financial and Savings Education), the Bank organized days of approach to savings in elementary schools, while Fineco AM expanded the “Count on You” project, which involved nearly 1,500 high school students. At the same time, the focus on local newspapers made it possible to strengthen the Fineco brand in the territory, while also highlighting the social initiatives carried out by the Advisory Network, which has surpassed the threshold of three thousand professionals.

Initiatives related to the 25th anniversary of Fineco's founding also provided an opportunity to reiterate, through interviews and press releases, the bank's commitment to the growth of financial education in the country. In December, Corriere della Sera's economic weekly, L'Economia, dedicated its cover to an interview with Fineco's CEO and General Manager, who reviewed the Group's history and stressed how professional savings management would have a positive impact on all Italians.

Special attention was also paid to the activities of financial advisors with reference to the Network's development strategies to support recruitment activities, through articles and editorials published in industry publications, including national ones, for. In addition to numerous reports of new entrants, speeches by area managers and financial advisors helped to make the Network's special features more evident. In particular, attention was focused on the initiatives implemented to encourage the training and entry of young professionals, delving into the characteristics of the Young People Project and the improved conditions implemented to accompany entry into the world of financial advice. In this regard, the Organismo di vigilanza e tenuta dell'albo unico dei consulenti finanziari confirmed, once again, Fineco in first place among the networks for the presence as a percentage of under 35 in the total number of financial advisors. The Private Banking Convention was also held in early March, welcoming 700 participants in the splendid setting of the San Carlo Theater and the Royal Palace in Naples. It was an event rich in valuable content and with distinguished guests to discuss and explore issues of particular importance to this audience segment and their clients.

During the first half of 2024, the Bank's advertising campaigns supported the “What it's worth” initiative, a concept launched in March 2023, through the planning of two major communication flights that involved digital as well as TV, promoting, among others, the securities transfer initiative. In addition, two new communication campaigns were launched: “For your tomorrow, today we are here” dedicated to the Private Banking segment, planned through print and outdoor in major Italian cities, and “Evolving future,” localized on the city of Milan, with the aim of communicating the Bank's commitment to promoting a fairer and more sustainable future for the environment, people and the economy in general. In the second half of the year, however, the Bank launched a new campaign dedicated to the celebration of its 25th anniversary, which revolved around the concept, “Since 1999 we have been looking far, staying close.” The advertising campaigns focused mainly on TV, digital channels and through billboards in major Italian cities.

The initiatives dedicated to 25 years ended with a double national convention, “Visionaires. Perspectives from the Future.” The first was held in Turin, inside the Inalpi Arena and was dedicated to financial advisors from all over Italy and the second was held in Milan dedicated to the Bank's employees. The talents involved tackled different themes (Man/Technology, Wellness/Longevity, motivational and relational issues) telling their own innovative visions of the world.

During 2024, Fineco continued to embrace new cultural and sports sponsorship projects on a national scale that fostered customer outreach, increasing brand awarness in the territory. In terms of cultural projects, Fineco, in the role of premium partner, to celebrate the 150th anniversary of the birth of Impressionism supported the planning of the Cezanne/Renoir exhibition at the Palazzo Reale in Milan, as well as the creation, with the curator of the same, of four episodes of a podcast dedicated to the innovative cultural journey of the two artists. In addition, it has initiated cultural sponsorships focused on theaters, including three-year collaborations with the Teatro Petruzzelli in Bari and the Florentine Teatro Della Pergola and two-year collaborations with the Teatro Sistina in Rome. Fineco was also the main partner of the TedX Milan “Freedom” event at Teatro Dal Verme. On the other hand, as far as sports projects are concerned, Fineco has entered into an important partnership with Lega Volley Femminile, becoming Gold Sponsor of the A1 and A2 Championships, the Coppa Italia Frecciarossa and Title Sponsor of the Fineco SuperCoppa, and has supported Team Polti Kometa in men's cycling. These sponsorships have generated increased visibility of the Fineco brand through the television channel.

Business performance

Main environmental protection initiatives

As usual, Fineco has continued its partnership with the Fund for the Italian Environment (FAI) in 2024, thus confirming its commitment to supporting Italy's artistic and cultural heritage as the main sponsor of the Fai Days of Spring. Under Art and Culture in the Solidarity section of the website, fundraising has also been activated for donors who wish to join Fineco in supporting FAI.

The project initiated by the City of Milan, “Care for and Adopt Public Green Space,” has been renewed until 2024, with a collaboration to upgrade urban green areas in the Lombard capital, in the area between Corso Como, Corso Garibaldi and Largo La Foppa. The goal of the three-year sponsorship project is to contribute to the preservation and improvement of existing green areas.

The project with Lifegate has expanded and transformed, from the Plasticless project to the new Water Defenders Alliance: a group of stakeholders who united can concretely fight the issue of water pollution in our seas. An initiative that consists of activities to reduce plastics from the seas, an operation to clean the seabed of the Ligurian territory (project “Smart Bay”) and a joint action with ports to counter the presence of hydrocarbons on the water surfaces of some Italian ports.

Main solidarity initiatives

In 2024, FinecoBank continued its commitment to supporting the community.

With the aim of expanding and involving customers more closely in the Bank's activities in support of the community, in May Fineco launched an ongoing solidarity initiative on its website, both public and private areas, within which 8 projects were posted in 4 areas of focus: “Childhood,” “Medical Research and Health,” “For the Community,” and “Art and Culture,” specifically:

- “Childhood” section - CESVI, project “CESVI's Smile Houses in Italy” in favor of children who are victims of abuse or neglect; Terre del Hommes, Indifesa campaign against violence against girls;
- “For the community” section"- Banco Alimentare, project ‘Keep eating going - Sharing the value of food’ for food redistribution and food waste reduction; Lega Italiana Lotta ai Tumori (LILT), project ‘Accompanimento pazienti oncologici alle terapie’; VIDAS, project ‘Casa Sollievo Bimbi’ for accompanying children with incurable diseases to the end of life; Cometa, project ‘La bellezza di essere educati’ that supports in study and training boys and girls in difficulty;
- “Medical Research and Health” section - IEO Monzino Foundation, for the support of scientific research for the treatment of blood cancers;
- “Art and Culture” section-Fondo per l'ambiente italiano (FAI), whose activities take place in three areas: protection of artistic and natural heritage; raising people's awareness of the value of landscape and monumental heritage; and active mobilization to protect the landscape at risk.

The initiatives have been supported by the Bank and can receive donations from customers for a period of about one year from the date of publication on the website. The goal is to enrich the section with quarterly releases of 3-4 projects and thus make Fineco's commitment to the community more solid and ongoing. Customers can donate directly through the site with a wire transfer while non-customers can donate using the coordinates of each Association listed in the public area of the site.

Complementing the solidarity initiatives, the traditional Christmas Charity Campaign, “Christmas with Fineco,” promoted each year through the Bank's website, was also activated in 2024, supporting the following projects:

- Women's Empowerment and Financial Education: Fondazione L'Albero della Vita, “Counting on me” project, which supports women in vulnerable and socially excluded conditions in job search and financial literacy;
- Childhood and Education - Mission Bambini, “Scintilla” project, a network of social-educational services called STARS, to offer support to the most fragile children, families and territorial communities;
- Pediatric Medicine - Gaslininsieme, project “Telemedicine: the Gaslini is close even for those who are far away,” for the activation of teleconsultation between professionals, televisita to young patients and telemonitoring in favor of children with chronic diseases.

During 2024 Fineco also supported the following entities active in the country or projects:

- Fondazione Theodora (solidarity picnic in support of the activities of Dr. Sogni (clown doctors) alongside children hospitalized in hospitals in Milan);
- CAF (Teens Project to support the reception of teenagers in CAF foster homes);
- Mathematics without Borders - (Matemagica project to support mathematics learning in schools for students with difficulties);
- Mike Bongiorno Foundation (Orti Allegria project for the inclusion of people with different disabilities through the cultivation of social gardens);
- Beyond All Limits (Calendar for Life project to promote the provision of defibrillators in sports facilities);
- Little Prince (Green Paths of Inclusion project to support a model of sustainable agriculture and labor integration of frail people);
- SOS Children's Association (Spazio Bimbi project dedicated to children from the poorest suburbs who are not on the public elementary school rankings);
- Cooperativa Punto d'Incontro (Casa Eden project, hospice for people with autism spectrum disorders);

Business performance

- Brianza Community Consortium (Longoni Villab project training project dedicated to young people in fragile conditions for inclusion in the world of work);
- Bimbo Tu Association (Podcast project for the dissemination of content on eating disorders in young people);
- TECH7 San Siro (computer courses project to bring underprivileged youth closer to the working world);
- Lions Guide Dog Service (support for the Guide Dog Training Center for the visually impaired);
- Maria Letizia Verga Committee ("Sport Therapy" project to strengthen the response to treatment of children with leukemia through sports activities).

Awards

Below are the recognitions awarded to Fineco during 2024:

- Fineco a global leader in sustainability in the financial sector: the agency Standard Ethics raised Fineco's rating to 'EEE-', making it the only banking institution to obtain an 'Excellent' sustainability rating with a stable outlook, underlining its integrated management of Esg (Environmental, Social, Governance) policies in the Bank's structure;
- Fineco the No. 1 bank in Italy according to Forbes: in the ranking drawn up by Forbes magazine in collaboration with Statista, Fineco was ranked among the best banks in the world, taking first place among the 15 Italian institutions in the ranking based on the level of satisfaction of its customers.
- Private Banking 2024, Fineco awarded for 'Business model innovation': at the Private Banking Awards 2024, Fineco was awarded the prize in the 'Business model innovation' category for its ability to 'continue the path of innovation that sees the Bank increasingly committed to offering the best technologies and evolved platforms, with the aim of responding to the evolved and complex needs of high-end clients, through an efficient and innovative service in the management of large assets';
- Fineco certified Top Employers Italia 2024: in the review of its HR policies, for the sixth year running, the Bank stood out for its focus on enhancing the value of resources and developing skills, fostering a positive and stimulating working environment;
- Leader in Sustainability 2024: Fineco was included among the 200 major Italian companies in the ranking compiled by Il Sole 24 Ore - Statista;
- World's Best Banks 2024: Fineco was ranked among the best banks in the world, taking first place among the 15 Italian institutions included in the ranking drawn up by the US magazine Forbes in collaboration with Statista, which was based on a number of parameters, such as trust, terms and conditions, customer care, digital tools and services, and financial advice;
- World's Most Climate-Conscious Companies 2024: Fineco was included in the 'World's Most Climate-Conscious Companies' ranking by Corriere della Sera, Pianeta 2030 and Statista, a list of Italian companies that have reduced their CO2 emissions as a percentage of turnover the most;
- World's Most Sustainable Companies: Fineco has been included among the 500 most sustainable companies in the world out of an initial selection of more than 5,000 of the world's largest companies, according to a ranking published by Time and produced in collaboration with Statista;
- Top Contact Center 2024/25: a customer satisfaction survey conducted by the German Institute for Quality and Finance ranks Fineco's customer care first among digital banks;
- Top Sustainable Fund Manager 2024: the German Institute for Quality and Finance ranked Fineco AM first among Italian asset management companies developing sustainable funds, based on funds with a high Morningstar Sustainability Rating.

FinecoBank shares

Share information

As of December 31st, 2024, the price of the share was equal to € 16.79. The average value recorded by the share in 2024 was € 14.60.

The company's market capitalization equaled to € 10,259 million as of December 31st, 2024.

	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023	Year 2024
Official price of ordinary shares (€)											
- maximum	4.750	7.805	7.400	8.735	11.890	12.385	13.425	17.305	16.180	16.990	17.085
- minimum	3.808	4.438	4.622	5.345	7.956	8.514	6.918	12.875	10.335	10.655	12.730
- average	4.173	6.479	5.980	6.914	9.823	10.234	11.329	14.947	13.401	13.394	14.596
- period-end	4.668	7.625	5.330	8.535	8.778	10.690	13.400	15.435	15.520	13.585	16.790
Number of shares (million)											
- outstanding at period end	606.3	606.5	606.8	607.7	608.4	608.9	609.6	609.9	610.1	610.6	611.0

Main areas of activity

The Group's offer is divided into three integrated business macro-areas: (i) Banking, which includes current account services, payment services and the issuance of debit, credit and prepaid cards, mortgages, overdrafts and personal loans; (ii) Brokerage, which provides order execution services on behalf of customers, with direct access to the main world stock markets and the opportunity of trading CFDs, futures, options, bonds, ETFs and certificates; (iii) Investing, which includes the asset management activities carried out by Fineco AM, placement and distribution services for over 4,000 products, including UCITS and SICAV units managed by 72 leading Italian and international investment houses, insurance and pension products, as well as investment advisory services through the network of personal financial advisors distributed throughout Italy.

Given the Bank’s specific business model that provides for a high level of vertical integration among its different activities, these main business segments are interdependent. Indeed, the Group offers its services (banking and investment services) through a network of personal financial advisors and online and mobile channels that operate in a coordinated and integrated manner. The completeness of the services offered makes it possible to offer as the customer's only point of reference (one stop solution) for banking operations and investment needs. This highly integrated and customer-based strategy has the consequence that the revenues and margins related to the different products/services (investing, banking and brokerage) are, therefore, deeply interdependent.

All the activities were carried out with the aim of obtaining economic results from the "industrial" management of the businesses, to minimise their financial risk.

Banking

Banking and Payment cards

FinecoBank offers its customers a wide range of banking and payment services. Customers can access the services offered by the Bank by opening a current account online or through a financial advisor. The current account is also instrumental in accessing Brokerage and Investing services.

Banking and payment services are offered through the Bank's website, mobile applications, by telephone and, for some services, at UniCredit branches and ATMs. As far as payment cards are concerned, Fineco offers its customers a choice of different types of cards: credit cards, in balance or revolving mode, debit cards and prepaid cards.

FinecoBank has always been committed to offering its customers new services or improving existing ones, with a constant focus on digitalisation, innovation and developing functional and intuitive navigation interfaces, even for the most complex processes and services, with the aim of guaranteeing ease of use. In this context, with reference to the year 2024, we highlight in particular:

- the launch of the Under 18 account dedicated to minors who are the children of existing Fineco customers, aged between 8 and 18 years of age, with registered and tax residence in Italy;
- the migration to a new technological infrastructure that has enabled an improvement, both in terms of performance and in terms of usability, of the processes of opening joint current accounts, both through the Bank's website and through the platform dedicated to financial advisers, updating identity documents and telephone top-ups;
- the implementation of a new section of the reserved area of the Bank's website that allows customers to have available, in a single area, all documents and contracts relating to their Fineco account, with the possibility of requesting the online production of an account statement issued in a period prior to the last year;
- the release of the functionality to access the reserved area of the Bank's website also via ‘Mobile Code’;
- the implementation of the continuous credit transfer and tax relief transfer service on Fineco's mobile app and the migration to a new technological platform of the giro transfer, limit management, continuous credit transfer and AML questionnaire collection services;
- the introduction of the Strong Customer Authentication (SCA) service also for giro and small credit transfer instructions.

As part of the Multicurrency service, the settlement times for foreign currency exchange transactions to and from the US dollar (USD) and Canadian dollar (CAD) were reduced from two business days (T+2) to one business day (T+1) in order to ensure a more efficient service for customers and, above all, to allow for the availability of foreign currency liquidity for the simultaneous purchase of securities traded in USD and CAD currencies in the respective markets.

A series of commercial initiatives were also launched aimed at increasing the rate of customer loyalty by rewarding, for existing customers, the choice of crediting their salary to Fineco and increasing the attractiveness of the Fineco offer.

Main areas of activity

The table below shows the credit card spending and the amounts as at December 31st, 2024 compared to December 31st, 2023. Credit card spending increased of 7,7% compared to the previous year.

(Amounts in € thousand)

Credit Products	Year 2024		Year 2023		Changes			
					Spending		Amounts as at	
	Spending	Amounts as at	Spending	Amounts as at	Amounts	%	Amounts	%
Revolving credit cards	34,173	29,028	39,621	35,001	(5,448)	-13.8%	(5,973)	-17.1%
Credit cards full payment of balance	3,794,262	379,446	3,514,834	319,154	279,428	8.0%	60,292	18.9%
Total	**3,828,435**	**408,474**	**3,554,455**	**354,155**	**273,980**	**7.7%**	**54,319**	**15.3%**

Mortgages, credit facilities and personal loans

As far as lending is concerned, the Bank offers its customers the possibility of requesting current account credit facilities, mortgages and personal loans.

With regard to current account credit facilities, the most representative product of Fineco's offer is “Credit Lombard”, the solution suitable for those who own assets and wish to obtain additional liquidity from their investments. ”Credit Lombard” is a current account credit line guaranteed by a revolving pledge of securities and funds held by the applicant. The peculiarity lies in the possibility of replacing the pledged securities by means of rebalancing procedures.

Mortgage lending mainly relates to the purchase of homes (including subrogation) against which the Bank acquires residential properties as collateral through a mortgage. In 2024, in line with the Bank's commitments and attention to issues of financial inclusiveness, Fineco adhered to the ABI moratorium for mortgages in favour of women victims of violence, which allows the repayment of the principal of the loan to be suspended for a maximum of 18 months.

Lastly, with regard to personal loans, it should be noted that the instant assessment service with instant disbursement, which is provided for applications that meet certain conditions and is aimed at customers who continuously credit their salary to their Fineco current account and meet certain income requirements set by the Bank.

The following table shows the disbursements for the year 2024 and the balance of credit products as at December 31st, 2024 compared with the same period of the previous year. Disbursements decreased by 12.0% to 2023, also due to rising interest rates.

(Amounts in € thousand)

Credit Products	Year 2024		Year 2023		Changes			
					Disbursements		Amounts as at	
	Disbursements	Amounts as at	Disbursements	Amounts as at	Amount	%	Amount	%
Personal loans and unsecured loans	185,145	466,497	179,985	504,384	5,160	2.9%	(37,887)	-7.5%
Current account credit facilities*	825,785	2,052,967	907,301	2,173,882	(81,516)	-9.0%	(120,915)	-5.6%
Mortgages	63,308	2,311,534	133,943	2,500,016	(70,635)	-52.7%	(188,482)	-7.5%
Total	**1,074,238**	**4,830,998**	**1,221,229**	**5,178,282**	**(146,991)**	**-12.0%**	**(347,284)**	**-6.7%**

* With regard to Current account credit lines the column Disbursements shows the amounts granted.

It should be noted that the credit lines guaranteed by securities granted in 2024 totaled € 813 million (€ 803 million related to “Credit Lombard” product, € 10 million related to credit facilities secured by pledged and € 0.1 million related to credit facilities with mandate for sale), equals to 98% of total amount of credit lines granted.

Main areas of activity

Brokerage

FinecoBank offers its brokerage services, mainly through the Bank's website and mobile applications, as well as making such services available by telephone through customer care. In particular, customers can access the following platforms, characterised by functional and intuitive interfaces, quickly, conveniently and free of charge

- web platform offered to all customers, customisable according to customer profile, offering a wide range of trading tools, updated in real time, complete with charts and ancillary services;
- mobile application offered to all customers, accessible via mobile devices (including smartphones and tablets), offering a wide range of trading tools, updated in real time; and
- FinecoX, the trading platform included in the account without any installation, which stands out for its customisation possibilities, advanced functionalities, timeliness of information and operational completeness. Data is strictly in real-time push, trading is available on all equities, ETFs, Certificates and Turbo Certificates, Options, Knock Out and Daily Options, CFDs and Forex, Futures, Bonds and Covered Warrants.

Brokerage activity is fully integrated with current account services and does not require clients to open a separate account (although clients may choose to open a Trading Account only) or to activate access to such services.

FinecoBank also provides its customers with the 'Margining' service, i.e. the possibility to activate securities lending transactions secured by sums of money that allow customers to receive liquidity from the Bank by lending specific financial instruments included in a predefined list ('Long margining') or to receive liquidity from the Bank by lending specific financial instruments included in a predefined list by delivering liquidity ('Short margining').

Also in this area, FinecoBank has always been committed to offering its customers new services or improving existing ones, with a constant focus on innovation and developing functional and intuitive navigation interfaces, with the aim of ensuring ease of use. In this context, with reference to the year 2024, we highlight in particular:

- the extension of the range of CFDs issued by Fineco, integrated with over 250 CFDs with underlying equities on US and European markets
- the extension of the margining service to equities on the main index of the Canadian market (TSX);
- the extension of the Fixed Leverage Certificates issued by Fineco (on the website, FinecoX, Power Desk and Mobile App), with underlying Eurostoxx bank, Gold, Silver, 7 ITA shares and 3 USA shares: Intesa Sanpaolo, Unicredit, STM, Stellantis, Enel, Eni, Telecom Italia, Nvidia, Apple, Tesla;
- the extension of foreign online markets with the main equities listed on the Nordic markets (Sweden, Norway, Denmark) and Belgium, previously traded offline.

Thanks to its significant trading volumes and broad client base, FinecoBank is able to act as a systematic internaliser on equity, bond and foreign exchange markets, acting as a direct counterparty to client orders. This allows the Bank to maximise margins in the execution of orders received from clients, reducing the cost of execution on regulated markets.

In 2024, Fineco again confirmed its position as Italy's No. 1 equity intermediary, with a 26.67% share in terms of volumes traded.

The following table shows the number of orders on financial instruments recorded during the 2024 compared to the previous year.

(Amounts in € thousand)

	Year		Changes	
	2024	2023	Absolute	%
Orders - Equity Italy (including internalised orders)	9,400,015	8,150,521	1,249,494	15.3%
Orders - Equity USA (including internalised orders)	3,542,255	2,453,925	1,088,330	44.4%
Orders - Equity other markets (including internalised orders)	1,143,147	849,506	293,641	34.6%
Total Equity orders	*14,085,417*	*11,453,952*	*2,631,465*	*23.0%*
Orders - Bonds	1,200,374	1,125,011	75,363	6.7%
Orders - Derivatives	10,253,231	10,206,657	46,574	0.5%
Orders - Forex	812,629	1,054,474	(241,845)	-22.9%
Orders - CFDs	1,734,067	1,768,354	(34,287)	-1.9%
Orders - Funds	3,734,195	3,830,558	(96,363)	-2.5%
Total orders	**31,819,913**	**29,439,006**	**2,380,907**	**8.1%**

Main areas of activity

Investing

Fineco offers its clients, according to a ‘guided open architecture’ business model, a particularly extensive range of asset management products, consisting of collective asset management products, such as units of mutual funds and shares in SICAVs attributable to carefully selected Italian and international investment houses, pension and insurance products as well as investment advisory services. In addition, within the administered advisory service, continuous IPOs of Investment Certificates are carried out.

The fund platform on the Italian market consists of 72 investment houses for more than 4,000 ISINs subscribable as at 31 December 2024, of which more than 250 are funds of Fineco AM.

With regard to collective asset management products, Fineco AM's offering was further expanded with new versions of the Smart Defence funds, whose objective is capital protection and the distribution of a coupon, and new Global Defence Target Passive strategy (Series I, II and III), whose investment strategy is the distribution of an annual dividend until the end of its time horizon and, at the same time, starting from a mainly bond position, a gradual entry into the global equity market. In addition, new single strategy funds were launched, with the objective of either distributing a coupon annually or achieving long-term capital appreciation through investment in a diversified portfolio, and a Target Equity Allocation was added to the range, whose investment strategy is to achieve long-term capital appreciation, and at the same time, starting from a purely bond position, gradual entry into the global equity market.

Among the delegated solutions for private customers, in 2024 the offer of asset management was consolidated, represented by: five lines in securities called Private Value, four of which have risk profiles ranging from prudent to dynamic and a 100% bond line; three lines in securities called Private Ethical; four lines in ETFs and funds called Private Global, also with risk profiles ranging from prudent to dynamic and characterised by increasing equity exposure. In addition, MAP (Personalised Multi Assets) lines were consolidated, available in two profiles, Balanced and Equity, and characterised by greater management flexibility than traditional lines. In fact, a wide diversification among the different asset classes is foreseen, as well as the possibility of modifying the allocation according to market conditions with a high level of customisation capable of satisfying specific client instructions.

As far as pension products are concerned, customers continue to focus on the Core Pension open-ended pension fund, available exclusively to the Fineco Network. Thanks to the paperless proposition, collection of subscriptions in digital mode and through web collaboration, assets under management continued to increase, by about 33% as at 31 December 2023, with a preference for equity sub-funds.

In the area of insurance advisory, the offer also continued, especially on multi-branch and unit-linked products with a private slant, distributed through the Advisor Network. Five tariffs were also launched, updating the range of Branch I products, in addition to the new LTC Future Care, which positions the Bank within the Protection Advisory segment.

With regard to primary market offerings (IPO), the placement of Investment Certificates of third-party issuers continued in 2024. The structures used are capital ‘conditionally protected’, through protection barriers of up to 70%, autocallable with quarterly or monthly conditional coupon and memory effect. The continuous increase in the number of Investment Certificates listed on the secondary market, including thematic and ESG, broadens the solutions that can be used within the Bank's advisory services.

With reference to advisory services, the Bank's activities and solutions aimed at improving the services offered to customers continued. Requests for personalisation of Private portfolios in excess of € 500 thousand reached a countervalue of over € 7.5 billion, demonstrating the appreciation of the service provided and the need on the part of customers to receive personalised investment solutions.

With a view to supporting the activities of financial advisers on clients with positions spread over several dossiers or referring to an extended household, the ‘Active Monitoring’ service was launched in 2020. This service, dedicated to clients with portfolios in excess of € 2.5 million, involves constant dialogue between the financial advisor and a team of Senior Investment Advisors who constantly monitor the client's entire position using a dedicated and technologically advanced platform. The assets for which the service is currently active amount to over € 4.1 billion.

As part of the ongoing process of developing solutions for financial advisors, the ‘Private Diagnosis’ service has been the subject of interventions aimed at enriching reports with evidence of any non-diagnosable instruments broken down by type and details of YTM and duration that may be missing.

Main areas of activity

The balance of assets under management amounted to € 66,382.6 million as at December 31st, 2024, up 14.4% from the previous year.

(Amounts in € thousand)

	Amounts as at		Amounts as at		Changes	
	12/31/2024	Comp %	12/31/2023	Comp %	Absolute	%
UCITS and other investment funds	45,645,271	68.8%	38,838,704	66.9%	6,806,567	17.5%
Insurance products	12,944,305	19.5%	13,760,462	23.7%	(816,157)	-5.9%
Assets under custody under advisory	7,360,364	11.1%	5,052,451	8.7%	2,307,913	45.7%
Other	432,646	0.7%	364,520	0.6%	68,126	18.7%
Total assets under management	**66,382,586**	**100.0%**	**58,016,137**	**100.0%**	**8,366,449**	**14.4%**

The network of personal financial advisors

Sale figures, particularly in the last six months of 2024, demonstrate the effectiveness of Fineco's business model and its ability to successfully address different market phases, using a wide range of investment solutions and fostering interaction with global markets; on the one hand, the trend towards continued growth in the number of clients is confirmed; on the other, the ever-increasing interest of clients in the investment opportunities offered by asset management and advisory solutions is consolidated.

The role of financial advisors proves once again to be decisive in guiding clients towards professional planning of their savings. Fineco's strategy continues to grasp the new challenges of financial advice precisely through evolved advice, an area in which the Bank has always been a pioneer, by leveraging efficient investment products, thanks in part to the contribution of FAM, and the organisation of team work.

The results achieved show a trend reversal in the asset mix, characterised by a preponderant managed component, also thanks to the evolved advisory platform with which Fineco's network of financial advisors (hereinafter referred to as the “Network”) supports and accompanies savers in a long-term vision, even though a robust administered component is present, still favoured by the dynamics of interest rates.

As at 31 December 2024 for the personal financial advisors Network, the results were very positive, in particular:

- Total Net Sales: € 7,834 million (+10.2% compared to the same period last year).
- Total Net Sales Assets under management: € 4,128 million (+54.2% compared to the same period last year).
- Net Sales in Advanced Advisory Services: € 4,108 million (+45.8% compared to the same period last year).
- New customers acquired: 68,202 (+12.7% compared to the same period last year).

These results, according to the Assoreti classification, place the Bank in 3rd place for net inflows as at 31 December 2024.

The Network's average portfolio increased by 12.6% compared to the same period last year, from € 36 million to € 40.5 million; Total Financial Assets (TFA) attributable to the Network exceeded € 121 billion, reflecting a constant focus on growth and a solid relationship of trust established with clients.

2024 also proved to be a year of new records for the private banking business, with an increase of more than 20% in assets and number of clients and net inflows at an all-time high. Total Financial Assets referring to private clients across the entire Bank reached € 68.4 billion (€ 56 billion as at 31 December 2023), of which € 61.3 billion related to clients associated with financial advisors (€ 50.6 billion as at 31 December 2023). Their share of the total TFA rose to 48.6% compared to 45.7% at the end of the previous year; considering only clients associated with financial advisors, the TFA relating to private clients exceeded 50% of total assets (47.4% as at 31 December 2023), a sign of the Network's growing vocation for private banking.

The growth in the number of private customers, which rose to 67,160 (56,612 as at 31 December 2023), of which 59,018 were followed by financial advisers (50,423 as at 31 December 2023), is consistent with the dynamics recorded in previous years: the prevalence of natural person customers (around 90% of private TFA) and low concentration of positions make growth balanced and sustainable over time. Particularly flattering is the figure for the acquisition of new private customers: around 2,800 new customers were acquired in 2024, of which around 90% are attributable to the personal financial advisors Network. Total net inflows referred to this customer segment exceeded € 4.7 billion, of which over € 4 billion referred to customers followed by personal financial advisors.

The Network also maintained a high level of attention to financial education; in fact, in 2024, a total of 1,531 customer events were organised (223 of which were web-based), aimed at broadening knowledge on savings and investment issues, with the participation of well over 53,000 customers and prospects, during which particular attention was paid to financial planning, planning by objectives and behavioural finance, and various ‘financial news’ topics were discussed, interacting with participants. Of these, 27 events were dedicated to high-end clients, with over 1,186 private clients involved, on the broader topic of wealth planning.

As far as recruitment activity is concerned, the Fineco model remains attractive, particularly for professionals coming from more traditional models. During the year, 78 new ‘senior’ financial advisors, i.e. already experienced professionals from traditional banks, specialised Private Banking institutions and other financial advisory networks, were recruited. As always, the focus was also on the inclusion of more junior profiles, which are confirmed as an important resource in which to invest: since the beginning of the year, 100 new consultants have been introduced to the profession as part of the youth project, expressly dedicated to this category.

The average age of the Network as at 31 December 2024 is around 50, among the lowest compared to its main competitors.

As of 31 December 2024, the Network consisted of 3,002 personal financial advisors. The widespread presence of the Network in the territory is supported by a network of 438 financial centers.

The network of personal financial advisors

The table below shows the figures for direct deposits, assets under management and assets under custody net inflows relating only to clients of the personal financial advisors Network during the 2024, compared with the figures for the same period of the previous year. Total net inflows amounted to € 7,833.8 million.

Net sales - Personal Financial Advisors Network

(Amounts in € thousand)

	Year 2024	Comp %	Year 2023	Comp %	Changes	
					Absolute	%
DIRECT DEPOSITS	**711,125**	**9.1%**	**(1,743,862)**	**-24.5%**	**2,454,987**	**-140.8%**
Current accounts and demand deposits	538,282	6.9%	(2,370,286)	-33.3%	2,908,568	-122.7%
Time deposits and reverse repos	172,843	2.2%	626,424	8.8%	(453,581)	-72.4%
ASSETS UNDER MANAGEMENT	**4,128,043**	**52.7%**	**2,677,239**	**37.7%**	**1,450,804**	**54.2%**
UCITS and other investment funds	3,481,473	44.4%	2,604,065	36.6%	877,408	33.7%
Insurance products	(1,304,928)	-16.7%	(2,361,085)	-33.2%	1,056,157	-44.7%
Assets under custody under advisory	1,899,411	24.2%	2,413,362	33.9%	(513,951)	-21.3%
Other	52,087	0.7%	20,897	0.3%	31,190	149.3%
ASSETS UNDER CUSTODY	**2,994,680**	**38.2%**	**6,176,708**	**86.9%**	**(3,182,028)**	**-51.5%**
Equities	2,250,897	28.7%	175,718	2.5%	2,075,179	n.a.
Bonds	973,405	12.4%	5,831,813	82.0%	(4,858,408)	-83.3%
Third-party deposits	(170,990)	-2.2%	167,764	2.4%	(338,754)	-201.9%
Other	(58,632)	-0.7%	1,413	0.0%	(60,045)	n.a.
NET SALES - PERSONAL FINANCIAL ADVISORS NETWORK	**7,833,848**	**100.0%**	**7,110,085**	**100.0%**	**723,763**	**10.2%**
of which Advanced Advisory Service	4,108,076	52.4%	2,818,282	39.6%	1,289,794	45.8%

It should be noted that the percentage reported for Advanced Advisory Service, equal to 52.4% as at December 31st, 2024, is calculated by comparing their amounts with the amount of Network total net sales.

The table below shows the amount of deposits attributable to the Network as at December 31st, 2024, amounted to € 121,740.5 million, up 14.1% compared to the same period last year (€ 106,705.5 million). According to Assoreti's ranking, as at December 31st, 2024 FinecoBank ranked 3rd in total assets, amounted to 13.4% of the Network system.

The network of personal financial advisors

Total financial assets - Personal Financial Advisors Network

(Amounts in € thousand)

	Amounts as at		Amounts as at		Changes	
	12/31/2024	Comp %	12/31/2023	Comp %	Absolute	%
DIRECT DEPOSITS	**22,863,414**	**18.8%**	**22,133,340**	**20.7%**	**730,074**	**3.3%**
Current accounts and demand deposits	22,041,588	18.1%	21,506,552	20.2%	535,036	2.5%
Time deposits and reverse repos	821,826	0.7%	626,788	0.6%	195,038	31.1%
ASSETS UNDER MANAGEMENT	**65,913,792**	**54.1%**	**57,551,223**	**53.9%**	**8,362,569**	**14.5%**
UCITS and other investment funds	45,227,518	37.2%	38,423,236	36.0%	6,804,282	17.7%
Insurance products	12,893,807	10.6%	13,711,524	12.9%	(817,717)	-6.0%
Assets under custody under advisory	7,360,230	6.0%	5,051,943	4.7%	2,308,287	45.7%
Other	432,237	0.4%	364,520	0.3%	67,717	18.6%
ASSETS UNDER CUSTODY	**32,963,340**	**27.1%**	**27,020,905**	**25.3%**	**5,942,435**	**22.0%**
Equities	20,380,350	16.7%	15,369,297	14.4%	5,011,053	32.6%
Bonds	12,352,283	10.1%	11,190,942	10.5%	1,161,341	10.4%
Third-party deposits	173,690	0.1%	344,679	0.3%	(170,989)	-49.6%
Other	57,017	0.0%	115,987	0.1%	(58,970)	-50.8%
TOTAL FINANCIAL ASSETS PERSONAL FINANCIAL ADVISORS NETWORK	**121,740,546**	**100.0%**	**106,705,468**	**100.0%**	**15,035,078**	**14.1%**
of which Advanced Advisory Service	34,518,690	28.4%	27,981,369	26.2%	6,537,321	23.4%

It should be noted that the percentage reported for Advanced Advisory Service, equal to 28.4% as at December 31st, 2024, is calculated by comparing their amounts with the amount of Network total financial assets.

Human resources

The parent: FinecoBank S.p.A.

As at December 31st, 2024, the Bank's employees were 1,368 up compared to 1,311 as at December 31st, 2023.

During 2024, all employees continued to work remotely according to the existing Individual Agreement renew on January 1st 2024 which confirmed the possibility of working from home to a maximum of 14 days per month divided on a weekly basis.

Further initiatives aimed at facilitating and improving the working and personal life of employees continued, in continuity with what was done in the previous year (for example in the area of health and welfare).

Hiring activities aimed at strengthening and optimising the areas dedicated to business development, organizational and technological support and risk control and management continued mainly in "remote" mode.

Our effort in attracting new talents continued also during 2024, with a particular focus on new Generations (Millenials and Z Generation), also thanks to employer branding initiatives aimed at meeting and hiring new graduates or undergraduates and better understand the behavioral dynamics typical of the new generations. FinecoBank attended Career Days (also Digital) and continued to use different onboarding techniques that help simplify the process and support Chief People Officer department, managers and candidates.

Out of the 104 recruitments in 2024, many were employed in the Customer Relationship Management area confirming the strong and ongoing focus on young graduates. Customer Relationship Management is in fact the starting point of a path of professional development that can lead to cover different roles in the company.

Also 2024 showed a significant use of internal job rotation that involved about 40 resources enabling, on one hand, to cover the vacant positions within the Company, and on the other hand, to guarantee the continuous staff professional development.

During 2024, a total of 47 employees left the Bank, including:

- 30 resignations;
- 17 for other reasons.

The Bank's employees can be broken down as follows:

	Men		Women		Total	
Category	**12/31/2024**	**12/31/2023**	**12/31/2024**	**12/31/2023**	**12/31/2024**	**12/31/2023**
Executives	24	25	7	6	31	31
Managers	356	330	156	142	512	472
Professional Areas	408	405	417	403	825	808
Total	**788**	**760**	**580**	**551**	**1,368**	**1,311**

At December 31st 2024, the Bank has 103 part-time employees (about 7.5% of the total), women employees making up 42% of the workforce. The average length of service is about 13 years and the average age is about 43.

Human resources

Employees training

During 2024, Fineco employees training has been focused both on acquisition and strengthening of specific skills required by the current internal and external regulations and different company needs, and on the update of individual knowledges, with a specific attention to Mandatory, Technical, Linguistic, Behavioural and Managerial training. In 2024, the opening of "Fineco Academy" ("life-long training center" of the Bank) has created new opportunities to increase face to face training activities, offering more and more engaging training experiences.

Below, the breakdown of training hours* by training areas:

Training area	Hours of training
Mandatory	27,209
Technical	24,959
Foreign Language	4,213
Conduct – Management	5,142
Total	**61,523**

*FAM included

Mandatory training

The Bank is committed to the constant spread and improvement of Risk and Compliance culture, elements which enable its *business* to be, other than profitable, sustainable over time. Fineco believes that the training on these topics is paramount to promote, among employees, how awareness, transparency and rule respect are essential for the Bank.

For this reason, considerable attention has been constantly paid to Mandatory training, dedicated to all employees and mainly provided through our online training platform, with the implementation of courses about relevant topics, e.g. Loansharking, Tax Risk, consent to data processing, Accessibility, Reputational Risk, ICT and Security Risk Management in Fineco, D.Lgs. 231/2001.

New versions of AML and Financial Sanctions courses have been released, and webinar sessions of "Focus Indicatori di anomalia" and "Resoconto SOS".

Then, in order to underline the commitment of the Bank in sustaining a balanced and inclusive working environment and prevent and ban all types of discrimination in every context, the course "Gender equality" and ""Lotta alle molestie, ai comportamenti sessualmente inappropriati e al bullismo". have been released.

With the aim of guaranteeing the training of all employees on these topics, and preserve the Bank from operational, legal and reputational risks, every Mandatory course has a final test and periodical monitoring are carried out, in order to verify the pass. The completion of Mandatory Training is prerequisite for the access to the Incentive System.

Mandatory Insurance Courses (IVASS) have been activated in the departments that give information to Customers, as well as professional development courses for the purposes of Consob intermediary regulation, and annual skills Assessment based on ESMA subjects.

In order to guarantee business continuity in case of crisis, specific training paths have been organized, with the involvement of essential resources and their replacements.

Lastly, to ensure compliance with occupational Health and Safety at work provisions, the Bank guarantees periodical and continuous training to all impacted resources, on the basis of current regulations.

Technical Training

During 2024, with the assistance of external suppliers, strategical business partners, Universities and internal specialists, the Bank has organized specific training sessions depending on the business areas and in order to improve, not only company productivity, but also the level of employees specialisation. Particular attention is given to the specialist training addressed to company control functions, that require a continuous development and update in terms of technical and regulations knowledge.

Great importance is given also to the *training on the job* activity, extremely useful to guarantee a practical and effective training, especially for new joiners. Also *Training on the job* activity continued, as usual, in the Customer Care department.

Human resources

Behavioural and Managerial Training

The implementation of training sessions about behavioural and managerial topics is based on the result of a constant analysis process, that allow the identification of the training needs and development of all employees.

During 2024, specific managerial training paths have been done, with the goal of developing the leadership at each stage of managers working cycle, supporting them in the guide of their teams, in reaching company targets and creating a motivating and inclusive working context. The contents of the programs are aligned to the strategical priorities, complexities, and challenges typical of the role, based on the seniority level, too.

Regarding Behavioural and Soft skills Training, in 2024 have been released some training paths that had the aim to improve employees skills and abilities, enriching the professional and personal background of everyone.

This year, too, with the purpose of meeting the behavioural, managerial and personal training needs of all employees, a freely accessible online training catalogue continued to be available on our learning platform, that is constantly enriched with new courses, organized by macro-training areas: Communication & Influencing; People & Self-Management; Leadership; Efficiency, Execution & Organization; Ethics & Respect, Diversity & Inclusion; Health & Safety; Languages.

Then, the course “Lavoriamo come mangiamo: pillole di nutrizione” is available to every colleague and has the aim of giving tips and tricks about how to maintain healthy eating habits, even during the working day in the office.

Even in 2024, FinecoBank has renewed the partnership with Valore D, that offers to employees the chance of having access to contents and courses designed to enhance the female talent and promote the Company inclusive culture, with specific focus on gender equality, and included topics like unconscious stereotypes, language inclusiveness, collaboration in heterogeneous teams, enhancement of resources and gender and sexual harassment on workplace.

Foreign Language Training

Regarding language training, also this year all employees had the opportunity to use a dedicated training platform, based on Artificial Intelligence, with the aim to increase English language skills of everyone through a custom learning path, based on the initial level of knowledge and on the own interests of the learner.

In addition, as usual, the Bank has activated an English language course that involved 300 employees (groups and one-to-one lessons), held by phone or virtual classes. Furthermore, some specific resources received Legal English and German training, too.

The participation of the employees in foreign language training courses is defined every year on the basis of the requests of the Unit Managers, considering the specific professional needs of the colleagues.

Even in the online training catalogue, we have added some German, Spanish, French and *Business English* courses.

The subsidiary: Fineco Asset Management Designated Activity Company (Dac)

As at December 31st, 2024, the Company’s employees are 83 of which women 34 and 49 men and the average age is around 37.

The hirings were aimed at strengthening both the business and support and control functions.

Employees training during 2024 has been focused on the acquisition and consolidation of competencies required by the different company needs, and on the update of individual knowledges, with special attention to Mandatory Training. This one, plays indeed a very important role for the constant spread and improvement of Risk and Compliance culture, elements that let the Group business be profitable and sustainable over time.

Human resources

Incentive plans

FinecoBank Board of Directors on January 16th, 2024 – in consideration of the favourable opinion of the Remuneration Committee held on January 12th, 2024 – approved the following incentive systems subsequently approved by the Shareholders' Meeting of April 24th, 2024:

- 2024 Incentive System for employees classified as Identified Staff;
- 2024-2026 Long-term Incentive System for Employees;
- 2024 Incentive System for Personal Financial Advisors classified as Identified Staff.

In addition, on February 6th, 2024, upon the favourable opinion of the Remuneration Committee held on February 5th, 2024, the Board of Directors of FinecoBank approved:

- for the 2018, 2019, 2020, 2021 and 2022 Incentive Systems:
  - the execution of the plans;
  - the allocation of the last share tranche of the 2018 plan, awarded in 2019, corresponding to overall 32,525 free ordinary shares, in line with the maximum amount approved by the Board of Directors on January 10th, 2018;
  - the allocation of the third share tranche of the 2019 plan, awarded in 2020, corresponding to 32,771 free ordinary shares, in line with the maximum amount approved by the Board of Directors on January 10th, 2019;
  - the allocation of the second and third share tranche of the 2020 plan, awarded in 2021, corresponding to 37,918 free ordinary shares, in line with the maximum amount approved by the Board of Directors on January 15th, 2020;
  - the allocation of the second share tranche of the 2021 plan, awarded in 2022, corresponding to 2,690 free ordinary shares, in line with the maximum amount approved by the Board of Directors on January 19th, 2021;
  - the allocation of the first share tranche of the 2022 plan, awarded in 2023, corresponding to 59,246 free ordinary shares, in line with the maximum amount approved by the Board of Directors on January 18th, 2022;
  - a free capital increase effective from March 28th, 2024 for a total amount of € 54,499.50 corresponding to 165,150 free FinecoBank ordinary shares with a nominal value of € 0.33 each (with the same characteristics as those in circulation and with regular dividend entitlement), in partial exercise of the authority granted to the Board of Directors by the Extraordinary Shareholders' Meeting of April 11th 2018, April 10th 2019, April 28th 2020, April 28th 2021 and April 28th 2022 pursuant to Article 2443 of the Italian Civil Code. The dilution effect resulting from the above free capital increase has been quantified as 0.03% of the fully diluted capital;
  - the payment of the second cash tranche related to the 2021 Incentive System, the second cash tranche related to the 2020 Incentive System and the last cash tranche related to the 2018 Incentive System.
- for the 2023 Incentive System (Bonus Pool):
  - the FinecoBank 2023 Bonus Pool;
  - the proposed 2023 bonus for the Chief Executive Officer and General Manager, the other Executives with Strategic Responsibilities and other Identified Staff;
  - the allocation of 183,332 FinecoBank ordinary shares, to be allocated free of charge to the above-mentioned personnel in accordance with the relevant plan rules;
  - the payment of the first tranche in cash.
- for the 2018-2020 Long Term Incentive Plan for the employees:
  - the execution of the plan;
  - the allocation of third and fourth share tranches of the plan, granted in 2018 and corresponding to 114,511 FinecoBank free ordinary shares, and subsequently, a free capital increase effective as of March 28th, 2024, for a total amount of € 37,788.63 in partial exercise of the authority granted to the Board of Directors by the Extraordinary Shareholders' Meeting of April 11th, 2018 pursuant to Article 2443 of the Italian Civil Code.
- for the 2021-2023 Long Term Incentive Plan for the employees:
  - the execution of the plan;
  - the award of 733,728 FinecoBank ordinary shares, to be allocated free of charge to the above-mentioned personnel in accordance with the relevant plan rules;
  - the allocation of first share tranche of the plan, granted in 2021 and corresponding to 88,131 FinecoBank free ordinary shares, and subsequently, a free capital increase effective as of March 28th, 2024, for a total amount of € 29,083.23 in partial exercise of the authority granted to the Board of Directors by the Extraordinary Shareholders' Meeting of April 28th, 2021 pursuant to Article 2443 of the Italian Civil Code.
- for the 2023 PFA Incentive System plan:
  - the 2023 Bonus Pool for personal financial advisors;
  - the proposed 2023 bonuses for personal financial advisors classified as Identified Staff;
  - the allocation of 43,673 FinecoBank shares (within the maximum 246,015 ordinary shares), to be allocated free of charge to the above-mentioned personal financial advisors in accordance with the relevant plan rules;
  - the purchase of treasury shares, having obtained the authorisation from the Supervisory Authority, pursuant to Articles 77-78 EU 575/2013 of June 26th, 2013 (CRR) as amended by EU Reg. no. 876/2019, in accordance with the shareholder meeting resolution
  - the payment of the first tranche in cash.
- for the 2022, 2021, and 2020 PFA Incentive System plans:

Human resources

    - the execution of the plan;
    - the allocation of the first tranche in shares of “2022 PFA Incentive System plan” corresponding to 16,480 FinecoBank shares to the personal financial advisors classified as "Identified Staff", in accordance with the plan rules;
    - the allocation of the second tranche in shares of “2021 PFA Incentive System plan” corresponding to 19,004 FinecoBank shares and the third tranche in cash to the personal financial advisors classified as "Identified Staff", in accordance with the plan rules;
    - the allocation of the third tranche in shares of “2020 PFA Incentive System plan” corresponding to 12,781 FinecoBank shares and the second and fourth tranche in cash to the personal financial advisors classified as "Identified Staff", in accordance with the plan rules.
- for the 2018-2020 Long Term Incentive Plan for FinecoBank Personal Financial Advisors classified as Identified Staff:
    - the execution of the plan;
    - the allocation to the beneficiaries of the second tranche of the Plan corresponding to 6,194 Finecobank shares.

On May 7th 2024, the Board of Directors of FinecoBank, taking into account the favourable opinion of the Remuneration Committee, which met on May 6th 2024, resolved to grant a maximum of 862,087 FinecoBank ordinary shares to the beneficiaries of the "2024-2026 Long-Term Incentive Plan for Employees", to be awarded in 2027 upon verification of the entry and performance conditions provided for in the plan itself.

On April 22nd, 2024, the Board of Directors of Fineco Asset Management DAC approved the 2024 incentive system for the local Identified Staff.

Technology infrastructure

FinecoBank is one of the most important FinTech banks and offers a unique business model in Europe, combining the best platforms with a large network of financial advisors. Fineco offers banking, credit, trading and investment services from a single account through transactional and advisory platforms developed with proprietary technologies.

Fineco's competitive strategy is based on an approach that has always driven the Bank: the interpretation of customer needs and the information system represents a tool of primary importance for the achievement of both strategic and operational objectives: Fineco combines customer care with an intrinsic component of innovation that succeeds in following the most current technological trends also through its internal culture, making the customer experience fluid and intuitive on all channels.

Over the years, the strategic choice in IT and Security has been to internally oversee all the technological and security activities that could provide a significant contribution to business development. This approach has made it possible to offer customised and distinctive products, maintain internal know-how and a high level of control over the evolution of its technology and services, maintain intellectual property rights over the applications developed and the algorithms supporting them, and guarantee a rapid time to market, as well as better and more consistent performance in the provision of services.

The current architecture is structured on several logical layers, segregated in terms of networks and delivery systems:

- Frontend layer for web, mobile and phone banking applications;
- Backend layer for the delivery of core services such as banking, trading and consultancy services;
- Technical integration layer that allows the two previous layers to interact and integrate with the necessary counterparts (info-providers, markets, partners, etc.);
- Data layer, which houses all the company's information assets, structured and unstructured.

The architectural and development paradigms in use, oriented towards “agile development'” together with the adoption of latest-generation technologies, enable the effective and sustainable integration of distribution channels, the internal operating platform, and the applications through which customers access their services.

The aim is to have a high degree of sustainability in terms of technological cost structure, a high degree of scalability of a “horizontal” type, to design services that are delivered in a distributed manner, and to keep in-house the development and management of value-added applications that represent a competitive factor for Fineco, whether quantifiable in terms of “time to market” or efficiency/ operational leverage.

During 2024, the Bank continued carrying out its activities for technological renewal, infrastructure and applicative optimisation with a focus on the consolidation and development of the information system, aimed at providing innovative, reliable, interoperable and open services that improve the experience of customers and financial advisors, as well as ensuring adherence to the opportunities offered by the regulatory landscape.

Regarding Fineco AM, the company uses a third-party platform for the manage investment services.

Disclosure on Russian-Ukrainian crisis risks– cyber attack

With reference to ICT and Cyber risks, the Group continues to address the objective to ensure the protection of clients by guaranteeing data security, declined in its characteristics of availability, confidentiality and integrity: in light of the Russian-Ukrainian crisis on EU financial markets, special attention has been paid to the assessment of related risks. In compliance with the measures provided for by current legislation, Fineco continues to undertake the initiatives aimed at verifying its security posture and operational readiness also making use of the indications and recommendations suggested by the various national and international bodies. Without prejudice to the fact that Fineco has always adopted best practices in the field of security, in both technical and organizational/procedural terms, additional mechanisms have in any case been evaluated and introduced to cope with any impacts arising from the contingent situation.

Internal control system

The internal control system is a fundamental part of the overall governance system of banks. It ensures that bank activities are in line with bank policies and strategies and are based on principles of sound and prudent management.

Circular no. 285 of December 17th, 2013 (as amended) defines the principles and guidelines with which the internal control system of banks must comply. The circular defines the general principles of organisation, identifies the role and responsibilities of governing bodies, and sets out the characteristics and roles of corporate control functions.

FinecoBank also adheres to the Corporate Governance Code of listed companies by implementing the recommendations of the Corporate Governance Committee of listed companies regarding the governance of the internal control system.

The internal control system must provide protective measures that cover all types of business risk. The primary responsibility for these tasks lies with the bank's bodies, each in accordance with its specific duties. The structure of tasks and lines of responsibility of corporate functions and bodies must be clearly specified.

Banks must apply the provisions according to the proportionality principle, i.e. taking into account the operating scale and organisational complexity, the nature of the activities carried out, and the type of services provided.

As part of the supervisory review and evaluation process, the European Central bank and the Bank of Italy verify the internal control system in terms of completeness, suitability, functionality (in terms of efficiency and effectiveness) and reliability of banks.

In accordance with the provisions laid down by the Supervisory Authority, the Bank's internal control system consists of a set of rules, functions, organisational structures, resources, processes and procedures aimed to ensure the achievement of the following objectives, in compliance with the principles of sound and prudent management:

- verifying the implementation of the Bank's strategies and policies;
- containing risk within the limits set out in the Bank Risk Appetite Framework - "RAF";
- preventing the Bank's involvement, even if unintentional, in unlawful activities (with specific reference to money laundering, usury and the financing of terrorism);
- protecting the value of assets and preventing losses;
- ensuring the effectiveness and efficiency of corporate processes;
- ensuring the security and reliability of the Bank information and ICT procedures;
- compliance of transactions with the law and supervisory regulations, as well as with the policies, regulations and internal procedures of the Bank and the FinecoBank Group.

Consistently with the European Banking Authority's ("EBA") Guidelines on Internal Governance and the relevant locally applicable regulations,as part of the Internal Control System, the Body with Strategic Oversight function of each Companies, among other things, oversees the internal control framework, including a sound and effective risk management framework, and periodically assesses the adequacy/effectiveness of the Internal Control System by identifying appropriate measures to address any identified weaknesses.

FinecoBank reports annually on its internal control and risk management system as part of the "Report on Corporate Governance and Ownership Structures" reports information. In addition, also on an annual basis, FinecoBank, carries out the Group ICS Assessment, which is an activity that gathers and summarises the contributions of the players in the Bank's Internal Control System, coordinated by the Chief Executive Officer, in order to verify the adequacy and efficiency of the System itself. This activity is one of the elements supporting the activity of verifying the adequacy and efficiency of the Internal Control System, in conjunction with the other contributions that are brought to the attention of the Corporate Governance Bodies during the year by the various players in the Bank's Internal Control System (e.g. periodic and/or event-driven reports from the Heads of the Corporate Control Functions, information from the Manager in charge of preparing the accounting and corporate documents for the purpose of preparing the financial statements) and/or from outside the Bank (e.g., from the Independent Auditors, from the Supervisory Authorities).

In the Organisation and Management Model of FinecoBank (pursuant to Legislative Decree.231/01) sets out the salient features of the internal control system, which plays a central role in the company's organisation, (i) representing a fundamental element of knowledge for the company bodies so as to guarantee full awareness of the situation and effective control of the company's risks and their interrelationships (ii) guiding changes in the company's strategic lines and policies, (iii) making it possible to adapt the organisational context in a coherent manner, (iv) overseeing the functionality of management systems and compliance with prudential supervisory institutions, and (v) fostering the dissemination of a correct culture of risks, legality and corporate values.

FinecoBank, as parent company, has provided the Group with a coherent system of internal controls allowing for effective control of the strategic choices of the group as a whole and the management balance of each group legal entity.

From a methodological point of view, the Internal Control System of the Bank and Fineco AM, the only subsidiary, provides for three types of controls:

- first level controls ("line controls"): these are controls for individual activities and are carried out according to specific operational procedures based on a specific internal regulation. Monitoring and continuously updating these processes is entrusted to 'process supervisors' who are charged with devising controls able to ensure the proper performance of daily activities by the staff concerned, as well as the observance of any delegated powers. The processes subject to control relate to units that have contact with customers, as well as completely internal units;

Internal control system

- second level controls: these are controls related to daily operations connected with the process of measuring risks and are carried out continuously by non-operating units. Controls on market, credit and operational risks, aimed at verifying compliance with the limits assigned to the various operational functions and controlling the consistency of the operations of the individual production areas with respect to the predefined risk/return objectives, are assigned to the Risk Management function (CRO); controls on the risks of non-compliance with regulations are the responsibility of the Compliance Department and of the Anti-Money Laundering and Anti-corruption Department on their respective areas of competence; in regulatory areas for which forms of control are already envisaged by specialised structures, the control of non-compliance risk is assigned to the latter on the basis of the “Indirect Coverage” operational model;
- third level controls: these controls are typical of internal auditing, based on analysis of information obtained from databases or company reports, as well as on-site controls. This type of control aims to identify breaches of procedures and regulations, in addition to periodically assessing the completeness, adequacy, functioning (in terms of efficiency and effectiveness) and reliability of the internal control system and information system (ICT audit) at a set frequency based on the nature and level of the risks. These controls are assigned to the Internal Audit function; to verify the compliance of the behaviour of the companies belonging to the Group with the guidelines of the Parent Company as well as the effectiveness of the internal control system, the internal audit function of FinecoBank, on a consolidated level, periodically carries out on-site controls on the components of the Group, taking into account the importance of the different types of risk assumed by the entities;
- institutional supervisory controls: these are the controls carried out by the Bank's institutional bodies including, in particular, those of the Board of Statutory Auditors and of the Supervisory Board pursuant to Legislative Decree No. 231 of 8th June 2001.

With regard to the subsidiary Fineco AM, the organisational structure involves the performance of Compliance, Risk Management and Internal Audit activities by units within the company.

As parent company, FinecoBank defines the relevant control and monitor measures of the subsidiary Fineco AM, ensuring an alignment of the implementation of the group internal control system, where possible, in consideration of the specific business carried out by the Irish controlled entity.

The Parent Company's 2nd and 3rd level controls units submit an annual report to the corporate bodies illustrating the controls carried out, their results, and the weaknesses detected with reference to the Parent Company and the banking Group as a whole, and proposing steps to be taken to remedy these deficiencies.

Institutional supervisory controls have also been set up at the Parent Company: these refer to controls by the Bank's supervisory bodies, including in particular the Board of Statutory Auditors and the Supervisory Body pursuant to Italian Legislative Decree no. 231 of June 8th, 2001.

Considering the functions and units involved, the FinecoBank's internal control system is based on:

- control bodies and functions including, according to their respective responsibilities, the Board of Directors, the Risk and Related Parties Committee, the Remuneration Committee, the Appointments Committee, the Corporate Governance and Environmental and Social Sustainability Committee, the Chief Executive Officer and General Manager, the Board of Statutory Auditors, the Supervisory Body set up pursuant to Legislative Decree 231/01 and the corporate control functions (Risk Management, Compliance, Internal Audit)[1] as well as other company functions with specific internal control duties[2];
- procedures for the coordination of entities involved in the internal control and risk management system, which provide for:
  - cooperation and coordination among control functions, through specific information flows that are formalised in internal regulations and through managerial committees dedicated to control issues;
  - definition of information flows between the Bank's corporate bodies and control functions.

[1] The corporate control functions also include the Anti-Money Laundering Function, the Validation Function as regulated by the relevant provisions and the ICT and Security Risk Control Function as regulated by Chapter 4, Section. II, par. 4 of the Bank of Italy Circular no. 285/2013. On December 14th, 2023 with effect from April 1st 2024, the Board of Directors of the Bank approved an organizational change that established the transfer of the Anti-Money Laundering and Anti-Corruption Function unit from the Compliance Function, bringing it to report directly to the CEO and General Manager and his reclassification to Department. The DPO, Outsourcing, & ICT & Security Compliance Unit also operates within the Compliance Department, whose manager is assigned the role of Data Protection Officer by resolution of the Board of Directors of FinecoBank.

[2] The legislative framework could assign control tasks to specific functions - other than corporate control functions - which activity must be integrated within the Internal Control System.

In this regard, the Bank has identified some functions / organizational structures which, on the basis of specific tasks assigned, oversee certain regulatory areas. In particular, the safeguards of the Manager in charge of preparing the corporate accounting documents and that of Control on the sales network of the tied agents are relevant.

The model of the indirect control presumes that other functions than Compliance, known as "Specialist Areas" (such as Tax, HR, etc.) have the main responsibility for certain regulatory areas that are not covered by Compliance. In order to provide an overall view on the compliance risk, Compliance function could delegate related assessments for the areas controlled directly and those controlled jointly with the specialized areas. However, Compliance remains the responsible function in collaboration with the specialist areas at least for the definition of the methodology for risk assessment and for the evaluation of the compliance risk and the identification of the related procedures, therefore, proceed to verify the adequacy of the procedures in place to prevent the compliance risk.

Currently are identified the following specialized areas:

- Corporate Law & Board Secretary's Office in relation to the regulatory requirements provided for company representatives and for the functioning of the Assembly, ; Representative of Health and Safety at work (Delegate 81); Responsible for the works regarding Temporary or mobile constructions site (pursuant to the Legislative Decree 81/2008 Title IV) Procurement Office in the field of health and safety at work pursuant to the Legislative Decree 81/2008 art. 16; Human resources in the field of labour law; in the field of health and safety at work (Legislative Decree 81/2008 Title I) and in the field of environmental protection related to initiatives to support the sustainability of travel for employees; CFO - Tax Affairs and Consulting; CFO -technical structure Sustainability responsible for the activities of environmental management system area (EMAS Regulation) in line with the regulatory provisions introduced by the CSRD - Corporate Sustainability Reporting Directive (EU Directive 2022/2464 of 14 December 2022).

All corporate functions, other than the Corporate Control Functions, participate in the Internal Control System by carrying out the first level controls, which are incorporated into their relevant business processes.

Internal control system

In addition, it should be noted that the FinecoBank Group, as a significant institution according to Regulation (EU) No. 468/2014, is subject to the direct supervision of the European Central Bank (ECB). Consequently, the annual Supervisory Review and Evaluation Process (SREP) Assessment, is carried out by a Joint Supervisory Team (JST), composed by ECB analyst from the DG “Specialized Institutions & LSIs” as well as members of the “Banking Supervision 1 department” of the Bank of Italy.

Main risks and uncertainties

In this Report on operations a representation has been provided of the macroeconomic framework and the main risks inherent in it, to be read consistently with the forward-looking indications contained in the chapter on the foreseeable evolution of operations, an update has also been provided information on the control of the main risk aspects for the Group related to the military conflict between Russia and Ukraine.

For more details of the risks and uncertainties faced by the Bank and the Group in the current market situation, see Part A - Accounting policies and Part E – Information on risks and hedging policies of the notes to the consolidated accounts and of the notes to the accounts.

Organisational structure

The Parent Company's Organisational Model

The Parent Company follows a functional organisational model that groups operations on the basis of a specific function and common processes; all knowledge and abilities concerning specific operations are constantly built and strengthened, creating thorough expertise for every individual unit and thus for the organisation as a whole. The strength of the functional model is its ability to promote economies of scale, as all employees belonging to a given function will share competencies and processes, avoiding duplication and waste. The functional model also facilitates the development of vertical capacities and knowledge within the specific area and ensures a dynamic decision-making process. Although the Parent Company's current arrangement applies the concept of "functional specialisation", horizontal connections across the different functions are maintained, in part through a project-based approach at every phase of definition and release of products and services: project groups involve one or more members of the appropriate functions who bring their own in-depth knowledge from their area of expertise. The horizontal connections are also guaranteed by the work of managerial committees whose duties include monitoring progress on the most important projects. The synergies between the distribution channels and the monitoring of decision-making processes that cut across the departments are ensured by a Management Committee.

The model followed by the Bank identifies the following corporate control functions: i) compliance with regulations; ii) risk management; iii) internal audit and iv) anti-money laundering function[6]; as well as additional specialised functions, including the CFO (Chief Financial Officer), the Manager in charge of overseeing the preparation of the company's accounting documents, Legal Affairs, Chief People Officer, Corporate Identity, and oversight of the PFA network.

In addition, the model identifies three additional functional lines, which govern:

- the sales network (Network PFA & Private Banking Department);
- the business (Global Business Department);
- operational functioning (Global Banking Services Department).

In brief:

- the Network PFA & Private Banking Department is responsible for overseeing the management and development of the personal financial advisors network enabled for off-site distribution, and for providing the necessary support to the sales network in the management of Private Banking customers;
- the Global Business Department is responsible for overseeing the development of Trading, Banking, Credit and Investing products and the financial advisory services provided to the Bank's customers;
- the Global Banking Services (GBS) Department coordinates the organisational units in charge of monitoring the organisational/operating processes and the ICT and logistics systems needed to ensure the effective and efficient operation of business support systems. The following organisational units report to the GBS Department: ICT & Security Office Department (CIO), Customer Relationship Management (CRM) Department, Organisation & Bank Operations Department, Financial Operations Department, Group Data Officer team, Procurement Office Team, Real Estate Unit, General Services Unit and Operational Monitoring & Private Bankers Team.

The three Deputy General Managers and related Departments (Network PFA & Private Banking Department, Global Business Department and Global Banking Services Department) report to the Chief Executive Officer and General Manager, in addition to the following organizational structures: the Chief Financial Officer (CFO) Department, the Chief Risk Officer (CRO) Department, the Chief Lending Officer (CLO) Department, the Network Controls, Monitoring & Services Department, the Legal & Corporate Affairs Department, Chief People Officer Department, Compliance Department, Anty-Money Laundering & Anticorruption Department, the Regulatory Affairs Team & Resolution Unit and the Identity & Communications Team.

Internal Audit reports directly to the Board of Directors, the Body responsible for Strategic Supervision.

The Board of Directors in December 14th, 2023 resolved:

- with effect from January 1st, 2024, within the *Global Business Department*, the creation of a new structure dedicated to monitoring emerging technology trends in the fintech brokerage landscape;
- with effect from April 1st, 2024, the transfer of the *Anti-Money Laundering and Anti-Corruption Function* to report directly to the Chief Executive Officer & General Manager and its upgrading to Department.

During the second half of 2024 the Board of Directors resolved:

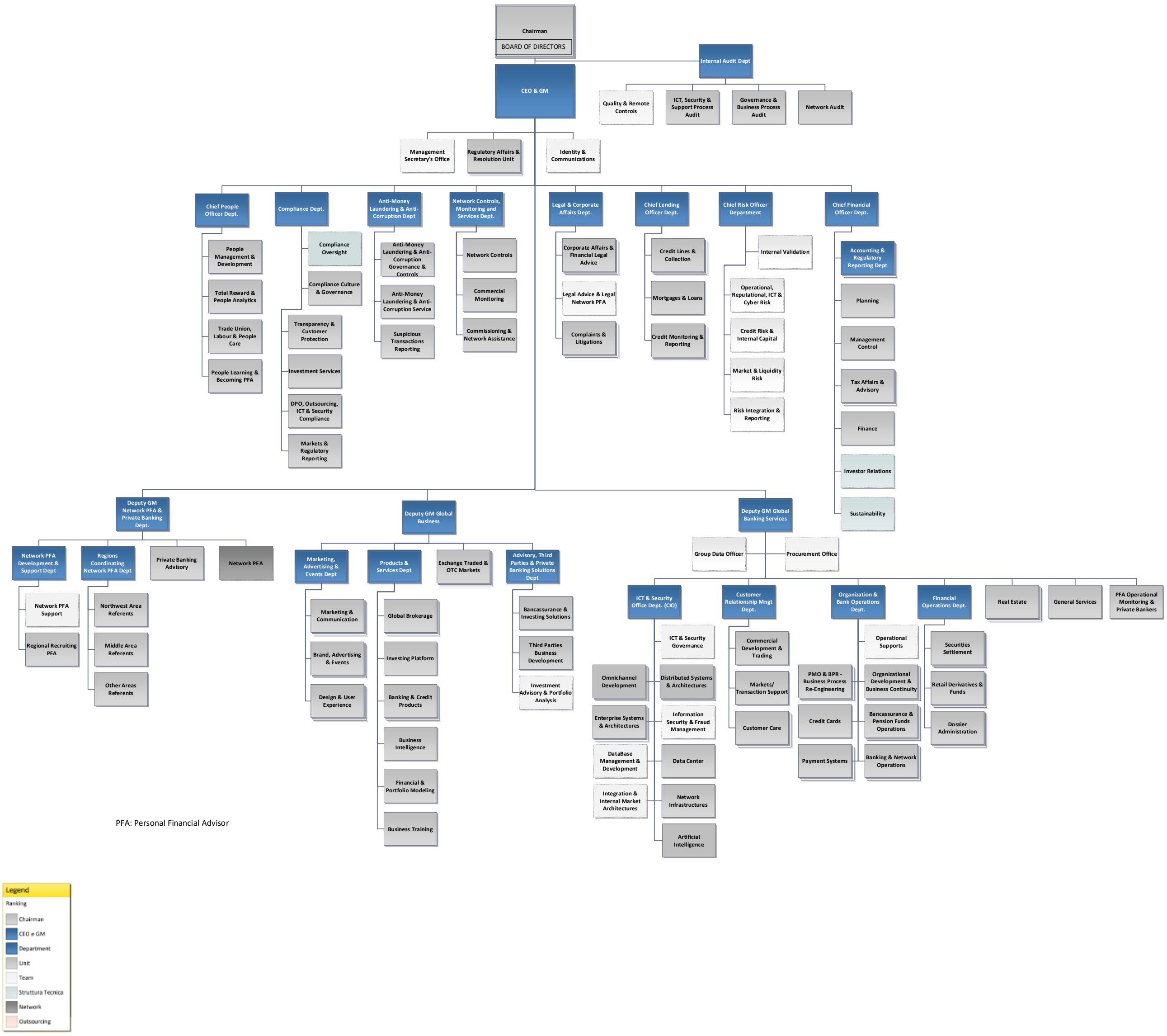
- in July 2024 with effect from September 1st, 2024
  - the evolution of the Data Governance organizational with the assignment of new responsibilities, also with reference to *Risk Data Aggregation & Risk Reporting* issues;
  - within the *Chief Lending Office Department*, the creation of a monitoring structure to identify significant increases of credit risk;

[6] The corporate control functions also include the validation function as governed by the relevant provisions and the ICT and security risk control function as governed by Chapter 4, Section II, Paragraph 4 of Bank of Italy Circular No. 285/2013

Organisational structure

- within the *Global Business Department*, a reorganization of some structures in marketing and events management (corporate and retail) areas, to improve their efficiency;

- in September 2024 the update of internal regulations related to the appointment of the new *Manager in charge of overseeing the preparation of the company's accounting documents* and the creation of a new structure dedicated to artificial intelligence within the *ICT & Security Office Department (CIO)*;
- in December 2024 the revision of the *Regulatory Affairs & Resolution Unit* structure to ensure greater oversight of interactions with Authorities and the production of reports for the Corporate Bodies; this change will take effect on January 1st, 2025.



Organisational structure

Group management system

The Parent Company FinecoBank is responsible for maximizing the long-term value of the Group as a whole, guaranteeing the unitary governance, direction and control of the Group entities.

For this purpose, FinecoBank has defined rules for the governance of the FinecoBank Banking Group in order to fully exercise its role in managing and coordinating the Group[7], as well as outlining the Group's managerial/functional management system and disciplined the key processes between the Parent Company and the entities of the Group.

The Parent Company ensures the coordination of the entities' activities with a managerial management system based on the concept of the "competence lines", through the strong functional link between the Parent Company structure and the organizational structure of the entities (the entity's homologous function).

The Competence Lines are represented by the structures/functions which, operating transversally between the Parent Company and the Group' entities, have the objective of directing, coordinating and controlling the activities and risks of the Group as a whole and through the structures/functions present locally of the entities. The Competence Lines operate in the following areas: Investor Relations, Finance and Treasury, Planning and Control, Accounting & Regulatory reporting, Planning and Tax Affairs and Advisory (Chief Financial Officer area); Financial Statement (Manager in charge of overseeing the preparation of the company's accounting documents), Risk Management (within the Chief Risk Officer area); Credit (within the Chief Lending Officer); Legal/Corporate; Compliance; Anty-Money Laundering & Anticorruption; Internal Audit, Chief People Officer, Identity & Communication, Organization/Business Continuity & Crisis Management/ICT/Data Governance/Security/Purchasing (Global Banking Services).

With the aim of achieving a strong functional and managerial connection at Group level, within the constraints set by applicable local laws and regulations, the Competence Line Managers have a direct role and, in compliance with the responsibilities of the Corporate Bodies of the Entities, specific powers of direction, support and control with reference to the corresponding functions of the entities, always in coordination with the Top Management of the respective entity.

[7] In accordance with Article 61 of Legislative Decree no. 385 of September 1st, 1993 (the "Italian Banking Law") and the Supervisory Instructions issued by the Bank of Italy.

Business Continuity Plan (BCP)

At consolidated level, the Parent Company has issued guidelines on emergency and crisis management and business continuity management, which envisage a decentralised model of emergency management, based on the plans of the individual companies which reflect their specific circumstances.

As required by the applicable regulations, the Parent Company has adopted a model that comprises organisational units dedicated to managing Business Continuity and Crises, both in normal operating conditions and in emergency situations.

The Bank's Business Continuity and Crisis Management framework includes *i)* the emergency and crises management plan (ECM Plan), *ii)* the business continuity plan (BCP) – which are an integral part of the disaster recovery plan (DRP, which establishes the measures for the restoration of applications and information technology systems affected by disasters) and of the cyber attack plan (which sets out the strategies for handling large scale cyber attacks) – and *iii)* the management plan for pandemics (which reflects the experience gained during the health emergency caused by the COVID-19 pandemic).

During 2024, the emergency and crisis management guidelines, in alignment with external reference regulations (EU Regulation 2022/2554 *Digital Operational Resilience Act* - DORA), as well as the plans concerned, were duly updated in order to incorporate them and business developments, as part of the annual update. The Bank has maintained remote working as the main emergency management measure under the BC Plan. These BC&CM plans are subject to the usual annual reviews by the competent structures.

In line with the Group's governance guidelines and the evolution of the business, the Irish subsidiary Fineco Asset Management DAC has adopted its own ECM, BC and DR plans; the measures adopted include remote working as an emergency solution in its business continuity plan.

Main balance sheet aggregates

Cash and cash balances

Cash and cash balances amounted to € 1,962.9 million as at December 31st, 2024 (€2,266.6 million as at December 31st, 2023). The item consisted mainly of the overnight deposit opened at the Bank of Italy, for a total amount of € 1,688 million, the liquidity deposited to the Bank of Italy, net of the stock related to the minimum reserve requirement allocated for the current reporting period, which is represented in the item Loans and receivables to banks, in the amount of € 0.9 million, as well as liquidity deposited on current accounts with credit institutions for the settlement of payment transactions, for the settlement of securities transactions, for the management of Fineco AM's liquidity, for a total amount of € 274 million.

Financial assets held for trading

Financial assets held for trading totalled € 28.5 million and include financial instruments that meets the definition of held for trading, in particular:

- equities, amounted to € 22.1 million (€ 8.8 million as at December 31st, 2023), held in the Bank's portfolio as mainly used for the managerial hedging of positions on derivative contracts on shares open in counterpart of the customers and, to a lesser extent, from the internalisation activity and intended to be traded in the short term;
- the positive valuation of spot contracts for securities in the held for trading portfolio and currencies to be settled in time frames established by market practices ("regular way") for € 1.2 million (€ 1.7 million as at December 31st, 2023), which correspond to negative valuations booked under "Financial liabilities held for trading";
- the positive valuation of CFD derivatives, traded in counterpart of the customers, and derivative contracts settled or entered into with institutional counterparties used for the related operational hedging of the above-mentioned derivative contracts and of the derivative contracts Knock Out Options and Certificates issued, for a total amount of € 5.2 million (€ 3.6 million as at December 31st, 2023).

CFDs are "Over the counter" derivative contracts that require the payment of a spread generated by the difference between the opening and closing price of the financial instrument. The Bank in operational terms hedges the imbalance of customer positions by underwriting futures or the purchase/sale of equity securities on the same underlyings or through forex transactions with institutional.

Loans and receivables to banks

(Amounts in € thousand)

	Amounts as at		Changes	
	12/31/2024	12/31/2023	Amount	%
Loans and receivables to central banks	**283,355**	**269,082**	**14,273**	**5.3%**
Loans and receivables to banks	**87,378**	**107,291**	**(19,913)**	**-18.6%**
Time deposits	63,624	71,303	(7,679)	-10.8%
Other loans:	23,754	35,988	(12,234)	-34.0%
1. Reverse repos	292	397	(105)	-26.4%
2. Others	23,462	35,591	(12,129)	-34.1%
Total	**370,733**	**376,373**	**(5,640)**	**-1.5%**

Loans and receivables to banks amounted to € 370.7 million, decreasing by € 5.6 million compared to December 31st, 2023 and mainly consist of the compulsory reserve at the Bank of Italy and deposits to banks.

"Loans and receivables to central banks" consist exclusively of the compulsory reserve deposit previously deposited in Bank of Italy which, as described above, corresponds to the stock of the minimum reserve requirement allocated for the current reporting period.

The item "Other loans: 1. Reverse repos" include only stock lending transactions, which are securities lending transactions secured by amount of money at the lender's full disposal and which are, in substance, equivalent to repurchase agreements on securities. The item does not include the technical form of securities lending with collateral consisting of other securities or without collateral. These transactions are shown as "off-balance sheet" transactions in table A.1.4 in Part E - Information on risks and related hedging policies - Section 2 - Risks of the prudential consolidation - Quantitative information in the notes to the consolidated accounts.

The item "Other loans: 2. Others" consists of € 9.9 million for the amount of the initial margin, variations margins and collateral deposits for derivative and other financial instrument transactions (€ 28.5 million as at December 31st, 2023) and € 13.5 million for current receivables associated with the provision of financial services (€ 7.1 million as at December 31st, 2023).

Main balance sheet aggregates

Loans and receivables to customers

(Amounts in € thousand)

	Amount as at		Changes	
	12/31/2024	12/31/2023	Amount	%
Current accounts	2,052,968	2,173,882	(120,914)	-5.6%
Reverse repos	158,389	130,237	28,152	21.6%
Mortgages	2,311,534	2,500,015	(188,481)	-7.5%
Credit cards and personal loans	874,292	857,653	16,639	1.9%
Other loans	838,460	536,754	301,706	56.2%
Total	**6,235,643**	**6,198,541**	**37,102**	**0.6%**

Loans and receivables to customers amounted to € 6,235.6 million, increase by € 37.1 million compared to December 31st, 2023 (0.6%, and can be broken down as follows:

- credit facilities in current accounts of € 2,053.0 million, mainly with credit lines, that decreased by € 120.9 million compared to December 31st, 2023, of which loans with a security collateral (in particular "Credit Lombard") totalled to € 1,934 million;
- € 158.4 million in reverse repos, increasing by € 28.2 million compared to December 31st, 2023, mainly made by "Multiday leverage" with retail customers and stock lending transactions with institutional customers, securities lending transactions guaranteed by sums of money readily available to the lender and which are basically the equivalent of repos on securities, the amount of which is directly linked to the transactions carried out by customers and outstanding at December 31st, 2024. Repo transactions carried out by the Parent Company treasury on the Repo MTS market and settled through a Central Counterparty, subject to netting in the balance sheet as required by IAS 32, amounted to € 5.1 million (€ 3.3 million as at December 31st, 2023);
- € 2,311.5 million in mortgages, down € 188.5 million compared to December 31st, 2023. Disbursements in 2024 amounted to € 63.3 million, decreasing by 52.70% compared to 2023, also due to the rise in interest rates;
- € 874.3 million in credit cards (revolving and use) and personal loans, up by € 16.6 million;
- € 838.5 million in other loans, mainly made by loans granted to Cronos Vita Assicurazioni S.p.A., for a carrying amount of € 527.4 million, collateral deposits and initial and variation margins for derivative and other financial instrument transactions, for an amount of € 155.6 million (€ 103.7 million as at December 31st, 2023), and current receivables associated with the provision of financial services, for an amount of € 151.5 million (€ 136.3 million as at December 31st, 2023).

The item "Reverse repos" does not include the technical form of securities lending with collateral consisting of other securities or without collateral. These transactions are shown as "off-balance sheet" transactions in table A.1.5 in Part E - Information on risks and related hedging policies - Section 2 - Risks of the prudential consolidation - Quantitative information in the notes to the consolidated accounts.

Main balance sheet aggregates

The portfolio of **loan and receivables to ordinary customers** amounted to € 5,242.8 million and mainly consists of receivables for personal loans, mortgages, credit facilities in current accounts and credit card revolving and use. The stocks as at 31 December 2024 showed a general decrease compared to the end of the previous year, with the exception of credit card use and, in particular, balance credit cards.

(Amounts in € thousand)

Loans and Receivables to Customers (Management Reclassification)	Amounts as at		Changes	
	12/31/2024	12/31/2023	Amount	%
Current accounts	2,051,186	2,171,981	(120,795)	-5.6%
Credit cards use	408,444	354,091	54,353	15.4%
Mortgages	2,309,858	2,498,915	(189,057)	-7.6%
Personal loans	465,273	502,827	(37,554)	-7.5%
Other loans	3,966	3,810	156	4.1%
Performing loans	*5,238,727*	*5,531,624*	*(292,897)*	*-5.3%*
Current accounts	1,781	1,901	(120)	-6.3%
Mortgages	1,676	1,101	575	52.2%
Credit cards use	30	63	(33)	-52.4%
Personal loans	545	672	(127)	-18.9%
Other loans	10	22	(12)	-54.5%
Impaired loans	*4,042*	*3,759*	*283*	*7.5%*
Loans receivable to ordinary customers	**5,242,769**	**5,535,383**	**(292,614)**	**-5.3%**
Institutional customer loans	527,411	293,022	234,389	80.0%
Reverse repos	158,316	130,069	28,247	21.7%
Reverse repos - impaired	73	168	(95)	-56.5%
Collateral deposits and initial and variation margins	155,553	103,593	51,960	50.2%
Current receivables associated with the provision of financial services	151,520	136,268	15,252	11.2%
Current receivables associated with the provision of financial services - impaired	1	38	(37)	-97.4%
Current receivables and other receivables	**992,874**	**663,158**	**329,716**	**49.7%**
Loans and receivables to customers	**6,235,643**	**6,198,541**	**37,102**	**0.6%**

Institutional customer loans include, only, loans granted to Cronos Vita Assicurazioni S.p.A..

Impaired assets

(Amounts in € thousand)

Category	Gross amount		Impairment provision		Net amount		Coverage ratio*	
	Amount as at		Amount as at		Amount as at		Data as at	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Bad exposures	17,128	16,019	(16,335)	(14,909)	793	1,110	95.4%	93.1%
Unlikely to pay	7,199	5,665	(5,210)	(3,850)	1,989	1,815	72.4%	68.0%
Past-due loans	3,392	2,410	(2,058)	(1,370)	1,334	1,040	60.7%	56.8%
Total	**27,719**	**24,094**	**(23,603)**	**(20,129)**	**4,116**	**3,965**	**85.2%**	**83.5%**

(*) Ratio of the data in the column Impairment Provision and Gross Amount

The amount of non-performing loans net of impairment losses was € 4.1 million, of which € 0.8 million in bad exposures, € 2.0 million in unlikely to pay exposures and € 1.3 million in past-due loans. The impaired assets are the 0.08% of loan receivables to ordinary customers (0.07% as at December 31st, 2023). The coverage ratio of impaired assets is equal to 85.2%.

Main balance sheet aggregates

Financial investments

(Amounts in € thousand)

	Amounts as at		Changes	
	12/31/2024	12/31/2023	Amount	%
Financial assets at fair value through profit or loss c) other financial assets mandatorily at fair value	5,620	7,010	(1,390)	-19.8%
Financial assets at fair value through other comprehensive income	296,410	29,069	267,341	n.a.
Financial assets at amortised cost	23,121,743	21,365,295	1,756,448	8.2%
- financial assets at amortised cost to banks - debt securities	2,137,781	2,617,222	(479,441)	-18.3%
- financial assets at amortised cost to customers - debt securities	20,983,962	18,748,073	2,235,889	11.9%
Investments in associates and joint ventures	1,674	1,652	22	1.3%
Total	**23,425,447**	**21,403,026**	**2,022,421**	**9.4%**

“Financial assets at fair value through profit or loss c) other financial assets mandatorily at fair value” mainly consist of the Visa INC preferred shares (class “C” and “A”) for a total amount of € 4 million, as well as debt securities and UCITS units in the amount of € 1.5 million.

"Financial assets designated at fair value through other comprehensive income" consist of securities issued by sovereign States and supranational issuers for an amount of € 296.4 million (€ 29.1 million as at December 31st, 2023) and residually of equity interests in companies in which the Group does not exercise control or significant influence for € 57 thousand for which, upon first application of IFRS 9, the "FVTOCI"[8] option was exercised.

The debt securities recorded in "Financial assets at amortised cost" issued by credit institutions or supranational organisations and government agencies that fall under the definition of credit institutions, totalling € 2,137.8 million (€ 2,617.2 million as at December 31st, 2023) and bonds issued by issuers other than credit institutions represented, mainly, by sovereign states, supranational issuers and local authorities, amounting to € 20,984.0 million (€ 18,748.1 million at 31 December 2023). It should be noted that the balance sheet value includes the negative valuation of fixed-rate securities specifically hedged against interest rate risk.

The two main sovereign issuers to which the Group is exposed are the Italian State, whose securities account for 14.83% of balance sheet assets, and the Spanish State, whose securities account for 13.17% of balance sheet assets. For more information on sovereign exposures, see the Consolidated Notes to the Financial Statements - Part E - Information on Risks and Related Hedging Policies - Information on Exposure to Securities Issued by Sovereign States.

The liquidity raised by the Group is mainly used to purchase debt securities, recorded under ‘Financial assets measured at fair value with impact on comprehensive income’ and ‘Financial assets measured at amortised cost’, in compliance with the Investment Plan prepared by the CFO Department, which defines the size and main characteristics of the investment portfolio.

As of 31 December 2024, the investment portfolio of debt securities, whose book value totalled € 23,418.1 million, had a residual maturity of 4 years and a duration of 2.5 years.

[8] With regard to non-trading equity instruments, IFRS 9 provides for the possibility of measuring them at the fair value recognised through other comprehensive income (so-called FVTOCI – fair value through Other Comprehensive Income).

Main balance sheet aggregates

Hedging instruments

(Amounts in € thousand)

	Amounts as at		Changes	
	12/31/2024	12/31/2023	Amount	%
Asset hedging derivatives - positive valuations	657,029	880,955	(223,926)	-25.4%
Liability hedging derivatives - positive valuations	20,518	15,622	4,896	31.3%
Adjustment to the value of assets under macro-hedge	(150,275)	(189,303)	39,028	-20.6%
Total assets	**527,272**	**707,274**	**(180,002)**	**-25.5%**
of which:				
Positive valuations	652,649	859,675	(207,026)	-24.1%
Accrued interest	24,898	36,902	(12,004)	-32.5%
Adjustments to the value of hedged assets	(150,275)	(189,303)	39,028	-20.6%
Total assets	**527,272**	**707,274**	**(180,002)**	**-25.5%**
Asset hedging derivatives - negative valuations	42,854	32,460	10,394	32.0%
Liability hedging derivatives - negative valuations	5,631	27,528	(21,897)	-79.5%
Adjustment to the value of assets under macro-hedge	(3,164)	(31,276)	28,112	-89.9%
Total liabilities	**45,321**	**28,712**	**16,609**	**57.8%**
of which:				
Negative valuations	43,400	56,226	(12,826)	-22.8%
Accrued interest	5,085	3,762	1,323	35.2%
Adjustments to the value of hedged liabilities	(3,164)	(31,276)	28,112	-89.9%
Total liabilities	**45,321**	**28,712**	**16,609**	**57.8%**

(Amounts in € thousand)

Summary of hedging derivative valuations	Assets	Liabilities	Difference
Valuation of hedging derivatives for assets and liabilities	652,649	43,400	609,249
Change in macro fair value hedged of assets/liabilities	(150,275)	(3,164)	(147,111)
Change in micro fair value hedged of financial assets/liabilities	(459,730)	-	(459,730)
Total	**42,644**	**40,236**	**2,408**

As at December 31st, 2024 the financial assets under macro-hedge consisted of mortgages to customers shown in “Financial assets at amortised cost”, while the financial liabilities under macro-hedge consisted of direct deposits to customers shown in “Financial liabilities at amortised cost”.

The financial assets under micro-hedge are represented by securities issued by sovereign States recorded in "Financial assets at amortized cost".

Positive and negative valuations of hedging derivatives related solely to derivative contracts that the Bank has entered into to hedge against interest rate risk inherent in the above-mentioned assets and liabilities, whose ineffectiveness of coverage amounted to € 2.4 million as at December 31st, 2024.

The negative change in asset hedging derivative contracts recognised in the year is mainly attributable to the reduction in fair value of existing contracts.

Main balance sheet aggregates

Property, plant and equipment

Property, plant and equipment are made by properties, electronic equipment, office furniture and fittings, plant and machinery, including any "usage rights" determined in accordance with IFRS 16.

(Amounts in € thousand)

Property, plant and equipment	Balance	Investments year	Other changes and sales Year	Amortisation and impairment Year	Balance
	12/31/2023	2024	2024	2024	12/31/2024
Properties and lands	121,692	3,065	5,789	(12,308)	118,238
Opening balances - Electronic equipment	18,775	8,356	-	(6,398)	20,733
Opening balances - Office furniture and fittings	2,794	1,245	(1)	(1,315)	2,723
Opening balances - Plant and machinery	3,236	2,507	(18)	(1,123)	4,602
Opening balances - Total	**146,497**	**15,173**	**5,770**	**(21,144)**	**146,296**

It should be noted that the item "Properties and lands" includes the book value of € 62.7 million of the building and the land in which the Bank's registered office is located, Milan, Piazza Durante 11, and the "right of use" relating to buildings and lands for an amount of € 55.5 million, determined in accordance with the provisions of IFRS 16.

Investments in Properties and lands refer to the recognition of the right to use new financial shops and to capitalised improvement expenses, while "other changes" refer to changes in lease payments due after initial recognition. On Investments in electronic equipment were made to guarantee the ongoing update of the hardware used by all Group's departments. Investments in office furniture and fittings and in plant and machinery are intended for use in company offices and in financial shops.

Goodwill

The **Goodwill** recognised in the financial statements and amounting to of € 89.6 million derives from transactions carried out in the years from 2001 to 2008, involving acquisitions and mergers by absorption of business units and businesses engaged in trading operations or the distribution of financial, banking and insurance products through the personal financial advisors (Fineco On Line Sim S.p.A., Trading and Banking business unit of Banca della Rete, personal financial advisors business unit of the former FinecoGroup S.p.A., and UniCredit Xelion Banca S.p.A.).

These activities have been fully integrated with the Bank's ordinary operations. As a result, it is no longer possible to isolate the contribution of each company/business division from the Bank's overall income; this means that to establish the reasonableness of the value of goodwill recognised in the financial statements it is necessary to take account of the Bank's comprehensive income. The cash generating unit (CGU) is therefore the Bank as a whole, including the contribution from the subsidiary Fineco AM, through a vertically integrated business model.

In fact, in view of the specific business model adopted by the Group, which envisages a high level of integration between personal financial advisors and the trading and banking platform, the allocation of costs/revenues to the macro areas of activity is not considered relevant or meaningful; the personal financial advisors network is an integral part of the overall offer, along with banking, brokerage and investing services.

Impairment testing on goodwill, performed on December 31st, 2024, did not identify any impairment. For all other information on the impairment test and relating sensitivity analysis, see Part B – Consolidated Balance Sheet in the notes to the consolidated accounts – Section 10 – Intangible assets of notes to the consolidated accounts.

Main balance sheet aggregates

Other intangible assets

Other intangible assets include Fineco's trademarks and domains, amounting to € 27.5 million, and software with long-term usefulness, necessary to manage the evolution and the continuous offer by the Group of new and more versatile high-added-value services for customers, as well as infrastructure and application optimizations, improvements to the architecture dedicated to application security and developments needed to meet regulatory and financial reporting requirements, amounting to € 7.8 million.

It should be noted that Fineco Trademarks and Domains are intangible assets with an indefinite useful life and are subject to impairment test together with Goodwill.

(Amounts in € thousand)

Intangibles assets	Balance 12/31/2023	Investments Year 2024	Other changes and sales Year 2024	Amortisation and impairment Year 2024	Balance 12/31/2024
Software	7,000	5,425	-	(4,642)	7,783
Brands	27,459	-	-	-	27,459
Other intangible assets	6	-	-	(6)	-
Total	**34,465**	**5,425**	**-**	**(4,648)**	**35,242**

Tax credits acquired

Tax credits acquired include the carrying amount of tax credits purchased under Decree-Law 34/2020 and subsequent updates, for a carrying amount of € 1,259.1 million, down from € 1,618.0 million outstanding as of December 31st, 2023 mainly due to offsets made during 2024. It should be noted that as at 31 December 2023, there were also tax credits acquired by FinecoBank on the secondary market which, subsequent to their acquisition, were subject to preventive seizure under criminal law. In December 2024, the Bank reached a settlement agreement with the assigning counterparty under which the parties agreed to cancel by mutual consent FinecoBank's acceptance of the aforementioned tax credits as well as additional tax credits reported as not available by the same assigning counterparty. Pursuant to the agreement reached, the assigning counterparty returned to FinecoBank the assignment fee paid by the Bank for these credits.

The item includes both tax credits acquired following assignment by direct beneficiaries and those acquired following assignment by previous purchasers.

Main balance sheet aggregates

Tax Assets and Other Assets

(Amounts in € thousand)

	Amounts as at		Changes	
	12/31/2024	12/31/2023	Amount	%
Tax assets				
Deferred tax assets	59,059	52,816	6,243	11.8%
Deferred tax assets pursuant to Law 214/2011	867	1,615	(748)	-46.3%
Total before IAS 12 offsetting	*59,926*	*54,431*	*5,495*	*10.1%*
Offsetting with deferred tax liabilities - IAS 12	(6,676)	(4,434)	(2,242)	50.6%
Total Tax assets	**53,250**	**49,997**	**3,253**	**6.5%**
Other assets				
Trade receivables according to IFRS15	7,746	8,049	(303)	-3.8%
Current receivables not related with the provision of financial services	4,183	3,730	453	12.1%
Receivables due to disputed items not deriving from lending	129	129	-	n.a.
Notes, cheques and other documents	3,890	4,594	(704)	-15.3%
Improvement and incremental expenses incurred on leasehold assets	2,051	2,809	(758)	-27.0%
Definitive items not recognised under other items	3,930	7,782	(3,852)	-49.5%
Tax items other than those included in the item "Tax assets":	389,993	258,290	131,703	51.0%
- tax advances	387,052	254,217	132,835	52.3%
- tax credit	2,941	4,073	(1,132)	-27.8%
Items in processing:	13,174	10,817	2,357	21.8%
- POS, Bancomat and Visa debit	13,154	10,813	2,341	21.7%
- others	20	4	16	n.a.
Items in transit not allocated to relevant accounts	5	-	5	n.a.
Accrued income and prepaid expenses other than those related to contracts with customers and other than capitalised in related financial assets or liabilities	22,531	26,042	(3,511)	-13.5%
Accrued income and prepaid expenses related to contracts with customers other than capitalised in related financial assets or liabilities	90,923	76,585	14,338	18.7%
Securities and coupons to be settled	3,013	541	2,472	n.a.
Transactions to be charged to customers' credit cards	13,290	11,868	1,422	12.0%
Total other assets	**554,858**	**411,236**	**143,622**	**34.9%**

It should be noted that as of 31 December 2024 some items in the table above have been modified for a more explanatory presentation of the same. For consistency of comparison, the comparative data for the 2023 financial year has been restated.

Tax assets, post IAS 12 offsetting, do not show any significant changes compared to December 31st, 2023. The difference is mainly due to the allocation of approximately € 4 million of deferred tax assets relating to the Patent Box benefit. It should be noted that current and deferred “Tax assets”, when the requirements of IAS 12 are met, are shown in the balance sheet offset against current and deferred “Tax liabilities”, respectively.

With regard to **Other Assets**, in particular it should be noted an increase in the item “Tax items other than those included in the item "Tax assets"”, in the amount of € 131,7 million, mainly determined by higher advances paid for the substitute tax on miscellaneous income and the increase of € 14.3 million in "Accrued income and prepaid expenses other than those related to contracts with customers and other than capitalised in related financial assets or liabilities" is due higher prepaid expenses relating to fees paid to financial consultants considered incremental costs incurred to obtain contracts with customers and greater accrued income relating to variable fees to be received upon achieving specific commercial objectives linked to credit cards and debit cards.

Main balance sheet aggregates

Deposits from banks

(Amounts in € thousand)

	Amounts as at		Changes	
	12/31/2024	12/31/2023	Amount	%
Deposits from banks	**850,600**	**866,978**	**(16,378)**	**-1.9%**
Current accounts and demand deposits	1,947	1,205	742	61.6%
Loans	184,414	50,786	133,628	263.1%
-Repos	184,414	50,786	133,628	263.1%
Lease liabilities	3,237	3,487	(250)	-7.2%
Other liabilities	661,002	811,500	(150,498)	-18.5%
Total	**850,600**	**866,978**	**(16,378)**	**-1.9%**

Deposits from banks amounted to € 850,6 million and decreased by € 16,4 million compared to December 31st, 2023, mainly attributable to the reduction in debts for variation margins received for trading in derivatives partially offset by greater securities lending operations guaranteed by sums of money.

The item “Current accounts and demand deposits” increased by € 0,7 million.

The item “Loans - Repos” is represented only stock lending transactions with credit institutions, stock lending transactions guaranteed by sums of money readily available to the lender and which are basically the equivalent of repos on securities. The amounts of stock lending operations in place at the balance sheet date, which recorded an increase of € 133.6 million, vary depending on the requests to obtain securities on loan received from counterparties. This item does not include the technical form of securities lending with collateral consisting of other securities or without collateral. These transactions are shown under "off-balance sheet" transactions in table A.1.5 in Part E - Information on risks and related hedging policies - Section 2 - Risks of the prudential consolidation - Quantitative information in the notes to the consolidated accounts.

The item "Lease liabilities" represents the financial debt corresponding to the present value of the payments due in the lease agreements stipulated with credit institutions not paid at the reporting date, as required by IFRS 16.

The item “Other liabilities” mainly includes margin variations received for transactions in derivative contracts, the change in which, as previously described, is a direct consequence of the closure of certain hedging derivative contracts and the reduction in fair value on hedging derivative contracts in 2024.

Deposits from customers

(Amounts in € thousand)

	Amounts as at		Changes	
	12/31/2024	12/31/2023	Amount	%
Current accounts and demand deposits	28,517,922	27,704,387	813,535	2.9%
Time deposits	1,115,411	695,275	420,136	60.4%
Loans	107,557	133,930	(26,373)	-19.7%
- Repos	107,557	133,930	(26,373)	-19.7%
Lease liabilities	54,935	57,895	(2,960)	-5.1%
Other liabilities	193,089	166,102	26,987	16.2%
Deposits from customers	**29,988,914**	**28,757,589**	**1,231,325**	**4.3%**

Deposits from customers totalled € 29.988,9 million, up € 1.231,3 million compared to December 31st, 2023 as a result of the increase in direct deposits from customers, both in current accounts and Fineco's "Cash Park" time deposit, represented in the item "Time deposits".

Main balance sheet aggregates

The item “Loans - Repos” consist exclusively of “*Short selling*” transactions with retail customers and stock lending transactions with transactions institutional customers, securities lending transactions guaranteed by sums of money readily available to the lender and which are basically the equivalent of repos on securities, for an amount of € 107.6 million. The amounts of short selling and stock lending operations in place at the balance sheet date, which recorded a reduction of € 26.4 million, vary depending on the requests to obtain securities on loan received from customers and counterparties. This item does not include the technical form of securities lending with collateral consisting of other securities or without collateral. These transactions are shown under "off-balance sheet" transactions in table A.1.5 in Part E - Information on risks and related hedging policies - Section 2 - Risks of the prudential consolidation - Quantitative information in the notes to the consolidated accounts.

The item "Lease liabilities" represents the financial debt corresponding to the present value of the payments due in the lease agreements stipulated with parties other than credit institutions not paid at the reporting date, as required by IFRS 16.

The item “Other liabilities” comprises current payables related to the provision of financial services, totalling € 64.4 million (€ 52.7 million as at December 31st, 2023), initial and variations margins for derivative and financial instrument transactions, which came to € 67.6 million (€ 52.8 million as at December 31st, 2023) and other liabilities for rechargeable credit cards and bankers’ drafts, amounting to € 61.1 million (€ 60.7 million at December 31st, 2023).

Debt securities in issue

Debt securities in issue amount to € 810,2 million (€ 809,3 million as at December 31st, 2023) and include exclusively the Senior Preferred instrument issued by FinecoBank in October 2021, for a nominal amount of € 500 million, and in February 2023 for a nominal amount of € 300 million.

Financial liabilities held for trading

Financial liabilities held for trading totalled € 8,1 million (€ 7,0 million as at December 31st, 2023) and include financial instruments that meets the definition of held for trading, in particular:

- technical overdrafts, amounting to € 1 million (€ 2.2 million as at December 31st, 2023), used for the operational hedging of derivatives positions on shares open with customers and intended to be traded in the short term;
- the negative valuation of spot contracts for securities in the held for trading portfolio and currencies to be settled in time frames established by market practices ("regular way") for € 1 million (€ 1.4 million as at December 31st, 2023), which correspond to negative valuations booked under "Financial liabilities held for trading";
- the negative valuation of CFD derivative contracts, Knock Out Options and Certificates issued, traded in counterpart of the customers, as well as regulated derivative contracts or contracts entered into with institutional counterparties for the purpose of hedging such derivative contracts on a managerial basis, for an overall amount of € 6.1 million (€ 3.3 million as at December 31st, 2023).

CFDs are "Over the counter" derivative contracts that require the payment of a spread generated by the difference between the opening and closing price of the financial instrument. The Bank in operational terms hedges the imbalance of customer positions by underwriting futures or the purchase/sale of equity securities on the same underlyings or through forex transactions with institutional.

Main balance sheet aggregates

Tax liabilities and Other liabilities

(Amounts in € thousand)

	Amounts as at		Changes	
	12/31/2024	12/31/2023	Amount	%
Tax liabilities				
Current liabilities	19,519	86,706	(67,187)	-77.5%
Deferred tax liabilities	6,675	4,434	2,241	50.5%
Total before IAS 12 offsetting	*26,194*	*91,140*	*(64,946)*	*-71.3%*
Offset against deferred tax liabilities - IAS 12	(6,675)	(4,434)	(2,241)	50.5%
Total Tax liabilities	**19,519**	**86,706**	**(67,187)**	**-77.5%**
Other liabilities				
Payables to Directors and Statutory auditors	262	257	5	1.9%
Payables to employees	20,093	18,920	1,173	6.2%
Outgoing bank transfers	117,271	152,839	(35,568)	-23.3%
Social security contributions payable	9,193	8,745	448	5.1%
Current payables not related with the provision of financial services	46,348	43,107	3,241	7.5%
Payables for share-based payments	81	-	81	n.a.
Payment authorisations to be settled	26,643	22,705	3,938	17.3%
Payment orders issued by customers and other transactions to be settled	7,268	7,585	(317)	-4.2%
Definitive items not recognised under other items	6,395	7,269	(874)	-12.0%
Tax items other than those included in the item "Tax liabilities":	120,542	71,993	48,549	67.4%
- sums withheld from third parties as withholding agent	78,300	39,741	38,559	97.0%
- other	42,242	32,252	9,990	31.0%
Illiquid items for portfolio transactions	8,389	1,500	6,889	n.a.
Items in processing:	3,552	2,785	767	27.5%
- incoming bank transfers	2,609	1,326	1,283	96.8%
- other items in processing	943	1,459	(516)	-35.4%
POS and ATM transactions to be settled	27	27,169	(27,142)	-99.9%
Deferred income other than those related to contracts with customers and other than capitalised in related financial assets or liabilities	209	240	(31)	-12.9%
Deferred income related to contracts with customers other than those capitalised on the related financial assets or liabilities	17,620	19,195	(1,575)	-8.2%
Sums available to be paid to customers	3,730	8,013	(4,283)	-53.5%
Securities and coupons to be settled	18,735	28,128	(9,393)	-33.4%
Credit card transactions to be settled with circuits	-	784	(784)	-100.0%
Provisions for employee severance pay	4,364	4,378	(14)	-0.3%
Provisions for risks and charges	166,071	139,166	26,905	19.3%
Total Other liabilities	**576,793**	**564,778**	**12,015**	**2.1%**

It should be noted that as of 31 December 2024 some items in the table above have been modified for a more explanatory presentation of the same. For consistency of comparison, the comparative data for the 2023 financial year has been restated.

The **Tax liabilities**, after IAS 12 offsetting, are represented exclusively by current tax liabilities, in the amount of € 19.5 million, which highlight a substantial decrease mainly due to the higher IRES and IRAP advances paid in 2024 used to offset the debt for current taxes. It should be noted that current and deferred “Tax liabilities”, when the requirements of IAS 12 are met, are shown in the consolidated balance sheet offset against current and deferred “Tax assets”, respectively.

With regard to **Other liabilities**, we highlight, in particular, the increase in the item “Tax items other than those included in the item "Tax liabilities" for ana amount of € 48.5 million due to greater sums withheld from third parties such as withholding taxes and stamp duty to be paid, and the reduction of the item "Outgoing bank transfers", for an amount of € 35.6 million, as a result of fewer bank transfers arranged by customers awaiting settlement, and of the item "POS, ATM and Visa Debit to be settled", for an amount of € 27.1 million, as the operations were settled by the end of 2024.

Main balance sheet aggregates

The item “**Provision for risks and charges**”, that increased by € 26.9 million**,** consists of:

- Provisions for credit risk relating to commitments and financial guarantees for an amount of € 0.1 million (€ 0.3 million as at December 31st, 2023);
- Provisions for risks and charges - Other provisions which include allowances for a total of € 166.0 million, for which, given a liability of uncertain expiry date and/or amount, a current obligation was identified as a result of a past event and the amount arising from fulfilment of said obligation could be estimated reliably.

The disbursements, with estimated maturity exceeding 18 months, were discounted to present value using a rate equal to the time value of money.

(Amounts in € thousand)

	Amounts as at		Changes	
	12/31/2024	12/31/2023	Amount	%
Provision for risks and charges for commitments and guarantees given	**56**	**304**	**(248)**	**-81.6%**
Legal and fiscal disputes	**25,317**	**27,308**	**(1,991)**	**-7.3%**
- Pending cases	22,291	21,305	986	4.6%
- Complaints	2,436	2,512	(76)	-3.0%
- Tax disputes	590	3,491	(2,901)	-83.1%
Staff expenses	**8,171**	**7,812**	**359**	**4.6%**
Other	**132,527**	**103,742**	**28,785**	**27.7%**
- Supplementary customer indemnity provision	118,460	89,948	28,512	31.7%
- provision for contractual payments	238	220	18	8.2%
- Other provision	13,829	13,574	255	1.9%
Provision for risks and charges - Other provision	**166,015**	**138,862**	**27,153**	**19.6%**
Total provision for risks and charges	**166,071**	**139,166**	**26,905**	**19.3%**

The provision for "Legal and fiscal disputes" mainly includes accruals made against claims and disputes relating to damages caused to customers as a result of unlawful conduct by the Bank's personal financial advisors, accruals relating to outstanding disputes with personal financial advisors (generally labour disputes) and other ongoing judicial and extrajudicial disputes with customers, in relation to ordinary banking business, and other parties, as well as accruals for tax disputes. With reference to the provision for tax disputes, it should be noted that during 2024, an amount of approximately € 3.3 million was reallocated to the income statement, which had been recognised for penalties and interest related to a tax dispute for which the ruling favorable to the Bank has become final or has become final.

The provision "Staff expenses", solely includes, the provisions made for the variable remuneration to be paid to employees in subsequent years, which have an uncertain due date and/or amount.

With reference to the provision for "Other", it should be noted the increase in the item "Supplementary customer indemnity provision", attributable to the actuarial valuation as at December 31st, 2024, which led to an increase of € 22.1 million, and to the net provisions (service cost and interest expense) recognised during the year, amounting to € 8.2 million.

Main balance sheet aggregates

Shareholders' equity

(Amounts in € thousand)

	Amounts as at		Changes	
	12/31/2024	12/31/2023	Amount	%
Share capital	201,630	201,508	122	0.1%
Share premium reserve	1,934	1,934	-	n.a.
Reserves	1,053,594	890,106	163,488	18.4%
(Treasury shares)	(1,082)	(1,243)	161	-13.0%
Revaluation reserves	(19,049)	(6,730)	(12,319)	183.0%
Equity instruments	500,000	500,000	-	n.a.
Net profit (Loss) for the year	652,285	609,101	43,184	7.1%
Total	**2,389,312**	**2,194,676**	**194,636**	**8.9%**

As at December 31st, 2024, the share capital came to € 201.6 million, divided into 610,999,427 ordinary shares with a par value of € 0.33 each. Share premium reserve amounts to € 1,9 million.

The reserves consisted of the:

- Legal reserve, amounting to € 40.3 million;
- Reserve for treasury shares held, amounting to € 1.1 million;
- Other reserves, of which:
  - Reserve related to equity-settled plans, amounting to € 51.5 million;
  - Consolidation reserve, amounting to € 39.3 million;
  - Reserves of unavailable profits pursuant to Article 6 paragraph 2 of Legislative Decree 38/2005, for an amount equal to € 2.7 million;
  - Non-distributable reserve pursuant to art. 26 paragraph 5-bis decree law 10 August 2023, n. 104, for an amount of € 30.5 million;
  - other profit reserves, amounting to € 888.2 million, of which € 86.4 million subject to a taxability restriction in the event of distribution, allocated as a result of the tax realignment of goodwill provided for by Article 110 of Decree-Law 104 of 2020.

The Board of Directors of FinecoBank of 6th February 2024, taking into account the positive result of the verification of the minimum access conditions at Group level and individual ones (compliance of behavior and continuous employment), as well as the favorable opinion of the Remuneration Committee meeting on 5th February 2024, approved the assignment of the share tranches envisaged for the 2024 financial year with reference to the 2018, 2019, 2020, 2021, 2022 and the long-term incentive plans for the period 2018-2020 and for the period 2021-2023. A total of 367,792 FinecoBank ordinary shares were issued and a free share capital increase was carried out for a total amount of € 0.1 million, effective from 28th March 2024.

As a result of the aforementioned capital increases, the available profit reserves were reduced, and in particular, the Reserve related to the medium/long-term incentive plan for FinecoBank's personnel, established with the Extraordinary Reserve, was used. The Extraordinary Reserve was also used to cover transaction costs directly attributable to the transactions.

The FinecoBank Shareholders' Meeting of April 24th, 2024 approved the allocation of profit for the year 2023 of FinecoBank S.p.A. amounting to € 604,5 million, as follows:

- to the 610,999,427 ordinary shares with a par value of € 0.33, constituting the share capital including 367,792 shares related to the capital increase to support the employee incentive system approved by the Board of Directors on February 6, 2024, a unit dividend of € 0.69 totaling € 421.6 million;
- € 0.02 million thousand to the Legal reserve, corresponding to 0.004% of the profit for the year, having reached the limit of a fifth of the share capital;
- € 30.5 million to the on-distributable reserve pursuant to Article 26, Section 5-bis of Decree-Law No. 104 of August 10th, 2023, corresponding to the amount of the extraordinary tax determined pursuant to the aforementioned decree;
- € 0.5 million thousand to the reserve of unavailable pursuant to article 6 paragraph 2 of Legislative Decree 38/2005;
- € 151.9 million to the extraordinary reserves.

In addition, during 2024, the extraordinary reserve was reduced by an amount of:

- € 26.5 million, corresponding to coupons, net of related taxation, paid to holders of Additional Tier1 instruments issued by the Bank;
- € 0.6 million, corresponding to the loss, net of related taxation, recognised following the partial repurchase for an amount of € 168 million of the Additional Tier1 instrument issued in July 2019 for a total nominal value of €300 million;
- € 2.6 million, corresponding to the costs, net of taxes, associated with the issuance and repurchase of Additional Tier1 instruments carried out in 2024;

Main balance sheet aggregates

and increased by the portion of dividends not distributed in respect of treasury shares held by the Bank at the record date, amounting to € 0.06 million.

As at 31 December 2024, the Group, specifically the Parent Company FinecoBank, held 81,200 shares of FinecoBank, in relation to the incentive plans for personal financial advisors of the Bank, corresponding to 0.01% of the share capital, for an amount of € 1.1 million. During 2024 n. 44,200 shares, for an amount of € 0.5 million, were purchased in relation to the 2023 PFA Incentive System for personal financial advisors identified as "Identified Staff" and n. 12,781, n. 19,004, n. 16,480, and n. 6,194 FinecoBank ordinary shares held in the portfolio were free assigned to personal financial advisors respectively in execution to the 2020, 2021 and 2022 Incentive System and 2018-2020 Long Term Incentive Plan, held in portfolio for an amount of € 0.7 million. Consequently, the Treasury shares reserve reduced by a total of € 0.2 million with a simultaneous increase in the Extraordinary reserve.

The "Reserve related to Equity Settled plans" increased by € 6.5 million as a result of the recognition, during the vesting period of the instruments, of the economic and equity effects, in accordance with International Financial Reporting Standard IFRS 2, of the share-based payment agreements and settled with FinecoBank ordinary shares and was used for € 0.7 million following the allocation to the financial advisors of the share tranches, previously mentioned, relating to the incentive system.

The Valuation reserve consist of:

- € -0,1 million from the net negative valuation reserve for debt securities issued by sovereign States and Supranational issuers accounted for in "Financial assets at fair value through other comprehensive income", which recorded a positive change of € 2.5 million compared to December 31st, 2023, due to the fair value booked in the year change net of taxes;
- € -18,9 million from the negative net reserve for defined benefit plans, which recorded a negative change of € 14.8 million compared to December 31st, 2023, due to the recognition of actuarial losses net of taxes related to the provision for supplementary customer indemnity.

As previously described, on 4th March 2024 FinecoBank placed on the market an Additional Tier 1 instrument intended for institutional investors with a nominal value of € 500 million. On 11th March 2024, the offer to purchase the Additional Tier 1 instrument issued in July 2019 with a nominal value of €300 million was concluded and the total nominal amount of capital instruments validly tendered in the offer was € 168 million. On 3rd June 2024, the Additional Tier1 private placement issued in January 2018 with a nominal value of €200 million, fully subscribed by UniCredit S.p.A., was called. Finally, on 3rd December 2024, the option of full reimbursement of the Additional Tier 1 instrument, issued in July 2019, was exercised for the portion not repurchased in the offer concluded on 11th March 2024, equal to € 132 million. The consolidated accounting net equity as of 31 December 2024, therefore, exclusively includes the Additional Tier 1 capital instrument issued by FinecoBank on 4 March 2024 for a nominal value of € 500 million. The capital instrument is a perpetual public placement, traded on the regulated market managed by Euronext Dublin, rating equal to BB- (S&P Global Ratings). The coupon for the first 5.5 years was set at 7.5%.

Main balance sheet aggregates

Reconciliation between Shareholders' equity and net profit/(loss) for the year of FinecoBank and corresponding consolidated figures

(Amounts in € thousand)

Description	Shareholders' Equity 12/31/2024	of which: Net Profit 12/31/2024
FinecoBank balances	**2,346,503**	**648,766**
Effect of consolidation of Fineco AM	164,934	125,644
Dividends from Fineco AM cashed in the period	(122,125)	(122,125)
Shareholders' equity and profit attributable to minorities	-	-
Balances attributable to the Group	**2,389,312**	**652,285**

Shareholders

As at December 31st, 2024, the fully subscribed and paid-up share capital totalled € 201,629,810.91, divided into 610,999,427 ordinary shares with a nominal value of € 0.33.

As at December 31st, 2024, the major shareholders were:

Major Shareholders	% owned
BlackRock Inc.	9.180%
Schroders PLC	5.051%
Wellington Management Group LLP	5.013%
FMR LLC	4.977%

Income Statement Figures

Financial margin

Financial margin stood at € 711.2 million, up 3.4% compared to the previous year thanks to the contribution of Net interest.

Net interest in 2024 amounted to € 710.5 million, up € 22.7 million on the previous year. It should be noted that a portion of loans and debt securities held by FinecoBank are sensitive to changes in interest rates, also thanks to the entering in derivative contracts to hedge interest rate risk, which provide for the collection of the variable rate and the payment of the fixed rate. The item Net interest also includes incomes generated by securities lending activities carried out by the Parent Company's treasury, amounting to € 1.7 million (€ 4.0 million in 2023).

Profits from Treasury amounted to € 0.7 million and only included net gains generated from the sale of securities accounted for in "Financial assets at amortised cost" (€ 0.2 million in 2023). The sales took place in accordance with IFRS9 and in application of the rules defined for the HTC business model.

The following table provides a breakdown of interest income by the financial assets/liabilities that gave rise to it.

(Amounts in € thousand)

Interest Income	Year		Changes	
	2024	2023	Amount	%
Financial assets at fair value through comprehensive income	4,796	252	4,544	n.a.
Other financial assets mandatorily at fair value	3	5	(2)	-40.0%
Financial assets at amortised cost - Debt securities issued by banks	18,973	59,678	(40,705)	-68.2%
Financial assets at amortised cost - Debt securities issued by customers	237,382	229,684	7,698	3.4%
Financial assets at amortised cost - Loans and receivables to banks	4,561	11,227	(6,666)	-59.4%
Financial assets at amortised cost - Loans and receivables to customers	202,196	183,612	18,584	10.1%
Hedging derivatives	226,048	211,861	14,187	6.7%
Other assets	136,005	81,912	54,093	66.0%
Financial liabilities	86	170	(84)	-49.4%
Other financial margins from Treasury activities	1,736	3,960	(2,224)	-56.2%
Total interest income	**831,786**	**782,361**	**49,425**	**6.3%**

Interest income on Financial assets at fair value through comprehensive income recorded an increase of € 4.5 million compared to 2023, as a result of the purchases of debt securities made by FinecoBank during the year, in compliance with the Investment Plan managed by the CFO Department which defines the size and main characteristics of the investment portfolio.

Interest income on Financial assets at amortised cost - Debt securities issued by banks recorded a decrease of € 40.7 million (-68.2%), as a result, mainly, of the reimbursement of securities that have reached maturity.

Interest income on Financial assets at amortised cost - Debt securities issued by customers mainly refer to interest accrued on States, supranational issuers and local authorities securities. The increase (+3.4%) is mainly attributable to the purchases of debt securities made by Fineco during the year, in compliance with the Investment Plan managed by the CFO Department which defines the size and main characteristics of the investment portfolio.

Hedging Derivatives includes the positive and negative differentials of derivative contracts entered into to hedge interest rate risk on loans lent to customers and debt securities accounted for in "Financial assets measured at amortized cost", which provide for payment of the fixed rate and the collection of the indexed rate, and direct customer deposits accounted for in "Financial liabilities measured at amortized cost," which provide for payment of the indexed rate and collection of the fixed rate. The positive change in differentials of € 14.2 million is mainly attributable to the trend in market rates.

Interest income recognized on Other assets includes interest calculated using the effective interest method accrued on purchased tax credits in the amount of € 38.6 million (€ 31.1 million in 2023) and accrued interest on demand receivables to banks and central banks recognised under "Cash and cash equivalents" in the amount of € 97.4 million (€ 50.6 million in 2023). With reference to the interest accrued on tax credits, it should be noted that the settlement agreement reached with a counterparty from which FinecoBank had purchased tax credits on the secondary market, previously mentioned, resulted in the adjustment of interest recognized in previous years for approximately € 1.7 million.

Income Statement Figures

Other financial margins from treasury activities include income generated from securities lending activities carried out by the Parent Company treasury.

With reference to **interest on Financial Assets at amortized cost – Loans and receivables**, a table detailing the composition by counterparty, banks and customers, and technical form is given below:

(Amounts in € thousand)

Breakdown of interest income	Year		Changes	
	2024	2023	Amount	%
Interest income on loans and receivables to banks	**4,561**	**11,227**	**(6,666)**	**-59.4%**
- reverse repos	19	17	2	11.8%
- time deposit for compulsory reserves	-	6,584	(6,584)	-100.0%
- time deposits	4,081	3,898	183	4.7%
- other loans and cash collaterals	461	728	(267)	-36.7%
Interest income on loans and receivables to customers	**202,196**	**183,612**	**18,584**	**10.1%**
- current accounts	88,608	90,215	(1,607)	-1.8%
- reverse repos	19,376	17,271	2,105	12.2%
- mortgages	44,577	43,907	670	1.5%
- credit cards	3,838	3,981	(143)	-3.6%
- personal loans	23,721	22,378	1,343	6.0%
- other loans and cash collaterals	22,076	5,860	16,216	276.7%

Interest income on loans and receivables to banks amounted to € 4.6 million, decreasing by € 6.7 million compared to 2023, mainly due to the zeroing of the rate of remuneration of the compulsory reserve deposit in force as from September 2023.

Interest income on loans and receivables to customers amounted to € 202.2 million, increasing by € 18.6 million compared to the previous year (+10.1%), attributable, mainly, to the interest accrued on loans granted to Cronos Vita Assicurazioni S.p.A., represented in the item "other loans and cash collateral", which recorded an increase of € 17.7 million. Please note that the disbursements of the aforementioned loans began in December 2023 and continued throughout the 2024 financial year.

The following table provides a breakdown of interest expense by the financial liabilities/assets that gave rise to it.

(Amounts in € thousand)

Interest Expenses	Year		Changes	
	2024	2023	Amount	%
Financial liabilities at amortised cost - Deposits from banks	(37,689)	(42,742)	5,053	-11.8%
Financial liabilities at amortised cost - Deposits from customers	(65,255)	(35,456)	(29,799)	84.0%
Debt securities in issue	(17,338)	(15,188)	(2,150)	14.2%
Other liabilities	(1)	-	(1)	n.a.
Financial assets	(1,049)	(1,227)	178	-14.5%
Total interest expenses	**(121,332)**	**(94,613)**	**(26,719)**	**28.2%**
Net interest	**710,454**	**687,748**	**22,706**	**3.3%**
Profits from Treasury	**708**	**208**	**500**	**240.4%**
Financial margin	**711,162**	**687,956**	**23,206**	**3.4%**

Interest expense on Debt securities in issue refers to the interest accrued on the Senior Preferred Bond issued by FinecoBank.

Interest Expense on Financial Assets of 2024 mainly refer to the negative interest recognised on certain securities owned.

Income Statement Figures

With regard to **interest on financial liabilities at amortised cost**, the table below provides a breakdown by counterparty, banks and customers, and technical form:

(Amounts in € thousand)

Breakdown of interest expenses	Year		Changes	
	2024	2023	Amount	%
Interest expenses on deposits from banks	**(37,689)**	**(42,742)**	**5,053**	**-11.8%**
- correspondent current accounts	(35)	(48)	13	-27.1%
- demand deposits and cash collaterals	(30,663)	(40,562)	9,899	-24.4%
- other current accounts	(48)	(9)	(39)	n.a.
- reverse repos	(6,867)	(2,042)	(4,825)	236.3%
- lease liabilities	(76)	(81)	5	-6.2%
Interest expenses on deposits from customers	**(65,255)**	**(35,456)**	**(29,799)**	**84.0%**
- current accounts	(21,742)	(17,643)	(4,099)	23.2%
- time deposits	(39,427)	(1,769)	(37,658)	n.a.
- reverse repos	(2,541)	(14,725)	12,184	-82.7%
- lease liabilities	(1,545)	(1,319)	(226)	17.1%

Interest expenses on deposits from banks amounted to € 37.7 million, down compared to 2023 mainly due to lower interest expenses recognised on cash collateral received for derivative transactions. The item "reverse repos" mainly includes interest relating to stock lending operations, the volumes of which increased during 2024.

Interest expenses on deposits from customers amounted to € 65.3 million, showing an increase of € 29.8 million compared to the previous year, mainly due to interest recorded on Cash Park time deposits, the subject of specific commercial initiatives carried out starting from the last months of 2023, partially offset by the reduction in interest recorded on funding transactions carried out by Parent Company treasury through repo transactions on the MTS Repo Market.

Revenues

(Amounts in € thousand)

	Year		Changes	
	2024	2023	Amounts	%
Financial margin	711,162	687,956	23,206	3.4%
Dividends and other income from equity investments	17	(68)	85	n.a.
Net commission	527,026	489,906	37,120	7.6%
Net trading, hedging and fair value income	79,043	60,402	18,641	30.9%
Net other expenses/income	(773)	(565)	(208)	36.8%
REVENUES	**1,316,475**	**1,237,631**	**78,844**	**6.4%**

Dividends and other income from equity investments

Dividends and other income from equity investments include only the positive effect recognised in the income statement for the year 2024 following the equity valuation of Vorvel SIM S.p.A., company subject to significant influence.

Income Statement Figures

Net commission

(Amounts in € thousand)

Management reclassification	Year		Changes	
	2024	2023	Amount	%
Brokerage	**116,121**	**105,930**	**10,191**	**9.6%**
of which:				
- Equities	87,392	73,813	13,579	18.4%
- Bonds	14,745	16,669	(1,924)	-11.5%
- Derivatives	11,112	10,750	362	3.4%
- Other commissions	2,872	4,698	(1,826)	-38.9%
Investing	**369,474**	**329,833**	**39,641**	**12.0%**
of which:				
- Placement fees	6,272	3,374	2,898	85.9%
- Management fees	431,251	393,095	38,156	9.7%
- Other	3,441	4,250	(809)	-19.0%
- Other to PFA	(71,490)	(70,886)	(604)	0.9%
Banking	**50,399**	**55,326**	**(4,927)**	**-8.9%**
Others	**(8,968)**	**(1,183)**	**(7,785)**	**658.1%**
Total	**527,026**	**489,906**	**37,120**	**7.6%**

The table above shows net commissions broken down according to the three macro-areas of integrated activities into which the Group's offerings are divided, as described above. Specifically, Banking includes current account services, payment services and the issuance of debit, credit and prepaid cards, mortgages, overdrafts and personal loans; Brokerage, includes the service of executing orders on behalf of clients; Investing includes the asset management activity performed by Fineco AM, placement and distribution services for third-party financial products, including mutual funds, open-ended investment companies sub-funds, insurance and pension products, as well as investment advisory services.

Net commissions increased by € 37.1 million compared to the previous year, mainly thanks to fees and commissions generated by the Investing segment (+€ 39.6 million), thanks to the increased contribution of Fineco AM and the growth in asset under management. In 2024, the subsidiary Fineco AM generated net fees for €168.1 million (€ 151.4 million in 2023). In addition, it should be noted the growth in net commission generated by the Brokerage segment (+ € 10.2 million), thanks to higher trading commissions, while net commissions related to Banking recorded a slight decrease (- € 4.9 million), mainly due to the lower fees on current accounts, following the repricing of June 2023.

Net trading, hedging and fair value income amounted to € 79.0 million and shows an increase of € 18.6 million compared to the previous year. The item mainly includes profits realised by the Brokerage segment, which includes internalisation of securities and regulated/OTC derivatives, financial instruments used for operational hedging of securities and internalised derivative contracts and the exchange differences on assets and liabilities denominated in currency. The item also includes the ineffectiveness component of hedging transactions, amounting to - € 2.2 million (- € 7.2 million in 2023), determined by the application of different curves for the fair value measurement of hedging derivatives and hedged items in fair value hedge transactions. This result also includes the income components from financial instruments recognised under “Other financial assets mandatorily at fair value”, which include the Visa INC Class “C” and “A” preferred shares, whose fair value measurement resulted in a positive result of € 0.9 million in 2024 (€ 1 million in 2023).

Net other expenses/income is negative for € 0.8 million.

Income Statement Figures

Operating costs

(Amounts in € thousand)

	Year		Changes	
	2024	2023	Amount	%
Staff expenses	(137,847)	(126,867)	(10,980)	8.7%
Other administrative expenses	(370,018)	(307,918)	(62,100)	20.2%
Recovery of expenses	201,658	163,603	38,055	23.3%
Impairment/write-backs on intangible and tangible assets	(25,791)	(27,139)	1,348	-5.0%
Total operating costs	**(331,998)**	**(298,321)**	**(33,677)**	**11.3%**

Operating costs increased by 11.3% compared to the previous year, partly determined by costs closely linked to business growth (assets, volumes, customers and structure), certified by the cost/income ratio, which stood at 25.22% (24.10% at December 31st, 2023).

Staff expenses amounted to € 137.8 million, of which € 13.4 million relating to staff expenses of Fineco AM, increasing by 8.7% compared to the previous year, thanks to continuous growth of the operating structure. In fact, the number of employees rose from 1,384 resources as at December 31st, 2023 to 1,451 resources as at December 31st, 2024.

(Amounts in € thousand)

Staff expenses	Year		Changes	
	2024	2023	Amount	%
1) Employees	**(135,264)**	**(124,362)**	**(10,902)**	**8.8%**
- wages and salaries	(91,863)	(84,810)	(7,053)	8.3%
- social security contributions	(20,785)	(20,556)	(229)	1.1%
- provision for employee severance pay	(886)	(785)	(101)	12.9%
- allocation to employee severance pay provision	(164)	(179)	15	-8.4%
- payment to supplementary external pension funds:	(6,972)	(6,046)	(926)	15.3%
a) defined contribution	(6,972)	(6,046)	(926)	15.3%
- costs related to share-based payments*	(5,770)	(4,780)	(990)	20.7%
- other employee benefits	(8,824)	(7,206)	(1,618)	22.5%
2) Directors and statutory auditors	**(2,596)**	**(2,519)**	**(77)**	**3.1%**
3) Recovery of expenses for employees seconded to other companies	**13**	**14**	**(1)**	**-7.1%**
Total staff expenses	**(137,847)**	**(126,867)**	**(10,980)**	**8.7%**

With reference to the item "social security contributions", it is specified that in 2024 a positive effect was detected deriving from the presentation of a refund request presented by FinecoBank with reference to social security contributions paid in excess during previous financial years.

Income Statement Figures

(Amounts in € thousand)

Other Administrative Expenses and Recovery of expenses	Year		Changes	
	2024	2023	Amount	%
1) INDIRECT TAXES AND DUTIES	**(209,709)**	**(171,026)**	**(38,683)**	**22.6%**
2) MISCELLANEOUS COSTS AND EXPENSES				
A) Advertising expenses - Marketing and communication	**(42,969)**	**(29,780)**	**(13,189)**	**44.3%**
Mass media communications	(28,368)	(20,931)	(7,437)	35.5%
Marketing and promotions	(8,325)	(7,186)	(1,139)	15.9%
Sponsorships	(1,931)	(427)	(1,504)	n.a.
Conventions and internal communications	(4,345)	(1,236)	(3,109)	251.5%
B) Expenses related to credit risk	**(1,491)**	**(1,612)**	**121**	**-7.5%**
Credit recovery expenses	(201)	(419)	218	-52.0%
Commercial information and company searches	(1,290)	(1,193)	(97)	8.1%
C) Indirect expenses related to personnel and to personal financial advisors	**(5,925)**	**(4,665)**	**(1,260)**	**27.0%**
Other staff expenses	(1,856)	(1,582)	(274)	17.3%
Personal financial advisors expenses	(4,069)	(3,083)	(986)	32.0%
D) ICT expenses	**(61,916)**	**(57,556)**	**(4,360)**	**7.6%**
Lease of ICT equipment and software	(1,856)	(1,794)	(62)	3.5%
Software expenses: lease and maintenance	(16,433)	(15,249)	(1,184)	7.8%
ICT communication systems, messaging and phone expenses	(7,137)	(6,285)	(852)	13.6%
Consultancy and ICT services provided by third parties	(19,114)	(16,447)	(2,667)	16.2%
Financial information providers	(17,376)	(17,781)	405	-2.3%
E) Consultancies and professional services	**(6,972)**	**(5,390)**	**(1,582)**	**29.4%**
Consultancies and professional services	(5,067)	(4,280)	(787)	18.4%
Legal expenses and disputes	(1,112)	(515)	(597)	115.9%
Auditing company expenses	(793)	(595)	(198)	33.3%
F) Furniture, machinery and equipment expenses and Real estate expenses	**(6,268)**	**(5,954)**	**(314)**	**5.3%**
Repair and maintenance of furniture, machinery, and equipment	(494)	(537)	43	-8.0%
Maintenance and cleaning of premises	(1,925)	(1,618)	(307)	19.0%
Premises rentals	(738)	(761)	23	-3.0%
Utilities and condominium expenses	(3,111)	(3,038)	(73)	2.4%
G) Other functioning costs	**(33,498)**	**(30,341)**	**(3,157)**	**10.4%**
Postage and transport of documents	(3,811)	(3,546)	(265)	7.5%
Administrative, logistic and call center services	(18,810)	(16,258)	(2,552)	15.7%
Insurance	(4,240)	(3,990)	(250)	6.3%
Association dues and fees	(4,599)	(4,145)	(454)	11.0%
Other administrative expenses	(2,038)	(2,402)	364	-15.2%
H) Adjustments of leasehold improvements	**(1,270)**	**(1,594)**	**324**	**-20.3%**
I) Recovery of costs	**201,658**	**163,603**	**38,055**	**23.3%**
Recovery of ancillary expenses	540	607	(67)	-11.0%
Recovery of taxes	201,118	162,996	38,122	23.4%
Total other administrative expenses and recovery of expenses	**(168,360)**	**(144,315)**	**(24,045)**	**16.7%**

Other administrative expenses net of **Recovery of expenses** came to € 168.4 million, with an increase of € 24.0 million compared to the previous year. In particular, the following should be noted:

- “ICT expenses” increased by € 4.4million, among which it is highlighted the increase in “Software expenses: lease and maintenance” for € 1.2 million, “Consultancy and ICT services provided by third parties” for € 2.7 million and in “ICT communication systems, messaging and phone expenses” for € 0.9 million, functional expenses to the Group' operations;

Income Statement Figures

- "Advertising expenses - Marketing and communication", up by € 13.2 million due, in particular, to higher expenses for mass media communications and conventions and internal communication expenses;
- "Other operating expenses" increased by € 3.2 million euros, due, in particular, to higher expenses for administrative services connected to the management of payment cards and call center expenses.

The item "Indirect taxes and duties", net of "Tax recoveries", increased by € 0.6 million, mainly due to higher charges for Tobin tax.

Impairment/write-backs on intangible and tangible assets increased by € 1.3 million.

Profit/(loss) before tax from continuing operations

(Amounts in € thousand)

	Year		Changes	
	2024	2023	Amount	%
OPERATING PROFIT (LOSS)	**984,477**	**939,310**	**45,167**	**4.8%**
Net impairment losses on loans and provisions for guarantees and commitments	(2,088)	(3,596)	1,508	-41.9%
NET OPERATING PROFIT (LOSS)	**982,389**	**935,714**	**46,675**	**5.0%**
Other charges and provisions	(44,873)	(63,587)	18,714	-29.4%
Net income from investments	1,768	111	1,657	n.a.
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**939,284**	**872,238**	**67,046**	**7.7%**

Net write-downs of loans and provisions for guarantees and commitments in 2024 amounted to € -2.1 million (€ -3.6 million in 2023) and benefit from reversals of impairment losses due to the improvement in the macroeconomic scenario for an amount of approximately € 1.4 million (+ € 0.4 million in 2023), determined on the basis of the evidence resulting from the IFRS9 impairment models.

Other charges and provisions amounted to € -44.9 million, down 29.4% compared to 2023. In addition to net allocations to the provision for risks and charges for complaints and disputes and net allocations to the provision for supplementary customer indemnity, the item mainly includes the annual contributions paid to the Interbank Deposit Protection Fund as part of the Deposit Guarantee Scheme (DGS), in the amount of € 35.3 million (€ 35 million paid in the previous year). As of the financial year 2024, the item also includes the 2024 contribution to be paid to the Life Insurance Guarantee Fund in the amount of € 1.2 million. It should be noted that in the 2023 financial year, the contribution paid to the Single Resolution Fund under Directive 2014/59/EU was also recognised, in the amount of € 6.6 million, which was not required in the 2024 financial year, and the provision for obligations arising from the cost rebalancing agreement that FinecoBank signed with the other distribution banks as part of the transaction aimed at protecting Cronos policyholders.

Net income from investments amounted to € 1.8 million (€ 0.1 million in 2023) and benefited from write-backs deriving from changes in the macroeconomic scenario for an amount of € 2.4 million (€ 0.3 million in 2023).

Profit (loss) before tax from continuing operations amounted to € 939.3 million, increasing by 7.7% on the on the previous year. The result was achieved, mainly, thanks to the increase in Financial Margin (+ € 23.2 million), in Net commission (+ € 37.1 million) and in Net trading, hedging and fair value income (€ 18.6 million), partially offset by higher Operating Cost (+ € 33.7 million), also benefited from lower Other charges and provisions of € 18.7 million.

Income Statement Figures

Income tax for the year

(Amounts in € thousand)

Income tax for the year	Year		Changes	
	2024	2023	Amount	%
Current IRES income tax charges	(221,480)	(205,252)	(16,228)	7.9%
Current IRAP corporate tax charges	(49,144)	(46,540)	(2,604)	5.6%
Current foreign corporate tax charges	(22,360)	(17,154)	(5,206)	30.3%
Adjustment to current tax of prior years	2,791	-	2,791	n.a.
Total current tax	**(290,193)**	**(268,946)**	**(21,247)**	**7.9%**
Change in deferred tax assets	4,040	6,673	(2,633)	-39.5%
Change in deferred tax liabilities	(846)	(864)	18	-2.1%
Total deferred tax liabilities	**3,194**	**5,809**	**(2,615)**	**-45.0%**
Income tax for the year	**(286,999)**	**(263,137)**	**(23,862)**	**9.1%**

Income tax for the year were calculated according to the legal provisions introduced by Legislative Decree no. 38 of February 28th, 2005, which incorporated the IAS/IFRS Accounting Standards into Italian legislation, of Decree no. 48 of April 1st, 2009 which introduced provisions for the implementation and coordination of tax requirements for IAS Adopter parties and subsequent provisions. In particular, in 2019 the decree issued by the Italian Ministry of the Economy and Finance on August 5th, 2019, of coordination between international accounting standards and business income.

Current taxes were determined applying an IRES income tax rate of 27.5% (24% ordinary rate and 3.5% additional rate for banks) and an IRAP tax rate of 5.57% in Italy. As regards Fineco AM, current income taxes were calculated at a rate of 12.5%, according to the currently applicable tax regime, as well as the 2.5% surcharge introduced in Ireland to comply with the provisions of EU Directive 2022/2523 so-called Pillar II.

Net profit (loss) for the year and Net profit (loss) attributable to the Group

The **Net profit for the year** – which is the same as the net profit attributable to the Group as Fineco AM is 100% controlled by the Bank – amounted to € 652.3 million, with an increase of 7.1% on the previous year.

Own funds and capital ratios

Consolidated Own funds and capital ratios

The Group's supervisory prudential requirements as at December 31st, 2024 have been determined based on the harmonised rules for banks and investment firms contained in Directive 2013/36/EU (CRD IV) and Regulation (EU) 575/2013 (CRR) of 26 June 2013 and subsequent Directives and Regulations amending the content thereof, which transpose into the European Union the standards defined by the Basel Committee on Banking Supervision, collected and implemented by the Bank of Italy through Circular no. 285 of 17 December 2013 'Supervisory Provisions for Banks' and subsequent updates.

As at December 31st, 2024, the Group's Own Funds amounted to € 1,811.9 million, including the profit for the 2024 financial year of € 652.3 million, net of dividends to be distributed totalling € 452.6 million, which the Board of Directors will propose for approval at the Shareholders' Meeting convened for 29 April 2025, and foreseeable charges of € 8.2 million, represented by the accrued coupons, net of the related taxation, accrued on the Additional Tier 1 financial instruments issued by FinecoBank.

At the end of 2024, the Risk-Weighted Assets increased compared to the previous year, mainly due to the increase in operational risks, as a result of the update of the Relevant Indicator - with the inclusion of the 2024 financial year's earnings and the exclusion of the 2021 financial year's earnings.

As at 31 December 2024, the Ratio - Primary Tier 1 Capital stood at 25.91%, up from 24.34% as at 31 December 2023 due to the portion of profit for the year included in Primary Tier 1 Capital, which more than offset the increase in Risk Weighted Assets. The Ratio - Tier 1 Capital and the Ratio - Total Own Funds also benefited from this effect, standing at 35.78%.

With reference to the capital requirements applicable to the FinecoBank Group, it should be noted that, at the end of the Supervisory Review and Evaluation Process (SREP), on 30 November 2023 the Supervisory Authority communicated the following capital requirements (Pillar 2 Requirement - P2R) applicable to the Group from 1 January 2024: 2.00% in terms of Total Capital Ratio, of which 1.13% in terms of Common Equity Tier 1 ratio and 1.50% in terms of Tier 1 Ratio. In this context, it should be noted that the Pillar 2 Capital Requirements (Pillar 2 Requirement) required of the FinecoBank Group as of 1st January 2025 remain unchanged from those required for 2024.

Below is a summary of the capital requirements and reserves applicable to the FinecoBank Group, which also highlights the "Total SREP Capital Requirement" (TSCR) and the "Overall Capital Requirement" (OCR) requirements as a result of the outcomes of the SREP conducted in 2023 and applicable for 2024 mentioned above.

Requirements	**CET1**	**T1**	**TOTAL CAPITAL**
A) Pillar 1 requirements	4.50%	6.00%	8.00%
B) Pillar 2 requirements	1.13%	1.50%	2.00%
C) TSCR (A+B)	**5.63%**	**7.50%**	**10.00%**
D) Combined Buffer requirement, of which:	2.88%	2.88%	2.88%
1. Capital Conservation Buffer (CCB)	2.50%	2.50%	2.50%
2. Institution-specific Countercyclical Capital Buffer (CCyB)	0.13%	0.13%	0.13%
3. systemic risk buffer for FinecoBank (SyRB)	0.26%	0.26%	0.26%
E) Overall Capital Requirement (C+D)	**8.51%**	**10.38%**	**12.88%**

As at December 31st, 2024, Group ratios are compliant with all the above requirements.

As at December 31st, 2024, the Leverage ratio stands at 5.22%, a level well above the applicable regulatory requirement of 3% and up from 4.95% as at December 31st 2023, thanks to the reduction in exposures, and in particular to the reduction in balance sheet assets due to the increase in Tier 1 capital, driven by the portion of profit for the year included in Primary Tier 1 capital, which more than offset the growth in exposures, and in particular in assets, mainly due to the increase in customer's direct deposits.

With reference to the Minimum Own Funds and Eligible Liabilities Requirement (MREL), it should be noted that at the end of November 2024, FinecoBank received the updated decision on the determination of the Minimum Own Funds and Eligible Liabilities Requirement (MREL) from the Single Resolution Board, which replaces the previous decision communicated to the public in December 2023. As of the date of notification, November 2024, FinecoBank must comply on a consolidated basis with an MREL TREA (risk exposure) requirement of 19.01% - to which the applicable Combined Buffer Requirement must be added - and an MREL LRE (total leverage exposure) requirement confirmed at 5.25%. For the purpose of compliance with the requirement and the calculation of other eligible liabilities issued by Fineco, there is no subordination requirement in the issuance of MREL eligible instruments (e.g. Senior unsecured). As of 31 December 2024, FinecoBank is well above the requirements to be met.

With regard to the initiatives put in place in 2020, which are still in force, mention should also be made of Regulation (EU) 2020/873 ("CRR CRR 'Quick-fix') of the EU Parliament and of the Council published on 26 June 2020 amending Regulation (EU) 575/2013 ('CRR') and Regulation (EU) 876/2019 ('CRR II'), which made a number of adjustments to the prudential framework in light of the COVID-19 health emergency, allowing credit institutions to apply specific transitional provisions, with the aim of providing capital support to enable credit institutions to continue to support the real

Own funds and capital ratios

economy in the context of the COVID-19 pandemic. The aforementioned Regulation also brought forward the application of certain measures contained in CRR II, which are therefore valid until the latter enters into force on 28 June 2021. Among the main measures still in force is the extension until 31 December 2024 of the transitional regime that allows the potential impact on CET1 resulting from the increase in provisions for expected credit losses calculated according to the IFRS 9 impairment model to be reduced through the gradual inclusion in CET1 ('Temporary treatment to mitigate the impact of the introduction of IFRS 9 on own funds'). Banks that had previously decided to make use or not to make use of the transitional arrangements may revoke their decision at any time during the new transitional period. As at 31 December 2024, the Group has not made use of the option to apply the transitional treatment.

Lastly, it should be noted that on 19 June 2024, Regulation (EU) 2024/1623 (also known as CRR 3) was published in the Official Journal of the European Union, amending Regulation (EU) No. 575/2013 with regard to the requirements for credit risk, credit assessment adjustment risk, operational risk, market risk and the output floor. As of 9 July 2024, the aforementioned Regulation introduced an additional transitional measure, applicable until 31 December 2025, aimed at mitigating the impact of unrealised gains and losses accumulated as of 31 December 2019 on exposures to central governments, regional governments or local authorities measured at fair value recognised in other comprehensive income. As at 31 December 2024, the Group did not make use of the option to apply the temporary treatment. The remaining changes introduced by the new regulatory framework that will impact FinecoBank's prudential requirements are applicable from 1 January 2025.

For further details on the composition of own funds, changes during the period with reference to Risk-weighted Assets and Exposure for leverage purposes, please refer to the information contained in the document "Public disclosure of the FinecoBank Group - Pillar III as at 31 December 2024" published on the Company's website (https://about.finecobank.com).

Results of the parent and the subsidiary

The parent: FinecoBank S.p.A.

The key figures, the reclassified Balance sheet and Income statement of FinecoBank S.p.A. at individual level in comparison with those of the 2023 financial year and a report on the results achieved are shown below.

Key figures

Operating structure

	Data as at	
	12/31/2024	12/31/2023
No. Employees	1,368	1,311
No. Personal financial advisors	3,002	2,962
No. Financial shops [1]	438	428

(1) Number of operating financial shops: financial shops managed by the Bank and financial shops managed by personal financial advisors (Fineco Centers).

Main balance sheet figures

(Amounts in € thousand)

	Amounts as at		Changes	
	12/31/2024	12/31/2023	Amounts	%
Loans receivable with ordinary customers [1]	5,242,769	5,535,383	(292,614)	-5.3%
Total assets	34,616,797	33,251,116	1,365,681	4.1%
Direct deposits [2]	29,668,225	28,441,830	1,226,395	4.3%
Indirect TFA [3]	111,097,547	94,114,670	16,982,877	18.0%
Total customers sales (direct and indirect)	140,765,772	122,556,500	18,209,272	14.9%
Shareholders' equity	2,346,503	2,155,387	191,116	8.9%

(1) Loans receivable to ordinary customers refer solely to loans granted to customers (current account overdrafts, credit cards, personal loans, mortgages and unsecured loans);
(2) Direct deposits include overdrawn current accounts and Cash Park deposits;
(3) Assets under administration consist of products placed online or through the sales networks of FinecoBank.

Results of the parent and the subsidiary

The parent: FinecoBank S.p.A.

Balance Sheet indicators

	Data as at	
	12/31/2024	12/31/2023
Loans receivable to ordinary customers/Total assets	15.15%	16.65%
Loans and receivables to banks/Total assets	1.03%	1.06%
Financial assets/Total assets	67.68%	64.37%
Direct sales/Total liabilities and Shareholders' equity	85.71%	85.54%
Shareholders' equity (including profit)/Total liabilities and Shareholders' equity	6.78%	6.48%
Ordinary customer loans/Direct deposits	17.67%	19.46%

Credit quality	Data as at	
	12/31/2024	12/31/2023
Non-performing loans/Loans receivable to ordinary customers	0.08%	0.07%
Bad loans/Loans receivable to ordinary customers	0.02%	0.02%
Coverage ratio[1] - Bad loans	95.37%	93.07%
Coverage ratio[1] - Unlikely to pay	72.37%	67.96%
Coverage ratio[1] - Impaired past-due exposures	60.67%	56.85%
Coverage ratio[1] - Total Non-performing loans	85.15%	83.54%

(1) Calculated as the ratio between the amount of impairment provision and gross exposure.

Results of the parent and the subsidiary

The parent: FinecoBank S.p.A.

Condensed Accounts

Balance sheet

(Amounts in € thousand)

	Amounts as at		Changes	
ASSETS	12/31/2024	12/31/2023	Amounts	%
Cash and cash balances	1,933,381	2,249,361	(315,980)	-14.0%
Financial assets held for trading	28,539	14,109	14,430	102.3%
Loans and receivables to banks	355,522	351,272	4,250	1.2%
Loans and receivables to customers	6,208,047	6,175,952	32,095	0.5%
Financial investments	23,426,909	21,405,097	2,021,812	9.4%
Hedging instruments	527,272	707,274	(180,002)	-25.5%
Property, plant and equipment	145,013	144,768	245	0.2%
Goodwill	89,602	89,602	-	n.a.
Other intangible assets	35,242	34,465	777	2.3%
Tax assets	52,879	49,749	3,130	6.3%
Tax credits acquired	1,259,059	1,618,030	(358,971)	-22.2%
Other assets	555,332	411,437	143,895	35.0%
Total assets	**34,616,797**	**33,251,116**	**1,365,681**	**4.1%**

(Amounts in € thousand)

	Amounts as at		Changes	
LIABILITIES AND SHAREHOLDERS' EQUITY	12/31/2024	12/31/2023	Amounts	%
Deposits from banks	850,600	866,978	(16,378)	-1.9%
Deposits from customers	29,976,099	28,744,000	1,232,099	4.3%
Debt securities in issue	810,228	809,264	964	0.1%
Financial liabilities held for trading	8,130	6,997	1,133	16.2%
Hedging instruments	45,321	28,712	16,609	57.8%
Tax liabilities	15,159	85,560	(70,401)	-82.3%
Other liabilities	564,757	554,218	10,539	1.9%
Shareholders' equity	2,346,503	2,155,387	191,116	8.9%
- capital and reserves	*1,716,786*	*1,557,619*	*159,167*	10.2%
- revaluation reserves	*(19,049)*	*(6,730)*	*(12,319)*	183.0%
- net profit	*648,766*	*604,498*	*44,268*	7.3%
Total liabilities and Shareholders' equity	**34,616,797**	**33,251,116**	**1,365,681**	**4.1%**

Results of the parent and the subsidiary

The parent: FinecoBank S.p.A.

Balance sheet – Quarterly data

(Amounts in € thousand)

ASSETS	Amounts as at 12/31/2024	09/30/2024	06/30/2024	03/31/2024	12/31/2023
Cash and cash balances	1,933,381	2,817,944	2,804,953	3,374,544	2,249,361
Financial assets held for trading	28,539	21,365	21,214	19,456	14,109
Loans and receivables to banks	355,522	368,932	347,998	357,604	351,272
Loans and receivables to customers	6,208,047	6,028,870	6,095,558	6,072,891	6,175,952
Financial investments	23,426,909	21,511,250	20,731,329	20,408,744	21,405,097
Hedging instruments	527,272	562,503	737,713	704,784	707,274
Property, plant and equipment	145,013	140,236	141,320	141,127	144,768
Goodwill	89,602	89,602	89,602	89,602	89,602
Other intangible assets	35,242	33,306	33,515	34,159	34,465
Tax assets	52,879	49,189	49,192	50,568	49,749
Tax credits acquired	1,259,059	1,317,226	1,298,821	1,622,329	1,618,030
Other assets	555,332	347,160	341,207	291,679	411,437
Total assets	**34,616,797**	**33,287,583**	**32,692,422**	**33,167,487**	**33,251,116**

(Amounts in € thousand)

LIABILITIES AND SHAREHOLDERS' EQUITY	Amounts as at 12/31/2024	09/30/2024	06/30/2024	03/31/2024	12/31/2023
Deposits from banks	850,600	925,420	1,171,776	1,032,627	866,978
Deposits from customers	29,976,099	28,566,267	27,992,745	28,056,008	28,744,000
Debt securities in issue	810,228	808,368	804,009	799,699	809,264
Financial liabilities held for trading	8,130	14,599	9,722	10,033	6,997
Hedging instruments	45,321	38,733	(1,366)	6,398	28,712
Tax liabilities	15,159	93,984	31,647	141,807	85,560
Other liabilities	564,757	563,364	535,365	519,936	554,218
Shareholders' equity	2,346,503	2,276,848	2,148,524	2,600,979	2,155,387
- capital and reserves	*1,716,786*	*1,849,770*	*1,861,667*	*2,489,865*	*1,557,619*
- revaluation reserves	*(19,049)*	*(5,112)*	*(6,616)*	*(6,564)*	*(6,730)*
- net profit	*648,766*	*432,190*	*293,473*	*117,678*	*604,498*
Total liabilities and Shareholders' equity	**34,616,797**	**33,287,583**	**32,692,422**	**33,167,487**	**33,251,116**

Cash and cash balances, amounted to € 1,933.4 million down by € 316.0 million compared to December 31st, 2023 (€ 2,249.4 million). The item consisted mainly from the overnight deposit opened at the Bank of Italy, in the total amount of € 1,688 million, in addition to the liquidity deposited with the Bank of Italy net of the stock related to the minimum reserve requirement allocated for the current reporting period, which is represented in the item Loans and receivables to banks, in the amount of € 0.9 million, as well as liquidity deposited on current accounts with credit institutions for the settlement of payment transactions and for the settlement of securities transactions, for a total amount of € 244.5 million.

Loans and receivables to banks, came to € 355.5 million, showing an increase of € 4.3 million compared to December 31st, 2023.

Loans and receivables to customers came to € 6,208.0 million, showing an increase of € 32.1 million compared to December 31st, 2023. During 2024 additional € 229.9 million were granted to Cronos Vita Assicurazioni S.p.A., while mortgages, personal loans and current account overdrafts showed a general reduction in terms of stocks compared to 31 December 2023. Impaired loans net of impairment losses totalled € 4.1 million (€3.5 million as at December 31st, 2023), with a coverage ratio of 83.5%; the ratio of the amount of impaired loans to the amount of loans to ordinary customers was 0.08% (0.07% as at 31 December 2023).

Results of the parent and the subsidiary

The parent: FinecoBank S.p.A.

Financial investments came to € 23,426.9 million, up € 2,021.8 million compared to December 31st, 2023 mainly due to purchase of debt securities measured at amortised cost during the year. It should be noted that this item also includes the net negative valuation of fixed-rate securities specifically hedged against interest rate risk, in the amount of € 640 million (€ 641 million at 31 December 2023).

Hedges recognised as assets in the balance sheet amounted to € 527.3 million and include the positive fair value valuation of hedging derivatives and the value adjustment of assets subject to generic hedging, represented by fixed-rate mortgages. **Hedges recognised as liabilities** in the balance sheet amounted to € 28.7 million and include the negative fair value measurement of hedging derivatives and the value adjustment of liabilities subject to generic hedging, represented by direct funding from customers. The negative change in fair value of hedging derivative contracts recognised during the year is mainly attributable to the reduction in fair value of existing contracts. As a result, the valuation of the hedged items evolved in the opposite direction, recording a positive change. It should be noted that the negative valuation recorded by securities specifically hedged, is shown in Other Financial investments item, as described above.

Tax credits acquired came to € 1,259.1 million and include the carrying amount of tax credits purchased under Decree-Law 34/2020 and subsequent amendments, down from € 1,618.0 million outstanding as at December 31, 2023, mainly due to offsets made during the year. It should be noted that as at 31 December 2023, there were tax credits acquired by FinecoBank on the secondary market which, subsequent to their acquisition, were subject to preventive seizure under criminal law. In December 2024, the Bank reached a settlement agreement with the assigning counterparty under which the parties agreed to cancel by mutual consent FinecoBank's acceptance of the aforementioned tax credits as well as additional tax credits reported as not available by the same assigning counterparty. By virtue of the agreement reached, the assigning counterparty returned to FinecoBank the consideration for the assignment of such credits paid by the Bank.

Deposits from banks totaled € 850.6 million, down € 16.4 million compared to December 31st, 2023. During 2024, liabilities for variation margins received mainly for derivative transactions decreased by € 150.8 million, due to the negative fair value change recorded by hedging derivative contracts, while the amount of stock lending transactions, securities lending transactions secured by sums of money that fall within the lender's full economic availability, increased by € 133.6 million. The amounts of stock lending transactions outstanding at the balance sheet date varied according to the requests for securities lending received from counterparties.

Deposits from customers came to € 29,976.1 million, up € 1,232.1 million compared to December 31st, 2023, due to the increase in direct deposits on current accounts from customers.

Debt securities in issue, amounting to € 810.2 million, exclusively include the Senior Preferred Bonds issued by FinecoBank. No new securities were issued during 2024.

Shareholders' equity amounted to € 2,346.5 million, up € 191.1 million compared to December 31st, 2023, mainly thanks to the profit for 2024 amounting to € 648.8 million, which more than offset the main reductions recognised in the year, due to the distribution of dividends resolved by the Shareholders' Meeting of April 24th, 2024, in the amount of € 421.6 million, and the payment of coupons on Additional Tier1 instruments issued by FinecoBank, the amount of which, net of the related taxation, resulted in a reduction in Shareholders' equity of € 26.5 million.

Results of the parent and the subsidiary

The parent: FinecoBank S.p.A.

Income Statement

(Amounts in € thousand)

	Year		Changes	
	2024	2023	Amounts	%
Financial margin	709,584	686,697	22,887	3.3%
of which Net interest	708,876	686,489	22,387	3.3%
of which Profits from Treasury	708	208	500	240.4%
Dividends and other income from equity investments	122,142	113,625	8,517	7.5%
Net commission	355,541	334,236	21,305	6.4%
Net trading, hedging and fair value income	78,960	60,350	18,610	30.8%
Net other expenses/income	1,503	504	999	198.2%
REVENUES	**1,267,730**	**1,195,412**	**72,318**	**6.1%**
Staff expenses	(124,481)	(115,310)	(9,171)	8.0%
Other administrative expenses	(360,938)	(299,516)	(61,422)	20.5%
Recovery of expenses	201,658	163,603	38,055	23.3%
Impairment/write-backs on intangible and tangible assets	(25,232)	(26,501)	1,269	-4.8%
Operating costs	**(308,993)**	**(277,724)**	**(31,269)**	**11.3%**
OPERATING PROFIT (LOSS)	**958,737**	**917,688**	**41,049**	**4.5%**
Net impairment losses on loans and provisions for guarantees and commitments	(2,104)	(3,594)	1,490	-41.5%
NET OPERATING PROFIT (LOSS)	**956,633**	**914,094**	**42,539**	**4.7%**
Other charges and provisions	(44,873)	(63,587)	18,714	-29.4%
Net income from investments	1,768	111	1,657	n.a.
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**913,528**	**850,618**	**62,910**	**7.4%**
Income tax for the year	(264,762)	(246,120)	(18,642)	7.6%
NET PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	**648,766**	**604,498**	**44,268**	**7.3%**
PROFIT (LOSS) FOR THE YEAR	**648,766**	**604,498**	**44,268**	**7.3%**

Results of the parent and the subsidiary

The parent: FinecoBank S.p.A.

Income Statement - Quarterly data

(Amounts in € thousand)

	2024			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Financial margin	180,527	182,145	177,094	169,818
of which Net interest	178,768	182,145	178,053	169,910
of which Profits from Treasury	1,759	-	(959)	(92)
Dividends and other income from equity investments	(7)	32,648	1	89,500
Net commission	88,244	87,450	87,789	92,058
Net trading, hedging and fair value income	17,451	20,246	18,317	22,946
Net other expenses/income	516	303	287	397
REVENUES	**286,731**	**322,792**	**283,488**	**374,719**
Staff expenses	(29,912)	(30,543)	(31,526)	(32,500)
Other administrative expenses	(85,137)	(88,575)	(87,709)	(99,517)
Recovery of expenses	47,818	49,692	52,529	51,619
Impairment/write-backs on intangible and tangible assets	(6,263)	(6,075)	(6,298)	(6,596)
Operating costs	**(73,494)**	**(75,501)**	**(73,004)**	**(86,994)**
OPERATING PROFIT (LOSS)	**213,237**	**247,291**	**210,484**	**287,725**
Net impairment losses on loans and provisions for guarantees and commitments	(272)	(1,431)	(985)	584
NET OPERATING PROFIT (LOSS)	**212,965**	**245,860**	**209,499**	**288,309**
Other charges and provisions	(38,110)	457	(3,539)	(3,681)
Net income from investments	399	582	817	(30)
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**175,254**	**246,899**	**206,777**	**284,598**
Income tax for the period	(57,576)	(71,104)	(68,060)	(68,022)
NET PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	**117,678**	**175,795**	**138,717**	**216,576**
PROFIT (LOSS) FOR THE PERIOD	**117,678**	**175,795**	**138,717**	**216,576**

Results of the parent and the subsidiary

The parent: FinecoBank S.p.A.

(Amounts in € thousand)

	2023			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Financial margin	157,385	170,613	179,759	178,940
of which Net interest	157,385	170,531	179,622	178,951
of which Profits from Treasury	-	82	137	(11)
Dividends and other income from equity investments	-	29,571	(28)	84,082
Net commission	84,950	83,677	80,941	84,668
Net trading, hedging and fair value income	15,123	14,952	16,268	14,007
Net other expenses/income	465	236	(185)	(12)
REVENUES	**257,923**	**299,049**	**276,755**	**361,685**
Staff expenses	(27,114)	(27,853)	(28,114)	(32,229)
Other administrative expenses	(72,044)	(70,857)	(74,920)	(81,695)
Recovery of expenses	37,625	38,832	43,366	43,780
Impairment/write-backs on intangible and tangible assets	(6,412)	(6,491)	(6,733)	(6,865)
Operating costs	**(67,945)**	**(66,369)**	**(66,401)**	**(77,009)**
OPERATING PROFIT (LOSS)	**189,978**	**232,680**	**210,354**	**284,676**
Net impairment losses on loans and provisions for guarantees and commitments	(643)	(1,438)	91	(1,604)
NET OPERATING PROFIT (LOSS)	**189,335**	**231,242**	**210,445**	**283,072**
Other charges and provisions	(9,269)	(2,737)	(39,974)	(11,607)
Net income from investments	(723)	142	692	-
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**179,343**	**228,647**	**171,163**	**271,465**
Income tax for the period	(58,584)	(66,069)	(55,886)	(65,581)
NET PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	**120,759**	**162,578**	**115,277**	**205,884**
PROFIT (LOSS) FOR THE PERIOD	**120,759**	**162,578**	**115,277**	**205,884**

Revenues amounted to € 1,267.7 million, registering a 6.1% increase compared to the € 1,195.4 million recorded in 2023, mainly thanks to the positive contribution of all its items.

Financial margin shows an increase of 3.3% compared to 2023 (+€ 22.9 million), thanks to contribution of **Net interests**, that increased by 3.3% compared to 2023 (+ € 22.4 million). **Profits from Treasury** increased by € 0.5 million compared to the year 2023.

Dividends and other income from equity investments only include the dividend received from Fineco AM, amounting to € 122.1 million (€ 113.6 million in 2023), showing an increase of 7.5%.

Net commission increased by € 21.3 million compared to the previous year, mainly attributable to commissions generated by Investing segment (+ € 23.8 million) and by Brokerage segment (+ € 10.2 million).

Net trading, hedging and fair value income amounted to € 79.0 million and show a reduction of € 18.6 million compared to the previous year. This item mainly consists of profits realised by the Brokerage segment, which includes internalisation of securities and regulated/OTC derivatives, financial instruments used for operational hedging of securities and internalised derivatives and the exchange differences on assets and liabilities denominated in currency. The item also includes the ineffectiveness component of hedging transactions, in the amount of - € 2.2 million (-€ 7.2 million in 2023), determined by the application of different curves for the fair value valuation of derivative contracts hedging interest rate risk and hedged items as part of fair value hedge transactions. The result also includes the income components generated by the financial instruments accounted for in "Other financial assets mandatory at fair value", including the preferred shares of Visa INC Class "C" and “A”, whose fair value measurement resulted in a positive result of € 0.9 million in the 2024 (+ € 1 million in 2023).

Net other expense/ income was positive for € 1.5 million.

Operating costs increased by € 31.3 million compared to the previous year (+ € 9.2 million for “Staff expenses”, + € 23.4 million for “Other administrative expenses net of Recovery of expenses”, partially offset by the reduction in “Impairment/write-backs on intangible and tangible assets” for an amount of € 1.3 million). The 11.3% increase in operating costs is in part determined by expenses closely linked to the growth of the business (assets, volumes, customers and structure), certified by a cost/income ratio of 24.40% (23.20% at December 31st, 2023.

Results of the parent and the subsidiary

The parent: FinecoBank S.p.A.

Net write-downs of loans and provisions for guarantees and commitments in 2024 amounted to € -2.1 million (€ -3.6 million in 2023) and benefit from write-backs due to the improvement of the macroeconomic scenario for an amount of € 1.4 million (+ € 0.4 million in 2023), determined on the basis of the evidence resulting from the IFRS9 impairment models. The cost of risk is 5 basis points.

Other charges and provisions amounted to € -44.9 million, down 29.4% on 2023. In addition to net accruals to the provision for risks and charges for complaints and disputes and net accruals to the provision for supplementary customer indemnity, the item mainly includes the annual contributions paid to the Interbank Deposit Protection Fund under the Deposit Guarantee Scheme (DGS), totalling € 35.3 million (€ 35 million paid in the previous year). As of the financial year 2024, the item also includes the 2024 contribution to be paid to the Life Insurance Guarantee Fund in the amount of € 1.2 million. It should be noted that in 2023 the contribution paid to the Single Resolution Fund under Directive 2014/59/EU was also recognised, in the amount of 6.6 million euro, which was not required in the 2024 financial year, and the provision for obligations arising from the cost rebalancing agreement that FinecoBank signed with the other distribution banks as part of the transaction aimed at protecting Cronos policyholders.

Net income from investments stood at € 1.8 million (€ 0.1 million in 2023) and include write-backs due to the improvement in the macroeconomic scenario for € 2.4 million (write- offs for an amount of € 0.3 million were recognised in 2023).

Profit before tax from continuing operations amounted to € 913.5 million, up 7.4% compared to the previous year, mainly thanks to higher Financial margin (+ € 22.9 million), Net commission (+ € 21.3 million), Dividends and other income from equity investments (+ € 8.5 million), and Net trading, hedging and fair value income (+ € 18.6 million) partially offset by the reduction of and by the growth in Operating costs (+ € 31.3 million); the result also benefited from lower Other charges and provisions of € 18.7 million.

Net profit for the year amounted to € 648.8 million, increasing by 7.3% compared to € 604.5 million of the previous year.

Results of the parent and the subsidiary

The parent: FinecoBank S.p.A.

Own funds and capital ratios

	Data as at	
	12/31/2024	12/31/2023
Common Equity Tier 1 Capital (€ thousand)	1,269,107	1,112,236
Total Own Funds (€ thousand)	1,769,107	1,612,236
Total risk-weighted assets (€ thousand)	4,983,378	4,663,040
Ratio - Common Equity Tier 1 Capital	25.47%	23.85%
Ratio - Tier 1 Capital	35.50%	34.58%
Ratio - Total Own Funds	35.50%	34.58%

	Data as at	
	12/31/2024	12/31/2023
Tier 1 Capital (€ thousand)	1,769,107	1,612,236
Exposure for leverage (€ thousand)	34,646,353	33,275,784
Leverage ratio	5.11%	4.85%

The Bank's prudential requirements as at December 31st, 2024 were determined on the basis of the harmonized regulation for banks and investment firms contained in Directive 2013/36/EU (CRD IV) and in Regulation (EU) 575/2013 (CRR) of June 26th, 2013 and subsequent Directives/Regulations amending their content, which transpose into the European Union the standards defined by the Basel Committee on Banking Supervision (Basel III framework), collected and implemented by the Bank of Italy through Circular No. 285 of December 17th, 2013 "Supervisory Provisions for Banks" and subsequent updates.

As at December 31st, 2024 the Own funds amounted to € 1,769.1 million, including the profit for 2024, equal to € 648.8 million, net of dividends to be distributed totaling € 452.6 million, which the Board of Directors will propose for approval at the Shareholders' Meeting called for April 29th, 2025, and foreseeable charges of € 8.2 million, represented by the coupons, net of the related taxation, accrued on the Additional Tier 1 financial instruments issued by FinecoBank.

Risk-Weighted Assets showed an increase in 2024 compared to the previous year, mainly due to the increase in operational risks, as a result of the update of the Relevant Indicator, with the inclusion of 2024 revenues and the exclusion of 2021 revenues.

As at December 31st, 2024, the Common Equity Tier 1 ratio stood at 25.47%, up from 23.85% as at December 31st, 2023 thanks to the portion of the profit for the year included in Common Equity Tier 1, which more than offset the increase in risk-weighted assets. The Tier 1 and the Total Capital ratios also benefited from such an effect, standing at 35.50%.

As at December 31st, 2024, the Leverage ratio stands at 5.11%, a level well above the applicable regulatory requirement of 3% and up from 4.85% as at December 31st 2023, thanks to the increase in Tier 1 capital, driven by the portion of profit for the year included in Common Equity Tier 1, which more than offset the growth in exposures, and in particular in assets, mainly due to the increase in direct funding from customers.

Results of the parent and the subsidiary

The subsidiary: Fineco Asset Management (DAC)

Fineco AM, a wholly owned subsidiary of FinecoBank, is a UCITS Management Company, established in the Republic of Ireland, whose objective is to offer its customers a range of UCITS product with a strategy focused on the definition of strategic asset allocation and selection of the best international managers, and therefore, diversify and improve the offer of asset management products and further increase the competitiveness of the Group within its vertically integrated business model. It should be noted that on 2 September 2024, FAM received authorisation from the Central Bank of Ireland to operate as an alternative investment fund manager able to provide the MiFID services of individual portfolio management and investment advice.

The assets under management managed by Fineco AM at December 31st, 2024 amounted to € 36.7 billion, of which € 24.9 billion relate to retail classes and € 11.8 billion relating to institutional classes.

As at December 31st, 2024, Fineco AM has a total asset of € 93.7 million. This consists of **Loans and receivables to banks**, represented by three time deposits for an amount of € 15.2 million, by **Cash and Cash balances** for € 29.5 million deposited with credit institutions, and by **Loans and receivables to customers**, exclusively represented operating receivables associated with the provision of services, for an amount of € 45.5 million.

Fineco AM also holds shares in its UCITS Funds for an amount of € 1.5 million, which are recorded under "**Financial assets at fair value through profit or loss c) other financial assets mandatorily at fair value**" and **Other assets** for an amount of € 0.2 million relating to prepaid expenses and definitive items not attributable to other items.

Deposits from banks and **Deposits from customers** totalled € 30.8 million, are represented exclusively by operating payables connected with the provision of financial services, relating to the placement and management fees of UCITS to be paid back to the placers, including FinecoBank for € 18 million, and to investment advisors, It should be noted that the item **Deposits from customers** also includes the "Lease liabilities" from customers, amounting to € 0.9 million representing the financial debt corresponding to the present value of the payments due in the lease agreements stipulated with credit institutions not paid at the reporting date, as required by IFRS 16.

Other liabilities, equal to € 12.7 million, are recognised in payables to employees and other personnel and in current payables not related with the provision of financial services.

Shareholders' equity amounted to € 45.8 million and consists of share capital for € 3 million, of retained earnings for € 6.7 million and net income for the year of € 125.6 million, net of dividends paid to the parent company FinecoBank in the last quarter of 2024 for an amount of € 89.5 million.

In 2024 Fineco AM generated **Net commissions** for € 168.1 million (€ 395.8 million in fee and commission income, € 227,7 million in fee and commission expenses and € 3,4 million of net other operating expenses/income related to the asset manager business related to the application of the "Fixed Operating Expenses" model) and the **Net Profit for the year** amounted to € 125,6 million.

Related-party Transactions

At its meeting of September 17th, 2024 and with the prior favourable opinion of the Risk and Related Parties Committee and the Board of Statutory Auditors, the Board of Directors, to ensure continued compliance with applicable legal and regulatory provisions on the corporate disclosure of transactions with related parties and persons in conflict of interest, approved the new version of the Global Policy “Procedure for the management of transactions with persons in potential conflict of interest of the FinecoBank Group” (the “Global Policy”).

The Global Policy contains the provisions to observe when managing:

- related party transactions pursuant to Consob Regulation no. 17221 of March 12th, 2010 (as amended);
- transactions with associated persons pursuant to the regulations on "Risk activities and conflicts of interest with associated persons" laid down by Bank of Italy Circular no. 263 of December 27th, 2006 (Title V, Chapter 5: "New regulations for the prudential supervision of banks", as amended);
- obligations of bank officers pursuant to Article 136 of Legislative Decree 385 of September 1st, 1993 (the Consolidated Banking Act);
- transactions with other relevant persons in potential conflict of interest as defined by the Bank on a self-regulatory basis, taking into account the applicable legal and regulatory provisions;
- loans granted to Directors (i.e. members of the administrative, management and control bodies) and their related parties, pursuant to art. 88 of the CRD.

Considering the above, during 2024 the Group conducted less material transactions with related parties in Italy and abroad in the course of ordinary business and associated financial activities, carried out under standard conditions, hence under the terms normally applied to transactions with unrelated parties; no other transactions were undertaken with related parties that could significantly affect the Bank's or the Group's asset situation and results, nor were any atypical and/or unusual transactions conducted, including of an intercompany or related party nature. For more details on transactions with related parties, please refer to Part H – Related-party transactions in the notes to the consolidated accounts.

Transactions with Group companies

FinecoBank is Parent Company of Banking Group FinecoBank.

The following table provides a summary of outstanding assets, liabilities, guarantees and commitments as at December 31st, 2024 as well as the costs (-) and revenues (+) recorded in 2024 with Fineco AM, which is the sole wholly-owned and consolidated company.

(Amounts in € thousands)

	Assets	Liabilities	Guarantees and commitments	Revenues (+)	Costs (-)
Fineco Asset Management DAC	18,601	64	-	316,675	(65)

It should be noted that the Assets shown in the table mainly refer to current receivables associated with the provision of financial services to be collected by the subsidiary Fineco AM and recorded in “Financial assets at amortized cost" and Revenues item mainly includes placement and management fee income paid back by the subsidiary and accounted for by the Bank during 2024, in addition to the dividends recognized by Fineco AM for a total of € 122.3 million.

Related-party Transactions

Transactions with companies subject to significant influence

The following table provides a summary of outstanding assets, liabilities, guarantees and commitments as at December 31st, 2024 as well as the costs (-) and revenues (+) recorded in 2024 with respect to Vorvel SIM S.p.A., the only investment subject to influence and consolidated using the equity method.

(Amounts in € thousands)

	Assets	Liabilities	Guarantees and commitments	Revenues (+)	Costs (-)
Vorvel SIM S.p.A.	-	267	-	-	(966)

The income statement and balance sheet transactions presented above originate from the agreement entered into by the Bank with Vorvel SIM S.p.A. for the trading, on the Vorvel segment, of Certificates issued by Fineco.

Other information

Report on corporate governance and proprietary structures

Pursuant to Article 123-bis, paragraph 3 of Legislative Decree no. 58 of February 24th, 1998, the Report on Corporate Governance and Proprietary Structures is available at the "Governance" section of the FinecoBank website (https://about.finecobank.com).

Remuneration policy and Remuneration report

Pursuant to Art.123-ter of the Legislative Decree no. 58 of February 24th, 1998 and to Art. 84-quater, paragraph 1, of the Issuers' Regulations, the "Remuneration policy and Remuneration report" is available on FinecoBank's website (https://about.finecobank.com).

Research and development

To promote technical solutions in line with the company mission, research and development is focused on developing software that enables the provision of increasingly innovative financial advice and accessibility to financial instruments together with exclusive own-account trading.

More specifically, the main software applications that have been developed over the years are:

- Advice, a computer program through which the Bank enables its personal financial advisors to offer a professional advisory service to customers who want a personalised financial plan;
- Internaliser, a computer program through which the Bank executes customer orders in its own account relating to trading on financial markets as an alternative counterparty to the market;
- Powerdesk and Webtrading, software that allows the Bank to, respectively, offer customers sophisticated and efficient tools for online trading on the main international financial markets and simple solutions to complement the direct banking services.

The activities were split between developing new applications and strengthening/maintaining existing features to meet customer needs increasingly efficiently.

Information on the time limits for convening the ordinary Shareholders' Meeting

Pursuant to Article 2364, paragraph 2, of the Italian Civil Code and Art. 6, paragraph 4, of FinecoBank's Articles of Association, the Annual Accounts will be submitted to the Ordinary Shareholders' Meeting for approval within 120 days from the end of the financial year.

Country-by-Country Reporting

Country-by-Country Reporting pursuant to art. 89 of Directive 2013/36 / EU of the European Parliament and of the Council (CRD IV), amended by Directive (EU) 2019/878 (so-called CRD V), has published on the FinecoBank website (https://about.finecobank.com).

Information on the derogation from the obligation to publish the information document in the cases provided for in articles 70, paragraph 6, and 71, paragraph 1, of the Issuers Regulation

Pursuant to article 70, paragraph 8, and article 71, paragraph 1-bis, of the Issuers Regulation, FinecoBank S.p.A. has availed itself of the right to derogate from the obligation to publish the information document in the cases provided for in articles 70, paragraph 6, and 71, paragraph 1, of the Issuers Regulation.

Subsequent events and outlook

Subsequent events

Incentive systems

The Board of Directors' of FinecoBank held on January 21st, 2025 – in consideration of the favorable opinion of the Remuneration Committee held on January 17th, 2025 – approved the following incentive systems that will be submitted to the Shareholders' Meeting called for April 29th, 2025:

- 2025 Incentive System for Employees classified as Identified Staff;
- 2025 Incentive System for Personal Financial Advisors classified as "Identified Staff".

In addition, the FinecoBank Board of Directors on February 5th, 2025 – in consideration of the favorable opinion of the Remuneration Committee held on February 4th, 2025 – approved the implementation of the following incentive / loyalty systems:

- 2018-2020 Long Term Incentive Plan for employees. In particular, the assignment of n. 212,210 free ordinary shares to the beneficiaries of the 2025 share tranche of the Plan, granted in 2018, and consequently a free share capital increase for a total amount of € 70,029.30 effective from March 31st, 2025;
- Incentive Systems 2019, 2020, 2021, 2022 and 2023 for employees classified as "Identified Staff". In particular, it was approved:
  - the assignment of n. 179,137 free ordinary shares to beneficiaries of the 2025 share tranche of the 2019 Incentive System, the 2020 Incentive System, the 2021 Incentive System, the 2022 Incentive System and the 2023 Incentive System, and consequently a free share capital increase for a total amount of € 59,115.21 effective from March 31st, 2025;
  - the assignment of the second cash tranche related to the 2022 Incentive System, of the second cash tranche related to the 2021 Incentive System, of the third cash tranche related to the 2020 Incentive System and of the last cash tranche related to the 2019 Incentive System;
- 2021-2023 Long-Term Incentive Plan for employees. In particular the assignment of n. 184,547 free ordinary shares to the beneficiaries of the 2025 share tranche of the Plan, granted in 2021, and consequently a free share capital increase for a total amount of € 60,900.51 effective from March 31st, 2025;
- With reference to the 2024 Incentive System (Bonus Pool):
  - the FinecoBank 2024 bonus pool;
  - the bonus proposal for the CEO and General Manager, the other executives with strategic responsibility and other Identified Staff;
  - the award of 161,746 FinecoBank ordinary shares, to be allotted free of charge to the aforementioned personnel in accordance with the detailed plan rules;
  - the allocation of the first cash installment.
- Incentive Systems 2021, 2022 and 2023 for personal financial advisors classified as "Identified Staff". In particular, it was approved:
  - the assignment of n. 19,004 shares of the 2025 share tranche related to the 2021 Incentive System;
  - the assignment of the 2025 cash tranche related to the 2021 Incentive Systems;
  - the assignment of n. 5,493 shares of the 2025 share tranche related to the 2022 Incentive System;
  - the assignment of n. 22,507 shares of the 2025 share tranche related to the 2023 Incentive System;
  - the assignment of the 2025 cash tranche related to the 2023 Incentive System.
- Incentive 2018-2020 Long Term Incentive Plan for Financial Advisors classified as "Identified Staff". In particular, it was approved the assignment of the n. 6,194 share of the last share tranche.
- With reference to the 2024 Incentive System PFA (Bonus Pool):
  - the 2024 bonus pool for the Personal Financial Advisors;
  - the bonus proposal for the PFA Identified Staff;
  - the total amount to be allotted in FinecoBank ordinary shares (within the maximum limit of 256,740 ordinary shares) free of charge to the PFA Identified Staff in accordance with the plan rules;
  - the buy-back of own shares in view of the authorization obtained from the supervisory authority pursuant to Art. 77-78 of EU Reg. No. 575/2013 of 26 June 2013 (CRR), as amended by EU Reg. No. 876/2019, in accordance with the resolution of the shareholders' meeting;
  - the allocation of the first cash installment.

Outlook

The prospective scenario, despite a complex, sees the Group benefiting from two structural trends that are transforming Italian society: digitization and demand for advisory services. We are, in fact, witnessing an acceleration towards solutions that will lead to a more modern and digitised world: the management of banking services by customers will be increasingly oriented towards the use of digital platforms, favouring the Group's business model, which has always been oriented in this direction. In addition, the need to invest transparently with the support of an advisor is becoming established among customers, while at the same time having easy access to the new instruments that are spreading in the financial world. The growing

Subsequent events and outlook

demand for efficient and convenient solutions has confirmed the effectiveness of Fineco's business model in responding to the need for better savings management: a real push towards managed savings that finds its origins both in the economic scenario and, above all, in a sensitivity that has matured over the years among savers.

The effectiveness of a diversified and sustainable business model, capable of producing solid results in all market phases, is confirmed. The new contest, characterized by significant changes, represents for Fineco a boost to grow in all its business areas: from banking, which takes advantage of an increase in the net interest income, to investing, thanks to Fineco AM's contribution, and brokerage, confirming a structurally higher floor compared to pre-pandemic level. In addition, the ability to integrate all services in an unique advanced platform allows a stable and healthy Group's business development confirming an improvement both in investments on our growth and in future dividends, together with a constant commitment in sustainability.

The Group will continue to pursue its strategy based primarily on organic growth, capital light and low-risk. The objective is to further strengthen its competitive position, thanks to quality of service and process efficiency, in the integrated banking, brokerage and investing services sector through the high quality and completeness of the financial services offered, summarised in the "one stop solution" concept, thanks also to the asset management activity carried out by Fineco AM, which will allow the Bank to be even closer to its clients' needs, more efficient in its product selection and more profitable thanks to its vertically integrated business model.

FinecoBank had a market share by Total Financial Assets ("TFA")[9] for 2.46% in September 2024 (last available data), with significant potential growth margins.

Considering the typical risks of the sector to which it belongs, a positive operating performance is expected for the financial year 2025, except in the case of the occurrence of further events of an exceptional nature or dependent on variables that are substantially beyond the control of the Directors and Management.

[9] Source Bank of Italy, Bastra return flows.

Consolidated Sustainability reporting

1. General information

1.1 Methodological note

1.1.1 General Criteria for Consolidated Sustainability Reporting (BP-1)

This document represents the Consolidated Sustainability Report (hereinafter also "Sustainability Report" or "Report") of the FinecoBank Group, prepared in accordance with the provisions of Legislative Decree no. 125/2024, which implemented Directive 2022/2464/EU of the European Parliament and of the Council of 14 December 2022 in Italy, amending Regulation 537/2014/EU, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU as regards corporate sustainability reporting (hereinafter CSRD). The sustainability reporting standards (*European Sustainability Reporting Standards* hereinafter ESRS Standards or ESRS) were adopted by the European Commission pursuant to Article 29b of Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 ('Sustainability Reporting Standards'), supplemented by Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023.

The Consolidated Sustainability Report of the FinecoBank Group covers the period from 1 January 2024 to 31 December 2024 and its objective is to provide the information necessary for understanding how the Group's impact on sustainability issues affects the Group's performance and results.

In accordance with the requirements of ESRS, the Consolidated Sustainability Report extends beyond the Group's own operations and encompasses material impacts, risks and opportunities along the entire Value Chain, which includes the activities, resources and relationships the Group develops, in all geographic areas in which it operates.

The Sustainability Report is prepared on a consolidated basis. The scope of consolidation is the same as that used for the preparation of the Consolidated Financial Statements as of 31 December 2024 and, therefore, includes:

- the Parent company FinecoBank S.p.A.;
- the subsidiary Fineco Asset Management DAC, a fully consolidated company headquartered in Ireland.

With regard to Vorvel SIM S.p.A., the only subsidiary company consolidated in the financial statements using the equity method, an analysis was performed that led to the exclusion of operational control by the Group, and therefore, it was considered within the Value Chain.

The Sustainability Reporting applies to own operations and activities along the Value Chain, upstream and downstream, as identified and analysed in the 2024 Double Materiality Assessment process (see section 1.2.3 of this Chapter).

For the financial year 2024, the Group did not make use of the option to omit specific information corresponding to intellectual property, know-how or innovation results. In addition, no use was made of the exemption of disclosure of information concerning upcoming developments or matters under negotiation, pursuant to Articles 19 bis (3) and 29 bis (3) of Directive 2013/34/EU.

1.1.2 Disclosures in relation to specific circumstances (BP-2)

This section defines the main drafting terms and conventions used in the preparation of the Sustainability Report; further information relating to specific circumstances is disclosed in the various chapters, together with the information to which those circumstances relate.

In detail, with reference to certain metrics relating to the Value Chain based on estimates, including those obtained from indirect sources, the chapters in which these metrics are discussed provide an explanation of how they are constructed, what sources are used (including those external to the Group), what the level of reliability and accuracy of these sources is, and whether any actions are planned to improve their quality and reliability for future reporting periods.

Term	Definition
Time horizons	The definition of time horizons adopted by the Group coincides with that defined by ESRS 1. The short term coincides with the reporting year; the term medium term refers to the period of time up to five years after the end of the short term; the term long term means the period beyond five years from the end of the short term.
Unit of measurement	The unit of measure used to report monetary amounts is in millions of euro, unless otherwise indicated.
Global Policy	The highest policy approved by the Board of Directors and the CEO and General Manager of FinecoBank, applicable to the Parent Company and the Subsidiary.
Local Policy	A policy applicable to an individual Group Company (Parent or Subsidiary), as specified from time to time, approved by the Board of Directors of that Company.
Global Operational Regulation	A Global Operational Regulation is issued to give operational application to a Global Policy, applicable to the Parent Company and the Subsidiary Company. It is approved by the CEO and General Manager of FinecoBank.

Term	Definition
List of phased-in Disclosure Requirements	For the financial year 2024, the first year of reporting under the CSRD, the Group opted not to disclose or to disclose only the qualitative information of the applicable disclosure requirements in Appendix C of ESRS 1, with the exception of the following disclosures: • ESRS S1 - S1-7 (Information reported: ref. par. 3.3.5); • ESRS S1 - S1-8 (Information reported: ref. par. 3.2.6); • ESRS S1 - S1-11 (Information reported: ref. paras. 3.2.6 and 3.2.8); • ESRS S1 - S1-12 (Information reported: ref. par. 3.2.9); • ESRS S1 - S1-13 (Information reported: ref. par. 3.2.10); • ESRS S1 - S1-15 (Information reported: ref. par. 3.2.11) as regards the Parent Company FinecoBank.
Capex/Opex	Operating expenses (OpEx) and capital expenditures (CapEx) were not significant in relation to the Group's operating costs and were therefore not reported.

As previously mentioned, this Sustainability Report is prepared in accordance with the CSRD and represents a material departure from the previous Consolidated Non-Financial Statement, the last publication of which was for the financial year 2023.

The Consolidated Sustainability Report is prepared in accordance with the *European Sustainability Reporting Standards* (hereinafter referred to as ESRS)[10], adopted by the European Commission pursuant to Article 29-ter of Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 ('Sustainability Reporting Standards').

The document is supplemented with data and information that meet the requirements of Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council[11] (hereinafter referred to as the 'Taxonomy Regulation' or 'Environmental Taxonomy') and the delegated regulations of the Commission specifying the content and other modalities of these disclosures, as required by the ESRS.

In line with these Standards[12], the G4 Sector Disclosure supplement 'Financial Services' of the Global Reporting Initiative was also taken into account for the entity-specific material topic 'Sustainable Finance'.

Given the profound change in reporting standards and the fact that this is the first reporting period, there are no comparisons with previous reporting periods. Within the document there are a few exceptions to this general approach, mainly referring to metrics on the progress of sustainability goals defined on a quantitative basis.

In light of the above, no adjustments or corrections of information for previous years were necessary for the financial year 2024.

The option of inclusion by reference pursuant to paragraph 119 of ESRS 1 has not been used.

This Sustainability Report was submitted for review and assessment by the Corporate Governance and Environmental and Social Sustainability Committee and the Risk and Related Parties Committee on 28 February 2025 and 6 March 2025 and was subsequently approved by FinecoBank S.p.A.'s Board of Directors on 11 March 2025.

This document was subject to a limited assurance engagement (as defined by ISAE 3000 Revised) by KPMG S.p.A., which in a separate report certifies the information presented in accordance with Art. 8 (1) of Legislative Decree 125/2024.

[10]Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council with regard to sustainability reporting principles.
[11] Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investments and amending Regulation (EU) 2019/2088.
[12] See ESRS 1 General Requirements, paragraph 3.2 Material issues and materiality of information, paragraph 30(b).

1.2 Strategy and material sustainability matters

1.2.1 Strategy, business model and Value Chain (SBM-1)

FinecoBank was founded in 1999 with the aim of building a whole new concept of banking, offering an integrated business model between direct banking and networks of Financial Advisors.

FinecoBank S.p.A. is a joint-stock company listed on Euronext Milan – EXM (formerly Mercato Telematico Azionario), organised and managed by Borsa Italiana S.p.A. Since April 2016 it has been included in the *FTSE Mib* stock index and in the *Stoxx Europe 600* index since 2017; it is the parent company of the **FinecoBank Banking Group** (hereinafter also "Fineco" or "Group")**,** which includes the Irish asset management company, **Fineco Asset Management Designated Activity Company** (hereinafter also referred to as "Fineco Asset Management DAC" or "Fineco AM"). The subsidiary Fineco AM increased its competitive capacity in the *wealth management* sector by internalising the creation and management of investment funds, specifically designed to meet Customers' needs in a timelier manner. Its establishment in 2018 allowed the Bank to diversify and improve its asset management product offering and to offer Customers a diversified range of UCITS. (Undertakings for the Collective Investment in Transferable Securities), concentrating the strategy on the definition of strategic asset allocation and on the selection of the best international managers.

FinecoBank is one of the most important FinTech banks in Europe and has one of the largest financial advisory networks. It is one of the leaders in brokerage in Europe and the leader in Italy based on the number of transactions and volumes brokered on the stock market. The Bank's transactional platforms and advisory services are developed in-house using state-of-the-art proprietary technologies and innovation to make the customer experience a more fluid and intuitive experience on all channels. It is also one of the most important players in the Italian *private banking* sector, owing to a consultancy approach tailored to the needs of individual Customers, which includes advice on fiduciary services, and protection and succession planning of personal and corporate assets.

As of 31 December 2024, the FinecoBank Group employed 1,451 people (of which 1,368 in Italy and 83 in Ireland). It operates in Italy through its registered office and headquarters located in Milan and Reggio Emilia, respectively, and three Data Processing Centres (DPCs) located in Pero (MI), Milan and Rome. The Group is active in 20 Italian regions, with 438 Fineco Centres (offices where financial advisors carry out their activities) and 3,002 *Personal Financial Advisors* (PFA). Abroad, the subsidiary Fineco AM is based in Dublin.

By the end of 2024, the number of Customers stood at 1.656 million[13]. The majority of Customers remain natural persons (98%), while the residual category of legal persons (2%) also includes national bodies and associations, as well as corporations.

The business model is structured into **three integrated areas of activities**: *Banking & Credit*, *Investing* e *Brokerage*. The Bank mainly offers its own services (banking and investment) to retail Customers through its network of financial advisors, online and mobile channels that operate among themselves in a coordinated, integrated way. The main products and services by area of activity are shown below.

The supply of capital from customer deposits is the main input for the lending and investment operations. In terms of output, the business model encompasses the distribution and delivery of products and services to end users, who are mainly retail Customers, private individuals who use the banking products (current accounts, loans, mortgages and cards) and financial services described below.

With reference to the ***Banking & Credit*** area, the Group offers its Customers a product portfolio that includes:

- current accounts and all related basic services, both payment-related (e.g. credit transfers, MAV/RAV, utility bills, FinecoPay, Telepass, etc.) and other types (e.g. Multicurrency, Moneymap, telephone top-ups, etc.);
- payment cards;
- financing products (overdrafts, residential mortgages, personal loans).

These products are mainly aimed at Customers who are natural persons. This customer cluster is in turn divided into several sub-clusters according to specific customer characteristics (e.g: residence, assets owned, age, usage requirements, etc.). In 2024, the sub-cluster was joined by that of minors (persons aged between 8 and 17), for whom a dedicated current account offer was introduced, with a range of associated payment services (see section 3.5.4 in the chapter on 'Social Information').

The products dedicated to legal persons are limited to current accounts and payment services. For this customer cluster, financing products are currently excluded from the offer.

With reference to the ***Investing*** area, the Group offers its Customers, also through the support of financial advisors, a particularly extensive range of asset management products, consisting of collective asset management products, such as units of mutual funds and shares of SICAVs traceable to carefully selected Italian and international investment houses, as well as pension and insurance products and investment advisory services through the network of financial advisors. It includes, in particular, the asset management business conducted by the subsidiary Fineco AM, thanks to its vertically integrated business model.

The investment products offered falling under the broader category of asset management are funds, Sicavs, ETFs, pension funds, segregated accounts for private Customers (Customers with TFA over EUR 500,000), life insurance products such as unit-linked, multi-branch and segregated funds.

[13] The number refers to the number of Customers (tax codes) who have at least one active relationship on the reference date (the active relationship is not necessarily a current account).

Each customer is profiled using the MiFID questionnaire and the resulting classification identifies products that are suitable, or not, for the individual customer.

In addition, the main services offered include:

- *Advice Plus*: innovative personalised advisory services designed to meet any customer's complex requirements and monitor portfolio performance over time;
- *Private Solutions:* construction of customised portfolios and asset monitoring; Wealth & Private Insurance; Private Placement and Private Markets.

With reference to the **Brokerage** area, Fineco ensures the service of order execution on behalf of Customers, with direct access to the main world stock markets and the possibility to trade CFDs (on currencies, indices, shares, bonds, commodities and cryptocurrencies), futures, options, bonds, ETPs, certificates and covered warrants. In this area, the Bank coordinates and oversees the development of trading products and services to be offered on the domestic and international markets according to the needs of the customer base and to changes in the target market and in regulations.

In 2024, the FinecoX brokerage platform was enhanced with the introduction of new advanced features, such as the vertical book, which allows for a more detailed display of price levels and further customisation through dedicated advanced settings, and the *Best&Worst* dynamic which allows for real-time monitoring of the performance of lists of interest, automatically sorting them by performance and volume. The markets available to Customers on the platform were also expanded, with the addition of the Nordic markets, previously tradable offline.

In brokerage activity, the customer offer is defined in line with the MiFID questionnaire as well. Compared to the past, in 2024 more customer interest in ETFs emerged, so much so that they became the product of choice for Customers in their first trade.

In the context of the business model described above, Fineco's strategy, oriented towards a stable and organic growth, is characterised by a progressive integration of environmental and social sustainability and good governance (ESG) principles within business choices and operations management.

In particular, as of 2019, the Group has included the ***green mortgage*** and, from 2023*,* ***the green loan*** in its ***Banking & Credit*** product range.

The green mortgage allows the financing of the purchase of energy class A or B properties with a mortgage loan, at advantageous conditions compared to the standard price list, promoting the redevelopment of Italy's real estate stock.

The green loan is a personal loan intended to finance the installation of renewable energy technologies at a more favourable rate than standard loans. The product characteristics were defined in line with the "*Green Loan Principles. Supporting environmentally sustainable economic activity"*" of the Loan Market and Asia Pacific Loan Market Associations[14], which stipulate that a loan can only be called 'green' if the funds are made available exclusively to finance (all or part of) activities with environmentally sustainable characteristics. These characteristics were defined with reference to the European Environmental Taxonomy (EU Reg. 852/2020) and, in particular, to the technical screening criteria in the Delegated Act on Climate Change Mitigation.

Over the course of 2024, approximately 12% of all new purchase mortgage agreements fell into the green mortgage category, amounting to a total of € 5.1 million, or roughly 10% of the total amounts for purchase mortgages disbursed by the Bank in the same year. At the end of 2024, the stock related to green mortgages represents 17% of the total purchase mortgages, amounting to € 234 million.

More generally, the sustainability strategy - defined at the end of 2023 through the adoption of the ***Multi-Year Plan ESG 2024 - 2026*** (MYP ESG 2024-2026) - is fully integrated into the 2024-2026 Multi-Year Plan and defines ambitious and challenging goals, in line with the Group's ***corporate purpose***, aimed at '**supporting Customers in taking a responsible approach to their financial life in order to create the conditions for a more prosperous and fairer society**'.

In line with the approach that has always guided business decisions, the sustainability strategy also looks to the future, setting important goals for the three-year period 2024-2026 in the area of responsible finance, to be pursued also through a strong involvement of the financial advisor network and the launch of financial education initiatives and projects. In particular, the business-related MYP ESG 2024-2026 targets were also defined based on an assessment of the Group's current business and its commodities and services offering.

Business-related commitments are complemented by objectives to mitigate operational impacts, including initiatives to digitise processes and projects aimed at increasing the level of sustainability in the supply chain, in addition to targets to reduce operational emissions.

Taken as a whole, the sustainability strategy is part of the path taken by the Group by adhering to the most important international sustainability initiatives of the United Nations since 2020: the ***Global Compact*** and the ***Principles for Responsible Banking*** and ***Principles for Responsible Investment***, signed by FinecoBank and Fineco AM respectively.

The 2024-2026 ESG MYP and the link to the material ESRS topics are provided in **Appendix I** of the Consolidated Sustainability Report.

[14] *Green Loan Principles. Supporting environmentally sustainable economic activity*' - Loan Market Association, Asia Pacific Loan Market Association, Loan Syndications & Trading Association, February 2021.

VALUE CHAIN

The FinecoBank Group's **Value Chain** consists of all the activities, resources and relationships related to the company's business model and the external context in which the Group operates. These activities, resources and relationships include:

1) assets, resources and relationships that are part of so-called 'own operations', such as human resources and the network of financial advisors;
2) activities, resources and relationships in the procurement, marketing and distribution channels for products and services;
3) the financial, geographical, geopolitical and regulatory context in which Fineco operates.

The actors in the Value Chain (hereinafter also Value Chain, VC) have been identified on the basis of the relationships the Group has with them. In particular, the actors that have business relations with Fineco both directly and indirectly have been identified, and it has also been identified whether the business relationship is developed upstream (those who provide products, financial resources, services used in the development of products or services that Fineco provides on the market and in the territory in which it is located) and/or downstream (those who receive products, financial resources and financial services). Finally, it was defined whether the relationship is strategic and/or operational with respect to the operation of the business, and the role of the actor in the process.

Positioning in the Value Chain	Actor	Type of relationship	Type of actor	Role in the process
Upstream	Customers	Commercial	Stakeholders involved	Actors that contribute directly to Fineco's funding
Upstream	Bank counterparts	Commercial	Stakeholders involved	Actors providing financial products and services in which Fineco invests its liquidity
Upstream	Institutional counterparts	Commercial	Stakeholders involved	Actors providing financial products and services in which Fineco invests its liquidity
Upstream	Shareholders / investors	Commercial	Sustainability reporting recipients	Actors participating in Fineco's share capital
Upstream	Suppliers	Commercial	Stakeholders involved	Actors providing products and/or services functional to Fineco's operations
Upstream	Training organisations / Universities / Colleges	Commercial	Sustainability reporting recipients	Actors who provide intangible services that are functional to Fineco's operations/business model and/or play a role in influencing Fineco's business
Upstream	Trade Associations	Strategic/Operational	Sustainability reporting recipients	Actors representing categories of stakeholders
Upstream	Trade unions	Operational	Sustainability reporting recipients	Actors representing categories of stakeholders
Upstream	Government Bodies / Regulators	Strategic/Operational	Sustainability reporting recipients	Actors who provide intangible services that are functional to Fineco's operations/business model and/or play a role in influencing Fineco's business
Own operation	Employees (FinecoBank)	Operational	Stakeholders involved	Actors contributing to the Group's operations
Own operation	Employees (Fineco AM)	Operational	Stakeholders involved	Actors contributing to the Group's operations
Own operation	Personal Financial Advisors (PFA)	Operational	Stakeholders involved	Actors contributing to the market placement of financial products and services offered by Fineco and to the expansion of Customers
Downstream	Product company	Commercial	Stakeholders involved	Actors providing financial products and services that Fineco distributes to its Customers

Positioning in the Value Chain	Actor	Type of relationship	Type of actor	Role in the process
Downstream	Customers	Commercial	Stakeholders involved	Actors receiving financial resources from Fineco
Downstream	Institutional counterparts	Commercial	Stakeholders involved	Actors receiving financial resources from Fineco
Downstream	Bank counterparts	Commercial	Stakeholders involved	Actors receiving financial resources from Fineco
Downstream	Personal Financial Advisors (PFA)	Commercial	Stakeholders involved	Actors working in Fineco 'PFA & Personal Studio' [15]
Downstream	Local communities	Strategic	Sustainability reporting recipients	Other actors
Downstream	Media	Strategic / Commercial	Sustainability reporting recipients	Other actors
Downstream	Rating Agencies	Strategic	Sustainability reporting recipients	Other actors

A cornerstone of the Fineco Group Value Chain is the **supply chain**. Procurement management is based on criteria of transparency and objectivity and suppliers are selected on the basis of professional knowledge and skills that meet the minimum requirements of value for money, as well as the adoption of socially responsible behaviour, requesting any mandatory documentation and examining the completeness and correctness of the information received.

The entire procurement process, at Group level, is governed by the **Spending Rules**, which ensure that the supplier selection process takes place through clear procedures and using objective, transparent, non-discriminatory parameters linked to the quality of the products and services offered. As of 2021, an ESG (Environment, Social and Governance) questionnaire has been introduced and regulated in which the most relevant suppliers are asked to provide information on how they manage their environmental, social and governance aspects, in terms of, among other things, whether they hold certifications in these areas (e.g. ISO 14001 for the environment, ISO 37001 for anti-corruption) and their systems for controlling the related risks. The Contract Managers - the company contact persons in charge of relations with suppliers - are required, in particular, to submit - to suppliers who invoice FinecoBank for a total annual amount of EUR 25,000 or more (including VAT) - the ESG questionnaire, when defining pre-contractual agreements aimed at signing or renewing a contract. The Contract Manager is responsible for verifying the correct compilation by the proposed supplier.

Furthermore, the Code of Ethics and the Organisation and Management Model of FinecoBank S.p.A. define the principles of cooperation, fairness, transparency and professionalism, as key principles in relations between FinecoBank and its suppliers. In particular, these principles prohibit dealing with counterparties for which there is a substantiated suspicion that they are involved in illegal activities and do not meet the necessary requirements of professionalism and reliability. During the qualification phase all suppliers are asked, when applicable:

- to provide a DURC (Documento Unico di Regolarità Contributiva - single document certifying payment of taxes) and certificate of registration with CCIAA (Chamber of Commerce, Industry, Craft Trades and Agriculture);
- to comply with the regulations concerning social security, accident prevention and insurance and on occupational health and safety;
- to hold ISO 9001 and ISO 14001 certification;
- to present a Self-declaration concerning the exploitation of workers (i.e. Illegal recruitment);
- to complete the ESG Questionnaire.

In addition, their standard contracts contain clauses of acknowledgement and commitment to comply with the Code of Ethics (which requires compliance with the principles of the International Labour Organisation on fundamental human rights, child labour, freedom of association, working conditions, equal pay, health, safety and business ethics).

This process makes it possible to monitor any risks related to the procurement process, mainly related to the possible selection of suppliers involved in illegal operations or who have been involved in disputes regarding social responsibility.

Furthermore, with reference to service contracts, using external personnel, Unit Real Estate reserves the right to check, during the course of the work, the compliance with all contractual requirements by the various suppliers it has appointed.

[15] Cat. 14 - *Franchising* - Scope 3 GHG Protocol.

1.2.2 Stakeholder engagement (SBM-2; S1-SBM-2; S3-SBM-2; S4-SBM-2)

Doing business responsibly means working to create value for all stakeholders, as well as understanding how Fineco's actions can be influenced or influence those who have an interest in its activities, i.e. its stakeholders.

The administrative, management and supervisory bodies are informed about the opinions and interests of stakeholders and the impact they may have on sustainability issues at regular meetings of Fineco's Board of Directors and Sustainability Committee.

In 2024, the Stakeholder Map was updated, with the primary purpose of identifying the stakeholders to be involved in conducting the Double Materiality Analysis, as described in the following section.

In addition to the engagement activities functional to the Double Materiality Analysis, over the years Fineco has developed numerous listening and interaction activities, which continuously engage numerous stakeholders in order to better manage mutual relations. Through a careful analysis of the needs and opinions of each stakeholder, the Group can develop more targeted strategies and improve its decision-making process and range of products and services.

Stakeholder engagement is realised in the processes of collecting and taking on the opinions of stakeholders, which occurs, for example, in the context of the various meetings with investors (e.g. when presenting results to the market or in one-to-one meetings with investors), as well as through direct customer contact with the Bank, through customer care, the first and fundamental point of contact between the Bank and its Customers .

Below, the main dialogue tools and engagement activities implemented in 2024 with some of the most important Stakeholders for the Group are reported. In addition to these, further targeted activities involving specific Stakeholders (Employees, Customers, Financial advisors, Community) are reported in the respective chapters.

FINANCIAL COMMUNITY

Fineco promotes an ongoing, transparent and comprehensive dialogue with stakeholders in the financial community (shareholders, investors, analysts and proxy advisors). Dialogue is managed through regular meetings and conference calls with institutional investors and analysts. The Bank provides accurate, effective and timely communications on the Bank's financial performance, strategy and development, in order to facilitate its fair evaluation and build its shareholder base in the long term.

In this context, the **'Global Policy for the Management of Dialogue with the Financial Community'** defines the set of rules, responsibilities and processes aimed at conducting and managing the dialogue, respecting the principles of transparency and equal treatment of information provided to the Financial Community and ensuring that it is clear, complete, truthful and not misleading.

Given the bank's nature as a public company, Fineco focuses in particular on maintaining and nurturing an ongoing dialogue with long-term investors to ensure alignment of interests between the parties and create shareholders' value. 2024 was also characterised by constant dialogue with the financial community, through both virtual and physical meetings:

- 24 days of participation in international conferences;
- 5-day roadshow around the world;
- Individual one-to-one meetings/group meetings/conference calls and video calls;
- 4 official conference calls to present quarterly financial results to the market.

During the year, there were 716 interactions with institutional investors. As far as ESG issues are concerned, there were 23 interactions during 2024, in addition to ad hoc requests received continuously throughout the year. In September 2024 Fineco also participated in the *Italian Sustainability Week* organised by Euronext.

REGULATORS

Fineco is committed to ensuring that supervisory information requirements are met, as part of a practice of transparency and fairness. Relations with the Regulators are based on principles of integrity, transparency, fairness, professionalism and cooperation, in compliance with the institutional role attributed to the Regulators and in accordance with the procedures established by the legislation in force from time to time.

The Bank must ensure, on the basis of the current regulatory framework, that the supervisory disclosure requirements are met as expressed by the Regulatory Authority, as part of transparency and fairness practices, in order to support the stability of intermediaries and a competitive and sustainable financial market.

At Group level, the relationship and management of relations with the Resolution Authority and with the Supervisory Authorities, both at European level (European Central Bank - ECB, Single Resolution Board - SRB) and at national level (Bank of Italy) is guaranteed through the correct and effective interlocution with:

- off-site Supervision (ECB), which ensures ongoing remote controls on the intermediary, on all activities related to the Supervisory Review and Evaluation Process and on the Recovery Plan;
- Inspection Supervision (ECB and Bank of Italy), whose main activity is the management of *on-site* inspection processes; and

- the Single Resolution Board (both in the cartel and inspection areas), to support the definition of the *Resolution Plan* and the *Resolution Strategy*.

Involvement with Regulators may vary in form and frequency: from annual, e.g. in the case of the recovery plan review process, to quarterly, in the case of the *tableau de bord* submission of the corporate control functions, to daily, in the case of on-site-inspection with the related activity of transmitting the required documentation and organising in-depth meetings.

The relationship with the tax authorities is based on the criteria of maximum cooperation and transparency. In particular, as of 2016, Fineco is admitted to the optional so-called Cooperative Compliance regime pursuant to Legislative Decree no. 128/2015, which aims to establish a relationship of trust between tax authorities and taxpayers. The purpose of the scheme is to increase the level of certainty on relevant tax issues and thus avoid possible disputes with tax authorities. This objective is pursued through constant and preventive dialogue with the tax authority, including the anticipation of control, aimed at a common assessment of situations likely to generate tax risks and the sharing of the internal tax risk control system.

Fineco acts as spokesperson for the interests of its stakeholders, actively participating, through the Tax Function, in meeting and discussion opportunities promoted by the representative and trade associations of which it is a member (e.g. the ABI Tax Technical Committee, *Assogestioni*, *Assonime*, *AMF Italia*, *IFA*) and promoting, in these fora, actions to improve the body of regulations and interpretations on the basis of the observations made by its Customers , the network of Financial advisors and Investors.

1.2.3 Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1; E1-IRO1; E5-IRO1; G1-IRO1)

Fineco has defined a methodological approach for the assessment of Double Materiality following the ESRS and taking into account the EFRAG Guideline - IG1 approved on 3 June 2024. In order to identify the Impacts, Risks, and Opportunities (IRO) to be assessed for Double Materiality 2024, 3 activities were conducted:

1) Context analysis;
2) Stakeholder engagement;
3) Consolidation of results.

Context analysis

Firstly, an initial long list of IROs was prepared, applying the following approach:

- identification of the 'Topics', 'Sub-topics' and 'Sub-sub-topics' for each thematic ESRS, following the list of topics in ESRS 1 - AR 16;
- consideration of other elements supporting the identification of sustainability issues, such as desk analysis, previous materiality assessments, internal due diligence processes, existing reports/assessments and/or other external inputs (e.g. S&P and CDP questionnaires, World Economic Forum, OECD guidelines, etc.);
- integration of risks from the Group Risk Inventory and RAF such as credit risks, market risks, operational risks, reputation risks, strategic risks, compliance risks;
- identification of actors in the upstream/downstream Value Chain, with reference to the counterparties with which Fineco has business relations;
- analysis of the ways in which impacts generate risks and opportunities;
- consideration of actual and potential IROs, as well as the time horizon associated with them.

Stakeholder engagement

Annually, one or more categories of stakeholders are selected to be involved through specific modes of engagement. For the 2024 reporting period, the identified IROs were subjected to a Double Materiality assessment carried out through the direct involvement of the following Stakeholders: Management, Financial Advisors and Investors. Such Stakeholders are in fact key players with respect to Fineco's business model and - with specific reference to Financial Advisors - also constitute a fundamental reference point thanks to their in-depth knowledge of Customers ' expectations and perceptions of Fineco. In addition to these Stakeholders, who are directly involved, it should be noted that for Employees and Customers, the assessment made for the previous materiality analysis carried out for the 2023 Non-Financial Statement was considered.

The involvement of internal stakeholders in the assessment of Double Materiality can take different forms (e.g. surveys, dedicated workshops, dedicated meetings within the framework of the activities of the Sustainability Management Committee, etc.), depending on the specific category involved and the specific circumstances, needs and conditions that may arise.

The ways in which external stakeholders are involved are also specific to each category (e.g: workshops, surveys, desk analysis) and are identified on the basis of the characteristics of the Stakeholder to be engaged and the nature of his/her relationship with the FinecoBank Group Companies included in the scope of Sustainability Reporting.

In 2024, the stakeholder assessment took place through two dedicated workshop sessions involving the Financial Advisor Network, through one-to-one interviews with institutional investors, and through a dedicated workshop for Management, with the support of the Sustainability structures and the Chief Risk Officer (CRO).

Consolidation of results

To define the relevance of the IROs identified in the long list, the interests and visions of the stakeholders involved were considered, which led to the definition of the material sustainability matters. The sustainability matters defined by the Double Materiality Analysis are consistent with the Group's strategy and business model: In fact, entity-specific topics (Sustainable Finance, Innovation, Cybersecurity and Information Security), which are purely specific to the Group and already present in the previous materiality analysis, are also among the material topics.

The results of the Double Materiality Analysis, which led to the definition of the material impacts, risks and opportunities for the 2024 reporting period, were reviewed by the Corporate Governance and Environmental and Social Sustainability Committee, the Risk and Related Parties Committee (for the part related to the risks of financial materiality) and approved by the Board of Directors in September 2024. The Double Materiality Analysis process has also been regulated in a dedicated Global Policy approved by the Board of Directors.

The impacts were assessed using the following parameters: a numerical assessment of the magnitude, extent, irretrievable character (for negative impacts only) and likelihood of occurrence. In the process of consolidating the 2024 results, the assessment of the impacts of Stakeholder Engagement and desk analysis confirmed the assessments made by Management. The process of identifying, analysing and assessing impacts took into account the entire Value Chain, considering the impacts in which the Group is involved through its activities or as a result of its business relationships, also consulting stakeholders to better understand how they might be affected.

With reference to risks, in order to isolate risk factors capable of negatively impacting the business model and, more generally, the operations along the Group's Value Chain, both upstream (e.g. third-party suppliers) and downstream (e.g. Customers), proprietary assets, exposures to Customers and third-party counterparties, the characteristics and services provided by third-party suppliers, and the main characteristics of the business model and operations carried out by the Group Companies were considered.

For each risk factor potentially capable of negatively impacting the business model and operations along the Group's Value Chain, vulnerabilities were identified (if any), assessing possible transmission channels to financial (e.g. credit and business risk), operational and reputational risks. In identifying vulnerabilities, the links between risks, possible dependencies, impacts and opportunities, which are closely interconnected elements, were taken into account.

The impacts the Group has on its Stakeholders may in turn generate risks or opportunities for the Group itself. For example, violating the privacy of Customers constitutes a negative impact on the latter; and furthermore, to the extent that this impact involves a substantial number of Customers, it may lead to significant reputational risks for the Group by undermining the trust of Customers and investors.

Risks, particularly prospective ones, arising from changes in market trends, the introduction of new technologies and changing customer needs and preferences, can also constitute business opportunities for the Group, especially if new trends are intercepted early enough and used for strategic and commercial purposes.

Risks and opportunities were assessed by considering the magnitude, i.e. the impact of positive or negative financial effects on the company's financial position, results of operations and cash flows, access to financing or cost of capital in the short, medium or long term, and the likelihood, i.e. the possibility that risks and opportunities will generate negative or positive financial effects. The assessment of the magnitude and likelihood of occurrence (carried out on an escalating rating scale) from the Stakeholder Engagement and Desk Analysis confirmed the assessments of the Material Topics made by Management.

The assessments made by Management, Financial advisors and Investors (through Stakeholder Engagement) led to the definition of materiality thresholds along a scale of 1 to 16. The threshold for assessing the materiality of each sustainability issue was set at a value greater than 6 for impact materiality and greater than or equal to 6 for financial materiality. Scores on the scale from 1 to 16 are identified by assigning a score from 1 (low) to 4 (very high) to severity and likelihood (for impacts) and to magnitude and likelihood (for risks and opportunities). As a result of the Double Materiality Analysis carried out for the financial year 2024, the impacts and opportunities arising from climate change were found to be material (above the threshold of 6) for the FinecoBank Group, while the risks were found to be not material (below the threshold of 6).

With reference to financial materiality, the following is an in-depth look at the identification and assessment of sustainability risks in the Fineco Group.

At Fineco, the identification and assessment of sustainability risks starts from risk factors identified within the guidelines and technical documentation issued by the Supervisory Authority (European Central Bank) and by industry standard setters (European Banking Authority). This process takes place annually, or more frequently in the event of significant changes.

This process, which is a preparatory activity to both the definition of the Risk Appetite Framework and the internal capital and liquidity assessment processes (ICAAP & ILAAP), consists mainly of the following steps:

- identification of risks that can potentially be taken
- selection of risks applicable to the Group's business environment
- identification of relevant risks and formalisation of the 'Group Risk Map'
- sharing and approval of the Group Risk Map
- follow-up of risk materiality to take into account relevant events after the ordinary annual review.

As cross-cutting risks, sustainability risks are assessed in parallel with financial, operational and reputational risks. Separate assessment is considered necessary mainly for the following reasons:

- to avoid double-counting of the risk factors arising from sustainability risks, which would otherwise be both classed among the identified sustainability risks and among the financial, operational and reputational risks that are their transmission channels;
- to provide for the adoption of an integrated but separate assessment methodology for the assignment of scores determining materiality, allows the sustainability risks to receive due attention from the Corporate Bodies involved in their approval and definition process (Parent Company Board of Directors and Risk and Related Parties Committee).

The results of the sustainability risk identification activity, like other Group risks, are shared by the Chief Risk Officer with the Internal Control and Business Committee, chaired by the CEO and General Manager, which is responsible for identifying the main business risks, taking into account the characteristics of the activities performed by the company and its subsidiaries. Sustainability risk assessments (financial materiality side) converge within the Double Materiality process to identify the impacts, risks and opportunities of sustainability topics.

Managing Impacts, Risks and Opportunities

The material impacts and risks emerging from the Double Materiality Analysis are taken into account and managed within the framework of the definition and implementation of the Group's sustainability strategy (which is periodically monitored by the Sustainability function and the Sustainability Management and Corporate Governance & Environmental and Social Sustainability Committees). In particular, the Sustainability function coordinates the activities aimed at defining the material sustainability matters and topics and the relevant IROs to be reported, also supporting the Chief Risk Officer in identifying Risks.

The Chief Risk Officer is responsible for identifying risks and assessing their financial materiality in the context of the Double Materiality Analysis, taking care to integrate it into the overall risk management process handled by the function. The sustainability risks are fully integrated into the Group's risk management system. The most significant risks identified in the Risk Inventory process are taken into account in the formulation of the *Statement* (which qualitatively defines Fineco's positioning in terms of strategic objectives and related risk profiles) and monitored through specific metrics in the *Dashboard* (composed of a set of quantitative indicators) of the Risk Appetite Framework (RAF, which formalises, through a set of limits and risk metrics, the risk objectives, the tolerance thresholds, if any, and the operating limits that the Group intends to respect in pursuit of its strategic guidelines). The monitoring of the RAF, which takes place on a quarterly basis, makes it possible to compare the level of risk assumed by the Group at the reference date with the risk propensity defined by the Parent Company's Board of Directors.

The material opportunities arising from the Double Materiality Analysis are also taken up and managed as part of the definition and implementation of the Group's sustainability strategy. In particular, they are one of the inputs for updating the sustainability strategy that is brought to the attention of the Corporate Governance and Environmental and Social Sustainability Committee.

The inputs and parameters used to identify, manage and assess impacts, risks and opportunities come from both internal (within the Group) and external sources.

In 2024, compared to the Non-Financial Statement 2023, the process of identifying and assessing impacts, risks and opportunities related to sustainability issues became more granular and pervasive on the Group organisation, in line with the new CSRD requirements. In the past, this process was based on a Materiality Analysis conducted according to the Global Reporting Initiative (GRI) standards. Moreover, the Group had previously carried out detailed analyses of environmental and climate risks following the issuance of guidelines and reports by supervisory authorities and industry standard setters, which focused more on the latter. The relevant regulations require the Double Materiality Analysis to be updated on an annual basis, also taking into account the issuance of new guidelines and reports by Supervisory Authorities or industry standard setters.

1.2.3.1 Description of the process to identify and assess material impacts, risks and opportunities regarding climate

Since 2021, the Group has established the GHG emissions inventory, which forms the basis for identifying and assessing climate change impacts. Impacts related to Scope 1 and 2 operational emissions are in general not significant, due to the digital business model that does not involve the presence of branches/properties in the territory. In terms of emissions, the most significant contribution relates to so-called financed emissions, reported from 2023 onwards and for which reference should be made to Chapter 2 'Environmental Information'. With regard to climate change opportunities, these were first identified and assessed in the context of the 2024 Double Materiality Analysis, and concern both operational and business-related opportunities. Their consideration and management are integrated into the governance of the ESG aspects, as described in section 1.3.2.

In terms of risks, the Fineco Group, thanks to the intrinsic characteristics of its business model, has little exposure to climate and environmental risks. For this very reason, the Group does not use high-emission climate scenarios to identify physical risk factors, as these would not capture the vulnerabilities inherent in the business model. Therefore, at Fineco, the identification and assessment of sustainability risks starts from risk factors identified within the guidelines and technical documentation issued by the Supervisory Authority (European Central Bank) and by industry standard setters (European Banking Authority). In order to assess the most significant vulnerabilities, stress tests were formulated as part of the ICAAP process.

Physical climate and environmental risks indicate the financial impact of climate change, including more frequent extreme weather events and gradual climate changes, as well as environmental degradation. The different risk factors can be classified as acute, if caused by extreme events such as droughts, floods and storms, and as chronic, if caused by progressive changes such as rising temperatures and rising sea levels. Such risk factors could lead to both direct impacts, e.g. damaging assets owned by Group companies, and indirect impacts, e.g. reducing the value of assets acquired as collateral by Customers or worsening the creditworthiness of Customers, counterparties, or issuers of financial instruments acquired by Group companies as investments.

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The Group identifies risk factors prospectively, irrespective of the historical evidence recorded at the reporting date. Specifically, risk factors considered in the acute physical risk category include floods, landslides, droughts, fires and extreme weather events (heat waves, hurricanes, tornadoes, etc.). Chronic physical risks include water stress, desertification, resource scarcity, pollution, soil depletion and loss of biodiversity.

Once the physical, climatic and environmental risk factors applicable to the Group have been surveyed, vulnerabilities are identified and reported at a consolidated level, taking into consideration that:

- no Group company has significant investments in the real estate segment. The only real estate investment is the building in which the parent company FinecoBank has its registered office, located in Milan;
- the Bank has always favoured digital channels in its relationship with Customers, without the use of branches;
- no Group company has credit exposures to Customers or non-financial counterparties whose creditworthiness could be impacted by an increase in the intensity and frequency of physical risk factors;
- loans are mainly addressed to retail Customers, highly diversified, individually small in amount and not directly affected by climatic and environmental risk factors. In addition, 82% of the loan portfolio to ordinary Customers consists of products backed by financial or real estate collateral;
- only the Bank, within the Group, is exposed to market risk, which is however limited to brokerage activities with Customers and subject to strict risk limits. Fineco, in fact, does not take any open directional positions, and the trading book is only moved for the purpose of the proper conduct of brokerage business with Customers, with an intra-day hedging/closing mandate;
- exposures to financial counterparties are made to industry leaders with high creditworthiness, and are predominantly backed by financial collateral, the value of which is subject to frequent monitoring and margin calls;
- the strategic investments (as held to maturity) of the Group Entities are mainly made to sovereign counterparties (Sovereign States and international governmental organisations) belonging to Western countries that are relatively little exposed to climate change or economically able to cope with it.

Net of the operational and business environment highlighted above, the Risk Inventory process for 2025 identified the following vulnerabilities at the consolidated level:

- damage to the building in which the parent company has its registered office. The building is not particularly exposed to acute physical risk factors. Although, in perspective, the property could be damaged by extreme weather events that are intensifying in the area, it should be noted that an all-risk insurance policy is in place on the property and that the value of the property constitutes an insignificant portion of the consolidated assets. In addition, in the event of site unavailability, the Business Continuity plan provides for the extensive use of remote working;
- damage to the hardware infrastructure held within the Data Processing Centres (DPCs). Fineco relies on several DPCs, geographically distributed, which play a key role in the storage of data and the smooth provision of services. For each DPC, a technical report on seismic and environmental risk is periodically requested by persons specialised in such assessments, and mitigation measures are identified (e.g. emergency generators and pumps in case of flooding). Finally, it should be noted that the parent company has an additional DPC used exclusively for backup purposes;
- reduction in the value of real estate collateral supporting land loans granted by the Bank. The real estate on which the mortgage is registered in favour of the Bank could be damaged by landslides or floods and experience a reduction in price on the real estate market. However, the loan portfolio constitutes a relatively small share of the consolidated assets with an average Loan To Value of about 45%, reducing the probability of loss in the event of default, even after a reduction in the value of the collateral;
- reduction in the value of financial collateral pledged against current account overdraft facilities granted by the Parent Company. Financial instruments acquired as collateral could be affected by market volatility following the aggravation of chronic physical risk factors, should they cause difficulties for entire economic sectors. However, the value of the collateral is monitored on a daily basis, and if it falls below certain limits, the Bank has the option, ensured by the contractual provision, to sell the financial instruments to settle the debt;
- default or downgrade of financial and sovereign counterparties exposed to high climate and environmental risks. Such an eventuality would lead to higher credit adjustments and a higher absorption of economic capital for Group companies exposed to such counterparties. However, the Group requires a credit rating of at least investment grade from its counterparties (considering the rating assessments by: S&P, Moody's and Fitch) and makes use of a specific indicator developed by a group of researchers at the US University Notre Dame, called ND Gain (considers the level of vulnerability of a country to climate change, and the positioning of the respective nation in terms of economic, social and governance capacity to cope with climate change, or readiness).

The assessment of vulnerabilities to the climate and environmental risks identified considers both any historical evidence recorded at the reference date and the likely evolution in the short, medium and long term. Specifically, in accordance with the latest guidelines issued by industry standard setters, the Group adopts the following definitions:

- Short term: the short-term time horizon coincides with the duration of the accounting year, which is one calendar year. The time frame is aligned with the budget drawn up annually by the Bank;
- Medium-term: the medium-term time horizon covers a time period of two to five calendar years, consistent with the Group's Multi-Year Plan (usually at least 3 years). Furthermore, the time horizon is consistent with the average duration of the bond portfolio (approximately 4 years as of 31 December 2024), which constitutes a significant portion of the Group's assets;

- Long-term: the long-term time horizon covers a period of six to ten calendar years. The decision to limit the long-term time horizon to 10 years, which is the minimum required by the most recent guidelines issued by the industry standard setters, is determined by both the low average duration of the assets and the greater reliability of forecasts for shorter time horizons compared to longer time horizons.

The definitions adopted are consistent with those required by ESRS 1, as set out in Delegated Regulation 2023/2772 of 31 July 2023, which supplements Directive 2013/34/EU of the European Parliament and of the Council with regard to the sustainability reporting principles.

The assessment of the extent to which the assets and operations of Group entities are exposed to physical risk factors considers a number of indicators such as: the share of real estate as collateral for loans located in areas with high climate and environmental risk, the share of exposure to countries most exposed to climate change, etc. Any historical evidence recorded on the specific climate and environmental risk factor at the reference date, and its likely evolution in the short, medium and long term are also considered. For the most significant vulnerabilities, the Group conducts ad hoc stress tests as part of its Internal Capital Adequacy Assessment Process (ICAAP), which involve a reduction in the value of real estate as collateral for mortgages, located in areas with a high climate and environmental risk, with a direct effect on the Loss Given Default (LGD) parameter of the mortgages, used both for the calculation of expected credit losses and for the absorption of the economic capital of the mortgages in the context of calculating internal capital against credit risks.

The vulnerability assessment is completed with a score (likelihood of occurrence and magnitude), used in the Double Materiality Analysis, to assess the relevance of the risks.

Given the limited exposure of Group companies to climate and environmental risks, no high-emission climate scenarios were used to identify climate-related hazards and assess risk exposures. Instead, guidelines and technical documentation issued by supervisory authorities and industry standard setters were used.

A separate process from physical climate-related risks is the analysis of climate-related transition risks. Climate and environmental transition risks indicate the financial loss that Group entities may incur, directly or indirectly, as a result of the adjustment process to a low-carbon and more environmentally sustainable economy. This situation could have both direct impacts, e.g. by altering the needs of Customers and influencing the volatility of reference markets, and indirect impacts, e.g. by reducing the value of assets acquired as collateral by Customers, or by worsening the creditworthiness of Customers, counterparties, or issuers of financial instruments acquired by Group companies as investments. The risk factors considered in the category of transition risks include the relatively sudden adoption of climate and environmental policies, technological progress and changing market confidence and preferences.

Once the transition, climatic and environmental risk factors applicable to the Group have been surveyed, vulnerabilities are identified and reported at a consolidated level, taking into consideration that:

- Fineco adopts an open-platform, which allows Customers to buy and receive advice on various financial instruments and investment products, including those of third parties;
- no Group entity has significant investments in the real estate segment;
- no Group company has credit exposures to Customers or non-financial counterparties whose sectors could be impacted by the introduction of more restrictive pollution or carbon emission regulations, new climate policies by governments or new market trends;
- mortgage loans issued by the Bank constitute a marginal share of the consolidated assets;
- only the parent company is exposed to market risk, which is however limited to brokerage activities with Customers (no open management positions) and subject to strict risk limits;
- the strategic investments (as held to maturity*)* of the Group Entities are mainly made to sovereign counterparties (Sovereign States and international governmental organisations) belonging to Western countries, whose economies are not dependent on fossil fuel exports.
- Net of the operational and business environments highlighted above, the Risk Inventory process for 2025 identified the following vulnerabilities at the consolidated level:
- the orientation of Customers towards third-party asset management products with better ESG characteristics than those of Fineco AM. Vulnerability, i.e., the ability to adapt its range of investment products to the new requirements determined by the transition to a more environmentally sustainable economy, is mitigated by the introduction of a specific indicator within the Group's RAF, aimed at ensuring that a portion of Fineco AM's funds have ESG characteristics (specifically, possession of a rating provided by a primary provider ≥ A);
- the orientation of Customers towards intermediaries offering credit products with better ESG characteristics than those of the Bank. Vulnerability, i.e. the ability to adapt its product offering to the new customer needs brought about by the transition to a more environmentally sustainable economy, is mitigated by benchmarking with the market to ensure that the Group's sustainability profile is at least in line with that of its main competitors;
- the orientation of Customers towards intermediaries perceived as more active in environmental sustainability initiatives. Vulnerability, i.e. the possibility that some Customers may choose other intermediaries perceived as more active in the area of environmental sustainability, is mitigated by the fact that the Group has long been engaged in various voluntary environmental sustainability initiatives;
- a more burdensome and bureaucratic granting and assessment of customer creditworthiness. Vulnerability, e.g. a regulatory change introducing a minimum energy class for buying and selling real estate, is mitigated by the fact that this is a marginal business on the Group's activities;
- a more burdensome and bureaucratic brokerage and consulting activities. Vulnerability, e.g. new regulations aimed at directing Customers' capital towards more climate and environmentally sustainable activities, is mitigated by the continuous monitoring of legal and regulatory developments through the compliance and various specialist functions.

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In the specific case of transition risks, the ICAAP process conducted in 2024 envisages a scenario in which the transition to a more environmentally sustainable economy leads to an acceleration in the trend of markets, which are increasingly oriented towards products with sustainability features, and produces a shift of Customers from investment funds not classifiable as ESG (Art. 6 SFDR), produced by the subsidiary Fineco AM, to those classifiable as ESG (Art. 8 and 9 SFDR) produced by third-party asset management houses. This scenario leads to impacts at the commission level for the entire Group. This is mitigated by the fact that the Group offers an open platform, where Customers can buy and receive advice on third-party products without necessarily having to change intermediaries. The impacts, estimated in terms of the difference in commissions on impacted funds, are intangible.

Again, the vulnerability assessment is completed with a score (likelihood of occurrence and magnitude), used in the Double Materiality Analysis, to assess the relevance of the risks. Similarly to physical risks, for transition, climate and environmental risks, the identification and assessment of impacts is not based on the analysis of climate-related scenarios.

With the exception of mortgage loans, issued by the parent company, as of 31 December 2024 the Group had no assets or operations at the consolidated level that were potentially incompatible with the transition to a climate-neutral economy. Indeed, as already pointed out:

- no Group company has significant investments in the real estate segment. The only significant real estate investment is the building in which the parent company's registered office is located, which is undergoing energy efficiency improvements;
- the Parent company has always favoured digital channels in its relationship with Customers , without the use of branches. This reduces the emissions caused by Customers travelling to use the financial services provided by the Bank;
- no Group company has credit exposures to Customers or non-financial counterparties, which could cause significant environmental impacts with their production activities;
- current account overdraft and personal loans, provided exclusively by the Parent company, are addressed to retail Customers and, by their nature, are loans with no purpose, so it is not possible for the Bank to determine their possible generation of environmental impacts;
- exposures to financial counterparties are made to industry leaders with high creditworthiness, and are predominantly backed by financial collateral, the value of which is subject to frequent monitoring and margin calls;
- the strategic investments (as held to maturity*)* of the Group Companies are mainly made to sovereign counterparties (Sovereign States and international governmental organisations) belonging to Western countries, whose economies are not dependent on fossil fuel exports.

In the case of real estate loans, the parent company's portfolio consists of properties in various energy classes, including those with high carbon dioxide emissions. However, restricting the granting of mortgages to energy-efficient properties without adequate public incentives would have negative consequences for the poorer social strata, who cannot afford more energy-efficient properties. However, in order to adequately monitor the transition risk in real estate securing mortgages, a new indicator on the energy class of real estate securing new lending was included in the RAF

1.2.4 Disclosure requirements in ESRS covered by the Consolidated Sustainability Reporting (IRO-2)

The following table shows both all disclosures arising from other EU legislation documents listed in Appendix B of ESRS 2, and the disclosure requirements Fineco has fulfilled based on the results of the Double Materiality assessment, and where they can be found in the Consolidated Sustainability Reporting, including those Fineco has assessed as not material. Also indicated are the above-mentioned items in respect of which Fineco, in the first year of reporting, may omit the relevant information (so-called *phase-in*).

Disclosure requirement / information element / Entity specific topic	Requirements from other EU legislation documents[16;17;18;19]	Location in Sustainability Reporting
ESRS 2 – General information		
ESRS 2 BP-1 – General basis for preparation of sustainability statement		[BP-1] General Criteria for drawing up the Sustainability Report Par. 1.1.1
ESRS 2 BP-2 Disclosures in relation to specific circumstances		[BP-2] Disclosure in connection with specific circumstances Par. 1.1.2
ESRS 2 GOV-1The role of the administrative, management and supervisory bodies		[GOV-1] The role of the administrative, management and supervisory bodies Par. 1.3.1
ESRS 2 GOV-1 The Board's Gender diversity paragraph 21 (d)	SFDR: Annex 1, table 1, indicator no. 13 Benchmark Regulation: Delegated Regulation (EU) 2020/1816 of the Commission, Annex II	[GOV-1] The role of the administrative, management and supervisory bodies Par. 1.3.1
ESRS 2 GOV-1 Percentage of independent board members paragraph 21 (e)	Benchmark Regulation: Delegated Regulation (EU) 2020/1816 of the Commission, Annex II	[GOV-1] The role of the administrative, management and supervisory bodies Par. 1.3.1
ESRS 2 GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies		[GOV-2] Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies Par. 1.3.2
ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes		[GOV-3] Integration of sustainability-related performance in incentive schemes Par. 1.3.3
ESRS 2 GOV-4 Statement on due diligence		[GOV-4] Statement on due diligence Par 1.3.4
ESRS 2 GOV-4 Statement on due diligence paragraph 30	SFDR: Annex 1, table 3, indicator no. 10	[GOV-4] Statement on due diligence Par. 1.3.4
ESRS 2 GOV-5 Risk management and internal controls over sustainability reporting		[GOV-5] Risk management and internal controls over sustainability reporting Par. 1.3.5

[16] 2019/2088) Regulation (EU) of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR) (OJ L 317 of 9.12.2019, p. 1).
[17] 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 of 27.6.2013, p. 1).
[18] 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).
[19] 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).

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Disclosure requirement / information element / Entity specific topic	Requirements from other EU legislation documents[16;17;18;19]	Location in Sustainability Reporting
ESRS 2 SBM-1 Strategy, business model and value chain		[SBM-1] Strategy, business model and value chain Par. 1.2.1 For the 2024 tax year, which corresponds to the first year of preparation of the Sustainability Reporting in accordance with the ESRS, with regard to paragraph 40 (b, c) there is a phase-in option in relation to disclosure.
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i)	SFDR: Annex 1, table 1, indicator no. 4 Third pillar: Article 449 bis of regulation (EU) no.575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk Benchmark Regulation: Delegated Regulation (EU) 2020/1816 of the Commission, Annex II	N/A
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii)	SFDR: Annex 1, table 2, indicator no. 9 Benchmark Regulation: Delegated Regulation (EU) 2020/1816 of the Commission, Annex II	N/A
ESRS 2 SBM-1 Participation in activities related to controversial weapons paragraph 40 (d) iii)	SFDR: Annex 1, table 1, indicator no. 14 Benchmark Regulation: Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	N/A
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv)	Benchmark Regulation: Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	N/A
ESRS 2 SBM-2 Interests and views of stakeholders		[SBM-2] Interests and views of stakeholders Par. 1.2.2
ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model		[SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model Par. 1.2.5 For the 2024 tax year, there is a phase-in option with respect to the disclosure of future financial effects as required by paragraph 48(e)
ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities		[IRO-1] Description of the process to identify and assess material impacts, risks and opportunities Par. 1.2.3
ESRS 2 IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement		[IRO-2] Disclosure requirements in ESRS covered by the Consolidated Sustainability reporting Par. 1.2.4
ESRS E1 - Climate Change		
ESRS 2 GOV-3 E1 Integration of sustainability-related performance in incentive schemes		[GOV-3] Integration of sustainability-related performance in incentive schemes Par. 1.3.3

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Disclosure requirement / information element / Entity specific topic	Requirements from other EU legislation documents[16;17;18;19]	Location in Sustainability Reporting
ESRS E1-1 Transition plan for climate change mitigation		[E1-1] – Transition plan for climate change mitigation Par 2.2.2
ESRS E1-1Transition plan to reach climate neutrality by 2050 paragraph 14	EU climate legislation: Regulation (EU) 2021/1119, Article 2(1)	[E1-1] – Transition plan for climate change mitigation Par. 2.2.2
ESRS E1-1Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)	Third pillar: Article 449 bis of Regulation (EU) no.575/2013; Commission implementing Regulation (EU) 2022/2453, Template 1: Banking book – Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity Benchmark Regulation: Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2	[E1-1] – Transition plan for climate change mitigation Par. 2.2.2
ESRS 2 SBM-3 E1 Material impacts, risks and opportunities and their interaction with strategy and business model		[SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model Par. 1.2.5
ESRS 2 IRO-1 E1Description of the processes to identify and assess material impacts, risks and opportunities		[IRO-1] Description of the processes to identify and assess material impacts, risks and opportunities related to climate Par. 1.2.3
ESRS E1-2 Policies related to climate change mitigation and adaptation		E1-2 – Policies related to climate change mitigation and adaptation Par. 2.2.1
ESRS E1-3 Actions and resources in relation to climate change policies		[E1-3] – Actions and resources in relation to climate change policies Par. 2.2.3
ESRS E1-4 Targets related to climate change mitigation and adaptation		[E1-4] Targets related to climate change mitigation and adaptation Par. 2.2.3
ESRS E1-4 GHG emission reduction targets paragraph 34	SFDR: Annex I, table 2, indicator no. 4 Third pillar: Article 449 bis of Regulation (EU) no.575/2013; Commission implementing Regulation (EU) 2022/2453, Template 3: Banking book - Climate change transition risk: alignment metrics Benchmark Regulation: Article 6 of Delegated Regulation 2020/1818	[E1-4] Targets related to climate change mitigation and adaptation Par. 2.2.3
ESRS E1-5 Energy consumption and mix		[E1-5] Energy consumption and mix Par. 2.2.4
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	SFDR: Annex I, table 1, indicator no.5 and Annex I, table 2, indicator no. 5	N/A
ESRS E1-5 Energy consumption and mix paragraph 37	SFDR: Annex I, table 1, indicator no. 5	[E1-5] Energy consumption and mix Par. 2.2.4

Disclosure requirement / information element / Entity specific topic	Requirements from other EU legislation documents[16;17;18;19]	Location in Sustainability Reporting
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	SFDR: Annex I, table 1, indicator no. 6	N/A
ESRS E1-6 Gross Scopes 1, 2, 3 and total GHG emissions		[E1-6] Gross Scopes 1, 2, 3 and total GHG emissions Par. 2.2.5
ESRS E1-6 Gross Scope 1, 2, 3 and total GHG emissions, paragraph 44	SFDR: Indicators number 1 and 2 Table #1 of Annex 1 Third pillar: Article 449 bis of Regulation (EU) no.575/2013; Commission implementing Regulation (EU) 2022/2453, Template 1: Banking book - Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity Benchmark Regulation: Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)	[E1-6] Gross Scopes 1, 2, 3 and total GHG emissions Par. 2.2.5
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	SFDR: Annex 1, table 1, indicator no. 3 Third pillar: Article 449 bis of Regulation (EU) no.575/2013; Commission implementing Regulation (EU) 2022/2453, Template 3: Banking book - climate change transition risk: alignment metrics Benchmark Regulation: Delegated Regulation (EU) 2020/1818, Article 8(1)	[E1-6] Gross Scopes 1, 2, 3 and total GHG emissions Par. 2.2.5
ESRS E1-7 GHG removals and GHG emission mitigation projects financed through carbon credits		N/A
ESRS E1-7 GHG removals and carbon credits paragraph 56	EU climate legislation: Regulation (EU) 2021/1119, Article 2(1)	N/A
ESRS E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities		For the 2024 tax year, which corresponds to the first year of preparation of Sustainability Reporting in accordance with ESRS, the Fineco Group decided to make use of the phase-in option in relation to the disclosure of future financial effects.
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66	Benchmark Regulation: Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II	
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant activities at material physical risk paragraph 66 (c)	Third pillar: Article 449 bis of Regulation (EU) no.575/2013; points 46 and 47 of Commission implementing Regulation (EU) 2022/2453; Template 5: Banking book - Climate change physical risk: exposures subject to physical risk	
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)	Third pillar: Article 449 bis of Regulation (EU) no.575/2013; paragraph 34 of the implementing regulation (EU) 2022/2453 of the Commission; Model 2: Banking book - Climate change transition risk: loans collateralised by immovable property - Energy efficiency of the collateral	
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69	Third pillar: Delegated Regulation (EU) 2020/1818, Annex II	
ESRS E2 - Pollution		

Disclosure requirement / information element / Entity specific topic	Requirements from other EU legislation documents[16;17;18;19]	Location in Sustainability Reporting
ESRS 2 IRO-1 E2 Description of the processes to identify and assess material impacts, risks and opportunities related to pollution		[IRO-1] Description of the processes to identify and assess material impacts, risks and opportunities related to pollution Par. 1.2.3
ESRS E2-4 Air, water and soil pollution		Not material
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	SFDR: 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 material
ESRS E3 Water and marine resources		
ESRS 2 IRO-1 E3 Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities		[IRO-1] Description of the processes to identify and assess material water-related impacts, risks and opportunities Par. 1.2.3
ESRS E3-1 Policies related to water and marine resources		Not material
ESRS E3-1 Water and marine resources, paragraph 9	SFDR: Annex I, table 2, indicator no. 7	Not material
ESRS E3-1 Dedicated Policy, paragraph 13	SFDR: Annex I, table 2, indicator no. 8	Not material
ESRS E3-1Sustainable oceans and seas paragraph 14	SFDR: Annex I, table 2, indicator no. 12	Not material
ESRS E3-4 Water consumption		Not material
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	SFDR: Annex I, table 2, indicator no. 6.2	Not material
ESRS E3-4 Total water consumption in m^3 per net revenue on own operations paragraph 29	SFDR: Annex I, table 2, indicator no. 6.1	Not material
ESRS E4 Biodiversity and ecosystems		
ESRS 2 SBM-3 E4 Material impacts, risks and opportunities and their interaction with strategy and business model		Not material
ESRS 2 SBM-3 E4 paragraph 16 (a) i)	SFDR: Annex I, table 1, indicator no. 7	Not material
ESRS 2 SBM-3 E4 paragraph 16 (b)	SFDR: Annex I, table 2, indicator no. 10	Not material
ESRS 2 SBM-3 E4 paragraph 16 (c)	SFDR: Annex I, table 2, indicator no. 14	Not material
ESRS 2 IRO-1 E4 Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities		[E4 IRO-1] Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities Par 1.2.3
ESRS E4-2 Biodiversity and ecosystem policies		Not material

Disclosure requirement / information element / Entity specific topic	Requirements from other EU legislation documents[16;17;18;19]	Location in Sustainability Reporting
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	SFDR: Annex I, table 2, indicator no. 11	Not material
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	SFDR: Annex I, table 2, indicator no. 12	Not material
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	SFDR: Annex I, table 2, indicator no. 15	Not material
ESRS E5 - Circular Economy		
ESRS 2 IRO-1 E5 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities		[IRO-1] Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities Par. 1.2.3
ESRS E5-1 Resource use and circular economy policies		[E5-1] Resource use and circular economy policies Par. 2.3.1
ESRS E5-2 Actions and resources in relation to resource use and circular economy		[E5-2] Actions and resources in relation to resource use and circular economy Par. 2.3.2
ESRS E5-3 Targets related to resource use and circular economy		[E5-3] Targets related to resource use and circular economy Par. 2.3.2
ESRS E5-4 Incoming resource flows		[E5-4] Incoming resource flows Par. 2.3.3
ESRS E5-5 Resource outflows		Not material
ESRS E5-5 Non-recycled waste paragraph 37 (d)	SFDR: Annex I, table 2, indicator no. 13	Not material
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	SFDR: Annex I, table 1, indicator no. 9	Not material
ESRS S1 Own workforce		
ESRS 2 SBM-2 S1 Interests and views of stakeholders		[SBM-2] Interests and views of stakeholders Par. 1.2.2
ESRS 2 SBM-3 S1 Material impacts, risks and opportunities and their interaction with strategy and business model		[S1-SBM3] Material impacts, risks and opportunities and their interaction with strategy and business model Par. 1.2.5
ESRS 2 SBM-3 S1 Risk of forced labour paragraph 14 (f)	SFDR: Annex I, table 3, indicator no. 13	[S1-SBM3] Material impacts, risks and opportunities and their interaction with strategy and business model Par. 1.2.5
ESRS 2 SBM-3 S1 Risk of child labour paragraph 14 (g)	SFDR: Annex I, table 3, indicator no. 12	[S1-SBM3] Material impacts, risks and opportunities and their interaction with strategy and business model Par. 1.2.5

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Disclosure requirement / information element / Entity specific topic	Requirements from other EU legislation documents[16;17;18;19]	Location in Sustainability Reporting
ESRS S1-1 – Policies related to own workforce		[S1-1] Policies related to own workforce Par. 3.2.1 and 3.3.1
ESRS S1-1 Human rights policy commitments paragraph 20	SFDR: Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1	[S1-1] Policies related to own workforce Par. 3.2.1 and 3.3.1
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21	Benchmark Regulation: Delegated Regulation (EU) 2020/1816 of the Commission, Annex II	[S1-1] Policies related to own workforce Par. 3.2.1 and 3.3.1
ESRS S1-1 Procedures and measures for preventing trafficking in human beings paragraph 22	SFDR: Annex I, table 3, indicator no. 11	[S1-1] Policies related to own workforce Par. 3.2.1 and 3.3.1
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	SFDR: Annex I, table 3, indicator no. 1	[S1-1] Policies related to own workforce Par. 3.2.1 and 3.3.1
ESRS S1-2 Processes for engaging with own workers and workers' representatives about impacts		[S1-2] Processes for engaging with own workforce and workers' representatives about impacts Par. 3.2.2 and 3.3.2
ESRS S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns		[S1-3] Processes to remediate negative impacts and channels for own workers to raise concerns Par. 3.1.1
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	SFDR: Annex I, table 3, indicator no. 5	[S1-3] Processes to remediate negative impacts and channels for own workers to raise concerns Par. 3.1.1
ESRS S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions		[S1-4] Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions Par. 3.2.3 and 3.3.3
ESRS S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities		[S1-5] Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities Par. 3.2.4 and 3.3.4
ESRS S1-6 – Characteristics of the Undertaking's Employees		[S1-6] Characteristics of the Undertaking's Employees Par. 3.2.5
ESRS S1-7 Characteristics of non-employee workers in the undertaking's own workforce		[S1-7] Characteristics of non-employee workers in the undertaking's own workforce Par. 3.3.5
ESRS S1-8 Collective bargaining coverage and social dialogue		[S1-8] Collective bargaining coverage and social dialogue Par. 3.2.6
ESRS S1-9 Diversity metrics		[S1-9] Diversity metrics Par. 3.2.5
ESRS S1-10 Adequate wages		[S1-10] Adequate wages Par. 3.2.7

Disclosure requirement / information element / Entity specific topic	Requirements from other EU legislation documents[16;17;18;19]	Location in Sustainability Reporting
ESRS S1-11 Social protection		[S1-11] Social protection Par. 3.2.8 and 3.3.6
ESRS S1-12 Persons with disabilities		[S1-12] Persons with disabilities Par. 3.2.9
ESRS S1-13 Training and skills development metrics		[S1-13] Training and skills development metrics Par. 3.2.10 and 3.3.7
ESRS S1-14 Health and safety metrics		Not material
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	SFDR: Annex I, table 3, indicator no. 2 Benchmark Regulation: Delegated Regulation (EU) 2020/1816 of the Commission, Annex II	Not material
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	SFDR: Annex I, table 3, indicator no. 3	Not material
ESRS S1-15 Work-life balance metrics		[S1-15] Work-life balance metrics Par. 3.2.11
ESRS S1-16 Compensation metrics (pay gap and total compensation)		[S1-16] Compensation metrics (pay gap and total compensation) Par. 3.2.12
ESRS S1-16 Incorrect gender pay gap, paragraph 97 a)	SFDR: Annex I, table 1, indicator no. 12 Benchmark Regulation: Delegated Regulation (EU) 2020/1816 of the Commission, Annex II	[S1-16] Compensation metrics (pay gap and total compensation) Par. 3.2.12
ESRS S1-16 Excessive pay gap in favour of the CEO, paragraph 97(b)	SFDR: Annex I, table 3, indicator no. 8	[S1-16] Compensation metrics (pay gap and total compensation) Par. 3.2.12
ESRS S1-17 Incidents, complaints and severe human rights impacts		[S1-17] Incidents, complaints and severe human rights impacts Par. 3.2.13
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	SFDR: Annex I, table 3, indicator no. 7	[S1-17] Incidents, complaints and severe human rights impacts Par. 3.2.13
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 104	SFDR: Indicator number 10 Table #1 and Indicator number 14 Table #3 of Annex 1 Benchmark Regulation: Delegated Regulation (EU) 2020/1818, Annex II and article 12, paragraph 1 Delegated Regulation (EU) 2020/1818	[S1-17] Incidents, complaints and severe human rights impacts Par. 3.2.13
ESRS S2 – Workers in the value chain		
ESRS 2 SBM-3 S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	SFDR: Indicators number 12 and 13 Table #3 of Annex 1	Not material
ESRS S2-1 Policies related to value chain workers		Not material
ESRS S2-1	SFDR: Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1	Not material

Disclosure requirement / information element / Entity specific topic	Requirements from other EU legislation documents[16;17;18;19]	Location in Sustainability Reporting
Human rights policy commitments paragraph 17		
ESRS S2-1 Policies related to value chain workers paragraph 18	SFDR: Indicators number 11 and 4 Table #3 of Annex 1	Not material
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	SFDR: Annex I, table 1, indicator no. 10 Benchmark Regulation: Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818	Not material
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19	Benchmark Regulation: Delegated Regulation (EU) 2020/1816 of the Commission, Annex II	Not material
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	SFDR: Annex 1, table 3, indicator no. 14	Not material
ESRS S3 – Affected communities		
ESRS 2 SBM-2 S3 Interests and views of stakeholders		[SBM-2] Interests and views of stakeholders Par. 1.2.2
ESRS 2 SBM-3 S3 Material impacts, risks and opportunities and their interaction with strategy and business model		[S3-SBM3] Material impacts, risks and opportunities and their interaction with strategy and business model Par. 1.2.5
ESRS 2 S3-1 Policies related to affected communities		[S3-1] Policies related to own workforce Par. 3.4.1
ESRS S3-1 Human rights policy commitments paragraph 16	SFDR: Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1	[S3-1] Policies related to own workforce Par. 3.4.1
ESRS S3-1Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	SFDR: Annex I, table 1, indicator no. 10 Benchmark Regulation: Delegated Regulation (EU) 2020/1818, Annex II and article 12, paragraph 1 Delegated Regulation (EU) 2020/1818	Not material
ESRS S3-2 Processes for engaging with affected communities about impacts		[S3-2] Processes for engaging with affected communities about impacts Par. 3.4.2, 3.4.3 and 3.4.4
ESRS S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns		Not material
ESRS S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions		[S3-4] Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions Par. 3.4.2, 3.4.3 and 3.4.4

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Disclosure requirement / information element / Entity specific topic	Requirements from other EU legislation documents[16;17;18;19]	Location in Sustainability Reporting
ESRS S3-4 Human rights issues and incidents paragraph 36	SFDR: Annex 1, table 3, indicator no. 14	Not material
ESRS S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities		[S3-5] Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities Par. 3.4.2
ESRS S4 – Consumers and end users		
ESRS 2 SBM-2 S4: Interests and views of stakeholders		[SBM-2] Interests and views of stakeholders Par. 1.2.2
ESRS 2 SBM-3 S4 Material impacts, risks and opportunities and their interaction with strategy and business model		[S4-SBM3] Material impacts, risks and opportunities and their interaction with strategy and business model Par. 1.2.5
ESRS S4-1 – Policies related to consumers and end-users		[S4-1] Policies related to consumers and end-users Par. 3.5.1
ESRS S4-1 Policies related to consumers and end-users paragraph 16	SFDR: Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1	[S4-1] Policies related to consumers and end-users Par. 3.5.1
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	SFDR: Annex I, table 1, indicator no. 10 Benchmark Regulation: Delegated Regulation (EU) 2020/1818, Annex II and article 12, paragraph 1 Delegated Regulation (EU) 2020/1818	[S4-1] Policies related to consumers and end-users Par. 3.5.1
ESRS S4-2 Processes for engaging with consumers and end-users about impacts		[S4-2] Processes for engaging with consumers and end-users about impacts Par. 3.5.2
ESRS S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns		[S4-3] Processes to remediate negative impacts and channels for consumers and end-users to raise concerns Par. 3.5.3
ESRS S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions		[S4-4]Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions Par 3.5.4
ESRS S4-4 Human rights issues and incidents paragraph 35	SFDR: Annex 1, table 3, indicator no. 14	[S4-4]Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions Par. 3.5.4
ESRS S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities(consumers and end users)		[S4-5] Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities Par. 3.5.5

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Disclosure requirement / information element / Entity specific topic	Requirements from other EU legislation documents[16;17;18;19]	Location in Sustainability Reporting
ESRS G1 - Business conduct		
ESRS 2 GOV-1 G1 The role of the administrative, management and supervisory bodies		[GOV-1] The role of the administrative, management and supervisory bodies Par. 1.3.1
ESRS 2 IRO-1 G1 Description of the processes to identify and assess material impacts, risks and opportunities		[IRO-1] Description of the processes to identify and assess material impacts, risks and opportunities Par. 1.2.3
ESRS G1-1 Business conduct policies and corporate culture		[G1-1] Business conduct policies and corporate culture Par. 4.1 and 4.2
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	SFDR: Annex I, table 3, indicator no. 15	N/A
ESRS G1-1 Protection of whistle- blowers paragraph 10 (d)	SFDR: Annex I, table 3, indicator no. 6	N/A
ESRS G1-3 Prevention and detection of corruption and bribery		[G1-3] Prevention and detection of corruption and bribery Par. 4.3
ESRS G1-4 Established cases of corruption and bribery		[G1-4] Established cases of corruption and bribery Par. 4.4.
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	SFDR: Annex I, table 3, indicator no. 17 Benchmark Regulation: Delegated Regulation (EU) 2020/1816, Annex II	
ESRS G1-4 Standards of anti- corruption and anti-bribery paragraph 24 (b)	SFDR: Annex I, table 3, indicator no. 16	
Entity specific topic - Sustainable finance		
Sustainable finance		Par. 5.1 Governance Strategy Managing Impacts, Risks and Opportunities (IRO) (including policies and actions) (G4 - FS14, G4 - FS16) Metrics and Targets (G4 - FS7, G4 - FS8, G4 - FS11)
Entity specific topic - Innovation		
Innovation		Par. 5.2 Governance Strategy Managing Impacts, Risks and Opportunities (IRO) (including policies and actions) Metrics and targets
Entity specific topic - Cybersecurity and information security		
Cybersecurity and information security		Par. 5.3 Governance

Disclosure requirement / information element / Entity specific topic	Requirements from other EU legislation documents[16;17;18;19]	Location in Sustainability Reporting
		Strategy Managing Impacts, Risks and Opportunities (IRO) (including policies and actions) Metrics and targets

The Group conducted an assessment of the impact and financial relevance of the topics covered by the topical ESRS. The topics (also subdivided into Sub-topics and Sub-sub-topics) have impact materiality or financial materiality by considering the severity and likelihood of the positive and negative short-, medium- and long-term impacts resulting from operations and the Value Chain and analysing the magnitude and likelihood of risks and opportunities in terms of financial materiality.

As previously described, the assessments made by Management, Financial Advisors and Investors (through Stakeholder Engagement) led to the definition of materiality thresholds along a scale of 1 to 16. The relevance threshold for assessing the relevance of each sustainability issue was set at a value greater than 6 for impact materiality and greater than or equal to 6 for financial materiality. Scores on the scale from 1 to 16 are identified by assigning a score from 1 (low) to 4 (very high) to severity and likelihood (for impacts) and to magnitude and likelihood (for risks and opportunities).

As a result of the Double Materiality Analysis carried out for the financial year 2024, the impacts and opportunities arising from climate change were found to be relevant (above the threshold of 6) for the FinecoBank Group, while the risks were found to be not relevant (below the threshold of 6).

As a result of the Double Materiality Analysis, the following topics were deemed relevant:

- Climate Change Adaptation and Mitigation (ESRS E1)
- Resource use and circular economy (ESRS E5)
- Own workforce, i.e. Employees and PFA (ESRS S1)
- Affected communities (ESRS S3)
- Consumers and End-Users (ESRS S4)
- Corporate Conduct (ESRS G1)
- Sustainable finance (entity specific)
- Innovation (entity specific)
- Cybersecurity and information security (entity specific).

The related impacts, risks and opportunities are explained within the chapters in which they are dealt with.

Fineco's Double Materiality Analysis 2024 mapped all possible topics in Table AR 16 of ESRS 1 applicable to the Group's situation in order to submit a complete list for stakeholder assessment. However, the final evaluations revealed that the following topics were not considered relevant:

- Pollution (ESRS E2)
- Water and Marine Resources (contained in ESRS E3)
- Biodiversity and ecosystems (ESRS E4)
- Workers in the value chain (ESRS S2).

These considerations stem from the assessments made through stakeholder engagement, which took into account the Group's business and its main activities, including those of the Value Chain.

1.2.5 Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3; S1-SBM-3; S3-SBM-3; S4-SBM-3)

During 2024, the Impacts, Risks and Opportunities related to relevant sustainability issues were identified, starting with an analysis of the Group's business model, thus taking into consideration corporate strategy, business activities, market trends and the supply of goods and services to Customers. These analyses and considerations formed the basis for the development of the Double Materiality Analysis, the results of which were formalised in the final list of relevant IROs.

The Group's business model consists of providing financial services to retail Customers (highly diversified by wealth, age and gender), both through the Financial Advisor Network and through the digital platform. From a risk perspective, the Risk Appetite Framework (RAF) was also examined, which represents the reference framework that defines - in line with the maximum risk that can be taken, the business model and the strategic plan - the risk appetite, tolerance thresholds, risk limits, risk governance policies and the reference processes required to define and implement them.

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The following table summarises all the Topics and related Sub-Topics identified by Fineco as relevant as a result of the Double Materiality Analysis process, specifying where, within the Group's business model, they are located - in its Own Operations and/or in the Value Chain - and the expected time horizon with reference to the impacts.

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A	B	C	D	E	F	G
RELEVANT TOPICS	**RELEVANT SUB-TOPICS**	**IMPACTS**	**EXPECTED TIME HORIZON OF IMPACTS**	**RISKS**	**OPPORTUNITIES**	**OWN OPERATIONS / VALUE CHAIN**
1. Climate change	Climate change mitigation Climate change adaptation Energy	*Positive Impacts* - Dissemination of Bank initiatives for energy efficiency and increased use of energy from renewable sources (actual) - Contribution to the development of sustainable finance by offering green financing products to its Customers (actual) - Contribution to the climate transition through investments in banking/sovereign counterparties that commit to Net Zero goals (actual) *Negative Impacts* - Energy consumption resulting from own operations (actual) - Generation of 'operational' air emissions including those linked to the Value Chain (actual) - Generation of 'financed' air emissions (actual)	Short/medium/long-term	-	- Customer loyalty and image enhancement (reputational opportunity) due to the offering of investment products related to climate change mitigation and adaptation - Cost reduction through high energy efficiency in the Group's offices	Own operations / Value Chain
2. Use of resources and circular economy	Resource inflows, including use of resources	*Positive Impacts* - Contribution to a better optimisation of the use of resources through the adoption of digital solutions (digitisation) (actual)	Short term	-	-	Own operations

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A	B	C	D	E	F	G
RELEVANT TOPICS	**RELEVANT SUB-TOPICS**	**IMPACTS**	**EXPECTED TIME HORIZON OF IMPACTS**	**RISKS**	**OPPORTUNITIES**	**OWN OPERATIONS / VALUE CHAIN**
		Negative Impacts - Consumption of materials for operational activities such as paper, toner, printers, computers and the tools of the IT world (actual)				
3. Own workforce	Working conditions Equal treatment and opportunities for all	*Positive Impacts* - Ensuring a safe working environment[20] through strict controls, flexible working hours, salary policies, competitive benefits and work-life balance policies and personal commitments (actual) - Promotion of professional growth, gender equality, fair remuneration, inclusion, diversity and measures against violence (actual) *Negative Impacts* - Unjustified wage disparity resulting in increased turnover (potential) - Low satisfaction/engagement related to network management policies (potential)	Short/medium term	-	- Improving the productivity of its Employees by improving working conditions in terms of adequate wages, working hours and work-life balance - Improving the productivity of PFAs through improved working conditions (including improved work-life balance as a result of the digital experience) - Improving loyalty and the perception of the Group's reputation through improved working conditions for Employees (inclusiveness, protection from acts of violence and harassment) - Improving loyalty and the perception of the Group's reputation through improved working conditions for PFAs (inclusiveness, protection from acts of violence and harassment)	Own operations
4. Affected communities	Communities' economic, social and cultural rights	*Positive Impacts* - Improved community relations through community-driven financial education initiatives aimed at increasing awareness of informed financial choices (actual)	Long-term	-	-	Value Chain

[20] The concept of job security expressed by the IRO refers to job security and stability, not health and safety.

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A	B	C	D	E	F	G
RELEVANT TOPICS	**RELEVANT SUB-TOPICS**	**IMPACTS**	**EXPECTED TIME HORIZON OF IMPACTS**	**RISKS**	**OPPORTUNITIES**	**OWN OPERATIONS / VALUE CHAIN**
5. Consumers and end-users	Information-related impacts for consumers and/or end-users Social inclusion of consumers and/or end users	*Positive Impacts* - Provision of financial advisory services and access to information resources that enable more informed and responsible financial decisions (actual) - Accessibility of digital services offered to ensure access for all types of Customers (actual) *Negative Impacts* - Violation of customer privacy with potential negative consequences for customer security (actual) - Irresponsible marketing practices tending towards greenwashing (actual)	Short/medium/long-term	- Reputational risk due to loss of reputational shares following the loss of Customers' personal data - Legal and conduct risk due to financial losses from lawsuits and customer complaints in connection with the placement of products whose disclosures do not adequately reflect the sustainability profile of the underlying assets - Compliance risk due to the imposition of fines or penalties by the Supervisory Authority in connection with the placement of products whose disclosures do not adequately reflect the sustainability profile of the underlying assets - Reputational risk due to publication in newspapers of the Group's alleged involvement in a greenwashing scandal - Reputational risk for loss of reputation due to publication in newspapers of alleged unfair business practices by the Group, as well as fraud	- Improved customer loyalty through clear and transparent communication including sustainability issues - Attracting new Customers, increasing the loyalty of existing Customers and improving image with consequent expansion of market share through the implementation of digital/innovative solutions, products and services - Attracting new Customers and increasing the loyalty of current Customers, through inclusion initiatives with dedicated targets (e.g. Underage Account *"Conto Minori"*, scholarships,etc.), with benefits also in terms of brand identity	Own operations / Value Chain

Consolidated Sustainability reporting

A	B	C	D	E	F	G
RELEVANT TOPICS	RELEVANT SUB-TOPICS	IMPACTS	EXPECTED TIME HORIZON OF IMPACTS	RISKS	OPPORTUNITIES	OWN OPERATIONS / VALUE CHAIN
				or mis-selling events carried out by consultants within the sales network - Operational risk for financial losses due to legal expenses and customer claims related to mis-selling events		
6.Business conduct	Corporate culture Corruption and bribery	*Positive Impacts* - Dissemination of an ethical and responsible business culture (actual) - Dissemination of a culture open to dialogue and to the protection of whistleblowers, through appropriate channels (actual) - Increased stakeholder confidence through financially sound and transparent banking conduct (actual)	Medium/long-term	- Operational risk due to the performance of ordinary or extraordinary operations in violation of internal procedures, without the involvement or approval of the competent corporate bodies or functions - Business risk due to loss of market share as a result of conducting activities in breach of ethical standards - Operational risk for financial losses due to legal expenses and customer compensation related to internal fraud events - Operational risk for financial losses due to sanctions imposed by supervisory authorities following the detection of business practices deemed	- Attracting new investors/Customers through the presence and consolidation of a strong corporate culture - Strengthening of the Network's involvement in corporate ESG strategies and in the achievement of ESG objectives also through specific training, with the aim of attracting new Customers, improving brand identity and spreading a culture of sustainability	Own operations / Value Chain

Consolidated Sustainability reporting

A	B	C	D	E	F	G
RELEVANT TOPICS	**RELEVANT SUB-TOPICS**	**IMPACTS**	**EXPECTED TIME HORIZON OF IMPACTS**	**RISKS**	**OPPORTUNITIES**	**OWN OPERATIONS / VALUE CHAIN**
				unfair or lacking transparency - Operational risk due to the imposition of sanctions or restrictions by the supervisory authority for deficiencies in the control framework - Reputational risk due to publication in major newspapers of alleged flaws in the Group's anti-money laundering and anti-terrorism framework		
7. Sustainable finance	-	*Positive Impacts* - Contribution to the development of sustainable finance through ESG integration in internal investment choices and through product offerings with ESG characteristics (actual) - Fineco AM's stewardship activities including proxy voting and direct engagement with companies, integrating sustainability considerations (potential)	Medium/long-term	-	Attraction of new Customers, increased revenues from investments (own and for Customers) in instruments/products with ESG characteristics, with benefits also in terms of portfolio quality and diversification and strengthening of ESG components of brand identity.	Own operations / Value Chain
8. Innovation	-	*Positive Impacts* - Technological innovation, process dematerialisation and digitisation aimed at more effective and efficient business operations, particularly from an environmental perspective (reduction in	Long-term	-	- Operational efficiency (with positive effects on the quality of work of Employees and PFAs and the quality of service offered to Customers) through the use of new technologies (e.g. AI, blockchain, cyber)	Own operations

Consolidated Sustainability reporting

A	B	C	D	E	F	G
RELEVANT TOPICS	**RELEVANT SUB-TOPICS**	**IMPACTS**	**EXPECTED TIME HORIZON OF IMPACTS**	**RISKS**	**OPPORTUNITIES**	**OWN OPERATIONS / VALUE CHAIN**
		consumption of natural resources and waste production) (actual) - Technological innovation and digitisation aimed at maximising customer satisfaction (through the development of innovative and environmentally friendly digital platforms), in particular through the digital offering of ESG products and services (actual)				
9.Cybersecurity and information security	-	*Negative Impacts* - Loss of data, confidential business information and breach of privacy (actual)	Short term	- ICT risk due to Customers being unable to access their assets for extended periods due to cyberattacks or IT incidents - Reputational risk due to loss of reputation following cyber-attacks or IT incidents with prolonged impact on customer operations	-	Own operations / Value Chain

The current and prospective effects coming from the relevant risks and the actions to mitigate them are set out below:

- conduct risk, understood as the sum of operational losses related to internal fraud and those related to Customers , products and business practices, constitutes one of the most significant risks for the Group, as it has a direct impact on Customers and losses on the profit and loss account mainly due to legal costs and compensation paid to Customers who are victims of internal fraud or subject to financial product mis-selling. Specifically, as of 31 December 2024, conduct risk accounts for 50% of the Group's operating losses. For mitigation purposes, the Group has implemented an extensive system of controls over its sales network, involving all three levels of the defence lines. These controls are aimed at identifying anomalies in the actions of Financial advisors or their associated Customers and enabling the relevant structures to intervene in good time. The early identification of conduct risk makes it possible to limit losses and stem any reputational consequences;
- ICT and security risk is also a major risk. In the specific case of the Bank, ICT and security risk could have a major impact on Customers in the event of service disruptions due to IT failures or attacks and security holes. For Group entities, on the other hand, the risk materialises both in the form of IT equipment restoration costs and in the form of losses for reimbursement of damages to Customers and legal expenses. Lastly, in the event of prolonged interruptions or disclosure of Customers' personal data, the Group could suffer a significant loss in terms of reputational share and see some of its Customers flee, resulting in less revenue. As of 31 December 2024, operational losses due to business interruptions and system failures were very limited and amounted to 70,000 euros. Although the losses recorded historically have always been small, the risk remains significant, both in terms of the relevance of the channels and the magnitude of the potential financial and reputational effects. In order to mitigate risk, the Group maintains an ICT and Security risk management and monitoring framework involving all three layers of the lines of defence. As of 31 December 2024, the latter is being reassessed in view of the implementation of the EU Regulation on the Digital Operational Resilience Act (DORA), applicable from 17 January 2025. In addition, the Group companies have adopted their own Business Continuity Management process and Business Continuity and Disaster Recovery Plan, which is tested, verified and updated periodically;
- Greenwashing risk is an emerging risk, intrinsic to the Group's business model, which focuses on brokerage and advisory services to retail Customers. Although it has not yet produced any financial effects on Group companies, it constitutes a significant risk because it has a potential direct impact on Customers, who would risk seeing their assets invested in financial products that do not reflect their sustainability preferences. For the Bank, the risk is to suffer operational losses as a result of refunds and lawsuits arising from the placement of financial products subject to greenwashing to Customers. For Fineco AM, the risk is to assemble investment products whose disclosures do not adequately reflect their sustainability profile. In both cases, there is a significant reputational risk for the Group. The Parent Company's CRO Department and Fineco AM's risk control function perform specific greenwashing checks on investment funds, aimed at verifying the consistency of the classification of these products with the underlying assets. The first effects of Greenwashing may be visible in the long term, when sustainable investment products will constitute a significant share of the market, and regulations issued by regulators and standard setters on the subject will be more stringent;
- Compliance risk is a significant risk for all financial entities. In this respect, it should be noted that the Group's governance is based on the three lines of defence model, which envisages the presence of a Compliance function responsible for presiding over the management of the risk of non-compliance with internal and external regulations, and carrying out the relevant controls, and the presence of an Internal Audit function, responsible for carrying out independent auditing activities aimed at assessing and improving the system of internal controls. During 2024, there were no material financial effects on the Group attributable to compliance risk;
- the risk of money laundering and terrorist financing may potentially involve all financial entities. Fineco, as a banking entity, is subject to various regulations on anti-money laundering and countering the financing of terrorism. In order to ensure compliance with these and to carry out the controls required by sector regulations, the Parent Company has set up an Anti-Money Laundering and Anti-Corruption function, which is responsible for continuously monitoring and identifying the external regulations applicable to the Bank and for measuring/assessing their impact on corporate processes and procedures in the areas of anti-money laundering, countering the financing of terrorism, financial sanctions and anti-corruption. During 2024, there were no material financial effects on the Group attributable to the risk of money laundering and terrorist financing.

The resilience of the Group's strategy and business model with regard to its ability to address material risks is ensured by the Supervisory Review Process (SRP). The latter consists of two integrated phases:

- The first phase consists of the internal processes for determining capital adequacy(Internal Capital Adequacy Assessment Process - ICAAP) and the adequacy of the liquidity risk governance and management system(Internal Liquidity Adequacy Assessment Process - ILAAP), under the responsibility of the Parent Company, which performs an independent assessment, current and prospective, of the capital adequacy and liquidity risk governance and management system, in relation to the risks assumed and the company strategies;
- the second consists of the Supervisory Review and Evaluation Process (SREP) and is carried out by the supervisory authority, which, also through the review of the ICAAP and ILAAP, formulates an overall judgement on the Group and activates corrective measures where necessary. The review of ICAAP and ILAAP is based on a dialogue between the Supervision and the banks, allowing the ECB and the Bank of Italy to gain a deeper understanding of the ICAAP and ILAAP processes and the underlying methodological assumptions and, on the other hand, allows the banks to illustrate the reasons supporting their assessments.

The SREP 2024 process, relating to data as of 31 December 2023, was successfully concluded on 3 December 2024 with the communication of the additional supervisory requirements by the European Central Bank, showing no significant changes in the scope of sustainability risks recognised in the Non-Financial Statement as of 31 December 2023.

With reference to the above-mentioned opportunities, to date, no information is available to quantify the expected financial effects that is adequate with respect to the qualitative characteristics that the same information must possess in order to be reported under Appendix B of ESRS 1.

Consolidated Sustainability reporting

1.3 Governance

1.3.1 The role of the administrative, management and supervisory bodies (GOV-1; G1-GOV-1)

The following paragraphs report on the activities and tasks of the administrative, management and supervisory bodies, with regard to sustainability matters, their composition and the competences of the members in different areas related to the Group's activities.

Without prejudice to the powers provided for by applicable pro tempore regulations in force, also pursuant to the Supervisory Provisions on Corporate Governance and the Corporate Governance Code, consistently with the provisions of the Articles of Association and the Regulation of Corporate Bodies, the Board of Directors, inter alia in order to mitigate the Bank's and the Group's operational and reputational risks and foster the dissemination of a culture of internal controls, approves a code of ethics, code of conduct and/or similar instruments to be complied with by members of corporate bodies and Employees of the Bank and the Group, ensuring their implementation and monitoring their compliance by the addressees with the support of the competent Group structures. The code defines the principles of professional conduct (e.g. rules of ethics and rules to be observed in relations with Customers), also by indicating inadmissible conduct (including the use of false or inaccurate information and the commission of financial or tax offences) to which the company's activities must be guided.

The Board of Statutory Auditors performs its supervisory and control tasks with regard to the above issues.

1.3.1.1 Board of Directors

The Board of Directors, after appointment and subsequently on an annual basis, has positively ascertained that its members meet the competence criteria aimed at proving their suitability for the office, considering the tasks inherent to the role held and the characteristics of the Bank, as well as the adequacy of the Board's composition as a whole. The workers' representatives have no role in administrative, management and/or supervisory bodies.

On the occasion of each renewal, the Board of Directors is required to identify in advance its optimal qualitative and quantitative composition. Further indications on the capacities that are deemed to be developed can be provided as part of each body's self-assessment, i.e. when preparing induction programmes for management and control bodies.

The competence checks of the members were carried out on the basis of the documentation produced and the declarations made by the interested parties, which showed that they have theoretical knowledge and practical experience in the following areas:

- Banking and Risk Management Techniques: 8 directors out of 11;
- Strategic Planning: 7 directors out of 11;
- Business Management and Organisation: 8 directors out of 11;
- Interpretation of Economic Accounting Data: 9 directors out of 11;
- Governance: all directors;
- Regulations pertaining to the Banking and Financial Sector: 10 directors out of 11;
- Global Dynamics of the Economic and Financial System: 7 directors out of 11;
- Reference Banking and Financial Markets: 10 directors out of 11;
- Compliance and Anti-Money Laundering: 9 directors out of 11;
- Foreign markets in which FinecoBank operates: 6 directors out of 11;
- Information Technology: 5 directors out of 11;
- Sustainability: 10 directors out of 11.

Furthermore, in compliance with the recommendations of the Bank of Italy and internal regulations ("Regulation of the Corporate Bodies of FinecoBank S.p.A." and document entitled "Qualitative and Quantitative Composition of the Board of Directors of FinecoBank S.p.A.", approved by the Board by resolution of 23 February 2023 on the occasion of the renewal of the body), the members of the Board of Directors, following their appointment and during their term of office, have been invited to participate in a series of continuous training initiatives (normally on a monthly basis), aimed at ensuring a suitable set of technical skills. In particular, the Chairman ensures that members can participate in initiatives aimed at providing them with an adequate knowledge of the business sectors in which the Group operates, of corporate dynamics and their evolution also with a view to the sustainable success of the Bank itself and the Group, as well as of the principles of proper risk management and the regulatory and self-regulatory framework of reference, including Anti Money Laundering issues. Finally, on the basis of the declarations made, the Directors possess specific skills and experience in the field of sustainability also with specific reference to climate and environmental risks.

Without prejudice to the legislation applicable from time to time, the Board of Directors, inter alia: defines the nature and level of risk compatible with the Bank's and the Group's strategic objectives by including in its assessments all risks that may be relevant to sustainable success; examines and approves the business model being aware of the risks to which this model exposes the Bank and the Group; formalises the policies for governing the risks to which the Bank and the Group may be exposed, as well as the risk objectives and tolerance thresholds, their periodic review in order to ensure their effectiveness over time, and the supervision of the actual functioning of the risk management and control processes in compliance with the applicable laws and regulations; defines corporate strategies taking into account sustainable finance objectives and, in particular, the integration of environmental, social and governance (ESG) factors, including the management of associated risks, impacts and opportunities, into the Group's decision-making processes; examines and approves the Group's business plan also on the basis of the analysis of matters relevant to the generation of long-term value and periodically monitors its implementation; and approves the accounting and financial and sustainability reporting systems. In addition, it annually assesses and approves the list of relevant sustainability topics and matters and their related Impacts, Risks and Opportunities

(IROs), following review by the Corporate Governance and Environmental and Social Sustainability Committee and, where applicable, by the Risk and Related Parties Committee. In fact, the ESG activities of the Board of Directors are supported, limited to the aspects of their respective competences, by the Corporate Governance and Environmental and Social Sustainability Committee, and the Risk and Related Parties Committee, as described in the following paragraphs.

Without prejudice to the competence of the Board of Directors in matters of sustainability, it is understood that the Board of Directors may also use the advice of external experts in carrying out its work.

In addition, the Board of Directors appointed the members of the internal board Committees in consideration of the experience gained as well as the specific skills and availability expressed by the Directors, assessing and ascertaining that they possess adequate experience and competence in the field of activity of the different Committees. The Committees have adequate financial resources to fulfil their tasks, within the limits of the budget approved by the Board, sufficient to guarantee their operational independence, which may be supplemented in cases of particular need. In order to perform their tasks, the Committees are provided with adequate tools and information flows, ensured by the competent functions, to enable them to formulate their assessments and have access to corporate information relevant for this purpose. They can also make use of external experts for sustainability advice.

	Women (no.)	Percentage of the total	Men (no.)	Percentage of the total	Total (no.)
Executive members	-		1		1
Non-executive members	6		4		10
Total members	**6**	**55%**	**5**	**45%**	**11**

The independent members of the Board of Directors represent 91% of the total Directors.

Breakdown of members by age	Women (no.)	Men (no.)	Total (no.)	Percentage of the Total
up to 55 years	1	2	3	27.2%
between 56 and 65 years	3	1	4	36.4%
over 65 years	2	2	4	36.4%

In addition to the internal board Committees, described in the following paragraphs, at Fineco, management has a role in the governance processes, controls and procedures used to monitor, manage and control impacts, risks and opportunities through the Managerial Sustainability Committee, a collegial body composed of FinecoBank managers. In particular, the Sustainability Management Committee is entrusted with the main task of defining a proposal for the Bank's sustainability strategy and the objectives to be achieved, in line with the Group's guidelines, to be submitted, for the purpose of supervision, to the Corporate Governance and Environmental and Social Sustainability Committee for review and, consequently, approval by the Board of Directors. The Sustainability Management Committee is therefore in charge of guaranteeing the sharing of information on sustainability, ensuring unified and consistent guidelines and the assessment of the related social and environmental risks and, in general, of the risks connected with sustainability issues, on the basis of national and international guidelines and principles, as well as the legal and regulatory provisions in force at the time. The Committee is also called upon to: i) to monitor and ensure the implementation of the sustainability strategy and the achievement of its objectives; ii) to discuss updates and results following the implementation of the strategy.

Lastly, it should be noted that the ESG 2024-2026 MYP includes a specific objective in terms of ESG Governance, to be achieved by 2025, relating to the formalisation of the figure of the ESG Ambassador in the corporate organisation, a figure aimed at improving both the coordination of ESG initiatives within the main Departments involved, and the flows between the Departments themselves and the Sustainability function.

1.3.1.2 Corporate Governance and Environmental and Social Sustainability Committee

Fineco has established the Corporate Governance and Environmental and Social Sustainability Committee, a board committee with investigative, advisory and propositional functions vis-à-vis the Board of Directors, in matters of environmental and social sustainability and corporate governance. The members of the Committee (Patrizia Albano - Chairman-, Maria Alessandra Zunino de Pignier and Gianmarco Montanari) are appointed by the Board of Directors from among its non-executive members.

The competences of the Committee members are as follows:

- Banking and Risk Management Techniques: 1 in 3 members

- Strategic Planning: 1 in 3 members
- Business Management and Organisation: 2 out of 3 members
- Interpretation of Economic Accounting Data: 2 out of 3 members
- Governance: all members
- Regulations pertaining to the Banking and Financial Sector: all members
- Global Dynamics of the Economic and Financial System: 1 in 3 members
- Reference Banking and Financial Markets: all members
- Compliance and Anti-Money Laundering: 2 out of 3 members
- Foreign Markets where FinecoBank operates: 1 in 3 members
- Information Technology: 1 in 3 members
- Sustainability: all members.

The Committee, with investigative, advisory and propositional functions vis-à-vis the Board of Directors, in addition to its specific corporate governance responsibilities, oversees sustainability matters related to the Group's operations and the dynamics of interaction with all stakeholders. In particular, it performs the following support functions to the Board of Directors:

- oversees the evolution of the sustainability strategy of the Bank and the Group based on the relevant international guidelines and principles
- contributes to assessing the impacts, risks and opportunities related to sustainability matters, including risks that could become relevant in the medium to long term
- examines and, where appropriate, formulates proposals on the Group's social, environmental and governance plans, objectives, rules and internal regulations in line with current legislation, monitoring their evolution over time. In this regard, among other things, it plays a role in supporting the Board of Directors in approving policies aimed at promoting diversity and inclusiveness
- it contributes to the review of products with ESG purposes for which the Bank acts as producer
- it monitors the positioning of the Group within the financial markets on the topics of sustainability and its relations with all its stakeholders
- it reviews and provides opinions on the policy for managing dialogue with shareholders at large, considering the engagement policies adopted by institutional investors and asset managers
- it reviews and, where appropriate, formulates proposals on the list of relevant sustainability issues and topics and their impacts, risks and opportunities for approval by the Board of Directors. It also examines the Sustainability Report formation process and contents
- it assesses the suitability of the Sustainability Reporting to correctly represent the business model, the Company's strategies, the impact of its activity and the performance achieved
- it examines in advance the environmental statement pursuant to EMAS Regulation No. 1221/2009, for the areas applicable to FinecoBank, to be submitted to the Board of Directors for approval.

In particular, the ability to integrate sustainability topics into the strategic and business vision was considered a priority among other key competencies for the Board's composition.

	Members (no.)	Percentage of the Total
Women	2	67%
Men	1	33%
Total	**3**	**100%**

Breakdown of members by age	Women (no.)	Men (no.)	Total (no.)	Percentage of the Total
Aged up to 55 years	-	1	1	33%
Aged between 56 and 65	-	-	-	-
Aged over 65	2	-	2	67%

1.3.1.3 Risk and Related Parties Committee

Fineco has established the Risks and Related Parties Committee, a board committee with investigative, consultative, and propositional functions towards the Board of Directors. It has specific responsibilities regarding risks and related parties and is also entrusted with tasks related to sustainability reporting. The members of the Committee (Maria Alessandra Zunino de Pignier - Chairman, Arturo Patarnello, Maria Lucia Candida, Elena Biffi and Marin Gueorguiev) are appointed by the Board of Directors from among its non-executive members.

The competences of the Committee members are as follows:

- Banking and Risk Management Techniques: all members
- Strategic Planning: 4 out of 5 members
- Business Management and Organisation: 4 out of 5 members
- Interpretation of Economic Accounting Data: all members
- Governance: all members
- Regulations pertaining to the Banking and Financial Sector: all members
- Global Dynamics of the Economic and Financial System: 2 out of 5 members
- Reference Banking and Financial Markets: all members
- Compliance and Anti-Money Laundering: all members
- Foreign markets in which FinecoBank operates: 2 out of 5 members
- Information Technology: 2 out of 5 members
- Sustainability: 4 out of 5 members.

The Committee, with investigative, advisory and propositional functions vis-à-vis the Board of Directors, carries out, among others, the following activities in the field of sustainability:

- examines the process of drawing up the interim reports required by the regulations, as well as the annual financial statements, including sustainability reporting, on the basis of the reports of the persons in charge of the relevant functions
- assesses, within its scope of competence, the suitability of the Sustainability Reporting to correctly represent the business model, the Company's strategies, the impact of its activity and the performance achieved
- examines the content of the consolidated Sustainability Reporting of the FinecoBank Group relevant for the purposes of the internal control and risk management system
- supervises the process of certifying the compliance of the Sustainability Reporting
- assesses, in consultation with the Manager in charge of preparing the company's financial reports, the statutory auditor and the auditing body, the correct use of the accounting standards and their uniformity for the purposes of preparing the consolidated financial statements, as well as the Sustainability Reporting Standards
- examines, within its scope of competence, the list of relevant sustainability topics and issues, examines and, where appropriate, formulates proposals with reference to the associated risks for sharing with the Corporate Governance and Environmental and Social Sustainability Committee and subsequent approval by the Board of Directors.

	Members (no.)	Percentage of the Total
Women	3	60%
Men	2	40%
Total	**5**	**100%**

Breakdown of members by age	Women (no.)	Men (no.)	Total (no.)	Percentage of the Total
Aged up to 55 years	-	1	1	20%
Aged between 56 and 65	2	-	2	40%
Aged over 65	1	1	2	40%

1.3.1.4 Appointments Committee

Fineco has set up the Appointments Committee, a board committee with investigative, advisory and propositional functions vis-à-vis the Board of Directors, in the matters expressly indicated in the Bank's Regulation of Corporate Bodies. In this context, the Committee may be addressed on sustainability matters related to its competencies. The members of the Committee (Elena Biffi - Chairman, Patrizia Albano and Arturo Patarnello) are appointed by the Board of Directors from among its non-executive members in such a way as to ensure adequate expertise in the Committee's field of activity.

The competences of the Committee members are as follows:

- Banking and Risk Management Techniques: 2 out of 3 members
- Strategic Planning: 2 out of 3 members
- Business Management and Organisation: 1 in 3 members
- Interpretation of Economic Accounting Data: 2 out of 3 members
- Governance: all members
- Regulations pertaining to the Banking and Financial Sector: all members
- Global Dynamics of the Economic and Financial System: 1 in 3 members
- Reference Banking and Financial Markets: all members
- Compliance and Anti-Money Laundering: all members
- Foreign markets in which FinecoBank operates: 1 in 3 members
- Information Technology: 1 in 3 members
- Sustainability: all members.

With specific reference to sustainability matters, it should be noted that the Committee plays an important role in identifying candidates for the role of Director, contributing to the definition of the required theoretical profile and making proposals to the Board of Directors on the optimal qualitative and quantitative composition of the Board itself and its Committees. In this context, in particular, it is recalled that the qualitative and quantitative composition of the Board of Directors must ensure the gender balance envisaged by the legislation in force at the time, as well as reflect an adequate degree of diversification in terms of skills, experience, age and international projection. In addition, the Appointments Committee may also identify, in the context of determining the optimal quali-quantitative composition, specific requirements that Directors must possess with regard to skills, knowledge and experience in the field of sustainability. In this regard, it should be noted that in the document 'Qualitative and Quantitative Composition of the Board of Directors of FinecoBank S.p.A. ' ('Qualitative-Quantitative Profile') approved on 23 January 2023, among the competencies required of directors, sustainability was also represented, intended with particular reference to strategic aspects and the management of relevant risks with a view to medium- and long-term sustainability, including those relating to climate and environmental issues. Furthermore, the importance of enhancing aptitude profiles capable of ensuring the optimal performance of the office by directors was reiterated, considering the ability to integrate sustainability topics into the strategic and business vision as a priority among the other key skills for the composition of the Board.

	Members (no.)	Percentage of the Total
Women	2	67%
Men	1	33%
Total	**3**	**100%**

Breakdown of members by age	Women (no.)	Men (no.)	Total (no.)	Percentage of the Total
Aged up to 55 years	-	-	-	
Aged between 56 and 65	1	-	1	33%
Aged over 65	1	1	2	67%

1.3.1.5 Remuneration Committee

Fineco has set up the Remuneration Committee, a board with investigative, advisory and propositional functions vis-à-vis the Board of Directors, in the matters expressly indicated in the Bank's Regulation of Corporate Bodies. In this context, the Committee may be addressed on sustainability issues related to its competencies. The members of the Committee (Gianmarco Montanari - Chairman, Giancarla Branda and Marin Gueorguiev) are appointed by the Board of Directors from among its non-executive members in such a way as to ensure adequate expertise in the Committee's field of activity.

Furthermore, on the basis of the declarations made in the context of the appointment of the Board of Directors, the Directors possess specific skills and experience in the field of sustainability, also with specific reference to climate and environmental risks.

The competences of the Committee members are as follows:

- Banking and Risk Management Techniques: 2 out of 3 members
- Strategic Planning: 2 out of 3 members
- Business Management and Organisation: 2 out of 3 members
- Interpretation of Economic Accounting Data: all members
- Governance: all members
- Regulations pertaining to the Banking and Financial Sector: all members
- Global Dynamics of the Economic and Financial System: 2 out of 3 members
- Reference Banking and Financial Markets: all members
- Compliance and Anti-Money Laundering: 2 out of 3 members
- Foreign markets in which FinecoBank operates: 2 out of 3 members
- Information Technology: 2 out of 3 members
- Sustainability: all members.

With specific reference to sustainability aspects, the Remuneration Committee, when formulating proposals or expressing opinions to the Board on the overall remuneration and on the assignment and evaluation of the performance objectives of the CEO and General Manager and of all Identified Staff, considers the integration of specific ESG KPIs. Similarly, the Committee, when examining any equity or monetary incentive plans for Employees and Financial advisors and strategic human resources development policies, contributes to the definition of specific sustainability objectives. It also supports the Board of Directors in monitoring any gender pay gap.

	Members (no.)	Percentage of the Total
Women	1	33%
Men	2	67%
Total	**3**	**100%**

Breakdown of members by age	Women (no.)	Men (no.)	Total (no.)	Percentage of the Total
Aged up to 55 years	-	2	2	67%
Aged between 56 and 65	1	-	1	33%
Aged over 65	-	-	-	-

1.3.1.6 Board of Statutory Auditors

Fineco adopts the so-called traditional system of administration and control, based on the presence of two bodies appointed by the shareholders' meeting: the Board of Directors and the Board of Statutory Auditors with control functions. The latter supervises compliance with laws, regulations and the Articles of Association as well as proper administration, the adequacy of the Bank's organisational and accounting structures and the risk management (including those climatic and environmental) and control system. With particular reference to sustainability aspects, the Board of Statutory Auditors monitors the activity of certifying the compliance of the Sustainability Reporting, the independence of external auditor, the sustainability reporting process, as well as compliance with the Sustainability Reporting provisions. The Statutory Auditors are also constantly informed about sustainability topics in the context of the meetings of the board Committees and the Board of Directors, in which they take part. Furthermore, the Board of Auditors is an integral part of the overall internal control system and performs the functions defined by the Supervisory Provisions, also in its capacity as the 'Internal Control and Audit Committee'.

The Board of Statutory Auditors, after appointment and subsequently on an annual basis, has positively ascertained that its members meet the competence criteria aimed at proving their suitability for the office, considering the tasks inherent to the role held and the characteristics of the Bank, as well as the adequacy of the Board's composition as a whole. The audits of the Board of Statutory Auditors were carried out on the basis of the documentation produced and the declarations made by those concerned, from which it emerged that the members (the chairman, the two auditors and the two substitute auditors) of the Board of Statutory Auditors have theoretical knowledge and practical experience in the following areas:

- Financial Markets: 4 out of 5 auditors
- Regulation in the banking and financial sector: all auditors
- Guidelines and strategic planning: 3 out of 5 auditors
- Organisational and corporate governance structures: all auditors
- Risk management: 3 out of 5 auditors
- Internal control systems and other operational mechanisms: 3 out of 5 auditors
- Banking and financial activities and products: all auditors
- Accounting and financial information: 4 out of 5 auditors.

The Board of Statutory Auditors may also consult external experts for advice on sustainability topics.

	Members (no.)	Percentage of the Total
Women	2	40%
Men	3	60%
Total	**5**	**100%**

Breakdown of members by age	Women (no.)	Men (no.)	Total (no.)	Percentage of the Total
Aged up to 55 years	-	1	1	20%
Aged between 56 and 65	2	2	4	80%
Aged over 65	-	-	-	-

1.3.2 Disclosure and management of sustainability issues (GOV-2)

The administrative, management and supervisory bodies are informed about relevant impacts, risks and opportunities. The Board of Directors annually assesses and approves the list of relevant sustainability topics and matters and their related Impacts, Risks and Opportunities (IROs), following review by the Corporate Governance and Environmental and Social Sustainability Committee and, where applicable, by the Risk and Related Parties Committee.

In this context, for the approval by the Board of Directors, regarding the list of relevant sustainability topics and matters, as well as their related impacts, risks, and opportunities:

- the Corporate Governance and Environmental and Social Sustainability Committee reviews and, where appropriate, makes proposals on the list of relevant sustainability issues and IROs
- the Risk and Related Parties Committee, examines and, where appropriate, formulates proposals with reference to the associated risks for the purpose of sharing them with the Corporate Governance and Environmental and Social Sustainability Committee and subsequent approval by the Board of Directors.

The Board of Directors, with the support of the Corporate Governance and Environmental and Social Sustainability Committee, periodically monitors the effectiveness of the policies and actions undertaken. To this end, the Sustainability department and other relevant departments provide reports that include trends in key metrics relating to environmental, social and governance aspects.

In addition, the Corporate Governance and Environmental and Social Sustainability Committee, in the exercise of its investigative, advisory and propositional functions vis-à-vis the Board of Directors, oversees sustainability matters related to FinecoBank's business operations and, in this regard, performs, among others, the following functions in support of the Board:

- oversees the evolution of the sustainability strategy of the Bank and the Group based on the relevant international guidelines and principles
- contributes to assessing the impacts, risks and opportunities related to sustainability topics, including risks that could become relevant in the medium to long term
- examines and, if necessary, makes proposals regarding plans, objectives, rules, and internal regulations on the Group's social, environmental, and governance matters in line with current regulations, while monitoring their implementation over time
- monitors the positioning of the Bank and the Group within the financial markets in terms of sustainability and its relations with all its stakeholders
- assesses, within its scope of competence, the suitability of the Sustainability Reporting to correctly represent the business model, the Bank's strategies, the impact of its activity and the performance achieved.

With reference to the Risks and Related Parties Committee, the following competences in the field of sustainability should be noted:

- examines the process of drawing up the interim reports required by the regulations, as well as the annual financial statements, including sustainability reporting, on the basis of the reports of the persons in charge of the relevant functions
- assesses, within its scope of competence, the suitability of the Sustainability Reporting to correctly represent the business model, the Group's strategies, the impact of its activity and the performance achieved
- examines the content of the consolidated Sustainability Reporting relevant for the purposes of the internal control and risk management system
- supervises the process of certifying the compliance of the Sustainability Reporting
- assesses, in consultation with the Manager Responsible for Preparing the Company's Financial Reports, the statutory auditor and the auditing body, the correct use of the accounting standards and their uniformity for the purposes of preparing the consolidated financial statements, as well as the Sustainability Reporting Standards.

These Committees normally meet monthly, prior to the monthly meeting of the Board of Directors. Updates are provided by the relevant Bank structures. In addition, as part of each meeting of the Board of Directors, the Chairman of the Corporate Governance and Environmental and Social Sustainability Committee provides a briefing on the main ESG issues addressed in the previous committee meeting. Similar monthly reporting is provided for matters within the competence of the Chairman of the Risk and Related Parties Committee.

The Statutory Auditors are informed about sustainability matters within the Committees, in which they participate, as well as within the Board of Directors. Finally, it should be noted that, with specific reference to Sustainability Reporting, the Board of Auditors supervises the activity of certifying the compliance of the sustainability reporting, the sustainability reporting process, as well as compliance with the sustainability reporting provisions of Legislative Decree No. 125/2024.

Without prejudice to the powers provided for by the laws and regulations in force at the time, the Board of Directors, inter alia, pursuant to the Supervisory Provisions and the Corporate Governance Code, and consistently with the provisions of the Articles of Association, defines corporate strategies taking into consideration, among others, the objectives of sustainable finance and, in particular, the integration of environmental, social and governance (ESG) factors, including the management of risks, impacts and opportunities associated with them, in the processes related to corporate decisions. In addition, it defines the nature and level of risk compatible with the Bank's and the Group's strategic objectives by including in its assessments all risks that may be relevant to sustainable success.

The Board of Statutory Auditors performs its supervisory and control tasks with regard to the above issues.

The year 2024 marks the first experience in conducting a Double Materiality Analysis fully aligned with the requirements of the CSRD framework, consequently, the processes for determining the frequency and methodologies for oversight of relevant IROs by the Board and its Committees are still being refined.

In 2024, when the Double Materiality Analysis was validated, all relevant Risks were discussed by the **Risk and Related Parties Committee**, and all relevant Impacts, Risks and Opportunities were discussed by the **Corporate Governance and Environmental and Social Sustainability Committee**, the **Board of Statutory Auditors** and the **Board of Directors**. The IROs were also the subject of a specific induction to the Board of Directors, which ultimately approved the results of the Double Materiality Analysis in September 2024.

In addition, the **Risk and Related Parties Committee** examined the new methodological framework for the Internal Control System for Sustainability Reporting. The **Remuneration Committee** addressed matters related to working conditions and equal treatment and opportunities for all, with specific reference to remuneration policies and adequate and competitive benefits, as well as gender equality and fair remuneration. In this context, the Committee, in its advisory role to the Board of Directors, expressed a favourable opinion on the Group Remuneration Policy Report 2024, the short-term incentive schemes for Financial advisors and Employees and the new long-term incentive plan LTI 2024-2026 for Employees. In addition, the Committee examined the results of the 'gender equity pay gap' analysis, which allows an assessment according to the concept of equal pay for equal work, combining organisational complexity of roles and homogeneous professionalism. The **Appointments Committee** also addressed topics related to equal treatment and opportunities for all, with specific reference to the promotion of professional growth. In this context, the Committee, in its advisory role to the Board of Directors, approved the Succession Plan for the CEO and General Manager and for the Bank's senior management, based on the assessment of potential and performance. Furthermore, in 2024, it expressed a positive opinion, inter alia, on the appointment of the Manager Responsible for Preparing the Company's Financial Reports.

Going forward, the Group recognises the need to institutionalise the supervision of relevant IROs within the CSRD framework in order to incorporate the principles of Double Materiality into its governance and long-term decision-making framework.

1.3.3 Integration of sustainability-related performance in incentive schemes (GOV-3; E1-GOV-3)

The **Group's Remuneration Policy** defines incentive systems so that they are consistent with corporate values and objectives, including those of sustainability, with corporate results and with effective risk management.

An appropriate balance between fixed and variable components is envisaged within the remuneration of the Group's Employees in order to significantly affect their motivation and retention. In particular, variable remuneration is aimed at recognising results achieved by establishing a direct link between compensation and performance in the short and long term, avoiding incentive elements that could induce behaviour not aligned with sustainable performance and the Group's risk profile.

The short- and long-term incentive schemes are approved by the Board of Directors, subject to the favourable opinion of the Remuneration Committee, and subsequently submitted to a binding vote of the Shareholders' Meeting. Incentive systems are consistent with corporate values and objectives, including environmental, social and governance (ESG). Therefore, within the framework of the definition of short- and long-term incentive schemes, objectives included within the MYP ESG 2024-2026 are selected from those of highest relevance and priority.

Variable remuneration is based on:

- incentive systems linked to annual performance and related to the achievement of specific individual objectives defined ex-ante through the use of indicators aimed at strengthening the sustainability of the business and creating value for shareholders. For the Group's most relevant Personnel, short-term incentive payments are made in immediate and deferred instalments, in cash and in shares, except for specific exceptions provided for by the relevant regulations;
- the Long-term incentive plan 2024-2026, to strengthen the link between variable remuneration and the company's long-term results and to further align the interests of the Management with those of shareholders. The Plan provides for financial and sustainability performance targets in line with the MYP ESG 2024-2026 and the payment of a bonus in FinecoBank shares paid in several instalments over a multi-year period.

The incentive system linked to specific sustainability objectives is structured for both the short term (annual horizon) and the long term (aligned with the time horizon of the MYP ESG 2024-2026).

The short-term incentive scheme for the year 2024 envisages, for the CEO and General Manager and for the other most relevant personnel, sustainability objectives broken down into the macro-categories 'Stakeholder Value' and 'Tone from the top', with a weight of 15% (equally divided among the three objectives) and 5% of the target sheet, respectively, in line with the KPIs and targets envisaged in the ESG MYP 2024-2026. Specifically, the following are envisaged:

- the expansion of the range of products with ESG characteristics through the introduction of at least 50% of new funds with a Fineco ESG rating[21] ≥ 6 out of the total number of new funds entering the platform;
- the achievement of a score of 90 points or more for customer satisfaction, calculated by a third-party company on the basis of a proprietary algorithm combining satisfaction and preference indicators (calculated twice a year), in order to measure the strength of the relationship with Customers;
- renewal of EMAS Registration, which certifies FinecoBank's Environmental Management System, implemented throughout Italy in accordance with the requirements of EMAS Regulation no. 1221/2009/EC. This objective also includes the achievement of the KPIs envisaged in the Environmental Improvement Programme, which covers various areas, including energy efficiency, the reduction of emissions related to staff mobility, consumption of resources, etc;
- behaviour and initiatives in the area of sustainability, in order to strengthen the culture of risk and compliance and promote sustainable behaviour, as fundamental elements for Fineco.

The Long-Term Incentive Plan for the three-year period 2024-2026 includes sustainability targets, with a 15% weighting on the variable part, in the area:

- environment, with reference to the reduction of Scope 1 and 2 (market-based) emissions from operations, by at least 55% by 2026 compared to the baseline year 2021. This indicator is part of the Net-Zero Emission commitment to 2050. This climate objective has a weight of 5% on the final bonus;
- social, with regard to the achievement of Diversity, Equity & Inclusion objectives;
- sustainable finance by expanding the range of products with ESG characteristics with the introduction of new funds under Articles 8 and 9 of Regulation (EU) 2019/2088 (SFDR).

Incentive plans	**Objective**	**Percentage of short-term variable remuneration**
Short-term incentive schemes	Expansion of the range of products with ESG characteristics through the introduction of at least 50% of new funds with a Fineco ESG rating ≥ 6 out of the total number of new funds entering the platform	15%
	Achievement of a score of 90 points or more for customer satisfaction	
	Renewal of EMAS Registration	
	Tone from the top	5%
Incentive plans	**Objective**	**Percentage of long-term variable remuneration**
Long-term incentive plan	Reduction of Scope 1 and 2 (market-based) emissions from operations	15%
	Achievement of Diversity, Equity & Inclusion objectives	
	Expansion of the range of products with ESG characteristics with the introduction of new Article 8 and 9 funds	

21 Fineco's ESG rating assesses the sustainability risk in the provision of services. This rating, developed by the Bank in 2022, re-processes the ESG scores assigned by a leading external specialist company to investment products - on a scale of 1 to 100 (1 'low risk', 100 'high risk' ESG) - reclassifying these scores via a conversion table, along a scale of 1 to 10 (1 'high risk', 10 'low risk' ESG).

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1.3.4 Statement on due diligence (GOV-4)

The Fineco Group's due diligence process is not an autonomous and formalised procedure but is fully integrated into the Group's strategic framework and business model. The following is a mapping of the information provided in this document on **due diligence processes**, in accordance with GOV-4 of the ESRS.

CORE ELEMENTS OF DUE DILIGENCE	PARAGRAPHS IN THE SUSTAINABILITY STATEMENT	RELEVANT TOPICS
Embedding due diligence in governance, strategy and the business model	Paragraph 1.3.1 and subsections	[GOV-1] The role of the administrative, management and supervisory bodies
	Paragraph 1.3.2	GOV-2 Information to the undertaking's administrative, management and supervisory bodies and sustainability matters addressed by them
	Paragraph 1.3.3	GOV-3 Integration of sustainability-related performance in incentive schemes
	Paragraph 1.2.1	SBM-1 Strategy, business model and Value Chain
	Paragraph 1.2.5	SBM–3 Material impacts, risks and opportunities and their interaction with strategy and business model
Engaging with stakeholders in all key steps of the due diligence	Paragraph 1.3.2	GOV-2 Information provided to the undertaking's administrative, management and supervisory bodies and sustainability matters addressed by them
	Paragraphs 1.2.2 and 1.2.3	SBM–2 Interests and views of stakeholders
	Paragraph 1.2.3	IRO-1 Description of the process to identify and assess material impacts, risks and opportunities
	Paragraph 2.2.1	E1-2 Policies related to climate change mitigation and adaptation
	Paragraphs 3.2.1 and 3.3.1	S1-1 – Policies related to own workforce
	Paragraphs 3.2.2 and 3.3.2	S1-2 Processes for engaging with own workforce and workers' representatives about impacts
	Paragraph 3.4.1	S3-1 – Policies related to affected communities
	Paragraph 3.4.2.1	S3-2 Processes for engaging with affected communities about impacts
	Paragraph 3.5.1	S4-1 – Policies related to consumers and end-users
	Paragraph 3.5.2	S4-2 Processes for engaging with consumers and end-users about impacts
	Paragraph 4.1.2	G1-1 Policies and practices on corporate culture and business conduct (whistleblowing system)

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CORE ELEMENTS OF DUE DILIGENCE	PARAGRAPHS IN THE SUSTAINABILITY STATEMENT	RELEVANT TOPICS
Identifying and assessing adverse impacts	Paragraph 1.2.3	IRO-1 Description of the process to identify and assess material impacts, risks and opportunities
	Paragraph 1.2.3.1	E1 IRO-1 Climate-related
	Paragraph 2.3	E5 IRO-1 related to resource use and the circular economy
Taking actions to address those adverse impacts		Actions and resources related to:
	Paragraph 2.2.3	E1-3 Climate change
	Paragraph 2.3.2	E5-2 Resource use and circular economy
	Paragraphs 3.2.3 and 3.3.3.	S1-4 Own workforce
	Paragraph 3.5.4	S4-4 Consumers and end-users
	Paragraph 5.3.1	Cybersecurity and information security
	Paragraph 2.2.2	E1-1 Transition plan for climate change mitigation
	Paragraph 3.2.2	S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns
	Paragraph 3.5.3	S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns
Tracking the effectiveness of these efforts and communicating		Actions and resources related to:
	Paragraph 2.2.3	E1-3 Climate change
	Paragraph 2.3.2	E5-2 Resource use and circular economy
	Paragraphs 3.2.3 and 3.3.3	S1-4 Own workforce
	Paragraphs 3.4.2.2, 3.4.3.2 and 3.4.4.2	S3-4 Affected communities
	Paragraph 3.5.3 and subsections	S4-4 Consumers and end-users
	Paragraphs 5.1.1, 5.1.2 and 5.1.3	Sustainable finance
	Paragraph 5.3.1	Cybersecurity and information security
	Paragraph 5.2.2	Innovation
		Metrics and targets related to:
	Paragraphs 2.2.2, 2.2.3, 2.2.4 and 2.2.5	Climate change (E1-4 to E1-6)
	Paragraphs 2.3.2 and 2.3.3	Resource use and circular economy (E5-3 and E5-4)

CORE ELEMENTS OF DUE DILIGENCE	PARAGRAPHS IN THE SUSTAINABILITY STATEMENT	RELEVANT TOPICS
	Paragraphs 3.2.4, 3.2.5, 3.2.6, 3.2.7, 3.2.8, 3.2.9, 3.2.10, 3.2.11, 3.2.12, 3.2.13, 3.3.4, 3.3.5, 3.3.6, 3.3.7	Own workforce (S1-5 to S1-13 and S1-15 to S1-17)
	Paragraphs 3.4.2.3, 3.4.3.3 and 3.4.4.3	Affected communities (S3-5)
	Paragraph 3.5.5	Consumers and end-users (S4-5)
	Paragraph 4.5 and subsections	Business conduct (G1-3 and G1-4)

1.3.5 Internal Control System for Sustainability Reporting (GOV-5)

The Internal Control System (ICS) model for Sustainability Reporting based on the following organisational principles:

- the application of a common methodological framework, inspired by the internationally recognised methodological standards (CoSO Framework) that provide for the evaluation of:
  - 'Company Level Controls', i.e. requirements that are subject to 'verification of existence', the basis for the implementation of any internal control system;
  - Administrative and Accounting' model, i.e. the organisational model (roles, responsibilities, processes and controls) oriented towards the preparation of the Sustainability Reporting;
  - Testing of Controls, carried out periodically in order to provide evidence of the process put in place by management and to assess its effectiveness;
  - IT General Control, i.e. the operational and management assessment of information systems to ensure their reliability in line with standards;
- the establishment of an internal attestation flow implemented through:
  - the assignment of managerial responsibility for the first level of control to the competent structures of the Parent Company and Subsidiary Entities in order to obtain validation on the adequacy of the design of administrative procedures, the application of controls related to the preparation of Sustainability Reporting and ICT & Security;
  - the definition of the role of the Executive in Charge and the Delegated Member of the Board of Directors at the companies involved, assigning them the responsibility of reporting to their respective Corporate Bodies on the status of the Internal Control System and the plan of mitigation actions;
  - the sharing of an IT Tool in order to support the dissemination of common language and approach in describing, assessing, testing and monitoring the adequacy of the Internal Control System.

The methodological framework, thus defined and approved internally, was implemented for this Report also through workarounds that nevertheless ensured compliance with and application of the prescribed methodology.

The Internal Control and Risk Management System envisages the formalisation, within a common IT Tool, of processes to detail the operating methods by which relevant data and information are produced, processed, recorded and controlled, the timing of activities, and the IT applications used. With reference to this Sustainability Report, it should be noted that the formalisation of processes within the Common IT Tool was not carried out, so, as described above, workarounds were adopted that were nevertheless deemed adequate.

Each process is characterised by the following elements:

- identification of roles and responsibilities in the performance of activities and controls;
- identification of the risks associated with each activity carried out and assessment of the controls put in place to protect against them;
- identification of possible gaps and the related mitigation actions.

To ensure the adequacy of the Internal Control System, the resources that operationally perform the processes relevant to the production of the Sustainability Report must conduct a review of the adequacy and effectiveness of the controls for which they are responsible. The execution of the certification activities is based on the principle of assessing the correctness and adequacy of the process as a whole and of controlling, by means of random inspection, the documentation produced and filed that shows the actual execution of the process.

The approach defined for assessing the risks related to the activities associated with the production of the Sustainability Report includes:

- the identification of Sustainability Assertions impacted by risk, i.e. the requirements that sustainability information must meet in order to ensure a true and fair representation, identifying the types of errors that may occur in the performance of operational activities. In particular,

the following Sustainability Assertions were defined to be considered in the risk assessment: Relevance, Faithful Representation, Comparability, Verifiability and Comprehensibility;
- the implementation and evaluation of appropriate control points to mitigate the identified risks;
- the definition of any corrective measures necessary to fill the gaps identified during the evaluation of control activities.

The main risks identified were those related to: lack of consistency and completeness of the perimeter identified for the Sustainability Reporting; lack of completeness and accuracy of the Double Materiality Analysis; incorrect representation of the Value Chain and lack of completeness, correctness and integrity of the data contained in the Sustainability Report. Mitigation of these risks involves the implementation of control points that, according to the methodologies adopted and set out above, have been assessed as adequate. In particular, the following were defined and evaluated: the ways in which control is carried out (what types of analyses and verifications are carried out); responsibility for the execution of the control; the frequency of control; what data, files or other documentation are used or compared to perform the activities correctly; what evidence is produced as a result of the control carried out(*check evidence*).

The results of the risk and control assessment are integrated directly into the process, in which the elements assessed are formalised (e.g. Sustainability Assertion, impact and probability of occurrence of risks, description of controls, check evidence used, gaps, mitigation actions, etc.).

The results of the analyses carried out on the Internal Control System for Sustainability Reporting are shared with the following internal committees:

- the Risk and Related Parties Committee, which examines the reporting process and the content relevant to the Internal Control and Risk Management System, assessing the correct use of the sustainability reporting standards. The Committee is informed on a quarterly basis by the Executive in charge of the ICS Model analysis and the status of the implementation of mitigation actions;
- the Internal Control Business Committee, which meets in an advisory and propositional capacity to assist the CEO and General Manager in reviewing the proper functioning of the Internal Control System, through the analysis of critical issues, monitoring and prioritisation of risk mitigation actions. The Committee is regularly informed by the Executive in charge of the ICS Model analysis and the status of the implementation of mitigation actions;
- the 231/2001 Supervisory Board, which periodically receives the information flows necessary to carry out its supervisory activities concerning the operation of and compliance with the Group's ICS Model. The information flows to be sent to the Supervisory Board also include reports on the status of the analysis of the Group's ICS Model and the status of implementation of mitigation actions.

Lastly, the Board of Directors is informed by the Parent Company's Executive in Charge through specific reports on the status of the analyses of the Group's ICS Model, including the status of implementation of mitigation actions and the results of effectiveness tests on controls, and receives for information the "Attestation" required under the T.U.F. and according to the model provided for by CONSOB regulations. The Board of Statutory Auditors is informed on a quarterly basis by the Executive in charge of the Group’s ICS Model analysis and the status of the implementation of mitigation actions.

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2. Environmental information

2.1 Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

European Taxonomy Reporting, introduced by Regulation (EU) 852/2020, aims to guide economic sectors towards environmental objectives defined by the European Union and promote sustainable investments. The regulatory framework establishes criteria for classifying economic activities that positively contribute to the environment and society as eco-sustainable.

The Fineco Group is required to comply with the reporting obligations of the CSRD (Corporate Sustainability Reporting Directive) from 1 January 2025, under which it reports the performance indicators (KPIs) defined by Delegated Regulation (EU) 2021/2178 and subsequent Delegated Acts[22].

For the 2024 financial year. Fineco analysed the assets within the Group's prudential consolidation perimeter as of 31 December 2024 to fulfil reporting obligations by submitting the following mandatory models for credit institutions:

- Template 0: Summary of the KPIs to be disclosed under Article 8 of Regulation (EU) 2020/852 and the related Delegated Regulations on Taxonomy
- Template 1: Assets for the calculation of GAR
- Template 2: GAR - Sector information
- Template 3: KPI GAR (stock)
- Template 4: KPI GAR (flow)
- Template 5: KPIs for off-balance sheet exposures

Under Delegated Regulation (EU) 2022/1214, a detailed analysis of exposures within the prudential perimeter was conducted to provide the required information on economic activities related to the nuclear energy and fossil gas sectors. This process included the compilation and publication of the regulatory models listed in Annex XII:

- Template 1: Nuclear energy and fossil gas related activities
- Template 2: Taxonomy-aligned economic activities (denominator)
- Template 3: Taxonomy-aligned economic activities (numerator)
- Template 4: Taxonomy-eligible but not taxonomy-aligned economic activities
- Template 5: Taxonomy not eligible economic activities

Our calculation approach

The Group's European Taxonomy Reporting was based on a thorough analysis of the requirements of the Delegated Regulations (EU) to determine the most appropriate methodologies for processing and calculating the required quantitative indicators. The eligibility reporting covered all taxonomy objectives; while the alignment reporting, in continuity with the previous financial year, covered only the climate mitigation (CCM) and adaptation (CCA) objectives. For these, specific alignment data were collected from counterparties subject to the obligations of the NFRD Directive[23] within the prudential consolidated perimeter as of 31 December 2024.

In particular, the regulatory GAR models - as set out in Annex VI of Delegated Regulation 2023/2486 - were populated with specific data obtained from corporate documents published by NFRD counterparties within the Group's prudential consolidated perimeter. In detail, for the compilation of these models, the following were used: (i) the eligibility and alignment shares, based on the turnover KPI*(Tu*rnover) and the capital expenditure KPI*(CapEx*), and (ii) the relative shares of enabling and transition activities published by each counterparty under analysis.

Regarding the assessment of the eligibility and alignment of residential real estate assets securing loans collateralised to households, compliance with the technical screening criteria set out by the regulations was verified. In particular, Delegated Regulation (EU) 2021/2178 requires verification of specific technical screening criteria as amended by Regulation (EU) 2023/2486.[24] In relation to the above, Fineco has defined an approach for assessing loans secured by residential properties for the purchase and ownership of buildings (Taxonomy activity 7.7) with reference to the climate change mitigation objective. This approach verifies the *Do No Significant Harm (DNSH)* criteria linked to the additional objectives set out in the *EU Taxonomy*, using only precise data specific to the individual real estate asset, obtained from a leading national information provider. In particular, quantitative data and indices related to energy performance and the physical risk profile of the secured property were collected and used, leveraging on nationally recognised technical studies.

Furthermore, the Group conducted an eligibility and alignment analysis of assets under management for the 2024 financial year, feeding into Template 5. which relates to the KPI for off-balance sheet exposures (financial guarantees and asset under management). In particular, the KPI for asset under management was calculated considering the investments of Fineco AM, the Irish asset management company of the FinecoBank Group. To complete Template 5 regarding asset under management, the Group used precise data obtained from an external provider. This provider conducts assessments

[22] Delegated Regulation EU 2023/2486

[23] Directive 2014/95/EU86 (NFRD) was replaced by Directive 2022/2464/EU (CSRD Directive). transposed in Italy by Legislative Decree No. 125 of 6 September 2024.

[24] The technical screening criteria for points 7.1. 7.2. 7.3. 7.4. 7.5. 7.6. and 7.7. described respectively in Annex I or II of Delegated Regulation 2021/2139. or points 3.1 and 3.2 of Annex II of Delegated Regulation 2023/2486.

based on the eligibility and alignment ratios reported by the underlying counterparties of the funds. The provider follows a methodology aligned with European regulations, considering only data reported by companies (counterparty-based approach) rather than estimates or proxies concerning climate mitigation and adaptation objectives. The total amount of asset under management includes all types of asset class funds, while the "of which" category only includes debt and equity instruments respectively. In addition, regarding flow-related models, the latest Q&A published in the Official Journal in November 2024 refers explicitly only to on-balance sheet exposures. Since no further regulatory guidance has been provided on assessing and calculating flow data for such exposures – particularly for assets under management – and to avoid valuing an inconsistent or incomplete perimeter, these templates have prudently not been populated.

Qualitative disclosures

The Group's NFRD counterparties as at 31.12.2024 mainly consisted of financial undertakings, particularly those falling under the category of credit institutions, belonging to the European Union.

As a result, the availability of alignment data for financial undertakings, reported from 1 January 2024, has made it possible to expand the perimeter of counterparties on which alignment analyses for the European Taxonomy have been conducted. The availability of alignment ratios for financial undertakings, alongside the alignment analysis conducted on residential real estate assets as collateral, resulted in an overall GAR stock KPI as of 31 December 2024 of 1.68% based on revenues (Turnover-based) and 1.71% based on capital expenditures (CapEx-based). This indicator is particularly low, considering the nature of the Group's business model and the customers it serves. In this regard, the GAR cannot be considered a complete and absolute indicator of the Group's progress in meeting its sustainability commitments and supporting the ecological transition.

All activities undertaken to comply with reporting obligations and prepare the related European Taxonomy Disclosure have been guided by a prudent methodological approach, focusing exclusively on collecting and using precise quantitative information reported by customer counterparties subject to NFRD obligations in their Non-Financial Statements and/or Integrated Financial Reports for the 2023 financial year. Therefore, no quantitative information derived from estimates has been used, and companies that voluntarily report sustainability information have been excluded from the scope of NFRD counterparties.

Quantitative Indicators and Mandatory Reporting Templates

Below are the key templates for the performance indicators of credit institutions as described in Annex VI.

Template 0: Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

MAIN KPI	**Total environmentally sustainable assets**[25] (in mln euros)	**KPI (Turnover based)**	**KPI (CapEx based)**	**Coverage % (over total assets)**	**% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)**	**% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)**
GAR (green asset ratio) for the stock	192.91	1.68%	1.71%	32.99%	13.75%	67%

ADDITIONAL KPIs	**Total environmentally sustainable Assets** (in mln euros)	**KPI (Turnover based)**	**KPI (CapEx based)**	**Coverage % (over total assets)**	**% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)**	**% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)**
GAR (flow)[26]	5.55	0.05%	0.05%	0.27%	0.00%	0.00%
Trading portfolio[27]	-	-	-	-	-	-
Financial Guarantees	0.18	0.98%	1.50%	-	-	-
Asset under Management	246.82	0.67%	0.90%	-	-	-
Revenues from fees and commissions[20]	-	-	-	-	-	-

[25] The amount (expressed in €) refers to the KPI GAR stock calculated on the turnover). The KPI GAR stock calculated on the capex is equal to 195.4 mln euros.
[26] The KPI GAR (flow) is calculated only with respect to assets that entered the prudential perimeter during the financial year 2024.
[27] The KPIs related to revenues from fees and commissions and trading portfolio are applicable starting from 2026.

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Template 1: Assets for Calculation of GAR (Turnover) - Financial Year 2024

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
			Financial Year 2024																													
	In mln euros	Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity snd ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible))				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned))				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	6.680.7	2.598.9	192.6	-	1.8	2.2	2.0	0.3	-	0.0	0.4	-	-	-	0.7	-	-	-	0.2	-	-	-	0.0	-	-	-	2.602.2	192.9	-	1.8	2.3
2	**Financial undertakings**	1.240.4	288.4	23.7	-	1.8	2.2	2.0	0.3	-	0.0	0.4	-	-	-	0.7	-	-	-	0.2	-	-	-	0.0	-	-	-	291.7	24.1	-	1.8	2.3
3	Credit institutions	1.205.9	282.5	23.3	-	1.6	2.1	2.0	0.3	-	0.0	0.4	-	-	-	0.7	-	-	-	0.2	-	-	-	0.0	-	-	-	285.7	23.6	-	1.6	2.2
4	Loans and advances	28.5	5.8	0.3	-	0.1	0.1	0.0	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.8	0.3	-	0.1	0.1
5	Debt securities, including UoP	1.177.3	276.7	23.0	-	1.6	2.1	2.0	0.3	-	0.0	0.4	-	-	-	0.7	-	-	-	0.2	-	-	-	0.0	-	-	-	280.0	23.3	-	1.6	2.1
6	Equity instruments	0.0	0.0	0.0	-	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	-	0.0	-
7	Other financial corporations	34.5	5.9	0.4	-	0.2	0.1	0.0	0.0	-	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.9	0.4	-	0.2	0.1
8	of which investment firms	3.3	0.5	0.0	-	0.0	0.0	0.0	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.5	0.0	-	0.0	0.0
9	Loans and advances	3.3	0.5	0.0	-	0.0	0.0	0.0	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.5	0.0	-	0.0	0.0
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	of which management companies	8.2	1.2	0.1	-	0.0	0.0	0.0	0.0	-	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.2	0.1	-	0.0	0.0
13	Loans and advances	8.2	1.2	0.1	-	0.0	0.0	0.0	0.0	-	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.2	0.1	-	0.0	0.0
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	of which insurance undertakings	23.0	4.1	0.2	-	0.2	0.1	0.0	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.2	0.2	-	0.2	0.1
17	Loans and advances	23.0	4.1	0.2	-	0.2	0.1	0.0	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.2	0.2	-	0.2	0.1
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	**Non-financial undertakings**	0.0	0.0	0.0	-	0.0	0.0	-	-	-	-	-	-	-	-	-	-	-	-	0.0	-	-	-	-	-	-	-	0.0	0.0	-	0.0	0.0
21	Loans and advances	0.0	0.0	0.0	-	-	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	-	-	0.0
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	0.0	0.0	0.0	-	0.0	0.0	-	-	-	-	-	-	-	-	-	-	-	-	0.0	-	-	-	-	-	-	-	0.0	0.0	-	0.0	0.0
24	**Households**	5.440.2	2.310.5	168.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.310.5	168.8	-	-	-
25	of which loans collateralised by residential immovable property	2.310.5	2.310.5	168.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.310.5	168.8	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	**Local governments financing**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Consolidated Sustainability reporting

(continued) Template 1: Assets for Calculation of GAR (Turnover) - Financial Year 2024

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
			Financial Year 2024																													
	In mln euros	Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity snd ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**4.775.5**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	**Financial and Non-financial undertakings**	1.834.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	2.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Loans and advances	2.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36	of which loans collateralised by commercial immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Debt securities	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Equity instruments	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Non-EU country counterparties not subject to NFRD disclosure obligations	74.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Loans and advances	70.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Debt securities	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Equity instruments	4.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	**Derivatives**	677.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45	**On demand interbank loans**	274.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46	**Cash and cash-related assets**	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	1.989.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48	**Total GAR assets**	**11.456.2**	**2.598.9**	**192.6**	-	**1.8**	**2.2**	**2.0**	**0.3**	-	**0.0**	**0.4**	-	-	-	**0.7**	-	-	-	**0.2**	-	-	-	**0.0**	-	-	-	**2.602.2**	**192.9**	-	**1.8**	**2.3**
49	**_Assets not covered for GAR calculation**	23.269.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50	**Central governments and Supranational issuers**	21.268.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51	**Central banks exposure**	1.972.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52	**Trading book**	28.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
53	**Total assets**	**34.725.9**	**2.598.9**	**192.6**	-	**1.8**	**2.2**	**2.0**	**0.3**	-	**0.0**	**0.4**	-	-	-	**0.7**	-	-	-	**0.2**	-	-	-	**0.0**	-	-	-	**2.602.2**	**192.9**	-	**1.8**	**2.3**
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																																
54	Financial guarantees	18.5	3.1	0.2	-	0.1	0.0	0.0	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.1	0.2	-	0.1	0.0
55	Assets under management	36.719.0	493.0	242.6	-	24.5	116.1	14.1	4.2	-	1.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	507.1	246.8	-	24.5	117.8
56	Of which debt securities	11.942.5	207.7	99.3	-	10.9	33.0	8.8	2.5	-	0.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	216.6	101.9	-	10.9	33.8
57	Of which equity instruments	9.729.7	285.3	143.2	-	13.5	83.1	5.3	1.7	-	0.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	290.6	144.9	-	13.5	83.9

Consolidated Sustainability reporting

Template 1: Assets for Calculation of GAR (Turnover) - Financial Year 2023

		ag	ah	ai	aj	ak	al	am	an	ao	ap	bg	bh	bi	bj	Bk
			Financial Year 2023													
	In mln euros	Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	8.351.6	2.965.4	0.0	-	-	-	0.0	-	-	-	2.965.4	0.0	-	-	-
2	**Financial undertakings**	2.647.4	466.3	-	-	-	-	-	-	-	-	466.3	-	-	-	-
3	Credit institutions	2.639.7	465.4	-	-	-	-	-	-	-	-	465.4	-	-	-	-
4	Loans and advances	22.3	2.4	-	-	-	-	-	-	-	-	2.4	-	-	-	-
5	Debt securities, including UoP	2.617.4	462.9	-	-	-	-	-	-	-	-	462.9	-	-	-	-
6	Equity instruments	0.0	0.0	-	-	-	-	-	-	-	-	0.0	-	-	-	-
7	Other financial corporations	7.6	0.9	-	-	-	-	-	-	-	-	0.9	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	of which management companies	4.2	0.0	-	-	-	-	-	-	-	-	0.0	-	-	-	-
13	Loans and advances	4.2	0.0	-	-	-	-	-	-	-	-	0.0	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	of which insurance undertakings	3.4	0.9	-	-	-	-	-	-	-	-	0.9	-	-	-	-
17	Loans and advances	3.4	0.9	-	-	-	-	-	-	-	-	0.9	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	**Non-financial undertakings**	0.0	0.0	0.0	-	-	-	0.0	-	-	-	0.0	0.0	-	-	-
21	Loans and advances	0.0	0.0	0.0	-	-	-	0.0	-	-	-	0.0	0.0	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	**Households**	5.704.3	2.499.1	-	-	-	-	-	-	-	-	2.499.1	-	-	-	-
25	of which loans collateralised by residential immovable property	2.499.1	2.499.1	-	-	-	-	-	-	-	-	2.499.1	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	**Local governments financing**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	4.001.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	**Financial and Non-financial undertakings**	175.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	1.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Loans and advances	1.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36	of which loans collateralised by commercial immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Debt securities	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Equity instruments	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Non-EU country counterparties not subject to NFRD disclosure obligations	174.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Loans and advances	167.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Debt securities	0.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Equity instruments	6.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	**Derivatives**	896.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45	**On demand interbank loans**	332.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46	**Cash and cash-related assets**	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	2.595.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48	**Total GAR assets**	**12.352.6**	**2.965.4**	**0.0**	**-**	**-**	**-**	**0.0**	**-**	**-**	**-**	**2.965.4**	**0.0**	**-**	**-**	**-**
49	**Assets not covered for GAR calculation**	20.999.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50	**Central governments and Supranational issuers**	18.782.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51	**Central banks exposure**	2.202.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52	**Trading book**	14.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
53	**Total assets**	**33.352.0**	**2.965.4**	**0.0**	**-**	**-**	**-**	**0.0**	**-**	**-**	**-**	**2.965.4**	**0.0**	**-**	**-**	**-**
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations															
54	Financial guarantees	17.2	5.9	-	-	-	-	-	-	-	-	5.9	-	-	-	-
55	Assets under management	30.782.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Consolidated Sustainability reporting

Template 1: Assets for Calculation of GAR (Capex) - Financial Year 2024

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Financial Year 2024																														
	In mln euros	Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity snd ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible))				Of which towards taxonomy relevant sectors (Taxonomy-eligible))				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible))				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
-	**GAR - Covered assets in both numerator and denominator**																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	6.680.7	2.578.8	195.0	-	1.0	3.5	1.5	0.4	-	0.2	0.4	-	-	-	0.3	-	-	-	0.2	-	-	-	-	-	-	-	2.575.8	195.4	-	1.0	3.8
2	**Financial undertakings**	1.240.4	268.3	26.2	-	1.0	3.5	1.5	0.4	-	0.2	0.4	-	-	-	0.3	-	-	-	0.2	-	-	-	-	-	-	-	265.2	26.5	-	1.0	3.8
3	Credit institutions	1.205.9	262.2	25.5	-	0.8	3.3	1.4	0.4	-	0.2	0.4	-	-	-	0.3	-	-	-	0.2	-	-	-	-	-	-	-	259.1	25.9	-	0.8	3.6
4	Loans and advances	28.5	5.9	0.5	-	0.1	0.1	0.0	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.5	0.5	-	0.1	0.1
5	Debt securities, including UoP	1.177.3	256.2	25.0	-	0.7	3.2	1.4	0.3	-	0.2	0.4	-	-	-	0.3	-	-	-	0.2	-	-	-	-	-	-	-	258.6	25.4	-	0.7	3.5
6	Equity instruments	0.0	0.0	0.0	-	0.0	0.0	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	-	0.0	0.0
7	Other financial corporations	34.5	6.1	0.6	-	0.2	0.2	0.0	0.0	-	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6.1	0.6	-	0.2	0.2
8	of which investment firms	3.3	0.5	0.1	-	0.0	0.0	0.0	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.5	0.1	-	0.0	0.0
9	Loans and advances	3.3	0.5	0.1	-	0.0	0.0	0.0	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.5	0.1	-	0.0	0.0
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	of which management companies	8.2	1.3	0.2	-	0.0	0.1	0.0	0.0	-	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.3	0.2	-	0.0	0.1
13	Loans and advances	8.2	1.3	0.2	-	0.0	0.1	0.0	0.0	-	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.3	0.2	-	0.0	0.1
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	of which insurance undertakings	23.0	4.3	0.4	-	0.1	0.1	0.0	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.3	0.4	-	0.1	0.1
17	Loans and advances	23.0	4.3	0.4	-	0.1	0.1	0.0	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.3	0.4	-	0.1	0.1
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	**Non-financial undertakings**	0.0	0.0	0.0	-	0.0	0.0	-	-	-	-	-	-	-	-	-	-	-	-	0.0	-	-	-	-	-	-	-	0.0	0.0	-	0.0	0.0
21	Loans and advances	0.0	0.0	0.0	-	-	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	-	-	0.0
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	0.0	0.0	0.0	-	0.0	0.0	-	-	-	-	-	-	-	-	-	-	-	-	0.0	-	-	-	-	-	-	-	0.0	0.0	-	0.0	0.0
24	**Households**	5.440.2	2.310.5	168.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.310.5	168.8	-	-	-
25	of which loans collateralised by residential immovable property	2.310.5	2.310.5	168.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.310.5	168.8	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	**Local governments financing**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Consolidated Sustainability reporting

(continued) Template 1: Assets for Calculation of GAR (Capex) - Financial Year 2024

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
	In mln euros	Total [gross] carrying amount	Financial Year 2024																													
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity snd ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible))				Of which towards taxonomy relevant sectors (Taxonomy-eligible))				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible))				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	4.775.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	**Financial and Non-financial undertakings**	1.834.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	2.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Loans and advances	2.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36	of which loans collateralised by commercial immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Debt securities	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Equity instruments	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Non-EU country counterparties not subject to NFRD disclosure obligations	74.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Loans and advances	70.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Debt securities	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Equity instruments	4.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	**Derivatives**	677.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45	**On demand interbank loans**	274.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46	**Cash and cash-related assets**	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	1.989.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48	**Total GAR assets**	**11.456.2**	**2.578.8**	**195.0**	-	**1.0**	**3.5**	**1.5**	**0.4**	-	**0.2**	**0.4**	-	-	-	**0.3**	-	-	-	**0.2**	-	-	-	-	-	-	-	**2.575.8**	**195.4**	-	**1.0**	**3.8**
49	**Assets not covered for GAR calculation**	23.269.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50	**Central governments and Supranational issuers**	21.268.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51	**Central banks exposure**	1.972.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52	**Trading book**	28.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
53	**Total assets**	**34.725.9**	**2.578.8**	**195.0**	-	**1.0**	**3.5**	**1.5**	**0.4**	-	**0.2**	**0.4**	-	-	-	**0.3**	-	-	-	**0.2**	-	-	-	-	-	-	-	**2.575.8**	**195.4**	-	**1.0**	**3.8**
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																																
54	Financial guarantees	18.5	3.2	0.3	-	0.1	0.1	0.0	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.2	0.3	-	0.1	0.1
55	Assets under management	36.719.0	791.2	326.8	-	13.2	80.9	12.1	5.3	-	0.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	803.3	332.1	-	13.2	81.2
56	Of which debt securities	11.942.5	287.3	136.5	-	4.3	28.5	6.8	3.6	-	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	294.1	140.0	-	4.3	28.6
57	Of which equity instruments	9.729.7	503.9	190.3	-	9.0	52.4	5.3	1.7	-	0.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	509.2	192.1	-	9.0	52.6

Template 1: Assets for Calculation of GAR (Capex) - Financial Year 2023

		ag	ah	ai	aj	ak	al	am	an	ao	ap	bg	bh	bi	bj	bk
	In mln euros	Total [gross] carrying amount	Financial year 2023													
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned))					Of which environmentally sustainable (Taxonomy-aligned))				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
-	**GAR - Covered assets in both numerator and denominator**															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	8.351.6	2.805.0	0.0	-	-	0.0	-	-	-	-	2.805.0	0.0	-	-	0.0
2	**Financial undertakings**	2.647.4	305.9	-	-	-	-	-	-	-	-	305.9	-	-	-	-
3	Credit institutions	2.639.7	305.2	-	-	-	-	-	-	-	-	305.2	-	-	-	-
4	Loans and advances	22.3	2.4	-	-	-	-	-	-	-	-	2.4	-	-	-	-
5	Debt securities, including UoP	2.617.4	302.8	-	-	-	-	-	-	-	-	302.8	-	-	-	-
6	Equity instruments	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other financial corporations	7.6	0.7	-	-	-	-	-	-	-	-	0.7	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	of which management companies	4.2	0.0	-	-	-	-	-	-	-	-	0.0	-	-	-	-
13	Loans and advances	4.2	0.0	-	-	-	-	-	-	-	-	0.0	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	of which insurance undertakings	3.4	0.7	-	-	-	-	-	-	-	-	0.7	-	-	-	-
17	Loans and advances	3.4	0.7	-	-	-	-	-	-	-	-	0.7	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	**Non-financial undertakings**	0.0	0.0	0.0	-	-	0.0	-	-	-	-	0.0	0.0	-	-	0.0
21	Loans and advances	0.0	0.0	0.0	-	-	0.0	-	-	-	-	0.0	0.0	-	-	0.0
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	**Households**	5.704.3	2.499.1	-	-	-	-	-	-	-	-	2.499.1	-	-	-	-
25	of which loans collateralised by residential immovable property	2.499.1	2.499.1	-	-	-	-	-	-	-	-	2.499.1	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	**Local governments financing**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	4.001.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	**Financial and Non-financial undertakings**	175.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	1.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Loans and advances	1.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36	of which loans collateralised by commercial immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Debt securities	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Equity instruments	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Non-EU country counterparties not subject to NFRD disclosure obligations	174.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Loans and advances	167.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Debt securities	0.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Equity instruments	6.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	**Derivatives**	896.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45	**On demand interbank loans**	332.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46	**Cash and cash-related assets**	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	2.595.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48	**Total GAR assets**	12.352.6	2.805.0	0.0	-	-	0.0	-	-	-	-	2.805.0	0.0	-	-	0.0
49	**_Assets not covered for GAR calculation**	20.999.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50	**Central governments and Supranational issuers**	18.782.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51	**Central banks exposure**	2.202.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52	**Trading book**	14.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
53	**Total assets**	33.352.0	2.805.0	0.0	-	-	0.0	-	-	-	-	2.805.0	0.0	-	-	0.0
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																
54	Financial guarantees	17.2	6.2	-	-	-	-	-	-	-	-	6.2	-	-	-	-
55	Assets under management	30.782.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Consolidated Sustainability reporting

Model 2: GAR - Sector Information (Turnover) – Financial Year 2024

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
	Breakdown by sector – NACE 4 digits level (code and label)	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)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		Total [gross] carrying amount		Total [gross] carrying amount		Total [gross] carrying amount		Total [gross] carrying amount		Total [gross] carrying amount		Total [gross] carrying amount		Total [gross] carrying amount		Total [gross] carrying amount		Total [gross] carrying amount		Total [gross] carrying amount		Total [gross] carrying amount		Total [gross] carrying amount		Total [gross] carrying amount		Total [gross] carrying amount	
		In mln euros	Of which environmentally sustainable (CCM)	In mln euros	Of which environmentally sustainable (CCM)	In mln euros	Of which environmentally sustainable (CCA)	In mln euros	Of which environmentally sustainable (CCA)	In mln euros	Of which environmentally sustainable (WTR)	In mln euros	Of which environmentally sustainable (WTR)	In mln euros	Of which environmentally sustainable (CE)	In mln euros	Of which environmentally sustainable (CE)	In mln euros	Of which environmentally sustainable (PPC)	In mln euros	Of which environmentally sustainable (PPC)	In mln euros	Of which environmentally sustainable (BIO)	In mln euros	Of which environmentally sustainable (BIO)	In mln euros	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	In mln euros	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	D35.14- Trade of electricity	0.00	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-
2	F42.12- Construction of railways and underground railways	0.00	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-
3	H52.23- Service activities incidental to air transportation	0.00	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-
4	H53.1- Postal activities under universal service obligation	0.04	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.04	0.00	-	-

Consolidated Sustainability reporting

Template 2: GAR - Sector Information (Capex) – Financial Year 2024

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
	Breakdown by sector – NACE 4 digits level (code and label)	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)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		Total [gross] carrying amount		Total [gross] carrying amount		Total [gross] carrying amount		Total [gross] carrying amount		Total [gross] carrying amount		Total [gross] carrying amount		Total [gross] carrying amount		Total [gross] carrying amount		Total [gross] carrying amount		Total [gross] carrying amount		Total [gross] carrying amount		Total [gross] carrying amount		Total [gross] carrying amount		Total [gross] carrying amount	
		In mln euros	Of which environmentally sustainable (CCM)	In mln euros	Of which environmentally sustainable (CCM)	In mln euros	Of which environmentally sustainable (CCA)	In mln euros	Of which environmentally sustainable (CCA)	In mln euros	Of which environmentally sustainable (WTR)	In mln euros	Of which environmentally sustainable (WTR)	In mln euros	Of which environmentally sustainable (CE)	In mln euros	Of which environmentally sustainable (CE)	In mln euros	Of which environmentally sustainable (PPC)	In mln euros	Of which environmentally sustainable (PPC)	In mln euros	Of which environmentally sustainable (BIO)	In mln euros	Of which environmentally sustainable (BIO)	In mln euros	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	In mln euros	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	D35.14- Trade of electricity	0.00	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-
2	F42.12- Construction of railways and underground railways	0.00	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-
3	H52.23- Service activities incidental to air transportation	0.00	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-
4	H53.1- Postal activities under universal service obligation	0.04	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.04	0.00	-	-

Consolidated Sustainability reporting

Template 3: KPI GAR stock (Turnover) - Financial Year 2024

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	bk
	% (compared to total covered assets in the denominator)	Financial year 2024																														
		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)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
-	**GAR - Covered assets in both numerator and denominator**																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	22.69%	1.68%	-	0.02%	0.02%	0.02%	0.00%	-	0.00%	0.00%	-	-	-	0.01%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	22.71%	1.68%	-	0.02%	0.02%	19.24%
2	**Financial undertakings**	2.52%	0.21%	-	0.02%	0.02%	0.02%	0.00%	-	0.00%	0.00%	-	-	-	0.01%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	2.55%	0.21%	-	0.02%	0.02%	3.57%
3	Credit institutions	2.47%	0.20%	-	0.01%	0.02%	0.02%	0.00%	-	0.00%	0.00%	-	-	-	0.01%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	2.49%	0.21%	-	0.01%	0.02%	3.47%
4	Loans and advances	0.05%	0.00%	-	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.05%	0.00%	-	0.00%	0.00%	0.08%
5	Debt securities, including UoP	2.42%	0.20%	-	0.01%	0.02%	0.02%	0.00%	-	0.00%	0.00%	-	-	-	0.01%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	2.44%	0.20%	-	0.01%	0.02%	3.39%
6	Equity instruments	0.00%	0.00%	-	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.00%	-	0.00%	-	0.00%
7	Other financial corporations	0.05%	0.00%	-	0.00%	0.00%	0.00%	0.00%	-	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.05%	0.00%	-	0.00%	0.00%	0.10%
8	of which investment firms	0.00%	0.00%	-	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.00%	-	0.00%	0.00%	0.01%
9	Loans and advances	0.00%	0.00%	-	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.00%	-	0.00%	0.00%	0.01%
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	of which management companies	0.01%	0.00%	-	0.00%	0.00%	0.00%	0.00%	-	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01%	0.00%	-	0.00%	0.00%	0.02%
13	Loans and advances	0.01%	0.00%	-	0.00%	0.00%	0.00%	0.00%	-	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01%	0.00%	-	0.00%	0.00%	0.02%
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	of which insurance undertakings	0.04%	0.00%	-	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.04%	0.00%	-	0.00%	0.00%	0.07%
17	Loans and advances	0.04%	0.00%	-	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.04%	0.00%	-	0.00%	0.00%	0.07%
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	**Non-financial undertakings**	0.00%	0.00%	-	0.00%	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	-	-	-	-	-	-	0.00%	0.00%	-	-	0.00%	0.00%
21	Loans and advances	0.00%	0.00%	-	-	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.00%	-	-	0.00%	0.00%
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	0.00%	0.00%	-	0.00%	0,00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.00%	-	-	0.00%	0.00%
24	**Households**	20.17%	1.47%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	-	-	-	-	-	-	20.17%	1.47%	-	-	-	15.67%
25	of which loans collateralised by residential immovable property	20.17%	1.47%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20.17%	1.47%	-	-	-	6.65%
26	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	**Local governments financing**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	**Total GAR Assets**	**22.69%**	**1.68%**	**-**	**0.02%**	**0.02%**	**0.02%**	**0.00%**	**-**	**0.00%**	**0.00%**	**-**	**-**	**-**	**0.01%**	**-**	**-**	**-**	**0.00%**	**-**	**-**	**-**	**0.00%**	**-**	**-**	**-**	**22.71%**	**1.68%**	**-**	**0.02%**	**0.02%**	**32.99%**

Consolidated Sustainability reporting

Template 3: KPI GAR stock (Turnover) - Financial Year 2023

		ag	ah	ai	aj	ak	al	am	an	ao	bf	bg	bh	bi	bj	bk
	% (compared to total covered assets in the denominator)	Financial Year 2023														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
-	**GAR - Covered assets in both numerator and denominator**															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	24.01%	0.00%	-	-	-	0.00%	-	-	-	24.01%	0.00%	-	-	-	25.04%
2	**Financial undertakings**	3.77%	-	-	-	-	-	-	-	-	3.77%	-	-	-	-	7.94%
3	Credit institutions	3.77%	-	-	-	-	-	-	-	-	3.77%	-	-	-	-	7.91%
4	Loans and advances	0.02%	-	-	-	-	-	-	-	-	0.02%	-	-	-	-	0.07%
5	Debt securities, including UoP	3.75%	-	-	-	-	-	-	-	-	3.75%	-	-	-	-	7.85%
6	Equity instruments	0.00%	-		-	-	-	-		-	0.00%	-		-	-	0.00%
7	Other financial corporations	0.01%	-	-	-	-	-	-	-	-	0.01%	-	-	-	-	0.02%
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-	-		-	-	-		-	-	-
12	of which management companies	0.00%	-	-	-	-	-	-	-	-	0.00%	-	-	-	-	0.01%
13	Loans and advances	0.00%	-	-	-	-	-	-	-	-	0.00%	-	-	-	-	0.01%
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-	-		-	-	-		-	-	-
16	of which insurance undertakings	0.01%	-	-	-	-	-	-	-	-	0.01%	-	-	-	-	0.01%
17	Loans and advances	0.01%	-	-	-	-	-	-	-	-	0.01%	-	-	-	-	0.01%
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-	-		-	-	-		-	-	-
20	**Non-financial undertakings**	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	-	-	-	0.00%
21	Loans and advances	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	0.00%	-	-	-	0.00%
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-	-		-	-	-		-	-	-
24	**Households**	20.23%	-	-	-	-	-	-	-	-	20.23%	-	-	-	-	17.10%
25	of which loans collateralised by residential immovable property	20.23%	-	-	-	-	-	-	-	-	20.23%	-	-	-	-	7.49%
26	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-					-	-	-	-	-	-
28	**Local governments financing**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	**Total GAR Assets**	**24.01%**	**0.00%**	**-**	**-**	**-**	**0.00%**	**-**	**-**	**-**	**24.01%**	**0.00%**	**-**	**-**	**-**	**37.04%**

Consolidated Sustainability reporting

Template 3: KPI GAR stock (Capex) - Financial Year 2024

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	bk
	% (compared to total covered assets in the denominator)	Financial Year 2024																														
		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)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
-	**GAR - Covered assets in both numerator and denominator**																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	22.51%	1.70%	-	0.01%	0.03%	0.01%	0.00%	-	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	-	-	-	-	22.48%	1.71%	-	0.01%	0.03%	19.24%
2	**Financial undertakings**	2.34%	0.23%	-	0.01%	0.03%	0.01%	0.00%	-	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	-	-	-	-	2.32%	0.23%	-	0.01%	0.03%	3.57%
3	Credit institutions	2.29%	0.22%	-	0.01%	0.03%	0.01%	0.00%	-	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	-	-	-	-	2.26%	0.23%	-	0.01%	0.03%	3.47%
4	Loans and advances	0.05%	0.00%	-	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.00%	-	0.00%	0.00%	0.08%
5	Debt securities, including UoP	2.24%	0.22%	-	0.01%	0.03%	0.01%	0.00%	-	0.00%	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	-	-	-	-	-	-	2.26%	0.22%	-	0.01%	0.03%	3.39%
6	Equity instruments	0.00%	0.00%	-	0.00%	0.00%	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.00%	-	0.00%	0.00%	0.00%
7	Other financial corporations	0.05%	0.01%	-	0.00%	0.00%	0.00%	0.00%	-	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.05%	0.01%	-	0.00%	0.00%	0.10%
8	of which investment firms	0.00%	0.00%	-	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.00%	-	0.00%	0.00%	0.01%
9	Loans and advances	0.00%	0.00%	-	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.00%	-	0.00%	0.00%	0.01%
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	of which management companies	0.01%	0.00%	-	0.00%	0.00%	0.00%	0.00%	-	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01%	0.00%	-	0.00%	0.00%	0.02%
13	Loans and advances	0.01%	0.00%	-	0.00%	0.00%	0.00%	0.00%	-	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01%	0.00%	-	0.00%	0.00%	0.02%
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	of which insurance undertakings	0.04%	0.00%	-	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.04%	0.00%	-	0.00%	0.00%	0.07%
17	Loans and advances	0.04%	0.00%	-	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.04%	0.00%	-	0.00%	0.00%	0.07%
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	**Non-financial undertakings**	0.00%	0.00%	-	0.00%	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	-	-	-	-	-	-	0.00%	0.00%	-	0.00%	0.00%	0.00%
21	Loans and advances	0.00%	0.00%	-	-	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.00%	-	-	0.00%	0.00%
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	0.00%	0.00%	-	0.00%	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	-	-	-	-	-	-	0.00%	0.00%	-	0.00%	0.00%	0.00%
24	**Households**	20.17%	1.47%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20.17%	1.47%	-	-	-	15.67%
25	of which loans collateralised by residential immovable property	20.17%	1.47%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20.17%	1.47%	-	-	-	6.65%
26	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	**Local governments financing**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	**Total GAR Assets**	**22.51%**	**1.70%**	**-**	**0.01%**	**0.03%**	**0.01%**	**0.00%**	**-**	**0.00%**	**0.00%**	**-**	**-**	**-**	**0.00%**	**-**	**-**	**-**	**0.00%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**22.48%**	**1.71%**	**-**	**0.01%**	**0.03%**	**32.99%**

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Template 3: KPI GAR stock (Capex) - Financial Year 2023

		ag	ah	ai	aj	ak	al	am	an	ao	bf	bg	bh	bi	bj	bk
% (compared to total covered assets in the denominator)		Financial Year 2023														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
-	**GAR - Covered assets in both numerator and denominator**															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	22.71%	0.00%	-	-	0.00%	-	-	-	-	22.71%	0.00%	-	-	0.00%	25.04%
2	**Financial undertakings**	2.48%	-	-	-	-	-	-	-	-	2.48%	-	-	-	-	7.94%
3	Credit institutions	2.47%	-	-	-	-	-	-	-	-	2.47%	-	-	-	-	7.91%
4	Loans and advances	0.02%	-	-	-	-	-	-	-	-	0.02%	-	-	-	-	0.07%
5	Debt securities, including UoP	2.45%	-	-	-	-	-	-	-	-	2.45%	-	-	-	-	7.85%
6	Equity instruments	-	-		-	-	-	-		-	-	-		-	-	0.00%
7	Other financial corporations	0.01%	-	-	-	-	-	-	-	-	0.01%	-	-	-	-	0.02%
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-	-		-	-	-		-	-	-
12	of which management companies	0.00%	-	-	-	-	-	-	-	-	0.00%	-	-	-	-	0.01%
13	Loans and advances	0.00%	-	-	-	-	-	-	-	-	0.00%	-	-	-	-	0.01%
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-	-		-	-	-		-	-	-
16	of which insurance undertakings	0.01%	-	-	-	-	-	-	-	-	0.01%	-	-	-	-	0.01%
17	Loans and advances	0.01%	-	-	-	-	-	-	-	-	0.01%	-	-	-	-	0.01%
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-	-		-	-	-		-	-	-
20	**Non-financial undertakings**	0.00%	0.00%	-	-	0.00%	-	-	-	-	0.00%	0.00%	-	-	0.00%	0.00%
21	Loans and advances	0.00%	0.00%	-	-	0.00%	-	-	-	-	0.00%	0.00%	-	-	0.00%	0.00%
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-	-		-	-	-		-	-	-
24	**Households**	20.23%	-	-	-	-	-	-	-	-	20.23%	-	-	-	-	17.10%
25	of which loans collateralised by residential immovable property	20.23%	-	-	-	-	-	-	-	-	20.23%	-	-	-	-	7.49%
26	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-					-	-	-	-	-	-
28	**Local governments financing**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	**Total GAR Assets**	**22.71%**	**0.00%**	**-**	**-**	**0.00%**	**-**	**-**	**-**	**-**	**22.71%**	**0.00%**	**-**	**-**	**0.00%**	**37.04%**

Consolidated Sustainability reporting

Template 4: KPI GAR flow (Turnover) - Financial Year 2024

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	afbkaf
	% (compared to total covered assets in the denominator)	Financial Year 2024																														
		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)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
-	**GAR - Covered assets in both numerator and denominator**																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.49%	0.05%	-	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.49%	0.05%	-	0.00%	0.00%	0.27%
2	**Financial undertakings**	0.01%	0.00%	-	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01%	0.00%	-	0.00%	0.00%	0.11%
3	Credit institutions	0.01%	0.00%	-	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01%	0.00%	-	0.00%	0.00%	0.11%
4	Loans and advances	0.01%	0.00%	-	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01%	0.00%	-	0.00%	0.00%	0.01%
5	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.10%
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	**Non-financial undertakings**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	**Households**	0.49%	0.05%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.49%	0.05%	-	-	-	0.16%
25	of which loans collateralised by residential immovable property	0.49%	0.05%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.49%	0.05%	-	-	-	0.16%
26	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	**Local governments financing**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	**Total GAR Assets**	**0.49%**	**0.05%**	**-**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.49%**	**0.05%**	**-**	**0.00%**	**0.00%**	**0.27%**

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Template 4: KPI GAR flow (Capex) - Financial Year 2024

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
	% (compared to total covered assets in the denominator)	Financial Year 2024																														
		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)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
-	**GAR - Covered assets in both numerator and denominator**																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.50%	0.05%	-	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.50%	0.05%	-	0.00%	0.00%	0.27%
2	**Financial undertakings**	0.01%	0.00%	-	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01%	0.00%	-	0.00%	0.00%	0.11%
3	Credit institutions	0.01%	0.00%	-	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01%	0.00%	-	0.00%	0.00%	0.11%
4	Loans and advances	0.01%	0.00%	-	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01%	0.00%	-	0.00%	0.00%	0.01%
5	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.10%
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	**Non-financial undertakings**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	**Households**	0.49%	0.05%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.49%	0.05%	-	-	-	0.16%
25	of which loans collateralised by residential immovable property	0.49%	0.05%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.49%	0.05%	-	-	-	0.16%
26	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	**Local governments financing**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	**Total GAR Assets**	**0.50%**	**0.05%**	**-**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.50%**	**0.05%**	**-**	**0.00%**	**0.00%**	**0.27%**

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Template 5: KPIs off-balance sheet exposures Stock (Turnover) - Financial Year 2024

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
	% (compared to total eligible off-balance sheet assets)	Financial Year 2024																													
		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)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	16.76%	0.98%	-	0.61%	0.23%	0.01%	0.01%	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16.76%	0.98%	-	0.61%	0.23%
2	Assets under management (AuM KPI)	1.34%	0.66%	-	0.07%	0.32%	0.04%	0.01%	-	0.01%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.38%	0.67%	-	0.07%	0.32%

Template 5: KPIs off-balance sheet exposures Flow (Turnover) - Financial Year 2024

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
	% (compared to total eligible off-balance sheet assets)	Financial Year 2024																													
		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)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Assets under management (AuM KPI)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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Template 5: KPIs off-balance sheet exposures Stock (Capex) - Financial Year 2024

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
	% (compared to total eligible off-balance sheet assets)	Financial Year 2024																													
		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)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	17.35%	1.48%	-	0.59%	0.44%	0.02%	0.01%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17.37%	1.50%	-	0.59%	0.44%
2	Assets under management (AuM KPI)	2.16%	0.89%	-	0.04%	0.22%	0.03%	0.01%	-	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.19%	0.90%	-	0.04%	0.22%

Model 5: KPIs off-balance sheet exposures Flow (Capex) - Financial Year 2024

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
	% (compared to total eligible off-balance sheet assets)	Financial Year 2024																													
		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)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Assets under management (AuM KPI)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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Additional disclosure on nuclear energy and fossil gas related activities

The Group, in continuity with the European Taxonomy reporting of the previous year, has not identified any assets within the consolidated prudential perimeter that are attributable to activities related to nuclear energy and fossil gases. Indeed, due to the Fineco Group's business model, the Bank has no exposures to and does not finance the nuclear energy and fossil gas sectors. As a result, while the disclosure models for these activities are formally presented below, they have not been assigned any values.

The following sections contain the templates on nuclear energy and fossil gas related activities, as described in Annex XII.

Template 1 - Nuclear energy and fossil gas related activities

Line	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle	NO
2	he undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades	NO
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Template 2 - Taxonomy-aligned economic activities (denominator)

Line	Economic activities	Amount and proportion (present information in monetary amounts and percentages) Turnover based						Amount and proportion (present information in monetary amounts and percentages) CapEx based					
		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	Taxonomy-aligned economic activities (denominator) - Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
2	Taxonomy-aligned economic activities (denominator) - Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
3	Taxonomy-aligned economic activities (denominator) - Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
4	Taxonomy-aligned economic activities (denominator) - Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
5	Taxonomy-aligned economic activities (denominator) - Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
6	Taxonomy-aligned economic activities (denominator) - Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
7	**Taxonomy-aligned economic activities (denominator) - Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	-	-	-	-	-	-	-	-	-	-	-	-
8	**Taxonomy-aligned economic activities (denominator) - Total applicable KPI**	-	-	-	-	-	-	-	-	-	-	-	-

Template 3 - Taxonomy-aligned economic activities (numerator).

Line	Economic activities	Amount and share (present information in monetary amounts and percentages) Turnover based						Amount and share (present information in monetary amounts and percentages) CapEx based					
		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	-	-	-	-	-	-	-	-	-	-	-	-
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	-	-	-	-	-	-	-	-	-	-	-	-

Template 4 – Taxonomy-eligible but not taxonomy-aligned economic activities

Line	Economic activities	Amount and share (present information in monetary amounts and percentages) Turnover based						Amount and share (present information in monetary amounts and percentages) Capex based					
		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	-	-	-	-	-	-	-	-	-	-	-	-
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	-	-	-	-	-	-	-	-	-	-	-	-

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Template 5 - Taxonomy non eligible economic activities

Line	Economic activities	Turnover based		Capex based	
		Amount	Percentage	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
6	mount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	-	-	-	-
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	-	-	-	-

2.2 Climate change (E-1)

2.2.1 Policies relating to climate change mitigation and adaptation (E1-2)

The FinecoBank Group is aware of the importance of a transition towards a sustainable, low-carbon and climate-resilient economic model. Through its policies, the Group pursues objectives aimed at limiting natural resource consumption and reducing environmental impacts. It also promotes the adoption of daily behaviours for conscious energy consumption, involving Financial Advisors operating within the Network in this process.

In this context, the 2024 Double Materiality Analysis process, described in Chapter 1 "General Information", led to the identification of the following material impacts and opportunities related to the Topic "Climate Change":

- Contribution to the climate transition through investments in banking/sovereign counterparties that commit to Net-Zero goals – positive impact
- Dissemination of Bank initiatives for energy efficiency and increased use of energy from renewable sources - positive impact;
- Contribution to the development of sustainable finance by offering green financing products to its Customers – positive impact (for the reporting of this impact, see section 5.1 "Sustainable Finance");
- Energy consumption resulting from own operations – negative impact;
- Generation of "operational" air emissions, including those linked to the Value Chain – negative impact;
- Generation of "financed" air emissions – negative impact;
- Customer loyalty and image enhancement (reputational opportunity) due to the offering of investment products related to climate change mitigation and adaptation – opportunity;
- Cost reduction through high energy efficiency in the Group's offices – opportunity.

The table below specifically illustrates the policies adopted concerning climate change mitigation and adaptation.

Policies	Description
Code of Ethics	Environmental protection is a key principle of the Bank's Code of Ethics, which aims to ensure full and substantial compliance with environmental legislation in all activities. In particular, those subject to the Code of Ethics must fully and substantially comply with environmental legislation and carefully evaluate the environmental consequences of every decision made in the course of their activities. This applies to the consumption of resources and the generation of air emissions and waste directly linked to their work and to activities and behaviors not directly controlled by the company but carried out by third parties such as Customers and Suppliers. The Code of Ethics is an integral part of the Organisational and Management Model adopted by FinecoBank S.p.A. pursuant to Legislative Decree No. 231/2001, as described in Chapter 4 "Governance Information", to which reference should be made for any further details. The Board of Directors is responsible for the adoption and effective implementation of the Model, as explicitly provided for in the legislation. Continuous updates, both in terms of integration and modification of its constituent parts, ensure the Model's effectiveness.
Global Policy – Environmental Policy	Since 2020, Fineco has adopted an Environmental Policy, which defines the Group's general guidelines and orientations regarding environmental matters. This Policy serves as a framework for establishing specific environmental objectives and targets. The Global Policy is approved by the Board of Directors. monitored by the proposing function and published on the corporate website. The Environmental Policy was updated in 2024. The Global Policy applies to all activities and the Group Value Chain; the key areas of intervention formalised in the Environmental Policy include: • the management of environmental impacts, particularly concerning energy, climate change mitigation and adaptation, resource use and circular economy; • the supply chain, through the strengthening of environmental oversight in the supply chain; the selection and promotion of products that protect the environment and the development of knowledge and skills in green and sustainable procurement; • sustainable finance, through integrating ESG factors into the product and service offerings, internal investment decisions and the enhanced involvement of the Financial Advisors' Network in the Group's ESG strategies. The Global Policy is available on the company's Intranet and published on Fineco's public website in the Sustainability section.

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Policies	Description
Global Policy – Energy Consumption Reduction Policy	The Energy Consumption Reduction Policy, approved by the Board of Directors, outlines guidelines for reducing energy consumption in the buildings occupied and/or managed by the Group's companies, in order to promote responsible behaviours and best practices among Employees and Financial Advisors. In particular, the Global Policy addresses climate change mitigation and aims to regulate the following aspects to provide valuable guidance for optimising energy consumption: the use of lighting sources, commonly used office equipment and heating and air conditioning systems. Under the Global Policy, the Energy Manager is responsible for conducting the analysis, monitoring and optimisation of energy use within the Parent company's real estate perimeter, at the Group level. The Subsidiaries must adequately structure and implement a process consistent with the guidelines provided in the Global Policy and in compliance with local regulations, if more restrictive, by appointing an internal representative responsible for the analysis, monitoring and optimisation of energy use within each Group Subsidiary's real estate perimeter. The Global Policy is approved by the Board of Directors, monitored by the proposing function and published on the corporate Intranet.
Circular on operational measures for responsible energy consumption	The Circular, signed by the CEO General Manager and by the Energy Manager, provides guidelines on setting up and operating winter air conditioning for Fineco Centres based on applicable local regulations, reducing preset system temperatures and limiting operating times for illuminated signs. The document was shared on internal channels.
Local Policy – Company car allocation policy for mixed use	The Local Policy, approved by the Board of Directors, outlines the criteria and rules governing the allocation and use of company cars for mixed personal and business use by the Parent company's personnel. The selection of company vehicles must be based on sustainability principles, in line with commitments to reducing environmental impact from air emissions generation and rules on usage for service-related purposes. Specifically: (i) only electric or hybrid cars can be ordered; (ii) the vehicles must meet or exceed the European pollutant air emission standards laid down in the protocols in force at the time. The Local Policy is approved by the Board of Directors, monitored by the proposing function and published on the corporate Intranet.
Vademecum for corporate Fineco Centres and Vademecum for Fineco Centres PFA & Personal Studio	Documents issued by the Real Estate and Sustainability functions and distributed to Personal financial Advisors. summarising key requirements and operational procedures to ensure proper environmental management of offices, including compliance with applicable local regulations over time, including the indications for the reduction of energy consumption and, in general, of resources. The documents were shared on internal channels with dedicated circulars.

The above policies are also implemented through operational measures for consumption rationalisation and monitoring. In 2024, almost all office spaces of the Milan Registered Office were closed to Employees on Mondays and Fridays (unlike other companies in the building), resulting in no electricity use and optimised heating system operations. On these days, Employees worked remotely unless their physical presence in the office was required for service-related reasons. For these exceptional cases, designated workspaces were provided.

The Group monitors energy consumption related to its offices. In particular, an electrical substation (replaced in 2024) is equipped with devices that allow consumption monitoring for the Milan offices. Regarding Fineco Centres, in addition to the aforementioned circular defining guidelines for system management to ensure responsible resource consumption, offices with utility contracts under the Bank's name undergo sampled consumption analyses. In Dublin, Fineco AM offices are located on a floor portion of a third-party-owned building, where external parties handle facility and energy management activities.

Regarding mobility management, in 2024 the Bank once again developed its Home-Work Travel Plan (hereinafter HWTP or Plan) for the Milan and Reggio Emilia offices. This was based on an analysis of public transport availability in the relevant areas and Employee mobility habits and needs, collected through a dedicated survey.

The HWTP was designed to develop sustainable mobility tools that reduce the environmental impact of urban and metropolitan traffic. To this end, the corporate Mobility Manager, appointed within the *Chief People Officer Department* in compliance with applicable regulations, coordinates the activities of drafting the Plan and implementing sustainable mobility initiatives. With the support of the Sustainability function, the Mobility Manager informs the board-level Corporate Governance and Environmental and Social Sustainability Committee and the Sustainability Management Committee regarding relevant activities.

Since 2022, a dedicated corporate sustainable mobility portal is available, featuring specific sections corresponding to various mobility services, including: "*News*" for mobility information, "*Mobility Ticket*" for the purchase of season tickets at subsidised rates. In 2024, a new initiative was introduced with the activation of the new "*Benefits*" module, through which the Bank's Employees can purchase vouchers issued by affiliated carriers at favourable prices, to take advantage not only of sharing mobility (i.e. car sharing, bike sharing and scooter sharing), but also other forms of transport such as trains and buses.

These services complement existing initiatives for Employees, such as reimbursement for bike-sharing subscriptions and discounts on high-speed train tickets.

Sustainable mobility measures are continuously monitored by the Mobility Manager who, with the support of the relevant function, oversees the effective implementation and execution of the Plan, as well as air emissions generated by commuting.

At Fineco AM, efforts to mitigate environmental impacts include promoting remote work policies (two days per week) and engaging in environmental initiatives such as the *Funds Industry Climate Challenge*, organised by *The Green Team Network*. This initiative educates Employees and promotes sustainable behaviours, fostering a sustainability culture.

2.2.2 – Transition plan for climate change mitigation (E1-1)

The Fineco Group has adopted a climate change mitigation transition plan. Specifically, in August 2022, the Board of Directors of FinecoBank approved the Group's Net-Zero Emissions Commitment by 2050 (hereafter, Net-Zero or Commitment).

The transition plan defined in the Commitment includes a significant reduction in operational air emissions and the alignment of balance sheet assets with the Paris Agreement targets. As outlined in Chapter 1 "General Information", the Group's strategy does not include corporate lending.

The plan was shared with the Bank's key functions involved in the topic, which contributed to the definition of the targets for their respective responsibilities. The Corporate Governance and Environmental and Social Sustainability Committee also reviewed and evaluated it in July 2022.

In 2023, the *Net-Zero* Commitment was updated by merging the two targets related to the alignment with the Paris Agreement targets of the Bank's exposures in debt securities of sovereign and banking issuers (previously separated due to the different nature of the issuers).

In March 2023, the Corporate Governance and Environmental and Social Sustainability Committee reviewed and evaluated the updated Commitment, which was subsequently approved by the Board of Directors. Finally, as part of the MYP ESG 2024-2026, approved by the Board of Directors in December 2023, the interim target for reducing Scope 1 and 2 (market-based) operational air emissions was updated to a more ambitious target, maintaining the same base year (baseline).

The Fineco Group's Net-Zero Emission Commitment by 2050 includes:

- for Scope 1 and 2*(*market-based) emissions, a 55% reduction by 2026 compared to the year 2021 *(*baseline); these emissions derive from the energy consumption of owned and/or operationally controlled offices and the fuel consumption of the company car fleet;
- for Scope 3 operational emissions, a 20% reduction by 2030 with the same baseline; the Scope 3 emissions covered in the Commitment include those related to paper consumption and to energy use in offices not under operational control;
- by 2050, an overall reduction of the Scope 1, 2 and 3 operational emissions referred to above by 90%, and the neutralisation of residual emissions;
- the alignment of key balance sheet assets with the Paris Agreement objectives, reaching the following percentages of exposure in debt securities issued by sovereign[28] and banking entities with a Net-Zero target: (i) 95 per cent by 2030; (ii) 100 per cent by 2050.
-

In defining short- and long-term targets, the *Corporate Net-Zero standard and the Foundations for Science-Based Net-Zero Target Setting in the Financial Sector guidelines* from the *Science-Based Target initiative* were taken into account. In particular, with reference to operational emissions, the targets were defined by providing for:

- an average annual linear reduction of at least 4.5% for Scope 1 and 2 emissions, corresponding to a 35% reduction by 2030; this original target was later revised to a more ambitious goal of -55%, to be achieved by 2026;
- an average annual linear reduction of at least 2.5% for Scope 3 emissions, corresponding to a 20% reduction by 2030;
- by 2050, a total 90% reduction of these emissions and the neutralisation of residual emissions, to be achieved through the purchase and cancellation of certified carbon credits to reach climate neutrality.

The transition plan also includes targets related to the internal financial portfolio: Fineco commits to directing investments towards Countries and financial institutions with formalised decarbonisation plans aligned with the 1.5°C scenario.

Specifically, for sovereign issuers, the source for mapping Net-Zero targets of counterparties is *ClimateWatch*, the platform developed by the *World Resources Institute* in collaboration with the *United Nations* and the *World Bank*[29]; only targets classified as "In Policy Document" and "In Law" are accepted, while targets labelled "In Political Pledge" are not accepted. For banking issuers, the Net-Zero targets for financed emissions of counterparties are mapped.

The transition plan formalised in the Group's Net-Zero Commitment is an integral part of the MYP ESG 2024-2026, which, in turn, is part of the 2024-2026 Multi-Year Plan, approved by the Bank's Board of Directors in December 2023.

The implementation methods of the transition plan include technical interventions and facility upgrades necessary to achieve operational emissions reduction targets, as well as defining and enforcing investment decision-making rules that align with the Net-Zero targets established for the internal financial portfolio. In

[28] Sovereign issuers include supranational issuers, government agencies and local authorities.
[29] https://www.climatewatchdata.org/

particular, from a financial planning perspective, the investment plan includes a dedicated section on the Bank's ESG portfolio, which annually formalises investment choices compatible with achieving the Net-Zero objectives.

Refer to section 2.2.3 for progress updates on the transition plan, decarbonisation levers, and key planned actions.

Fineco is not excluded from EU benchmarks aligned with the Paris Agreement[30].

2.2.3 Objectives, actions and resources related to climate change policies (E1-3; E1-4)

The main objectives, actions and resources related to climate change are included in the MYP ESG 2024-2026 and refer to projects and initiatives to achieve the Group's Net-Zero Commitment.

The air emissions reduction targets were established in 2022, based on the GHG inventory, conducted through:

- mapping of greenhouse gas (GHG) emission categories applicable to the Group's operations, following the GHG Protocol Corporate Accounting and Reporting Standard and the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard;
- calculating GHG emissions for the identified applicable categories;
- setting 2021 as the base year[31] and calculating baseline emissions as a reference for defining reduction targets, for the emission categories measured and reported in the year in which the targets were defined. Scope 1 and 2 reduction targets cover all emissions attributable to these scopes. Scope 3 reduction targets cover category 8 ("Upstream leased assets") and category 14 ("Franchises") under the GHG Protocol, as well as category 1 ("Purchased goods and services"), specifically regarding emissions from paper consumption.

The balance sheet asset alignment targets with the Paris Agreement objectives were defined by analysing the types of assets in the portfolio and considering a climate scenario aligned with limiting global warming to 1.5°C.

The Net-Zero Commitment includes progressively integrating additional Scope 3 emission categories (categories 1–14). As described in the previous section, the Scope 1 and 2 emission reduction targets have already been updated with a more ambitious goal to be achieved by 2026.

Emission reduction targets are included in the EMAS Environmental Programme and, as such, are subject to annual external verification as part of the third-party audit conducted by an EMAS-accredited environmental verifier.

[30] The Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020, which supplements Regulation (EU) 2016/1011 of the European Parliament and Council, sets minimum standards for EU climate transition benchmarks and EU Paris-aligned benchmarks. This regulation excludes from EU Paris-aligned benchmarks companies that: i) derive 1% or more of revenue from the exploration, extraction, distribution or refining of coal and lignite; ii) derive 10% or more of revenue from fuel oil exploration, extraction, distribution, or refining; iii) derive 50% or more of revenue from combustible gas exploration, extraction, production, or distribution; iv) derive 50% or more of revenue from electricity generation with a greenhouse gas intensity exceeding 100 g CO_2e/kWh. Fineco does not fall under any of these exclusions.

[31] The year 2021 was chosen as the baseline as it is the most representative year of the Group's activities and operations under normal conditions, less affected by external factors (e.g., the pandemic).

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The following table describes the objectives, the actions carried out in 2024 and the planned future actions, as well as the results achieved under the Net-Zero Commitment regarding CO_2 emissions reduction[32].

Objective and deadline	Action - Description	Type of decarbonisation lever[33]
Net-Zero Emissions Commitment by 2050 – Alignment of Balance Sheet Assets with the Paris Agreement Objectives: exposure in debt securities of sovereign and banking issuers with a Net-Zero target by 2050 of: • 95% by 2030; • 100% by 2050.	Since 2022, investments have been directed towards Countries and institutions that have formalised decarbonisation plans compatible with a maximum temperature increase of 1.5°C. In 2024, the dialogue with counterparties continued, aiming at ensuring a percentage of the securities portfolio aligned with the objectives set out in the Net-Zero Commitment. The percentage of the securities portfolio aligned to Net-Zero targets reached 99.4 per cent at the end of 2024, thus reaching the intermediate target set for 2030 (95 per cent) ahead of schedule. This increase reflects an investment strategy aimed at favouring responsible issuers, thus consolidating Fineco's contribution to the transition towards a more sustainable economy.	Alignment of the internal investment portfolio
Net-Zero Emissions Commitment by 2050 – Reduction of net Scope 1 and 2 (market-based) greenhouse gas emissions from operational activities: -55% tCO2e vs 2021 by 2026; -90% tCO2e vs 2021 by 2050.	Renovation of hot and cold fluid production plant - Milan site. The project involves the removal of gas boilers for the production of hot fluids and the replacement of the current refrigeration units that only produce cold fluids with new, latest-generation, multi-purpose, heat-pump electric machines that will allow the production of hot/cold fluids on the site. For the project, which will be implemented in 2025, a reduction of 266 tonnes of CO2 is estimated. The figure was extracted from the feasibility study prepared by the commissioned professional and was calculated from the average annual consumption 2021/2022 of the current plant, using methodologies and data taken from official documents and technical reference standards.	Decarbonising the supply chain
	Elimination of gas boilers in company Fineco Centres with utilities in the Bank's name. During the course of the year, gas utilities were shut off in 4 of the 6 Fineco Centres with gas boilers for heating use. This action resulted in a reduction in consumption of 3,086 cubic metres of gas in 2024 compared to the previous year.	Decarbonising the supply chain
Energy efficiency Milan Registered Office - optimisation of office space by 2026	In 2024, a feasibility study was carried out on a potential reorganisation of the office spaces in use on the Milan site aimed at an efficient use of energy resources.	Energy efficiency
Installation of electric car charging stations - 15 new stations to be installed on company premises by 2025	In 2024, a technical feasibility study was carried out with impact assessments on the Fire Prevention Certificate of the Milan site for the underground car parks. As of 31/12/2024, there are 2 stations at the Reggio Emilia Headquarter and 6 at the Milan Registered Office. At the Milan site, the electricity supply is 100% from renewable sources.	Use of renewable energy

[32] Where applicable and available, the estimated emission reduction associated with each reported project/intervention is provided. The ability to implement actions related to the emission reduction targets of Scope 1 and 2 depends on the availability and allocation of resources: in this respect, the investments required for the implementation of plant renewal are budgeted; with regard to the Scope 3 operational emission reduction targets, the ability to implement actions to achieve the targets is not directly dependent on the availability and allocation of resources.
[33] The "alignment of the internal investment portfolio" lever involves making internal investment choices in issuers that have adopted their own Net-Zero plan, as outlined in section 2.2.2. The "decarbonisation of the supply chain" lever focuses on eliminating the use of fossil fuels for internal energy consumption; the "energy efficiency" lever refers to rationalising energy consumption in offices by optimising office space; the "use of renewable energy" lever refers to reducing the consumption of fossil fuels in favour of energy consumption from renewable sources.

Objective and deadline	Action - Description	Type of decarbonisation lever[33]
Reduction of emissions associated with staff mobility - 100% hybrid/electric cars in the total car fleet by 2024	The modernisation of the company car fleet has led to the achievement of the target of 100 per cent hybrid/electric cars in the total car fleet in 2024[34].	Decarbonising the supply chain

With reference to the operational emission reduction targets, at the end of 2024:

- Scope 1 and 2*(*market-based) emissions were 285 tCO2e, representing a 31% reduction from the 2021 base year;
- the Scope 3 emissions covered by the target[35] amounted to 1,325 tCO2e, representing a 1% reduction compared to the 2021 base year.

Target year	Scope	Objective	u.m.	Base year	Base year value (tCO2e)	Reporting year value (tCO2e)	Progress (tCO2e)	Progress (%)
2026	*Scope* 1 and 2 (market-based)	-55%	tCO2e	2021	410	285	-125	-31%
2050		-90%	tCO2e	2021				
2030	Scope 3	-20%	tCO2e	2021	1,336	1,325	-11	-1%
2050		-90%	tCO2e	2021				

As part of its climate commitments, to date there are no air emission removal initiatives in place and no carbon credits have been used. Looking forward, to achieve and maintain Net-Zero status, it will be necessary from 2050 onwards to offset residual emissions through the purchase, and respective cancellation, of certified carbon credits.

Fineco does not apply internal carbon pricing systems.

With reference to climate-related opportunities:

- Customer loyalty and image enhancement (reputational opportunity) due to the offering of investment products related to climate change mitigation and adaptation;
- Cost reduction through high energy efficiency in the Group's offices,

to date, no information is available to quantify the anticipated financial effects that is adequate with respect to the qualitative characteristics that this information shall comply with in order to be reported under Appendix B of ESRS 1.

2.2.4 Metrics on energy consumption and energy mix (E1-5)

For the two-year period 2024-2025, a supply contract is in place, with a single national supplier, for the supply of electricity and natural gas for the Milan head office - the only property owned - and for the Fineco Centres with utilities in the Bank's name (69 company Fineco Centres). The technical terms of the agreement provide for the supply of 100% electricity from renewable sources with guarantees of origin and VER compensation of 100% of the CO2 equivalent of gas consumption. The Milan office is also equipped with a photovoltaic system for the production of renewable energy.

The classification of energy consumption is based on the criterion of operational control of sources. Below a summary of the sources of the various energy consumption data and any processing methodologies are provided, if estimates are used.

For the Milan office, the consumption of electricity and natural gas, extracted from the supplier's reports and referring to the entire Building, was repartitioned on the basis of the actual occupation of the building on "standard days" (i.e. Tuesday to Thursday, Saturday, Sunday and public holidays) and on working days (Monday and Friday), and on the basis of the square metres occupied, respectively, by Fineco and by the companies Affide and Unicredit[36], hosted in certain parts of the Building. The production data of the photovoltaic plant was extracted from the SolarCloud application.

[34] Figure net of commercial vehicles.
[35] Emissions related to paper purchases of all sites; energy consumption of the Reggio Emilia Headquarter, Fineco AM's Dublin office, Data Processing Centres and Fineco Centres with utilities in the name of PFAs. Compared to the reporting included in the Group's 2023 Consolidated Non-Financial Statement, there has been a significant decrease in the progress of the interim Scope 3 target. The reason for this decrease is mainly attributable to the increase in emissions from the electricity consumption of Fineco Centres with utilities in the name of PFAs: in fact, in the year 2023 it was known that the consumption related to the Fineco Centres of the PFAs that adhered to the Bank's provider agreement came from renewable sources. For the year 2024, in the absence of information and evidence on the energy sources of PFAs' electricity consumption, this consumption was conservatively assumed to be all from non-renewable sources, thus resulting in a significant increase in emissions.
[36] The parameterisation for the part of the building occupied by Unicredit was applied from January until and including October, following the termination of the lease for both electricity and natural gas. In relation to electricity consumption for the part of the building occupied by Affide, the parameterisation was applied from January until and including August, as a meter was installed for Affide's consumption only and has been operational since September.

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For company cars leased on a continuous basis for mixed use, 70% of total consumption was considered, as indicated by the ABI Guidelines on the application in banking operations of the European Sustainability Reporting Standards (ESRS) on environmental matters - Focus on disclosure requirements E1-5. E1-6. Version 17/12/2024 (hereinafter also ABI Guidelines). For Fineco Centres with utilities registered in the Bank's name, the calculation of natural gas and electricity consumption was worked out by adding up the total consumption on a monthly basis from the reports provided by the supplier.

Any misalignments of one unit in the following tables are due to rounding.

2024 - Internal energy consumption, by source	MWh
Natural gas – Milan Registered Office	745
Natural gas - FC utilities in the name of FinecoBank	114
Total Natural gas for heating	**858**
Photovoltaics - Milan Registered Office	**150**
Gasoline - FinecoBank car fleet	295
Diesel - FinecoBank car fleet	88
Total fuel FinecoBank car fleet	**383**
A - Total direct energy consumption	**1,392**
Electricity - Milan Registered Office	1,194
Electricity - FC utilities in the name of FinecoBank	1,697
of which: electricity from non-renewable sources	*0*
of which: electricity from renewable sources	*2,892*
Total Electricity	**2,892**
B - Total indirect energy consumption	**2,892**
Total energy consumption (A+B)	**4,283**

The final figure of electricity consumption for Fineco is derived from the total consumption on the entire Building (parameterised as described) subtracted from the amount of kWh produced and consumed by the photovoltaic system; the total electricity consumption of the tenants Affide and Unicredit is derived from the parameterised consumption of the Building in addition to the share of photovoltaic production apportioned per square metre. For the calculation of the photovoltaic energy production data, the monthly kWh from the extractions were added up.

2024 - Energy consumption and mix	MWh	Percentage
Total energy consumption from fossil sources	1,241	29%
Total energy consumption from nuclear sources	0	-
Total energy consumption from renewable sources	3,042	71%
of which: fuel consumption for renewable sources including biomass (also comprising industrial and municipal waste of biologic origin), biofuels, biogas, hydrogen from renewable sources	*0*	-
of which: consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	*2,891.5*	*95%*
of which: self-generated non-fuel renewable energy	*150.5*	*5%*

2024 - Energy production	MWh
Renewable energy production (photovoltaics)	157.6
of which: self-generated and consumed	*150.5*
of which: self-generated and fed into the grid	*7.1*
Non-renewable energy production	0
Total	**157.6**

For the Reggio Emilia site, data on district heating and electricity consumption were extrapolated from reports provided by the landlord Unicredit. The consumption on the entire building was then reallocated by applying a consumption percentage based on the square metres occupied by Fineco in the building. The November and December electricity figures were estimated by Unicredit.

In the Dublin office, building management activities are managed by the owner of the building that houses the leased offices of Fineco AM. The figures are estimated on the basis of gas and electricity consumption per square metre of the entire floor, of which Fineco AM occupies 13%. The estimate was provided by the owner, Amundi Ireland. Electricity consumption per square metre was assumed to be the same for the whole floor, in the absence of separate available data for Fineco AM.

For the Data Processing Centres, which are operated by third-party companies, the data were processed from the meter readings reports provided by the respective operators.

Finally, for Fineco Centres with utilities in the PFA's name (369), the data on heating and electricity consumption are estimated from the consumption of Fineco Centres with utilities in the Bank's name:

- with reference to heating consumption, the data has been prepared based on estimates derived from the analysis of three properties with gas utilities registered to Fineco, all falling within the same climate zone "E." The analysis involved verifying the cubic metres of gas consumed in relation to the surface area in square metres. After calculating an average value, a reduction of approximately 15% was applied to account for domestic hot water consumption, resulting in a mc/m² parameter for climate zone "E." This parameter has been re-proportioned for each band, based on the existing ratio of average degrees/days, as defined by current regulations, establishing the reference value for each climate area (expressed in mc/sqm). We then proceeded with the estimation. multiplying the surface area of each property within the specific climate band with the identified parameter. The levels of accuracy of the heating consumption data are linked to parameters derived from a comparison of the reference climate zones, the actual consumption of a sample of Fineco Centres with gas utilities in the Bank's name and the surface area of the office analysed;
- with reference to electricity consumption, the data were collected on the basis of estimates, drawn up on the basis of an analysis of the consumption of utilities registered directly with Fineco (about 60), compared to the corresponding surface areas (Kwh/sq.m.). The value identified was then repartitioned on the basis of the presence of heating from electrical or gas sources. This resulted in two parameters, used according to the type of plant in the individual Fineco Centre, related to the relative surface area. The levels of accuracy of the electricity consumption data are linked to the actual consumption of Fineco Centres with utilities in the Bank's name, related to the respective areas and the presence of gas or electric heating.

2024 - Internal energy consumption, by source	MWh
Natural gas - FC utilities in the name of FinecoBank	683
Natural gas - Fineco AM	74
Total Natural gas for heating	**757**
Total direct energy consumption	**757**
Electricity - Reggio Emilia Headquarter	150
Electricity - DPCs	2,363
Electricity - FC utilities registered to third parties	3,589
Electricity - Fineco AM	121
of which: electricity from non-renewable sources	*3,589*
of which: electricity from renewable sources	*2,633*
Total Electricity	**6,222**
District Heating - Reggio Emilia Headquarter	268
of which from non-renewable sources	*268*
of which from renewable sources	*0*
Total District Heating	**268**
Total indirect energy consumption	**6,489**
Total external energy consumption	**7,246**

2.2.5 Metrics on gross GHG emissions (E1-6)

To objectively identify and monitor the Group's environmental performance, greenhouse gas (GHG) emissions are calculated. Any discrepancies of a single unit in the tables below are due to rounding.

The approach to reporting air emissions generated by Fineco Group's activities has been defined in line with:

- *The Greenhouse Gas Protocol. A Corporate Accounting and Reporting Standard. Revised Edition (2004)* (hereinafter the "GHG Protocol"), the primary methodological reference in the field, which is also referenced by the CSRD;
- the specific methodological references for Scope 3 emissions:
  - the *Corporate Value Chain (Scope 3) Accounting and Reporting Standard* (2011), the GHG Protocol itself and
  - the *Global GHG Accounting and Reporting Standard for the Financial Industry* (December 2022) of the *Partnership for Carbon Accounting Financials* (PCAF), in particular for Part A *"Financed Emissions"*.

The energy conversion and emission factors used are those indicated in the *ABI Guidelines on the Application of the European Sustainability Reporting Standards (ESRS) in the Banking Sector – Focus on E1-5. E1-6 Disclosure Obligations – Version 17/12/2024*"[37]. For Ireland, the source for CO2 emissions from natural gas is the *Sustainable Energy Authority of Ireland - SEAI*.

For the purposes of classifying emissions associated with energy and fuel consumption, in line with the classification of energy consumption, at sites where Fineco is able to exercise operational control, emissions are classified as Scope 1 or 2, depending on the nature of the sources themselves; emissions generated from sources and at sites over which Fineco does not exercise operational control are instead classified in Scope 3.

[37] In line with the ABI Guidelines. the most recent values of global warming potential published by the IPCC based on a 100-year time horizon were used to calculate non-CO2 equivalent gas emissions.

Gross Scope 1 GHG emissions, by source	u.m.	2024
Natural gas (heating fuel)	tCO2e	183
Gasoline - car fleet (continuous leasing)	tCO2e	78
Diesel - car fleet (continuous leasing)	tCO2e	24
Gross Scope 1 GHG emissions	**tCO2e**	**285**
Percentage of Scope 1 GHG emissions covered by regulated emission trading systems	**%**	**-**
Gross Scope 2 GHG emissions, by source	**u.m.**	**2024**
Electricity purchased from the grid (location-based)	tCO2e	892
Electricity purchased from the grid (market-based)	tCO2e	**0**
Gross Scope 2 GHG emissions (location-based)	**tCO2e**	**892**
Gross Scope 2 GHG emissions (market-based)	**tCO2e**	**0**

With reference to Scope 3 emissions, the 15 emission categories of the *GHG Protocol* were examined in order to identify: (i) the categories applicable to the Fineco Group and, among them, (ii) the most significant categories with respect to the Group's activities and business model, and to measure and report on them. With regard to this second aspect, in line with the *GHG Protocol,* the following main criteria were adopted to assess the relevance of each category:

- magnitude of the category's emissions - measured in tCO2e - compared with the Group's Scope 1 and 2 emissions;
- contribution of the category's emissions to the Group's exposure to climate and environmental risks;
- importance given to the category's emissions by key Stakeholders;
- existence of potential emission reduction margins in the category that could be realised or influenced by the Group.

The analysis was conducted starting from the perimeter of the emissions reported in the year 2023, in order to re-evaluate their completeness and relevance, as well as possible extension possibilities also with respect to the availability and adequacy of data and information for the calculation.

In relation to the peculiarities of each category, in-depth studies were carried out to precisely define the emissions to be reported for the financial year 2024, both in terms of their applicability to the scope of consolidation, and any sub-categories of assets included in the main category (e.g: which types of goods and services purchased by the Group are included in the emissions measured under Category 1 - *Purchased goods and services*; to which asset classes in the Fineco portfolio the emissions in category 15 - *Investments*)[38] are attributable.

The relevant Scope 3 emission categories reported are:

Category 1 - Purchased Goods and Services. The Group was established with a digital business model, characterised from the outset by the absence of branches across the territory and, consequently, by the lack of related needs for the purchase of goods and services to support its operations. Since 2020, the Group has been reporting on the emissions associated with the purchase of paper, which is the main “physical” raw material used, both as consumption in offices and in customer relations. To assess the possible extension of this category to other types of purchases, an analysis of the main supplies was conducted, which confirmed the intangible nature of the majority of purchases made on an annual basis: approximately 98% of the sample - in terms of volume - in fact refers to the purchase of services (among which legal, tax and fiscal consultancy. marketing and advertising services are of particular note). In terms of the purchase of goods, the most significant category concerns purchase from suppliers of IT devices (e.g. *notebooks*, monitors, PC accessories), whose emissions are therefore reported, together with those generated by the purchase of paper. As far as paper purchases are concerned, emissions are estimated from estimated consumption (see section 2.3.3); the source used for emission factors is *CEPI - Confederation of European Paper Industries*[39]. For IT *devices*. emissions are estimated using a spend-based approach. The source used for the emission factor is *Eurostat*[40].

Category 6 - Business Travel. Emissions associated with business travel by air and rail by employees of both the Parent Company and the Subsidiary are estimated.

For travel by Bank employees, the data is provided by the business travel service provider. The methodology for calculating emissions used by the provider is based on data on the distance travelled on each trip, taken directly from the air and rail booking system, to which a vehicle-specific emission factor is applied. The emission factors used are those of the GHG Protocol and for the UK (DEFRA). Only emissions related to public transport are taken into account in the

[38] Based on the analysis conducted, the following categories of the GHG Protocol were not applicable/significant: *2-Capital goods*, *3-Fuel- and Energy-Related Activities Not Included in Scope 1 or 2*, *4-Upstream Transportation*, *5-Waste Generated in Operations and Distribution*, *9-Downstream Transportation and Distribution*, *10-Processing of Sold Products*, *11-Use of Sold Products*, *12-End-of-life treatment of sold products*, *13-Downstream leased assets*. Compared to the Scope 3 emissions reported in the Consolidated Non-Financial Statement, the following categories were reported for the first time: 1-*Purchased goods and services,* with reference to emissions associated with the Parent Company's purchases of IT equipment; *6-Business Travel*, with reference to emissions from business trips by Fineco AM Employees; *15-Investments*, with reference to emissions associated with the debt securities of bank issuers.
[39] CEPI, KEY STATISTICS 2023, European pulp & paper industry.
[40] https://ec.europa.eu/eurostat/databrowser/explore/all/all_themes

calculations. In addition, for air transport, the type of class (Economy, Business, First Class) is also taken into account, in relation to the area of the aircraft occupied by each passenger, which is larger in the case of higher classes.

For the Subsidiary's employee travels, estimates of emissions associated with air travel were calculated using the *International Civil Aviation Organisation* (ICAO) methodology. This approach uses a distance-based model to estimate emissions per passenger, considering factors such as aircraft type, operating conditions and flight distance. These factors are averaged to account for variability. The complete methodology is available at https://www.icao.int/Pages/default.aspx. For travel by train, emissions were estimated using the greenhouse reporting methodology provided by the *UK Department of Energy and Security and Net Zero* (DESNZ).

Category 7 - Employee commuting. With respect to the perimeter reported for the financial year 2023, relating to emissions associated with the home-work journeys of employees of the Parent Company, an in-depth analysis was conducted with respect to the availability of data on the home-work journeys of employees of the subsidiary Fineco AM. The analysis revealed the absence of such data, partly as a result of the absence of a regulatory requirement in Ireland to draw up an annual home-work travel plan for employees.

Emissions associated with the home-work journeys of Bank employees are estimated from data provided by employees as part of the annual survey conducted for the preparation of the Home-Work Travel Plan (HWTP). The average emission factors for road transport are based on estimates made for the purpose of drawing up the Italian national inventory of atmospheric emissions, which is carried out annually by ISPRA as a tool for verifying international commitments on the protection of the atmospheric environment.

The data came from the company-wide survey, from which the modal split, the type of vehicle used and its pollutant class, and the average kilometers travelled in each city were estimated. The methodology developed and applied to the estimation of air pollutant emissions is based on the *EMEP/EEA air pollutant emission inventory guidebook 2016* and is consistent with the *2006 IPCC Guidelines* for greenhouse gases. The methodology involves a first step where the data obtained from the questionnaire are processed and a second part where estimates are derived from these for the entire company population, also taking into account the smart working mode.

Category 8 - Upstream Leased Assets. This category includes emissions associated with the energy consumption of sites outside operational control (offices and Fineco Centres rented with energy/natural gas utilities in the name of third parties) estimated on the basis of the respective energy consumption data (data provided by UniCredit for the Reggio Emilia site; by the lessor of the Dublin offices for Fineco AM; data estimated from actual consumption at Fineco Centres with utilities in the Bank's name for Fineco Centres with utilities in the PFA's name)[41].

Category 14 - Franchising. The category includes the emissions associated with the energy consumption of financial shops in the *PFA & Personal Studio* category, in the name of Financial Advisers (energy/utilities leases/natural gas). Emissions are estimated from the actual energy consumption of Fineco Centres with utilities in the Bank's name.

Category 15 - Investments. This category accounts for the clearly most significant contribution, not only in terms of *Scope* 3, but of the Group's overall emissions profile. For the financial year 2024, an analysis was conducted of the asset classes in the Consolidated Financial Statements for which specific methods of calculating financed emissions are available in the PCAF standard:

- mortgages;
- debt securities of sovereign issuers[42];
- debt securities of bank issuers.

The other asset classes regulated in the PCAF standard for financed emissions are not present in the Group's portfolio. For all three applicable categories, the relevant GHG emissions were estimated.

The emissions associated with mortgages were estimated on the basis of kg $CO2/m_2$ values for each property, provided by an external *provider*.

The following sources were used to estimate emissions of debt securities of sovereign issuers: i) UNFCC (https://di.unfccc.int/time_series) for CO2 emissions of Countries and ii) the *World Bank* database (https://databank.worldbank.org/) for GDP values of the same Countries or supranational entities. Emissions related to debt securities of sovereign issuers are estimated net of emissions related to the LULUCF (Forest and Land Use) sector.

For Bank debt issues, the values of the Scope 1 and 2 emissions of the counterparties were taken from the respective available public reports for the year 2023 (Consolidated Non-Financial Statements, Annual Reports, Sustainability Reports, etc.).

[41] In DPCs, energy consumption is 100% from renewable sources.
[42] Sovereign issuers include supranational issuers, government agencies and local authorities (sub-sovereign) .

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Significant Scope 3 GHG emissions	u.m.	2024
Category 1 – *Purchased Goods and Services*	**tCO2e**	**82**
of which: paper	*tCO2e*	*20*
of which: IT device (FinecoBank)	*tCO2e*	*62*
Category 6 – *Business Travel*	**tCO2e**	**240**
of which: FinecoBank business trips	*tCO2e*	*194*
of which: FinecoBank business trips	*tCO2e*	*46*
Category 7 - *Employee commuting* (*FinecoBank*)	**tCO2e**	**538**
Category 8 - *Leased Assets*	**tCO2e**	**451**
of which: energy consumption offices Reggio Emilia	*tCO2e*	36
of which: Fineco Centre energy consumption with PFA users	*tCO2e*	*399*
of which: Fineco AM energy consumption	*tCO2e*	*16*
Category 14 - *Franchising* (energy consumption Fineco Centres *PFA & Personal Studio*)	**tCO2e**	**854**
Category 15 - *Investments*	**tCO2e**	**3,160,756**
of which: emissions associated with mortgages	*tCO2e*	*50,643*
of which: emissions associated with sovereign debt securities	*tCO2e*	*3,085,108*
of which: emissions associated with sovereign debt securities	*tCO2e*	*25,005*
Total	**tCO2e**	**3,162,921**
of which: emissions calculated using primary data	*tCO2e*	*26,510*
of which: emissions calculated using primary data	*%*	*1*

Biogenic CO2 emissions from combustion or biodegradation of Scope 1 biomass consumed by the Group are 0 tCO2e. As far as biogenic CO2 emissions from combustion or biodegradation of Scope 2 and Scope 3 biomass are concerned, these sources, and therefore the related emissions, are not relevant to the sector in which the Group operates.

Total GHG Emissions	u.m.	2024
Scope 1 Emissions	tCO2e	285
Scope 2 Emissions (location-based)	tCO2e	892
Scope 2 Emissions (market-based)	tCO2e	0
Scope 3 Emissions	tCO2e	3,162,921
Total GHG emissions (location-based)	**tCO2e**	**3,164,098**
Total GHG emissions (market-based)	**tCO2e**	**3,163,206**
Net revenue	**€'000**	**2,147,479**
Emission intensity (location-based)	**tCO2e / €'000**	**1.47**
Emission intensity (market-based)	**tCO2e / €'000**	**1.47**

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In calculating emissions intensity, the Group applies the following formula: Total GHG emissions (tCO2e) / Net revenues. In this regard, the table below provides useful information for understanding the above denominator and in particular the reconciliation of net revenues used to calculate GHG emission intensity with net revenues[43].

Reconciliation of net revenues used to calculate emission intensity with the relevant figure(s) in the Financial Statement	€'000
Net revenues used to calculate emission intensity	2,147,479
Net revenue (other)	-833,679
Total net revenue (Financial Statement)	1,313,797

[43] For the revenue reconciliation approach, reference was made to the provisions of the aforementioned ABI Guidelines: "For credit institutions, "net revenue from sales and services" means the amounts defined in accordance with Article 43(2)(c) of Council Directive 86/635/EEC of 8 December 1986 (see Art. 1(2)(c)). For the purposes of determining the aforementioned aggregate, a useful application reference may be represented by the reconciliation statement between the income statement items provided for by the aforementioned Article 43(2)(c) and the items provided for FINREP purposes, prepared by the Bank of Italy (Questioni di Economia e Finanza (Occasional Papers) 'The Corporate Sustainability Due Diligence Directive (CSDD): an analysis of the potential economic and legal impacts' No. 869, July 2024, p. 26".

2.3 Resource use and circular economy (E5; ESRS2 E5 IRO-1)

The process of identifying the material Impacts, Risks and Opportunities related to resource use and circular economy (ESRS E5 “Resource Use and Circular Economy”), with reference to both inflows and outflows resource as well as to waste generation, was carried out as part of the 2024 Double Materiality Analysis process. This involved consulting all relevant internal and external Stakeholders (Management, Financial Advisors, Investors) engaged in assessing the IROs of other Topics. There was no specific consultation on the Topic with the affected communities. The process covered all assets and activities in Own operations and the Value Chain.

In particular, with reference to the internal analyses and assessments, these were based not only on the sector (financial services) and the Group's digital business model, but also on the documented evidence and analyses conducted and periodically updated as part of the Parent company's Environmental Management System (EMS), certified as of 2022 in accordance with the EMAS Regulation (1221/2009/EC). The scope of the EMS includes all company offices in Italy, the Data Processing Centres (DPCs) - managed by third-party providers - and the entire Fineco Centres Network[44].

For Fineco AM, the analysis considered the operating environment in which the Subsidiary operates in Dublin, in office spaces leased within a building owned and managed by a third party.

From the analyses and assessments conducted, it emerges that, for **resource inflows,** in addition to the consumption of energy which - due to the type of activities carried out - constitutes the greatest source of natural resources (see, in this regard, section 2.2 on the Climate Change Topic), paper constitutes the main raw material used in offices by both Employees and Financial Advisors, for internal needs and in relations with Customers, even in a context of a progressive dematerialisation of processes and services, aimed at favouring digital and paperless-oriented processes.

In terms of **resource outflows,** waste generation was not assessed as a material topic.

The waste produced in the offices consists mainly of municipal waste, which is delivered to the municipal public collection service of the respective jurisdiction. The exception for the Bank's company offices is the service of collecting and sending for treatment waste consisting of paper and toner, which is contracted out to specialised companies. At the DPCs, paper and cardboard waste is managed by the host companies. Servers that are no longer used are sold; hard disks and tapes are entrusted to companies specialising in their destruction and disposal. In a circular economy perspective, electronic devices that are no longer usable, as fare as they are considered obsolete but functional, are reconditioned in order to be resold or given for humanitarian purposes (e.g. missions and social work); in the event that the goods have instead exhausted their usefulness and prove to be non-functional, they are transferred to specialised companies, which proceed to their destruction and disposal in accordance with the law.

The process led to the identification of two material impacts related to the Sub-topic “Resource Inflows”:

- a negative impact, related to the consumption of materials for operational activities such as paper, toner, printers, computers and IT tools;
- a positive impact, in terms of contributing to a better optimisation of resource utilisation through the adoption of digital solutions.

Based on the results of the Double Materiality Analysis 2024, the Sub-topics "E5-5 Resource outflows" and "E5-6 Anticipated financial effects from resource use and circular economy-related risks and opportunities" of the Topic "E5 - Resource Use and Circular Economy" were found not to be material.

[44] In particular, as part of the Parent company's EMS certified pursuant to Regulation 1221/2009/EC (EMAS Regulation), an Environmental Review and Context Analysis is conducted and updated on an annual basis for all sites included in the certification perimeter (FinecoBank company offices, DPCs, Fineco Centres) in compliance with the requirements of Annex I of the EMAS Regulation and points A.4. A.6.1. B.3 and B.4 of Annex II of the EMAS Regulation.

2.3.1 Resource use and circular economy policies (E5-1)

The following policies are adopted with regard to resource use and circular economy.

Policies	Description
Global Policy – Environmental Policy	Since 2020, Fineco has adopted a Group Environmental Policy, which defines the general guidelines and orientations regarding environmental matters. This policy serves as a framework for establishing specific environmental objectives and targets. The Global Policy is approved by the Board of Directors, monitored by the proposing function and published on the corporate website. The Environmental Policy was updated and approved by the Board of Directors in December 2024. The Global Policy applies to all activities and the Group Value Chain; the key areas of intervention formalised in the Environmental Policy include: • the management of environmental impacts, particularly concerning energy, climate change mitigation and adaptation, resource use and circular economy; • the supply chain, through the strengthening of environmental oversight in the supply chain; the selection and promotion of products that protect the environment and the development of knowledge and skills in green and sustainable procurement; • sustainable finance, through integrating ESG factors into the products and services offerings, internal investment decisions, and the enhanced involvement of the Financial Advisors' Network in the Group's ESG strategies. Within the framework of these general guidelines, the Environmental Policy is implemented in projects and actions aimed at the sustainable sourcing and use of renewable resources, the reduction in the use of virgin resources and the consequent increase in recycled resources, as described in the following paragraphs. The Global Policy is published on Fineco's public website, in the Sustainability section.
Global Policy – Sustainability Policy	In 2022, the Board of Directors approved the Group's Global Sustainability Policy, adopted with the aim of responding both to external requests from Stakeholders to formalise the Group's commitments and approach to sustainability, and to internal requirements to adopt a global policy of reference in order to link commitments in this area. The Global Policy is approved by the Board of Directors, monitored by the proposing function and published on the corporate website. The Policy applies to all activities and the Group Value Chain. The Global Sustainability Policy also regulates the ESG governance structure and compliance oversight, the process of identifying, managing and integrating ESG risks into the Group's risk management framework, and formalises the main areas of integration of sustainability factors into the Group's activities. In 2024, the Global Sustainability Policy was updated to align it with the Sustainability Strategy 2024-2026 and the corporate purpose approved in December 2023. Among the areas of integration of sustainability factors in the Group's activities defined in the Policy, the management of the value chain includes the maintenance of the Bank's Environmental Management System (EMS), the adoption of plans and programmes for the reduction of direct environmental impacts related to the Group's operations and the involvement of the Financial Advisors' Network in Fineco's sustainability commitments and initiatives. The Global Policy is published on Fineco's public website, in the Sustainability section.
Procedures and plans of the certified environmental management system according to the EMAS Regulation (1221/2009/EC)	Since 2022 FinecoBank has obtained the EMAS Registration of its Environmental Management System in accordance with Regulation 1221/2009/EC (EMAS Regulation - Eco-Management and Audit Scheme), a voluntary European certification that attests to the organisation's compliance with all applicable regulatory obligations relating to the environment and its commitment to continuously measure, assess and improve its environmental performance. The CFO was appointed Management Representative under the EMAS Regulation, with the task of ensuring that the Environmental Management System is established, implemented and maintained in accordance with the

<table>
<tr><th>Policies</th><th>Description</th></tr>
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requirements of the standard, and to report to Top management on the performance of the Environmental Management System for management review, including recommendations for improvement.
The scope of Fineco's EMAS Registration includes:

FinecoBank's company offices, where Employees work and which include the Registered Office, the Head Office and the Data Processing Centres (DPCs);
the commercial Network of Fineco Centres (FCs).

The Subsidiary Fineco AM is excluded from the scope of EMAS Registration.
In 2024, following the positive outcome of the third-party audit by the accredited environmental certification body, the Bank obtained the renewal of its EMAS Registration for the three-year period 2024-2027[45].
Within the framework of the certified EMS, environmental commitments on the use of resources and the containment of related impacts are formalised, in line with the Group's Environmental Policy. The objectives and related actions planned and implemented to improve environmental performance are contained in the EMAS Environmental Programme, approved by the Board of Directors and integrated into the broader ESG MYP 2024-2026.
Environmental improvement objectives are defined consistently with the results of the significance assessment of direct and indirect environmental aspects, conducted and updated on an annual basis in accordance with the requirements of the EMAS Regulation. The methodology for assessing environmental aspects provides, in summary:

identification and assessment of business-related environmental aspects. In this case, the distinction between sites where the activity physically takes place is not relevant. These environmental aspects are identified and assessed as part of the analysis of the organisation's context carried out under the EMAS Regulation;
identification and assessment of environmental aspects related to property management. The activity is carried out by distinguishing two macro areas of investigation - company offices and commercial Network - which have different peculiarities, both in terms of property characteristics and in terms of ability to influence and control the related environmental aspects. For each of the two areas (company offices and Network), aspects related to the operational management of the buildings, their impacts and risks to the environment, under both normal and abnormal/emergency conditions, are identified and assessed;
defining priorities for intervention. The outcome of the assessments of the significance of environmental aspects and risks feeds into the definition of priorities for action, in terms of: (i) improvement plans and programmes; (ii) risk prevention, management and mitigation activities and initiatives; (iii) activities and initiatives to pursue the identified opportunities.

In terms of monitoring the progress of EMAS Environmental Programme initiatives, activities are governed by the Global Operational Regulation “Definition of the Sustainability Objectives Plan and Environmental Programme”, which provides for monitoring the progress of objectives and targets in the Sustainability Management Committee on a quarterly basis. The same progress is also brought to the attention of the board-level Corporate Governance, Environmental and Social Sustainability Committee with the same frequency.
As part of the EMS, internal environmental audits are planned and conducted annually, aimed at verifying, among other things, compliance with company policies on resource use and waste management; the Internal Environmental Audit Plan is drawn up by the Parent company's Sustainability function in compliance with the external reference standards and is governed by the Global Operational Regulation “Planning and Execution of Internal Environmental Audits and Management of Environmental Management System Findings”.
The Environmental Management System is subject, at the Parent company level, to periodic Management Reviews aimed at assessing its effectiveness and ongoing suitability and adequacy with respect to the evolution of the Company and the environmental objectives and targets set for the period examined; the Management Review is governed by the Global Operational Regulation “Environmental Management System Review”.
</td></tr>
</table>

[45] Registration number IT-002166; NACE reference code 64.19.1 (Monetary intermediation by monetary institutions other than central banks); EMAS registration valid until 19 June 2027.

2.3.2 Actions, targets and resources related to resource use and circular economy (E5-2; E5-3)

In terms of resource use and circular economy, the Group's environmental and sustainability policies are implemented in the ESG MYP 2024-2026, which contains numerous objectives and initiatives relating to the use of resources, both as mitigation of the impacts associated with their consumption and as optimisation of the related flows. The MYP ESG 2024-2026 defines, in particular, a number of targets in the following areas:

- **digitisation**, through projects to reduce paper flows and simultaneously increase the use of digital solutions in the operations of both the Bank and the Network;
- **mitigation of the impacts related to the resource extraction and use**, both in business operations - through the replacement of plastic cards with recycled PVC cards - and in office operations, through, for example, the progressive elimination of single-use plastic products in offices;
- **environmental monitoring in the supply chain**, through the performance of periodic audits of global technical service providers that include verification of compliance with regulations and contractual clauses on the production and management of waste produced in the performance of these services.

The table below shows the MYP ESG 2024-2026 targets related to resource use and/or circular economy and the related actions and status as of 31/12/2024; all targets included in the table below are voluntary and have been defined in 2023.

In line with the outcomes of the 2024 Double Materiality Analysis, all targets included in the table are related to the Sub-topic “Resource Inflows”. In fact, the only IROs material of the Topic “Resource Use and Circular Economy” concern impacts related to resource inflows, in terms of resource consumption and optimisation of resource use, in particular through:

- the reduction of raw materials;
- the sustainable supply and use of renewable resources;
- the increase of the rate of circular use of materials.

The progress of the objectives and related actions are periodically monitored in the Sustainability Management Committee on a quarterly basis. The same progress is also brought to the attention of the board-level Corporate Governance, Environmental and Social Sustainability Committee with the same frequency.

The financial resources allocated in 2024 to the actions reported below were not significant in the context of the Financial Reporting figures.

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Objective and deadline	Related to waste management	Objective	Base year value (2023)	Reporting year value (2024)	Actions
Card stock – reducing the use of virgin raw materials. Objective: replacement of at least 50% of the plastic payment card stock with recycled PVC cards by 2026. By using recycled material for the production of payment cards, the use of new virgin plastic is reduced.	No	Percentage of cards replaced	0	2.3%	During 2024, 43,439 recycled PVC prepaid cards were issued/replaced; the stock of the entire card pool is 1,847,199, so the replacement rate stands at 2.3%. During 2025, the replacement of rechargeable cards will continue, and the replacement of single-function credit cards will be initiated.
Digitisation – increased use of digital solutions by PFAs, resulting in reduced paper use and related impacts. Objective: achieve a ratio of paper documents / total documents (paper and digital) of 1/7, by 2026.	Yes (Prevention)	Ratio of paper documents / Total documents (both paper and digital)	2 / 7	1.4 / 7	In 2024, data on the use of non-digital solutions were revised in order to define an appropriate network awareness policy. The project to revise the *Apriconto Xnet* functionality was also initiated.
Digitisation - Non-current-account holders digital signature. Implementation of the possibility for non-current account holders to digitally sign contracts. Objective: achieve 90% digitisation of documents by 2026.	Yes (Prevention)	Percentage of digitised documents	0	0	Ongoing analysis activities; two specific areas of intervention will be defined: (i) Cards for non-current account holders (Rechargeable and *Link)* and (ii) Delegates.
Digitisation – Post-Sale overdrafts. Extending the use of remote digital signature solutions to after-sales operations that generate high volumes of paper requests. Objective: achieve 90% digitisation of documents by 2026.	Yes (Prevention)	Percentage of digitised documents	0	0	Ongoing analysis activities.
Environmental audits on major providers of global services. Objective: 100% of global service companies of Fineco Centres audited by 2026.	Yes (Disposal)	Number of supplier audits performed	0	3	As at 31/12/2024, 3 global service companies of the Fineco Centres were audited, out of a total of 9 companies operating throughout the Country. The target is to reach 100 per cent of companies audited by 2026.

Objective and deadline	Related to waste management	Objective	Base year value (2023)	Reporting year value (2024)	Actions
Promoting the use of products with environmental characteristics in the Network. Objective: activation of a new section in the e-shop for Financial Advisors including products with environmental characteristics, by 2024.	Yes (Recycling)	Number of products purchased with environmental characteristics	0	572	As of 2024, the e-shop of the Financial Advisors (an online platform where PFAs can make purchases independently for the management needs of their respective offices) will include a section for the purchase of products with environmental characteristics. The new section offers the possibility of purchasing numerous items with environmental certifications and features, including products made from recycled materials and components. The initiative was launched with the publication on the *Xnet* platform of the new Environmental Vademecum on Fineco Centres, through which the initiative was sponsored to the Network. As at 31.12.2024, 572 products had been purchased through the platform that are certified by independent third-party bodies, attesting to their best environmental characteristics and bearing logos demonstrating the possession of specific sustainability features (e.g. *EU Ecolabel*, *FSC*, *LONG LIFE*, *BLAUER ENGEL*). These products were purchased by 124 Financial Advisors spread across the Country (covering 17 regions). The products purchased include, among others, recycled printing paper, office stationery with recycled material components, *EU Ecolabel* toiletries.
Guidelines to the Network for selecting suppliers with characteristics highly consistent with ESG issues. Objective: release, by 2024, of Guidelines to the Network for the realisation of more sustainable events.	Yes (Prevention; Reuse; Recycling; Disposal)	-	-	Guidelines released and published in *Xnet*	Raising awareness among the Financial Advisors' Network is a crucial objective in creating awareness of opportunities and ways to make an event more sustainable. To this end, guidelines have been drawn up and disseminated to provide guidance and tools for making choices with the least impact on the environment. The *Guidelines for the Integration of Sustainability Criteria into Events* aim to support the application of sustainability criteria to events that the Bank organises - either directly or indirectly, through its Network of Financial Advisors, for different purposes and in different ways - by providing information, concrete and practical support to improve the environmental or social sustainability of an event, helping to mitigate its impacts and at the same time increasing internal and external positive spillovers.

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Objective and deadline	Related to waste management	Objective	Base year value (2023)	Reporting year value (2024)	Actions
					The sustainability criteria contained in the *Guidelines* cover the main categories of services that characterise the procurement for the organisation of an event: - **choice of venue for the event,** in terms, for example, of buildings and spaces resulting from urban regeneration projects; set-up and technical service, including the indication to select, where possible, sector operators capable of proposing innovative and circular solutions in the design of exhibition spaces, or to provide reused or reusable set-up elements and furniture; - **catering and restaurant services,** e.g. by selecting providers who use washable and reusable crockery in their services, or, if the event does not allow it, disposable plates, glasses and cutlery made of biodegradable and compostable materials; - **gadgets**, **sampling and *cadeau***, preferring to buy durable and reusable gadgets and cadeau or made from recycled material; - **communication and promotion of the event**, limiting as much as possible the use of paper to print invitations, brochures or other promotional material for the event, and favouring communication in digital mode.
Identification and selection of more environmentally sustainable materials. Objective: measurement and monitoring of selection processes integrated with sustainability assessments, starting in 2024.	Yes (Prevention; Reuse; Recycling; Disposal)	-	-	First application of the Guidelines to Bank events.	The objective is realised in the structural choice of materials and communication media with environmental characteristics, where made possible by the market offer. The criteria of the *Guidelines* mentioned in the previous point were gradually implemented during 2024, through an initial application to 4 different types of events organised by the Bank (Top management events, tennis circuit, golf circuit, trade fairs).
Improving the level of sustainability of products/services provided in the vending machines of the offices. Objective: elimination of plastic water bottles and products (water bottles, glasses), by 2025. Replacement of vending machine packaging and elimination of plastic water bottles.	Yes (Prevention; Reuse; Recycling)	-	-	-	During 2024, some product packaging in the vending machines of the Milan and Reggio Emilia sites was revised, with the aim of adopting more environmentally sustainable packaging wherever possible. Traditional plastic cups inside the coffee machines were replaced by cups made of an innovative material with post-consumer recycled polystyrene; all break areas are consistently equipped with special bins that provide for the recycling of waste material (glasses, coffee palettes, packaging) to

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Objective and deadline	Related to waste management	Objective	Base year value (2023)	Reporting year value (2024)	Actions
					encourage their recovery. In addition, water distribution columns were installed in all break areas. In 2024, the complete replacement of water bottle dispensers in the company's Milan and Reggio Emilia offices with dispensers connected directly to the water supply network was completed; at the same time, there are no longer any plastic water bottles inside the vending machines. As of 2021, water bottles are delivered to all Employees.
Development of screen savers for energy saving. Objective: implementation of energy-saving screen savers by 2025.	No	-	-	-	The action aims to reduce energy consumption by extending the mode currently available for Employees. Activities under development.
Development of knowledge and skills in green e sustainable procurement. Objective: 100% of Procurement Office staff trained on green and sustainable procurement by 2025.	Yes (Prevention; Reuse; Recycling)	Percentage	0	100%	Training on green and sustainable procurement for all Procurement Office staff took place and was completed in 2024.

The general guidelines contained in the Group's Sustainability Policy and Environmental Policy have also been translated into the purchase, as of 2022, of 100 per cent electricity from renewable sources for all properties for which Fineco has ownership of the utilities.

In addition to the ESG MYP 2024-2026, other initiatives are active within the EMAS EMS to support commitments on resource consumption and circular economy:

- In the area of **digitisation**, numerous solutions have been in place for years to reduce paper consumption in favour of the use of technology. For example, since 2013, **remote digital signatures for existing customers** have been introduced and **graphometric signatures** have been activated, allowing Customers to sign contracts digitally when in the presence of a Fineco Financial Advisor. Since 2015, **remote digital signatures** have been introduced for new customers, while the **onboarding trough digital bank signature** has been active since 2012, a feature that allows the Bank to provide the customer digitally with a copy of the account opening contract countersigned for acceptance. In 2024, **advanced electronic signatures** for employees were introduced, a feature that allows Employees and applicants to sign contracts digitally. Overall, these solutions have brought great benefits in terms of reducing paper consumption, enabling the Bank and its Customers to save around 74 tonnes of paper by 2024 alone[46].
- for all types of Fineco Centres, from 2021 the Bank provides the Network with a ***Vademecum***, summarising the main obligations and operating procedures to ensure proper environmental management of the office, including the containment of consumption of natural resources and waste management. In 2024, the Vademecum was updated with indications to support the purchase by Financial Advisors of paper and other office materials with sustainability features (e.g. *EU Ecolabel* or other environmental product certifications). In terms of consumption, the Vademecum contains instructions to the Network aimed at rationalising consumption of electricity and heating, water, paper and toner;
- **Guidelines for the environmental design of Fineco Centres** are adopted from 2022, with the aim of managing and mitigating the environmental impacts associated with the supply chain, including the following criteria (i) the enhancement of existing building elements, when acquiring, maintaining or renovating a building, aimed at reusing pre-existing architectural elements, installations and furnishings; ii) the reuse of fittings, in order to reuse as much as possible the components and fittings of Fineco Centres that are being decommissioned (furniture, seating, lighting, signs, etc.) for new Fineco Centres and in the case of image upgrading of existing Financial Shops. During 2024, a total of 18 Financial Shops were opened for which the Guidelines were applied. In particular, the criterion related to the valorisation of existing building elements (e.g. maintenance of flooring, fixtures and doors) was applied for 17 Shops, while in 7 Shops furniture and fittings recovered from closed Fineco Centres were reused.

[46] The figure of 74 tonnes of paper savings is the total paper savings in 2024 attributable to the initiatives: (i) remote digital signature for already acquired customers; (ii) graphometric signature; (iii) remote digital signature for new customers; (iv) Acceptance Opening Reports with Digital Bank Signature (v) Advanced Electronic Signature for employees. For each of these functionalities, the relative paper savings were calculated from the number of contracts signed digitally and the relative number of A4 pages not printed and thus “saved”.

2.3.3 Metrics on resource consumption (E5-4)

In relation to the nature of the Group's business, material resource inflows to support the provision of banking and financial services include goods and products functional to perform office activities, such as paper, toner and IT devices.

In addition to energy consumption, paper constitutes the main raw material used in offices by both Employees and Financial Advisors, for internal needs and in relations with Customers, even in the context of a progressive and growing dematerialisation of processes and services, aimed at favouring digital and paperless-oriented processes. At the company's Milan and Reggio Emilia offices, 100 per cent of the paper used has both the *FSC® (Forest Stewardship Council*) certification and the EU *Ecolabel* environmental excellence label.

The following table shows paper consumption in the financial year 2024[47].

Paper consumption	u.m.	2024
Total office paper used	**kg**	**54,847**
of which FSC-certified paper	*kg*	*19,406*
% of FSC-certified paper	*%*	*35*
of which EU Ecolabel-certified paper	*kg*	*41,561*
% EU Ecolabel-certified paper	*%*	*76*
Paper consumption - detail	**u.m.**	**2024**
FinecoBank		
Total office paper used	**kg**	**3,888**
of which FSC-certified paper	*kg*	*3,888*
% of FSC-certified paper	*%*	*100*
of which EU Ecolabel-certified paper	*kg*	*3,888*
% EU Ecolabel-certified paper	*%*	*100*
Fineco AM		
Total office paper used	**kg**	**256**
of which FSC-certified paper	*kg*	*256*
% of FSC-certified paper	*%*	*100*
of which EU Ecolabel-certified paper	*kg*	*0*
% EU Ecolabel-certified paper	*%*	*0*
Fineco Centres		
Total office paper used	**kg**	**50,703**
of which FSC-certified paper	*kg*	*15,262*
% of FSC-certified paper	*%*	*30*
of which EU Ecolabel-certified paper	*kg*	*37,673*
% EU Ecolabel-certified paper	*%*	*74*

[47] For the Parent company FinecoBank, it is assumed that paper consumption coincides with the purchase orders for reams of A4 paper executed in the year 2024. For the Subsidiary Fineco AM, consumption is obtained from printer readings on the number of pages printed by each machine. The paper consumption of Financial Advisors in Fineco Centres was estimated by assuming the coincidence between purchases and consumption in the reporting year. The data were estimated by collecting from a sample of Fineco Centres (72 out of 438, with a response rate of 70.8%) the number of reams (A3 and A4 format) purchased each year and, consequently, the total weight of paper consumed. This figure was used to obtain an indicator of the kg of paper consumed *per capita* per Financial Advisor, which in turn was multiplied by the total number of Financial Advisors in order to obtain total consumption.

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The figure for the percentage of recycled paper in total consumption was not reported as it was not based on sufficient information in terms of quantity and quality, in line with Appendix B of ESRS 1[48]. It has to be specified, however, that paper certified with the *EU Ecolabel* for the paper products category - equal to 100% of the paper consumption of the Parent company's Employees and 76% of total paper consumption - is made with at least 70% recycled fibres or from responsibly managed forests, as specified in the technical criteria for obtaining the above-mentioned[49] label.

For the Parent company, in addition to paper consumption, data on toner consumption is also available, gross and net of packaging, which is not significant on the total. The table below summarises the total material consumption for the year 2024.

	u.m.	2024
Overall total weight of materials used	**kg**	**54,905**
of which: paper	*kg*	*54,847*
of which: toner (FinecoBank)[50]	*kg*	*58*

[48] The figure on the percentage of recycled paper is only available with reference to the paper consumption of the Group (Parent company and Subsidiary), which amounts to 4.144 kg of 100% non-recycled paper. On the other hand, the percentage of recycled paper in the Network's consumption is neither available nor estimable, as it accounts for the remaining 92% of total consumption.

[49] The EU Ecolabel is awarded to sustainably designed products, thus encouraging innovation and contributing to the circular economy. In particular, for the product category "graphic paper, tissue paper and tissue products", the criteria for obtaining the label include, among others, that at least 70% of the fibres from which the product is made are recycled or come from forests managed according to the principles of sustainable forestry as defined by an independent third-party certification system, such as the Forest Stewardship Council.

[50] Gross weight including plastic toner packaging; the weight of the actual toner contained in the cartridges is 46 kg. The data are processed assuming that purchase orders and consumption coincide for the reference year.

3. Social information

3.1 Own workforce (S1; S1-SBM-3)

Following the outcome of the Double Materiality Analysis, the company's own workforce was considered a material topic for Fineco, in line with the materiality of the topic in the 2023 Consolidated Non-Financial Statement.

In particular, there have been identified the following impacts:

- ensuring a safe working environment[51] through strict controls, flexible working hours, salary policies, competitive benefits and work-life balance policies and personal commitments (positive);
- promotion of professional growth, gender equality, fair remuneration, inclusion, diversity and measures against violence (positive);
- unjustified wage disparity resulting in increased turnover (negative);
- low satisfaction/engagement related to network management policies (negative);

and the following opportunities:

- improving the productivity of its Employees by improving working conditions in terms of adequate wages, working hours and work-life balance;
- improving the productivity of PFAs through improved working conditions (including improved work-life balance as a result of the digital experience);
- improving loyalty and perception of the Group's reputation through improved working conditions for Employees (inclusiveness, protection against acts of violence and harassment);
- Improving loyalty and perception of the Group's reputation through improved working conditions for PFAs (inclusiveness, protection against acts of violence and harassment).

With reference to the Group's own workforce, the Double Materiality Analysis took into account all own workers on whom the Group could produce material impacts, in relation to both its own Operations and the Value Chain. In particular, in Fineco's business model, the category of own employees includes both Group Employees and Personal financial advisors, individuals not employed by the Group who work on behalf of the Bank under a single agency relationship.

The IROs reported in the table include two material positive impacts and four opportunities, related to the Sub-topics "Working conditions" and "Equal treatment and opportunities for all" affecting both Employees and Personal financial advisors, generally related to activities and initiatives aimed at professional growth, improvement of working conditions and workforce retention. These positive impacts and opportunities affect, in general, the entire workforce in their own right, declining in the specific meanings applicable to Employees and Personal financial advisors, as illustrated in this Chapter. The negative impacts reported in the table are not linked to systemic factors with respect to the context in which Fineco operates nor to individual incidents that have occurred. Furthermore, also considering the characteristics of Fineco's business model and its transition plan (for which reference is made to paragraph 2.2.2.), these impacts are not connected to the initiatives implemented and planned to mitigate environmental impacts; similarly, there are no operations at serious risk of forced or compulsory labor or operations at serious risk of child labor to which the impacts can be traced.

Human Rights approach

The overall approach of the Group in relation to respect for human rights is proactive and inclusive. With the **Global Policy - Commitment to Human Rights**, in line with the principles enshrined in the UN Guidelines on Business and Human Rights and the main international standards.

The Group promotes an inclusive culture and an environment that facilitates well-being, innovation and collaboration. Fineco believes that the involvement of its human capital is fundamental to the success of its business, which is why the approach adopted is generally based on open and transparent communication that keeps Employees and Personal financial advisors constantly informed through a variety of corporate tools, such as the corporate website, X-Net, e-mail and face-to-face meetings. Moreover, company agreements are signed with the involvement of the workers through the Trade Union Representatives.

Through the Global Policy - Commitment to Human Rights, Fineco is also committed to selecting, hiring and managing its staff (Employees and Personal financial advisors) with respect for their dignity and rights as individuals, guaranteeing all people the best working conditions and professional development in an inclusive context free of any kind of discrimination. This document is based on generally accepted international declarations and conventions, standards, principles, guidelines and recommendations, including:

- The Universal Declaration of Human Rights;
- the Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy' Framework";

[51] The concept of job security expressed by the IRO refers to job security and stability, not health and safety.

- the UN Convention, “International Covenant on Civil and Political Rights”;
- the UN Convention, “International Covenant on Economic, Social, and Cultural Rights”;
- the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy;
- the International Labour Organisation (ILO) Conventions on fundamental human rights;
- the OECD Guidelines for Multinational Enterprises;
- the UN Global Compact Principles, to which FinecoBank and Fineco AM are signatories;
- the UN Principles for Responsible Investment (UN PRI), to which Fineco AM is a signatory;
- The Statement by financial institutions on the environment and sustainable development under the United Nations Environment Programme Finance Initiative (UNEP FI);
- the UN Women’s Empowerment Principles.

This attentive and sensitive approach to human rights issues encourages the continuous dissemination of these principles.

The Fineco Group does not tolerate child labour and proactively opposes any form of forced or compulsory labour in its business practices. The Fineco Group has always been committed to creating a corporate culture that guarantees human dignity and a working environment free from all forms of discrimination[52], promoting diversity and inclusion among its staff and Personal financial advisors.

By always promoting an environment based on equal opportunities, dignity and respect, and eschewing discrimination or harassment, we have embarked on a path to ensure equal opportunities for the entire workforce, including any groups at risk of vulnerability. Also, through the “**Integrity Charter and Code of Conduct**” document, Employees and Personal financial advisors are called upon to respect the principles of civil liberties and to banish all discrimination, focusing on the evaluation of each person’s skills and abilities, and on the leveraging and integration of people joining the Group.

3.1.1 Processes to remediate negative impacts and channels for own workforce to raise concerns (S1-3)

With reference to the issue of reporting misconduct, Fineco believes that reporting any irregularities helps to protect the Group and its reputation, as well as all its Employees. Through the **Global Policy - Whistleblowing**, Fineco has adopted a system by which Employees Personal financial advisors and Third Parties who believe that unlawful conduct has occurred or may occur, can make a whistleblowing report as soon as they become aware of it. “Illegal conduct” means any action or omission (violation), occurring in the course of or affecting the performance of work, which causes or is likely to cause damage or harm to the Group and/or its Employees, or which affects the public interest or integrity, and which:

- is unlawful, improper or immoral;
- violates national or European Union laws and regulations; or
- does not comply with internal regulations.

The Bank makes the following communication channels available to whistleblowers (also anonymously):

- a telephone hotline - FinecoBank *SpeakUp line* - where you can record your message on voicemail;
- a website - FinecoBank *SpeakUp web service* - where you can enter a text message and any attachments;
- an e-mail box[53];
- in paper form to the attention of the Compliance Officer[54];
- request for a meeting with the Compliance Officer.

Specifically, the Bank has published a circular for the mandatory acknowledgement of Employees and Personal financial advisors, describing the whistleblowing process (including the related Global Policy), in which the channels available for making reports are indicated. In addition, there is a specific section on the Bank’s intranet and website describing whistleblowing. The Bank ensures confidentiality, privacy and data protection and guarantees the protection of the whistleblower from any direct or indirect retaliation (which, if established, will lead to disciplinary proceedings against the person responsible) connected with the report made.

Training is a fundamental element for the implementation and enforcement of the Global Policy - Whistleblowing and, to this end, the Group is committed to providing and updating mandatory training on the subject for all Employees, so as to highlight the specific procedures to be followed and the possible consequences in the event of inappropriate behaviour. The Group is also committed to promoting communication on the subject; each Subsidiary provides its Employees and Third Parties with clear and easily accessible information on the channel, procedures and prerequisites for making internal and external reports, including on its website.

The channels for making reports are available on the dedicated page of the website, where the Global Policy is also published, thus accessible to the various stakeholders. Potentially affected employees and their representatives can access all whistleblowing channels made available by the Bank.

[52] The following are considered: ethnic origin, colour, sex, sexual orientation, gender identity, disability, age, religion, political opinion, country of origin or social background, or any other forms of discrimination covered by EU and national law.
[53] The e-mail box is closed at the beginning of 2025.
[54] The address varies depending on where the report is made, whether in Italy or Ireland.

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The IT tool enabling whistleblowing reports is provided by a third-party company. Managers, officers and/or members of strategic, supervisory and/or executive bodies, Employees, Personal financial advisors authorised to offer their services outside their registered office and collaborators, even on a temporary basis, linked to Fineco by a contract, as well as natural or legal persons linked to the Bank by a contract or a relevant interest such as, for example, suppliers, contractors, agents, freelancers and advisors, shareholders, volunteers and trainees, paid and unpaid, as well as job applicants who have been involved in the recruitment process or in other pre-contractual negotiations, former employees and former collaborators, may report.

The Compliance Officer, the person in charge of the internal system for reporting violations, prepares for the Corporate Bodies, on an annual basis, a report on the proper functioning of the internal reporting system, containing aggregated information on the results of the activities carried out following the reports received. This report is submitted to the Board of Directors, the Board of Auditors, the 231 Supervisory Board and the Risk and Related Parties Committee and it is published on the company intranet.

With regard to the Subsidiary, Fineco AM is committed to maintaining a safe, inclusive and fair working environment and the employee reporting processes are also set out in the Employee Handbook, a company document that contains Fineco AM’s policies, procedures and corporate guidelines. There is a structured process for dealing with cases of Employee misconduct. This ensures a structured and transparent approach to dealing with Employee reports. Fineco AM provides whistleblowers with a dedicated e-mail box as a communication channel.

3.2 Own workforce - Employees (S1)

3.2.1 Policies related to own workforce (S1-1; S1-3)

The Group places at the centre of its strategies a series of policies dedicated to the development and enhancement of human capital. Constant monitoring of the policies below ensures that they are updated in a timely manner whenever necessary to ensure their continued appropriateness.

Policies	Description
Global Policy - "Integrity Charter, Code of Conduct and Compliance Culture"	The Global Policy defines: • the principles and values with which Group companies seek to align their operations, the set of rights, duties and responsibilities that they assume towards all Stakeholders, which they undertake to respect and which represent a decisive guide in corporate decisions and conduct, and constitute the heritage of the Group's corporate culture, as set out in the Integrity Charter and Code of Conduct; • common principles and guidelines for the Group to establish, promote and support a compliance culture internally as an integral part of the culture and values at the Group level. The compliance culture must be construed as an overall system of values/principles aimed at promoting and reinforcing conduct in compliance with applicable rules, regulations, processes, ethical standards and sound business practices. The "Integrity Charter" sets out the fundamental guiding principles at Group level, which guide the conduct of business; it provides a framework of guiding values for professional life, acting as a point of reference in the management of problematic situations/doubts that do not always find precise reference in the discipline dictated by laws, regulations and internal procedures, allowing the expression of each individual's professionalism while respecting individual freedom. It provides behavioural guidance to guide responsible and consistent professional choices. The Integrity Charter is not intended, therefore, to affect individual values - full respect for cultures is indeed a qualifying element of values at Group level - but to guide corporate activities, and hence relations between Group companies and stakeholders, through strongly shared collective principles, capable of defining a clear identity at Group level. The "Code of Conduct" complements the Integrity Charter and sets out the principles that all Group Company Employees and Third Parties must abide by, in order to ensure high standards of professional conduct and integrity in the performance of activities carried out in or on behalf of Group Companies. The "Code of Conduct" aims at the general dissemination of a compliance culture, acting as a reference point in the drafting of internal policies and procedures. The "Code of Conduct", in particular, is one of the measures aimed at ensuring the legitimacy and efficiency of the company's operations and, at the same time, where applicable, compliance with the regulations on the administrative liability of legal persons pursuant to Legislative Decree No. 231/2001. In the Code of Conduct, a number of supplementary rules supplement the general ones by providing guidance on the conduct required in specific situations, including in particular those on how to conduct personal transactions in financial instruments. The contents of the Global Policy are constantly monitored and updated whenever necessary. The Board of Directors and the Chief Executive Officer and General Manager implement the Global Policy "Integrity Charter, Code of Conduct and Compliance Culture". The Global Policy is shared externally through its publication on Fineco's website and on internal channels through a specific circular.
Organisation, Management and Control Model of FinecoBank S.p.A. pursuant to Legislative Decree no. 231/2001	FinecoBank has adopted an **Organisation, Management and Control Model**, in accordance with Legislative Decree 231/2001 (hereinafter referred to as "Model"), concerning the administrative liability of entities, companies and associations. The aim of adopting the Model is to ensure that the Bank provide its own Customers with banking and financial services with respect for the values and principles of integrity, professionalism, diligence, honesty, fairness and responsibility. Although organisations are not legally obliged to implement the Model, it nonetheless performs the important function of preventing offences, including corruption, that could give rise to the Bank's administrative liability. The Model, approved by the Board of Directors and updated in December 2023, is aimed at all members of the Corporate Bodies, all FinecoBank personnel and external parties, such as, for

Policies	Description
	instance: Personal financial advisors, suppliers, business partners, advisors and independent professionals. The adoption of the Model pursues the following fundamental objectives: • to remind and raise awareness among its intended recipients of correct behaviour and compliance with internal and external regulations, rejecting any conduct contrary to the principles of sound and transparent business operations to which the Bank aspires; • to prevent offences, including criminal offences, within the Bank, through continuous monitoring of all areas of activity at risk and personnel training on how to correctly perform assigned tasks; • to implement the values stated in the relevant Code of Ethics. The application of the Model increases the confidence of Stakeholders through financially sound and transparent banking conduct. FinecoBank has identified the following tools to formulate, plan and implement business decisions and the performance of related controls: the Corporate Governance rules, the internal controls system, the delegation of powers system, the Integrity Charter and the Code of Conduct. Moreover, with specific reference to Legislative Decree No. 231/2001, the Bank has formalised specific decision-making protocols identifying the activities at risk and the related potential offences, as well as the principles of conduct and supervisory rules, aimed at preventing such offences, and has established further rules of conduct in the Code of Ethics. In drafting the Model, the Bank took into account the ABI (Italian Banking Association) guidelines. The Code of Ethics constitutes an integral part of the Model and defines the rules aimed at ensuring that the conduct of the recipients is always inspired by criteria of fairness, cooperation, loyalty, transparency and mutual respect, as well as at preventing conduct that could include the types of offences and administrative offences included in the list of Legislative Decree No. 231/2001. The contents of the Model are constantly monitored and updated whenever necessary. The Board of Directors implements the Organisation, Management and Control Model of FinecoBank S.p.A. pursuant to Legislative Decree no. 231/2001. The Organisational, Management and Control Model of FinecoBank S.p.A. pursuant to Legislative Decree no. 231/2001 is shared externally through its publication on Fineco's website and internally through specific circulars.
Global Policy - Whistleblowing	With the Global Policy - Whistleblowing, Fineco has adopted a system through which Employees, Personal financial advisors and Third Parties can report any conduct that violates the law or the Group's internal rules. Pursuant to the Global Policy, any action and/or omission (breach), occurring in the course of or having an impact on the performance of work activities, which may constitute a breach of the rules governing banking activities or which causes or may cause damage or harm to the Group and/or its Employees, or which affects the public interest or integrity, and which i) is unlawful, improper or unethical; (ii) violates national or European Union laws and regulations; or (iii) does not comply with internal regulations. The Global Policy aims to promote a culture within the Group that facilitates/fosters/encourages the reporting of unlawful conduct. In detail, the Global Policy defines: • unlawful conduct reported by Employees and Third Parties; • the process of handling reports, both internal and external, identifying the persons in charge of receiving and analysing them; • the measures envisaged by the Group to protect the persons involved in the reporting process, as well as those relating to the archiving of related documents; • training and communication; • controls and reporting. The application of the aforementioned Global Policy responds to the need to spread a culture open to dialogue and to protect those who report possible irregularities, through appropriate channels, and seizes the opportunity to attract new investors/customers through the presence and consolidation of a strong corporate culture. The contents of the Global Policy are constantly monitored and updated whenever necessary. The Board of Directors and the Chief Executive Officer and General Manager implement the Global Policy

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Policies	Description
	on Whistleblowing. The Global Policy - Whistleblowing is shared externally through its publication on Fineco's website and on internal channels through a specific circular.
Global Policy - HR Policy Framework	Through the Global Policy "HR Policy Framework", Fineco outlines guidelines to promote the Group's approach to standards of excellence, terms of employment, development and employee services. The application of the Global Policy responds to the need to manage the impact contemplated in the IRO "Promotion of professional growth, gender equality, fair remuneration, inclusion, diversity and anti-violence measures" and to seize the opportunities arising from the IRO "Improving loyalty and perception of the Group's reputation through improved working conditions for Employees (inclusiveness, protection against acts of violence and harassment)". In particular, the main contents of the Global Policy concern: • human resources management; • the HR service model; • People Engagement; • the Competence Model; • the main HR processes such as Training and Development (including Performance Management), Talent Acquisition, Compensation & Benefits and Global Job Model. The guidelines represented in the Global Policy must be followed by all Fineco personnel. Their adoption and application are intended to have a positive impact in terms of "Working Conditions" and "Equal treatment and opportunities for all". The Parent company, through the Chief People Officer Department, is responsible for: • defining rules and issuing guidelines relating to human resources in order to ensure the Parent company's guidance function, in line with international best practices and ensuring compliance with any legal and regulatory requirements; • develop comprehensive tools/programmes and practices to give practical application to the policies and guidelines; • support Group Companies in the implementation of global tools/programmes and practices. Subsidiaries are responsible for: • adopting and implementing global rules and guidelines, possibly making such changes as may be necessary to ensure their consistency with all local legal and regulatory requirements; • developing comprehensive tools/programmes and practices to give practical application to the policies and guidelines; • implementing and managing the tools/programmes and practices consistently with global and local rules and guidelines. The Board of Directors and the Chief Executive Officer and General Manager implement the Global Policy "HR Policy Framework", responding to the requirements set forth in the clarification note to Bank of Italy Circular 285 of 19 December 2013, Part One, Title IV, Chapters 3, 4 and 5, which states that "Human resources management policies and procedures are set forth in a specific corporate policy approved by the body with strategic supervisory functions". Furthermore, the Global Policy confirms the Group's commitment to promote respect for human rights, in line with the principles enshrined in the United Nations Guidelines on Business and Human Rights and other international instruments (e.g. International Labour Organisation (ILO) Conventions on Fundamental Human Rights, the UN Global Compact Principles, Women's Empowerment Principles) and applies to all relevant Stakeholders, including staff. The Fineco Group's approach to personnel management is consistent with its ability to innovate and continually evolve, which is necessary to cope with the market environment in which it operates, thereby ensuring long-term value for all stakeholders.

<table>
<tr><th>Policies</th><th>Description</th></tr>
<tr><td></td><td>The Global Policy is shared internally with Employees through a specific circular published on Fineco's corporate website.</td></tr>
<tr><td>Global Policy - Diversity, Equity & Inclusion</td><td>The Global Policy on "Diversity, Equity & Inclusion" aims to reinforce the value of inclusion at all levels, ensuring that policies, procedures and behaviours promote diversity, equity and inclusion, which represent a set of core values to be promoted throughout the employee journey, from recruitment and onboarding, to training and development, from performance appraisal to compensation.

Consistent with these Principles, Fineco undertakes to:
create a heterogeneous and diverse environment to increasingly foster mutual enrichment of values, respect and listening;
establish a corporate climate based on trust and cooperation, so that all people have a voice and can express their authenticity without fear;
recognise and value the skills, merits and talents of each individual by ensuring that corporate decisions are guided by transparency and principles of fairness and meritocracy;
use and promote inclusive and accessible language that is also applied in the style of communication and ways of organising work that are respectful and inclusive;
promote the accessibility of physical locations, communications, company information and training activities to colleagues;
disseminate the value of inclusion and accessibility within the Group, including through training and awareness-raising activities;
spread the value of inclusion and accessibility inside and outside the Group. In this context, it is committed to promoting the principles of diversity (including gender equality) also in the context of organising and participating in panels, working tables, seminars and conferences, especially when the subject matter relates to DE&I issues.
The application of the Global Policy responds to the need to manage the impact contemplated in the IRO "Promotion of professional growth, gender equality, fair remuneration, inclusion, diversity and measures against violence" and to seize the opportunities arising from the IRO "Improving loyalty and perception of the Group's reputation through improved working conditions for Employees (inclusiveness, protection against acts of violence and harassment)".

All Employees have an active role and are responsible for the implementation of the Global Policy. Some functions also play a key role in the implementation process, in particular:
the HR function of each Group company is responsible for ensuring that the impacts, risks and opportunities in relation to the principles of diversity, equity and inclusion are managed through the implementation of diversity, equity and inclusion principles, the dissemination of awareness of the importance of a work environment in which diversity is valued, and the monitoring of data relating to recruitment, appointments and promotions and any other evidence useful for this purpose;
the Parent company's HR function is responsible for updating and amending, if necessary, the Global Policy on Diversity, Equity & Inclusion, receiving data from the Subsidiaries on recruitment, appointments and promotions and any other information requested from time to time; receive the results of the monitoring of individual Subsidiaries for analysis and sharing of results.
The Diversity Manager in the Fineco Group is identified as the Head of FinecoBank's People Management & Development structure and is responsible for monitoring the initiatives for implementing the contents of the Global Policy, fostering its effectiveness.

All Employees have a responsibility to promote a culture of inclusion and respect for diversity. Therefore, the Global Policy only applies to the Group's own activities. Any conduct inconsistent with the principles contained in this document may be reported through the channels provided by the Global Policy - Whistleblowing in force at the time.

The Board of Directors and the Chief Executive Officer and General Manager implement the Global Policy on Diversity, Equity and Inclusion.</td></tr>
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Policies	Description
	Furthermore, the Global Policy confirms the Group's commitment to promote respect for human rights, in line with the principles enshrined in the United Nations Guidelines on Business and Human Rights and other international instruments (e.g. International Labour Organisation (ILO) Conventions on Fundamental Human Rights, the UN Global Compact Principles, Women's Empowerment Principles) and applies to all relevant Stakeholders, including staff. The document is drafted in line with current internal regulations, e.g. the Code of Ethics pursuant to Legislative Decree No. 231 and the Integrity Charter, Group Code of Conduct and Compliance Culture, which recognise the importance of an environment free from all forms of discrimination or harassment. Fineco operates according to transparency and impartiality and does not admit any form of direct or indirect discrimination in relation to gender, age, sexual orientation and identity, disability, state of health, ethnicity, nationality, political opinions, religious beliefs and any other personal, social or professional characteristic or condition. It also promotes the expression of individuals and the enhancement of differences within the organisation, in the belief that the dissemination of a culture of inclusion at all levels of the organisation is of strategic importance. Balanced and diverse teams are more likely to seize the opportunities offered by the dynamics that characterise the global society, thus generating value for customers, for the affected communities in which the Group operates and for shareholders. The Global Policy is shared externally through its publication on Fineco's website and internally with Employees through a specific circular and filing in the company's corporate office.
Global Policy - Gender Equality Policy	The Global Policy on Gender Equality Policy aims to define principles and guidelines for the development of Human Resources (HR) processes and practices that contribute to the creation of a gender-balanced leadership pipeline, within which men and women are represented reflecting the corporate population and the contributions of both genders are fairly valued in decision-making processes at all levels of the organisation. The application of the Global Policy responds to the need to manage the impact contemplated in the IRO "Promotion of professional growth, gender equality, fair remuneration, inclusion, diversity and measures against violence", to seize the opportunities arising from the impact "Unjustified wage disparity resulting in increased turnover" and to seize the opportunities deriving from the IRO "Improving loyalty and perception of the Group's reputation through improved working conditions for Employees (inclusiveness, protection against acts of violence and harassment)". The Global Policy aims to reinforce the Group's commitment to: • promote a stimulating, creative and non-discriminatory workplace for all employees and external partners; • prohibit any conduct that might adversely affect a person's dignity; • adopt a zero-tolerance approach to harassment and all forms of discrimination in any field: sex, gender identity, age, origin, religion, gender orientation, physical appearance, health, disability, political opinion, nationality, family situation and any other personal and/or professional condition; • ensure equal opportunities for every employee or candidate with regard to recruitment, access to training, remuneration, welfare systems, internal mobility and professional development: The only factors that the Group takes into account in such processes and systems are the skills, experience and personal aptitude of employees/candidates; • promote diversity, so that the different identities of Fineco's people are a strength and a key factor in our success; • promote gender equality in order to protect the less represented gender within the corporate population. The Global Policy guidelines are related to the following areas: • selection, recruitment and internal appointments; • professional development; • wage equity; • work-life balance and parenting;

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training and information.
Monitoring, at least once a year, to ensure compliance with gender equality is the responsibility of the HR function of each Group company, which collects data on the respective population, broken down by gender and professional levels relating to recruitment, appointments, promotions and succession plans, and shares the results with the Parent Company’s Chief People Officer Department.
The Chief People Officer via the Diversity Manager is responsible for providing the Parent Company’s Gender Equality Steering Committee with adequate information on the annual monitoring carried out and the progress of the measures taken to ensure effective implementation of the Global Policy. All Employees have an active role and are responsible for its implementation. Certain functions play a key role in the implementation process, as detailed below.
The HR function of each Group company is responsible for:
monitoring gender equality (e.g. monitoring of the Gender Pay Gap);
appointing the company’s Diversity Manager;
collecting data on recruitment, appointments and promotions, by gender.
The Parent company’s HR function is responsible for:
updating and amending, if necessary, the Global Policy on Gender Equality;
receiving data from Group companies on recruitment, appointments and promotions by gender;
receiving the results of the monitoring of individual Subsidiaries for analysis and sharing of results.
informing and involving company trade union representatives also in the area of tasks for the “Commission for Reconciliation of Work and Life Schedules, Innovation and Company Welfare” on initiatives concerning gender equality.
The Diversity Manager is responsible for supporting the Parent company’s Gender Equality Steering Committee in the implementation of the Global Gender Equality Policy by monitoring initiatives to promote its effective implementation. It is also responsible for informing the Steering Committee on the monitoring of initiatives in this area.
The Board of Directors and the Chief Executive Officer and General Manager implement the Global Policy on Gender Equality.
The Global Policy meets the requirements of Legislative Decree No. 198, of 11 April 2006, Equal Opportunities Code for Men and Women, as updated in each instance, as well as Law No. 162/2021, amending the Equal Opportunities Code, which introduces Gender Equality Certification. Furthermore, the Global Policy confirms the Group’s commitment to promoting respect for human rights, in line with the principles enshrined in the United Nations Guidelines on Business and Human Rights and other international instruments (e.g. International Labour Organisation (ILO) Conventions on Fundamental Human Rights, the UN Global Compact Principles, Women’s Empowerment Principles) and applies to all relevant Stakeholders, including staff.
Fineco is aware that a diverse workforce ensures a plurality of perspectives, fosters innovation and contributes to a stimulating working environment. Therefore, the Group is committed to developing an organisation that makes the most of the talents, skills, experience and diverse cultural backgrounds found in a pluralistic organisation, where people feel respected and appreciated and can express their potential. An approach to diversity is adopted that takes into account the different needs expressed by customers, employees and communities.
The Global Policy is shared externally through its publication on Fineco’s website and internally with Employees through a specific circular and filing in the company’s corporate office.
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Policies	Description
Global Policy – Fight against Harassment, Sexually Inappropriate Behaviour and Bullying	The Global Policy on “Fight against Harassment, Sexually Inappropriate Behaviour and Bullying” reinforces Fineco’s commitment to ensuring a working environment inspired by respect for equal treatment and equal dignity regardless of age, ethnicity, skin colour, nationality, citizenship, political opinions, religion, marital status, gender, sexual orientation and identity, disability and membership of any other category protected by law. In fact, it is the Group’s belief that any harassment, bullying or sexually inappropriate behaviour is a threat to the dignity of the person subjected to it, can compromise his or her physical and psychological health and confidence, as well as undermining the employee’s motivation and performance, the organisational climate and the Group’s reputation. The application of the Global Policy responds to the need to manage the impact contemplated in the IRO “Promotion of professional growth, gender equality, fair remuneration, inclusion, diversity and measures against violence” and to seize the opportunities arising from the IRO “Improving loyalty and perception of the Group’s reputation through improved working conditions for Employees (inclusiveness, protection against acts of violence and harassment)”. Harassment, sexually inappropriate behaviour and bullying are not tolerated in any way within the Fineco Group. For this reason, the contents of the Global Policy are addressed to all Group companies and apply to all conduct by any employee both inside and outside the company offices. Zero tolerance for inappropriate behaviour applies in all work contexts, including business trips, meetings, events and all social situations related to the Group and its business. The Board of Directors and the Chief Executive Officer and General Manager implement the Global Policy on “Combating Harassment, Sexually Inappropriate Behaviour and Bullying”. The Global Policy is inspired by international and national standards and agreements, values and the Group’s Code of Conduct. Fineco’s commitment to supporting an inclusive, fair, serene, participative and professional working environment, free from all forms of harassment, sexually inappropriate behaviour and bullying, and to promoting equal treatment and education on inappropriate behaviour is in line with the principles enshrined in the United Nations Guidelines on Business and Human Rights and other international instruments (e.g. International Labour Organisation (ILO) Conventions on Fundamental Human Rights, the UN Global Compact Principles, Women's Empowerment Principles). The Global Policy implements FinecoBank’s commitment to supporting an inclusive, fair, serene, participative and professional working environment, free from all forms of harassment, sexually inappropriate behaviour and bullying, and to promoting equal treatment and education on inappropriate behaviour. The Global Policy is shared externally through its publication on Fineco’s website and internally with Employees through a specific circular and filing in the company’s corporate office.
Global Policy - Remuneration Policy	The principles of the Global Policy on “HR Policy Framework” also apply to the remuneration processes with reference to which the Board of Directors and the Shareholders’ Meeting annually approve the Group’s Remuneration Policy, which defines incentive and remuneration systems consistent with an approach based on transparency, internal fairness, equal opportunities and merit, in order to attract, retain and motivate the most qualified resources. The Remuneration Policy refers to the relevant impacts and opportunities for Fineco, such as “Ensuring a safe working environment through strict controls, flexible working hours, salary policies, competitive benefits and work-life balance policies and personal commitments”; “Unjustified wage disparity resulting in increased turnover”; “Promotion of professional growth, gender equality, fair remuneration, inclusion, diversity and measures against violence”; “Low satisfaction/engagement related to network management policies”. In particular, the Remuneration Policy, after defining the fundamental principles of the remuneration approach, identifies and describes the fixed and variable remuneration components, with particular reference to the short- and long-term incentive systems aimed at recognising results achieved, establishing a direct link between remuneration and performance in the short, medium and long term, weighted for risks. The remuneration offer is also complemented by various types of benefits that represent an additional element of the overall remuneration package.

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<tr><td></td><td>Furthermore, the Group is committed to ensuring that its Remuneration Policy is gender-neutral, contributing to the pursuit of equal opportunities in terms of professional and salary development. From the point of view of remuneration, the aim is to ensure that, for equal work, staff have an equal level of remuneration, including as regards the terms and conditions for its recognition and payment.

The principles of the Fineco Group Remuneration Policy are applicable to the entire organisation and cover:
• each category of Employee in the Group. Specific provisions contained in the Remuneration Policy apply exclusively to the Group's Key Personnel, identified according to the criteria established by the relevant regulations;
• those belonging to FinecoBank's Financial advisor Network, in line with the remuneration specificities that characterise them.

In addition, FinecoBank, as the Parent company, ensures that remuneration in Group companies complies with the principles and rules contained in the Group's remuneration policy, consistent with the specific business sector and local regulatory framework. In fact, the subsidiary Fineco AM adopts its remuneration policy in alignment with the principles of the Group Remuneration Policy.

The Board of Directors and the Chief Executive Officer and General Manager implement the Global Policy.

The Global Policy is aligned with current national and international regulatory requirements. It therefore takes into account, by way of example and not exhaustively: the Consolidated Banking Law (Legislative Decree no. 385/1993), the Consolidated Law on Finance (Legislative Decree 58/1998), the European Directives as transposed into Italian law (such as EU Directive 2017/828 Shareholder Rights Directive II, EU Directive no. 36/2013, CRD as amended by EU Directive 878/2019 CRD V), EU Regulation 575/2013 CRR and EU Delegated Regulation no. 923/2021, the Issuers' Regulation (CONSOB); Bank of Italy Circular No. 285/2013 as updated in each instance; the Bank of Italy Provision of 19 March 2019 (Provisions on the transparency of banking and financial transactions and services - fairness of relations between intermediaries and customers) etc. In addition, the Guidelines and Guidance of the EBA, ESMA and ECB with impacts on remuneration are also taken into account.

The Group's commitment to promoting respect for human rights, in line with the principles enshrined in the United Nations Guidelines on Business and Human Rights and other international instruments (e.g. International Labour Organisation (ILO) Conventions on Fundamental Human Rights, the UN Global Compact Principles, Women's Empowerment Principles) applies to all relevant Stakeholders, including staff. In implementation of these principles, the Group's Remuneration Policy aims to ensure that all its Employees are adequately remunerated, guaranteeing their competitiveness and effectiveness, as well as transparency and internal fairness, in the absence of any kind of discrimination.

The Fineco Group's approach to remuneration, consistent with regulations and market best practice, ensures that it is linked to performance, the market environment, business strategies, prudent risk management and long-term interests in the interests of all stakeholders, including shareholders.

Furthermore, within the framework of the definition of the Remuneration Policy, Fineco establishes an ongoing dialogue with Investors and proxy advisors, from which points of interest on the approach to remuneration and specific suggestions for effective public disclosure emerge, based on national and international standards, which are taken into account when drafting the document.

The Remuneration Policy is shared externally through its publication on Fineco's website and on internal channels at the Bank through a specific circular.</td></tr>
<tr><td>Innovation Plan - Agreement on measures to promote work-life balance</td><td>The Second Level Agreement signed by the Bank and the Trade Union Representatives on 8 April 2024 is aimed at developing the corporate welfare system to increase people's wellbeing, introducing measures relating to parenting, organisational flexibility, corporate welfare and solutions favouring a better work-life balance.

Among the measures foreseen within the Agreement are permits:</td></tr>
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Policies	Description
	• for volunteer work; • for the care of children with specific learning disorders (SLD); • for key life events; • for children's illness; • for the placement of children in day-care centres and/or kindergartens; • for caring for family members with disabilities. In addition, the possibility of applying for a sabbatical, an advance from the working hour bank and further measures for work-life balance are recognised.
Agreement on smart working	The second-level agreement stipulated by the Bank and the Trade Union Representatives is aimed at defining the main conditions for the performance of work in smart mode, considered by both parties to be a tool capable of combining the needs of reconciling life and work times, promoting diversity and inclusion, with positive effects also on the environmental impact and mobility of people. Smart working constitutes an innovative and flexible form of work performance within the employment relationship, different from telework, performed partly in a place other than the place of assignment through the use of special IT tools provided by the employer. With the signing of the Agreement, employees were granted the possibility to perform part of their work in agile mode for a maximum monthly limit of 14 days and further flexibility for certain categories of workers such as, for example, pregnant women and shift workers.
Global Policy - Mandatory Training **Process - Management of mandatory training for FinecoBank Employees**	The Global Mandatory Training Policy intends to define the guidelines for an efficient plan of "mandatory" training, so as to educate and train Group Employees on Italian and international laws and regulations concerning specific issues and on the adoption of certain types of conduct in line with the standards required by their compliance. The aim is to strengthen the culture of risk and compliance in order to make the business more sustainable. The Global Policy, more specifically, governs the set of activities relating to the definition, provision and management of mandatory training courses on the subjects mainly overseen by the Compliance, Security and Risk Management functions and by any other structures identified as owners of subjects which are subject to mandatory training. The Global Policy applies to all Group Companies. The Parent company plans and structures a training plan on the subjects covered by specific Italian and international laws and regulations, respecting the following principles: • ensure continuous and constant training for all Group employees in a fair and equal manner; • provide periodic updates or at the time of changes or new legislation and regulations to all Group Employees; • encourage, through training activities, the adoption of best practices by all Group employees with respect to current laws and regulations. Constant monitoring activities are carried out and periodic reports are prepared regarding the training undertaken. The main steps of the mandatory training management process are: • imparting of courses; • monitoring and reminder actions; • regular reporting on the status of completion of mandatory courses. The adoption and implementation of the Global Policy contributes to the IRO "Promotion of professional growth, gender equality, fair remuneration, inclusion, diversity and measures against violence", more specifically in terms of professional growth and competence development of the entire corporate population, but also to the Sub-topics "Working Conditions" and "Equal treatment and opportunities for all". The Global Policy is available to all Employees and is published within the corporate office. The implementation of the Global Policy is the responsibility of the Chief People Officer.

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Policies	Description
Global Policy - Training and Professional Development **Process - Management of professional development training for FinecoBank employees**	The document intends to define the guidelines for an efficient "non-mandatory" training plan, complementary to the mandatory one, to be addressed to all Employees and/or to target audiences identified following a needs analysis, with the aim of making the business increasingly sustainable, raising Employees' awareness of continuous training, guaranteeing qualitative levels of professionalism and fostering the development of professional and personal skills. The Global Policy intends to regulate the set of activities relating to the definition, delivery and management of training courses on a multiplicity of topics subdivided into macro-areas (e.g: managerial, behavioural, technical and linguistic). Specific training courses are planned and structured according to the following principles: • ensure periodic updating of core skills for the work activity in question; • ensure continuous training in the skills needed to perform the role; • encourage, through training activities, the adoption of best practices. Constant monitoring activities are carried out and periodic reports are prepared regarding the training undertaken. The main steps in the process of competence development training management are: • planning and delivery of courses; • monitoring; • periodic reporting on the training undertaken. The adoption and implementation of the Global Policy contributes to the IROs "Promotion of professional growth, gender equality, fair remuneration, inclusion, diversity and anti-violence measures", more specifically in terms of professional growth and competence development of the entire corporate population, but also "Working Conditions" and "Equal treatment and opportunities for all". The Global Policy is available to all Employees and is published within the corporate office. The Global Policy is approved by the Board of Directors and its implementation is the responsibility of the Chief People Officer.
Local Policy - Fineco AM - Employee Handbook	The Local Policy outlines the policies, procedures, expectations and guidelines for Employees within Fineco AM, as a reference tool to support Employees in understanding the Company's values, rules and expectations as regards behaviour and performance. The Local Policy is approved by Fineco AM's Board of Directors, is monitored by the Company's HR Manager and is made available to all Employees through the HR system. The Employee Handbook contains both the Group's Global Policy for Employees and Fineco AM's Local Policy.
Local Policy - Fineco AM – Hybrid Policy	The Hybrid Policy is a Fineco AM Local Policy approved in 2024 to improve employee well-being and work-life balance by offering flexible remote working options, while maintaining in-person collaboration to foster innovation and engagement. The Local Policy aims to support flexible working arrangements at Fineco AM by providing for employees to be able to work remotely 2 days a week. The Local Policy applies to all Employees in appropriate roles within the Company and is made available by e-mail. The HR function oversees the implementation, revision and updates of the Local Policy. Line managers also play a crucial role in ensuring that it is observed within their respective teams. Any updates to the Local Policy are reviewed and approved by the Board of Directors of Fineco AM. The Local Policy makes reference to the Irish Workplace Relations Commission's Right of Disconnection[55], ensuring that employees are not required to work outside their contractual hours when working remotely, promoting a healthy work-life balance.

[55] https://workplacerelations.ie/en/

There were no significant changes in their workforce policies during 2024.

As described in the above-mentioned policies, the Group promotes **continuous training** and **periodic updating of skills**, which are fundamental for the job and the role being filled. Training programmes are created after a process of analysing the competencies to be developed necessary to keep the business sustainable. On the basis of this process, 7 training macro-areas are identified that are accessible to all employees, also taking into consideration their qualifications, competence and experience. Training is made available to the entire workforce in a fair and equal manner, without any kind of discrimination, so as to enable the skills development needs of each individual to be met. In addition, Fineco issues a number of courses on relevant topics in mandatory mode for the entire corporate workforce, precisely to raise awareness, inform and incentivise certain “virtuous” practices and behaviour.

Based on the main needs that Employees may have in the course of their professional development, the training offering is divided into different areas in order to develop the necessary skills for each role and profession:

- mandatory - for the development of skills and in-depth study of issues mainly related to regulatory requirements;
- leadership programme - dedicated training courses for managers aimed at supporting leadership development to ensure that everyone is able to effectively lead their teams, achieve company objectives and create a positive and motivating working environment;
- behavioural - this training covers a variety of topics related to the development of soft skills, with the aim of improving the skills and abilities of all Employees and enriching the professional and personal background of each of them;
- technical/specialist - this cluster includes all courses on specific topics depending on the business area. In fact, these are courses on specific target groups in the workforce, depending on their occupation, with the aim of working on the key competences and knowledge specific to the profession and ensuring the adequacy of the preparation and technical-professional skills. Particular attention is given to the technical/specialist training of corporate control functions that require continuous development and updating in terms of technical/specialist skills and regulations, in order to achieve a high level of professional skills and autonomy;
- linguistics - this cluster includes all courses dedicated to the study and improvement of other languages that are functional to their work;
- tools and cross-cutting skills - this training addresses cross-cutting skills relating to both general work tools and common work processes, which are indispensable for increasing efficiency and optimising daily work activities.

The main objectives underlying the training offering are:

- to strengthen a common leadership culture;
- to develop leadership at all stages of working life;
- to facilitate innovation through new training content and delivery channels;
- to ensure that the offering is consistent with the company’s strategies and values and always up-to-date;
- to support professional growth specific to the business/competence line.

With the aim of promoting a fair and inclusive working environment based on equal opportunities, non-discrimination and respect for dignity, Fineco has implemented the following mandatory training initiatives for all its people:

- course on “Fighting harassment, sexually inappropriate behaviour and bullying in the FinecoBank perimeter” (only imparted to Employees based in Italy);
- course on “Gender Equality” (imparted to both Employees and Personal financial advisors);
- course on “Sustainability: commitments and initiatives at Fineco”, with a chapter devoted to employee relations and Fineco’s commitment to its people (imparted to both Employees and Personal financial advisors).
- course on “Unconscious Bias”;
- Ethics & Respect, Diversity & Inclusion section of the online training catalogue with courses on ethics, leveraging of diversity and cultural diversity;
- ad hoc training courses to enhance diversity and foster women's leadership development;
- training course for FinecoBank ambassadors to become role models within the company and offer widespread support for the fight against violence against women in its various forms.

The training is constantly monitored through various instruments:

- final tests to assess learning;
- conducting of satisfaction surveys to assess the effectiveness of the course;
- individual action plans by the training participants with the aim of putting into practice what they have learnt during the course;
- continuous comparisons between managers and participants to maintain high quality levels of the training experience;
- continuous analysis of training needs for increasingly ad hoc training that responds to needs in a timely and concrete manner.

Each training activity is recorded within the training platform. Each employee has, on the private page on the company platform, the training history in which they can download the certificates of participation of the courses attended. A final learning test is administered at the end of each course to monitor their progress against their initial level. In addition, all Employees have the possibility of freely viewing and signing up to online courses in the training platform catalogue. Coinciding with the inauguration of Fineco Academy, Employees were also presented with the in-person training courses, in order to disseminate to them all the training opportunities on offer.

Fineco AM, through its competent internal structure, is responsible for developing tools/programmes and local practices to implement the training guidelines in practice. In addition to the Parent company's training, a wide choice of courses is made available on the company's internal platform. In order to facilitate continuous learning, employees in Dublin can also participate in informative "Lunch& Learn" training sessions during their lunch break dedicated to specific topics or to provide updates on company processes. These sessions, led by experienced colleagues, are an opportunity for professional growth, leadership development and the strengthening of internal collaboration. Mandatory training on compliance issues ensures that all employees are aware of legislative developments and prepared to face the challenges associated with their role. This proactive approach protects corporate compliance and fosters the professional growth of employees.

Workplace Health and Safety

With regard to health and safety issues, FinecoBank has implemented an effective Health and Safety Management System in line with regulatory requirements. The Local Policy on "Health and Safety in the Workplace" and the circular on "Health and Safety in the Workplace - Roles and Responsibilities" applied in FinecoBank are aimed at defining and ensuring full compliance with health and safety legislative provisions, thus preventing possible accidents and damage to health in any way related to work performance. Awareness-raising and participation in Health and Safety policies and objectives, as well as training and information on risks and control measures adopted, are considered essential tools to achieve expected results and improve the wellbeing of staff, in a safe and healthy environment.

At Fineco AM, the Employee Handbook regulates health and safety provisions, formalising the commitment to maintain a healthy and safe working environment. All employees are required to play a leading role in maintaining health and safety standards and must ensure behaviour in line with the company's health and safety rules.

Additional Employee Protection Measures

The Group is attentive to the needs of Employees in relation to inclusion issues and specific life moments and events; e.g. for female employees, the possibility of working remotely during the two months preceding the start of their mandatory maternity leave is recognised.

In line with the commitment expressed in the Global Policy on "Diversity, Equity and Inclusion", Fineco is committed to creating an inclusive work environment that respects all diversity, including by listening to colleagues who may be more vulnerable. A Diversity Manager has been appointed within the Bank, providing a point of reference for activities and initiatives relating to the issue of diversity and reinforcing the commitment to developing a culture of inclusion and viewing diversity as a source of strength and competitiveness for the Bank. Fineco is also committed to the management and continuous monitoring of Employees returning from maternity and paternity leave with a view to ensuring that they enjoy equal conditions and gender treatment. Additional leave is provided for caregiver workers to care for family members.

The Group is also constantly committed to supporting people belonging to protected categories, which as of 31 December 2024 amounted to 60 (Italy perimeter), of which 10 were middle managers and 50 professional areas workers. In this context, Fineco participated in 2 events in 2024 to promote diversity management and the employment of people with disabilities and those belonging to protected categories: (i) the Diversity Day in-person event held in June at Milan Polytechnic University in partnership with private companies, universities, public institutions, media and communities; (ii) the Digital Inclusion Job Day held in October.

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

Fineco's commitment to developing a working environment based on trust and a sense of belonging, adopting a two-way communication style between the Group and its Employees is set out in the Global Policy "HR Policy Framework". For this reason, people's views, suggestions and expectations are regularly collected through listening and discussion sessions and internal surveys, aimed at supporting the identification and implementation of specific initiatives.

Engagement represents the Employee's level of involvement with the Group and sharing of its values. An 'engaged' Employee is aware of the business context in which operates by working in collaboration with colleagues to achieve common goals. Therefore, measuring engagement and monitoring its evolution over time is crucial as engaged Employees are highly motivated to contribute to the success of the organisation and are fully oriented to support the organisation in achieving common goals.

Initiatives such as Employee surveys, meetings with top management, onboarding and induction events, and ongoing communications on the corporate website with news/information are of the utmost importance in order to gather opinions on the Group and the environment in which one works on a daily basis. The feedback received is crucial for understanding the needs of Employees and defining concrete actions for improvement. The effectiveness of the involvement of its own workforce is evaluated through opportunities for dialogue and interaction, as well as assessing the performance of the Employee Engagement Index, which expresses the level of involvement, satisfaction and sense of belonging to Fineco.

In 2023, the latest Engagement & Reputation Survey was conducted to determine the Engagement Index, an index that measures the level of Employee engagement with the Bank and the level of Fineco's reputation among the Bank's Employees. The Survey response rate was 62%, indicating a good level of Employee interest in these issues, while the Engagement Index stood at 82.4%, up 5.6% year-on-year. The next survey will be carried out in 2025.

In 2024, the Bank continued with its engagement and involvement initiatives, such as:

- *DayOne - Be on Board at Fineco*: represents the "welcome" to Fineco for new employees, who have the opportunity to deepen and explore the new working environment and, through a special booklet, get to know all the digital tools at their disposal;
- *YearOne – Be on Board*: this is the digital initiative involving Employees, for half a day, one year after recruitment, during which there are information/training sessions with Deputy General Managers and human resources, and a virtual game (Escape room) involving all participants with the aim of getting them to work together and create a network;
- *FinecoTalks*: an hour with Top Management - this was a series of meetings aimed at all the Bank's Employees, during which, through a discussion with Top Management, the Bank's future challenges were illustrated, starting from an analysis of the current context, and the prospects and growth path in which Fineco is playing a leading role were examined in depth;
- *Fineco Survey:* surveys and focus groups on specific topics to gather insights, indications and feedback on issues of particular interest to Fineco.

The Engagement Survey is conducted every two years to enable the analysis of results and the definition and implementation of action plans. *DayOne - Be on Board at Fineco* is held on the day the new employee joins the bank, while *YearOne - Be on Board* involves all colleagues one year after their hiring. *FinecoTalks*: hour-long talks with top management are organised once or twice a year. Surveys and focus groups are organised as needed.

In 2024, Fineco launched "**Connect > Let's Free the Future**", an initiative designed to better address some of the most important challenges for the future of the organisation. For three days, around 130 Employees representing the entire organisation worked together, creating interaction between people, strengthening communication, stepping out of the daily routine and fully immersing themselves in a process of innovation. It was truly an "Innovation Lab", in which new scenarios were explored, achievements and difficulties were analysed, and new approaches to work were imagined. All this involved removing any barriers, collaborating and freeing ideas, which have always been the Group's engine of innovation.

In all these opportunities for involvement, ideas arise along with the need to create or revise products and processes to increase their incisiveness and efficiency and to achieve ever more ambitious results. Fineco has the ambition to be "The Place To Be", i.e, an inclusive, sustainable workplace, characterised by a sense of belonging, collaboration, creativity and personal satisfaction, where everyone can best express their potential and aspirations. For this reason, employee involvement takes place both directly and through employee representatives. The frequency of listening and involvement initiatives depends on the type of initiative undertaken.

More specifically, the Bank's Employees are involved, through the **Company Trade Union Representatives** (RSA), on issues that the sector's CCNL (National Collective Labour Agreement) delegates to second-level bargaining, such as working hours, smart working and work-life balance measures. These issues are also dealt with in the Joint Committee on Work-Life Balance, Innovation and Corporate Welfare, where the Bank and trade union meet to analyse, monitor and further develop work-life balance tools (e.g. the "Work-Life Balance" programme) from a technical point of view (flexible work, additional leave, part-time). In addition, it is the specific subject of the Committee to analyse the development of the company welfare plan, the complementary pension fund of reference and the insurance plans for Employees. The Committee also has a monitoring and control function. The frequency and type of involvement of RSAs vary depending on the subject matter: on a monthly basis, on issues related to working hours (e.g: overtime trends) and on an annual basis on issues such as staffing, employment trends, career advancement and shift work. As a rule on an annual basis, the Bank involves the RSA in the definition of agreements on productivity bonus, smart work and the innovation plan. Moreover, on the basis of specific commitments contained in individual agreements, the RSAs are consulted on a quarterly/half-yearly basis to verify the progress and any impact of the provisions contained in those agreements. Finally, in a spirit of cooperation, the Bank is willing to meet with the RSAs whenever they request on matters of trade union and labour interest.

The operational responsibility for the implementation of engagement and listening actions lies with the Chief People Officer with the support of the structures belonging to the Department itself.

Fineco AM maintains an open and constant dialogue with its Employees through various communication channels, mainly e-mail and the company website. The frequency of contact varies depending on the objective, with continuous updates via newsletters and other regular communications. An important aspect of Fineco AM's commitment is the dialogue on impacts to reduce carbon emissions and transition to more sustainable practices. Dialogue on these topics includes discussions on restructuring, changes in the workplace, vocational training and professional refresher courses, social and gender equity, health and safety. Fineco AM uses both structured consultations and training programmes to prepare Employees for these changes. Finally, Fineco AM launched the Diversity and Inclusion training course, with the aim of improving and promoting an inclusive work environment.

3.2.3 Taking action on material impacts on own workforce and approaches to managing material risks and pursuing material opportunities related to its own workforce and effectiveness of those actions (S1-4)

In 2024, the actions on the relevant impacts for Employees summarised in the table were implemented.

Action	Description
Programming of communication actions on gender equality issues	In order to increase awareness and sensitisation of internal/external Stakeholders on Diversity & Inclusion (D&I) issues, numerous contents were prepared during 2024 and disseminated through the corporate website and social media posts. The activities indicated apply to all employees of the Bank. The envisaged action has continuity and is consistent with the 2024-2026 Strategic Plan.
Promoting the use of inclusive and diversity-friendly language within the organisation	In order to increase awareness and sensitisation of internal Stakeholders on D&I issues, guidelines on inclusive language were defined in 2024 and published on the corporate website with an acknowledgement circular. The activities indicated apply to all Employees of the Bank. The action is consistent with the 2024-2026 Strategic Plan.
Implementation of inclusion-related items in Employee surveys	New, specific questions were introduced in the Engagement & Reputation Survey 2023 to investigate Employees' perceptions of their level of inclusion in the Bank. A new survey with an additional in-depth focus on D&I issues is being implemented. The activities indicated apply to all employees of the Bank. The envisaged action has continuity and is consistent with the 2024-2026 Strategic Plan.
Partnerships with organisations promoting D&I initiatives	As of 2019, FinecoBank subscribes annually to Valore D, thus promoting access to training and the sharing of best practices with other member companies. Furthermore, Fineco uses Valore D's Inclusion Impact Index methodology to map its diversity and inclusion policies in an integrated manner and gauge their actual organisational impact with the aim of identifying not only its strengths but above all those areas in which it should continue to invest in the future. Also as from 2019, FinecoBank has adhered to the Charter "Women in Banking: Enhancing Gender Diversity Charter" of the ABI, which sets out the commitment to enhancing, promoting and strengthening diversity, including gender diversity, at every level of the organisation. In 2024 Fineco became part of the Fondazione Libellula network, a network of companies committed to preventing and combating all forms of violence against women and gender discrimination, with the common goal of contributing to the construction of a fair, diversity-friendly and inclusive society. Thanks to the partnership with Fondazione Libellula, some Employees were able to participate in the training course for internal company "ambassadors" to support women victims of violence. Also in 2024, the Bank participated as a supporter in the event promoted by ABI entitled "D&I in Finance", an annual appointment of reference for banks and operators

Action	Description
	in the financial world to reflect on the importance of the socio-cultural transformations taking place, at national and international level, on the themes of diversity, inclusion and accessibility. The activities indicated apply to all Employees of FinecoBank. The envisaged action has continuity and is consistent with the 2024-2026 Strategic Plan.
Ongoing awareness-raising against violence, harassment and discrimination	The Group does not tolerate any form of violence or discrimination based on age, nationality, ethnicity, citizenship, political opinions, religion, marital status, gender, sexual orientation, sexual identity, disability, personal characteristics and experiences or any other aspect that might distinguish an individual over the course of his or her life, such as personal or corporate culture, the type of employment contract they have, their professional role or their hierarchical position within the organisation. No incidents of discrimination in the workplace were brought to the attention of the Group in 2024. As a confirmation of this constant commitment, in 2024, content related to the subject matter was published to mark joining the Fondazione Libellula network, as well as on the occasion of the release of the mandatory training course "Fighting Harassment". The activities indicated apply to all Employees of FinecoBank. The envisaged action has continuity and is consistent with the 2024-2026 Strategic Plan.
Professional growth and development	All Group Employees undergo an annual performance evaluation by their respective managers that not only takes into account their performance and results linked to specific and common objectives but also identifies future opportunities for learning and development. The Performance Management tool reflects the need to make the evaluation objective and to identify the behaviours that are expected in order to achieve the results. This assessment process consists of several stages: • assignment of objectives; • taking note of objectives; • self-evaluation; • measurement; • feedback interview. The process thus provides for two moments of official confrontation between the evaluator and those evaluated, one at the time of the assignment of objectives and the second in the feedback phase, with the aim of enhancing talent and increasing the sense of belonging. In this context, in addition to the performance appraisal there is an evaluation of potential, which is based on 3 levels (from potential achieved to high potential). The annual review provides an opportunity to plan, identify and manage career and succession plans in line with the performance and expectations of those concerned and identify activities to support the development of sustainable leadership. The activities indicated apply to all Employees of FinecoBank. The envisaged action has continuity and is consistent with the 2024-2026 Strategic Plan.
Implementation of the Remuneration Policy to ensure adequate remuneration, competitive incentive and benefit systems and gender equality	In order to ensure the competitiveness, attractiveness and effectiveness of the incentive and remuneration systems as well as internal fairness and transparency, the Remuneration Policy defines the following fundamental principles which are followed by specific actions: • clear and transparent governance, through effective organisational and corporate governance structures and clear and rigorous governance systems and rules. To this end, remuneration decisions are submitted for

Action	Description
	approval to the competent corporate bodies and functions according to the governance process defined by internal regulations; • monitoring of market practices and trends (so-called benchmarking), in order to maintain competitive remuneration structures and effective retention and motivation of resources; • Alignment of the incentive systems with the Group's ESG strategy, through the provision of specific sustainability KPIs in the short-term and long-term incentive systems. In this context, several measures have been taken to ensure the gender neutrality of the Remuneration Policy. From a governance perspective, the Board of Directors, with the support of the Remuneration Committee, proceeds, as part of the periodic review of the Remuneration Policy, to analyse the gender-neutrality of policies and monitor any gender pay gap. There is monitoring of Gender Pay Gap, understood as the ratio of the average remuneration of the most represented gender to the average remuneration of the least represented gender, and the Gender Equity Pay Gap, which allows an assessment according to the concept of equal pay for equal work, combining organisational complexity of roles and homogeneous professionalism. In order to strengthen the commitment to gender diversity issues with a focus on pay neutrality and gender representativeness, and in line with the commitments undertaken as part of the Gender Equality Certification achieved in 2023, specific targets have been set in the ESG MYP 2024-2026 and in the Long-Term Incentive Plan for the three-year period 2024-2026 in terms of: • compliance with regulatory requirements. In order to ensure adequate remuneration, all relevant external and internal regulations apply; • pay for sustainable performance, maintaining consistency between compensation and performance and between compensation and value creation. Indeed, through performance management, i.e, the annual process of assigning objectives and evaluating them, the link between performance and variable remuneration is guaranteed in a fair and transparent manner. The activities indicated apply to all Employees of FinecoBank. The same principles laid down in the Group Remuneration Policy are also implemented by Fineco AM. The actions planned to reduce gender pay gaps and increase gender representativeness in positions of responsibility are implemented over the three-year period 2024-2026 in order to achieve the targets set in 2026. Other actions to ensure the adequacy of remuneration and the competitiveness and attractiveness of incentive systems are implemented annually with a view to continuous and progressive improvement.
Programming of training actions on D&I issues	In order to increase awareness and sensitisation with regard to these issues, the following mandatory training courses have been issued for all Employees: • "Sustainability: commitments and initiatives at Fineco with a special focus on D&I"; • "Digital innovation depends on accessibility, with a special focus on accessibility as a tool for social inclusion". Finally, the Valore D association offers a specific target group of Employees the access to contents and courses designed to enhance female talent and promote a culture of inclusion.

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Action	Description
Ongoing training/awareness-raising against violence, harassment and discrimination	In order to increase awareness and sensitisation with regard to these issues, the following mandatory training courses have been issued for all Employees: • "Gender equality"; • "Fight against Harassment, Sexually Inappropriate Behaviour and Bullying". Other online courses are also available for all employees within the catalogue on the corporate training platform, under the category "Ethics & Respect, Diversity & Inclusion", as well as the "Unconscious Bias" course. Lastly, selected employees participated in a training course organised by Fondazione Libellula to become Ambassadors, with the aim of providing widespread and competent support within the Bank to the fight against violence against women in its various forms, becoming a point of reference on the issue.
Professional growth and skills development	Company training is designed not only on the basis of regulatory requirements and topics deemed strategic, but also on the results of a listening process as well as an ongoing dialogue with managers, which makes it possible to identify the training and development needs of all Employees, on which to build accurate training paths. In addition, annually, within the Performance Management process, managers also point out learning and development opportunities for all employees, which can be translated into training courses according to the specific needs reported. All these actions form the basis for the implementation of training actions that respond in a targeted manner to the needs of professional growth and skills development. In 2024, the Fineco Academy was inaugurated, representing the Bank's life-long learning centre, a further investment in people that is fundamental for the growth and development of human capital, thanks in part to a technological leap forward that enables increasingly immersive training experiences.
Initiatives to support parenting aimed at encouraging the taking of parental leave	In order to promote initiatives in support of maternity and paternity leave, a supplementary allowance paid by the Bank was introduced for the period of parental leave. Specifically, it was provided that the Bank would supplement the remuneration paid by the INPS for the first 30 days of parental leave - for each child - by up to 100% of the remuneration due. The initiative became operational on 1 July 2024.
Support initiatives for parents and caregivers	In order to further encourage parenting initiatives, including from an economic point of view, 2 days of paid leave have been provided for the inclusion of children in day-care centres/pre-schools. The initiative became operational on 1 July 2024.
Introduction of additional flexibilities to working time	With effect from 1 July 2024, the flexible entry initiative of up to 30 minutes for Employees with part-time employment contracts became effective.

Actions on the relevant impacts for Fineco AM Employees are also set out below

Action	Description
Work-life balance	Fineco AM has implemented a flexible working arrangement whereby Employees are in the office three days a week, thus leaving flexibility for personal and family responsibilities. New hires may be required to be present in the office more to support their onboarding process. The initiative aims to improve Employee well-being, increase productivity and enhance overall job satisfaction. The agreement applies to all Employees, with specific provisions for new employees to facilitate their integration into the company. In terms of time horizon, this is an ongoing initiative, with continuous monitoring and follow-up by the HR team in order to assess the effectiveness of the initiative.
Training and Development	To ensure compliance with regulatory requirements, mandatory training is provided, the completion of which is monitored through a dedicated system. Fineco AM is actively engaged in the skills development and career progression of Employees, offering customised learning and development plans, leadership training and upskilling programmes accessible throughout the year. Fineco AM also invests in training programmes aimed at meeting individual needs, supporting the professional development of each Employee. In order to meet operational needs, training is implemented to ensure the acquisition of the skills essential for effective work. Fineco AM promotes an inclusive working environment and is committed to increasing the representation of diverse groups. With this in mind, an online course on Diversity & Inclusion was launched on the e-learning portal, complemented by optional courses on specific topics. Training courses on personnel management and workshops on inclusive leadership are also being developed and implemented.
Working hours and fair pay	Fineco AM, in its efforts to ensure compliance with labour laws and promote Employee satisfaction, has implemented fair remuneration policies, overtime compensation schemes and regular working hours, as detailed in the Employee Handbook. The Company further enhances the work experience with monthly wellness initiatives for employees. Through constant semi-annual evaluations, Fineco AM has seen a decrease in claims relating to overtime and an improvement in work-life balance. The Human Resources team constantly monitors these initiatives, ensuring their progress and effectiveness.

The financial resources allocated to the actions reported were not significant in the context of the Financial Reporting figures.

In order to attract and retain staff, with positive effects on staff turnover, the **approach to total remuneration** includes an appropriate balance between fixed and variable, monetary and non-monetary components, each designed to specifically affect Employee motivation and retention. In this context, in 2024, in addition to the annual incentive scheme, a new long-term incentive plan was launched in line with the Group's 2024-2026 Multi-Year Plan, which provides for financial and sustainability performance targets consistent with the ESG MYP 2024-2026 and the payment of a bonus in FinecoBank shares paid in several tranches over a multi-year period.

With specific reference to **benefits**, in addition to the possibility of access to special conditions for banking products and other Bank services, various measures are taken in the areas of retirement, health care and support for work-life balance. In addition, for Employees who, as part of their work, make journeys within the territory for reasons of service and other professional profiles, a car for mixed use is provided. The choice of available models is in line with the MYP ESG 2024-2026 targets, providing for only hybrid and/or electric cars, with the aim of reducing the environmental impact of vehicle traffic. All Employees can also benefit from the initiatives of the Home-Work Commute Plan to facilitate the use of sustainable mobility solutions.

To guarantee the principle of equal pay for work of equal value, the **Global Job Model** is applied, which is the system that evaluates and describes all positions within the organisation and is characterised by two distinctive elements:

- the Global Job Catalogue, which consists of Job Areas, which in turn are divided into Job Families;
- the Global Band that weighs and classifies all the roles into Bands, starting from the staff positions right up to the CEO. This includes, for example, coordination of processes, management of human resources, responsibility for the performance and results of various persons or areas, influence on operational, business or functional strategies, etc.

The Global Job model is also used for the purpose of calculating the Gender Equity Pay Gap, in order to identify the categories of workers who perform the same or equally valuable work, against which the existence of pay gaps that cannot be justified on the basis of gender-neutral criteria (e.g.

professional scope, responsibilities, performance, etc.) is assessed. For each homogeneous category, the ratio between the remuneration of women and men is then calculated, with reference to both fixed and total remuneration.

The remuneration gap is also monitored as part of the annual remuneration review process, with reference to which a specific control oversight is provided. In addition, the methodology for calculating the Gender Equity Pay Gap was refined in order to identify gender-related gaps for individual homogeneous categories of workers in an increasingly precise and granular manner.

In the year 2024, no actual significant impact had to be remedied. In fact, there are no salary disparities or inadequate salaries, as evidenced by the positive outcome of the overall gender equity pay gap analysis recorded on all Bank Employees. Moreover, staff turnover is low.

With reference to actions aimed at increasing the percentage of the gender less represented in the organisation in positions of responsibility, there is active monitoring in the area of selection and recruitment processes, as well as in the area of internal mobility and job rotation. In addition, proposals are monitored for revision of grading and banding as a result of changing organisational structures and managed responsibilities.

The actions described were implemented in order to achieve the objectives of the Remuneration Policy, prevent or mitigate significant negative impacts on the own workforce, but also serve to generate positive impacts for the own workforce, in terms of motivation, retention and satisfaction of resources.

All actions and initiatives aimed at implementing the principles of the Group Remuneration Policy are subject to evaluation and monitoring by the competent corporate bodies, including the Remuneration Committee and the Board of Directors. In addition, the Internal Audit function verifies at least annually the compliance of remuneration practices with the approved policies and the relevant regulations, to this end conducting the applicable checks.

With specific reference to the results of the verification of any gender-related salary disparities, these are submitted to the Remuneration Committee and the Board of Directors for evaluation, in order to adopt any measures that may be necessary in each instance. In addition, remuneration issues are submitted to the independent external advisor of the Remuneration Committee for review.

Actions taken in order to achieve the gender equality objectives included in the ESG MYP 2024-2026 are also subject to periodic monitoring by the Sustainability Management Committee and the Corporate Governance and Environmental and Social Sustainability Committee, as well as being subject to annual verification by an external certifying body for the purpose of maintaining the Gender Equality Certification pursuant to UNI/PDR 125:2021.

Fineco AM actively invests in the professional growth and satisfaction of its Employees by offering customised ongoing training and mentorship programmes. The aim is twofold: to develop cutting-edge skills and to cultivate firm loyalty to the company. Fineco AM’s remuneration policy is designed to reward merit and recognise the value of each individual contribution. Annual bonuses and competitive salaries are key elements in this strategy. Fineco AM’s corporate culture is based on the leveraging of talent and the recognition of successes. A dedicated annual award highlights individual and team achievements, reinforcing a sense of belonging and motivation. Fineco AM attaches great importance to understanding staff turnover dynamics. By means of structured exit interviews and careful analysis of the data collected, the company refines its retention strategies. Regular events are also organised to promote “virtuous” practices and the creation of a positive and supportive working environment.

Fineco AM recognises the crucial importance of mental well-being for its employees and is committed to providing specific and personalised support for stress management. With this in mind, the company has partnered with a leading healthcare company, to offer a comprehensive and confidential Employee Assistance Programme (EAP). Fineco AM’s EAP is a comprehensive support plan offering employees a wide range of services, including confidential counselling through one-to-one and confidential interviews with qualified professionals, to deal with stressful and difficult situations. It also provides customised support through resources and tools tailored to the needs of each Employee, with the aim of improving their mental well-being and quality of life. The EAP also guarantees immediate assistance in case of need, to deal with crises and emergency situations. Fineco AM’s EAP pursues very specific objectives: stress prevention and management, intervening early in order to prevent the onset of stress-related problems; promotion of mental well-being, creating a corporate culture in which mental well-being is valued, supported and an integral part of the work experience.

For the sixth consecutive year, Fineco has been awarded the Top Employer Italia certification, given to companies that stand out for the excellence of their strategies and policies in the field of Human Resources. Top Employer certification is awarded by the Top Employer Institute following an annual audit based on an in-depth analysis of data on key HR issues aimed at measuring the performance of organisations and the implementation of key HR practices. Annual certification allows Fineco to continuously monitor its HR practices and implement new initiatives in line with the best market benchmarks.

Fineco AM adopts a multi-channel approach to evaluate the effectiveness of its initiatives. Continuous feedback from Employees, an “open door” policy and specific evaluation tools are key elements of this process. The company also uses the company newsletter to periodically collect feedback on events, training courses and similar initiatives. Finally, regular meetings with managers complete the picture, providing valuable information on needs and areas for improvement.

The actions in response to IROs identified by the Chief People Officer Department are shared with the relevant management and control bodies. In particular, actions to ensure fair and adequate remuneration and to reduce and/or eliminate any pay gaps are identified in application of the reference legislation, which governs the different aspects of the Remuneration Policy and incentive systems. In the current year, there was no need to plan mitigation actions for risks arising from impacts on the own workforce.

All the initiatives described above are aimed at pursuing opportunities for Employees. In fact, they improve Employee loyalty, which also has a positive impact on reputation. They did not generate any negative impacts thanks to constant supervision and monitoring. Therefore, it was not necessary to introduce actions to remedy situations with significant impact.

With reference to the actions aimed at pursuing the opportunity to improve the productivity of Employees through the improvement of their working conditions by means of appropriate remuneration, via the short-term incentive schemes and the Long-term Incentive Plan 2024-2026 (which provide for the payment of a cash bonus and/or shares upon the occurrence of the conditions set forth in the individual schemes), the productivity and motivation of employees to achieve the Group's financial and non-financial performance targets has been positively influenced.

More specifically, a long-term equity plan was defined in line with the Group's 2024-2026 Multi-Year Plan, which provides for financial and sustainability performance targets in line with the ESG MYP 2024-2026 and the payment of a bonus in FinecoBank shares paid in several tranches over a multi-year period. In addition, there are access and "malus" conditions linked to profitability, capital and liquidity indicators, as well as risk adjustment in line with the Group's Risk Appetite Framework. The payment of individual bonuses in FinecoBank shares takes place in several tranches over several years. Each payment is subject to malus and claw-back conditions, verification of conformity of behaviour and work continuity.

The annual incentive scheme is linked to the achievement of performance targets in the reference year and provides for the payment of cash bonuses and shares when specific conditions are met. In particular, access conditions are defined, which serve as ex ante risk adjustment mechanisms and assess the Group's performance in terms of profitability, capital and liquidity. Only if all access conditions are met can further adjustments be made on the basis of the overall assessment of the risk factors.

The awarding of individual bonuses to Employees takes place in line with the individual's annual performance measurement process, based on the principles of transparency and clarity to ensure a direct link between variable remuneration and performance. Individual bonuses for so-called Key Personnel in cash and shares, in accordance with the regulations, are paid in several instalments, over several years, in line with the long-term interests of shareholders. For the remaining population, the bonus is awarded in cash at a later date, at the end of the performance period. The variable remuneration recognised or paid is subject to ex-post correction mechanisms to take account of individual conduct.

Fineco has always promoted a solid risk culture, based on shared values and consistent behaviour. Practices adopted on the promotion of professional growth, gender equality, inclusion and diversity, as well as all anti-violence measures, are also implemented and constantly monitored so that they do not contribute to negative impacts on the members of the workforce themselves.

In order to verify the competitiveness of remuneration policies, benchmarking analyses are carried out against a panel of companies comparable to Fineco. In addition, with specific reference to the gender neutrality of remuneration policies, the gender equity pay gap analysis is submitted to the Remuneration Committee and the Board of Directors for evaluation.

3.2.4 Metrics and targets (S1-5)

The Group intends to enhance the impacts and seize the opportunities related to its workforce (Employees) through objectives related to diversity, gender equality and equal pay, training and skills development, work-life balance and measures against all forms of violence and discrimination. The following targets concern the Italy perimeter and are part of the MYP ESG 2024-2026, approved by the Board of Directors in December 2023. For all the objectives, the baseline year is 2023.

Objective, target and deadline	Baseline year value and UoM	Reporting year value (2024)
Definition of an awareness-raising plan for external and internal stakeholders on D&I, with: a) provision of at least 10 pieces of content on the main internal (corporate website) and external (social media, press) channels over the three-year period and an internal survey on these issues (2026); b) definition of guidelines to promote the use of inclusive and diversity-friendly language within the organisation (2024); c) implementation of a pool of inclusion-related items in employee surveys (2026); d) partnerships with organisations promoting D&I initiatives (2026); e) creation of a three-year training plan with implementation of at least 1 training intervention per year on Diversity&Inclusion issues (2026).	-	a) 21 contents have been published; b) guidelines on inclusive language were defined and the circular with mandatory acknowledgement published on the corporate website; c) a pool of questions that will be included in the next Engagement Survey is being developed; d) partnership with Fondazione Libellula, renewal with Valore D, participation in the Carta D tables promoted by ABI, Renewed partnership with ABI

Objective, target and deadline	Baseline year value and UoM	Reporting year value (2024)
		"D&I in Finance 2024/2025", which includes participation in training events/seminars on D&I issues; e) issuing of 2 mandatory online courses ("Gender Equality" for all Group and PFA employees and "Fight against Harassment, Sexually Inappropriate Behaviour and Bullying"), only for Italy perimeter employees.
Awareness-raising on the topic of combating violence and harassment, through the inclusion of at least 10 pieces of content on gender equality issues and one piece of content targeting harassment, violence (2026)	-	3 contents were published on the Bank's corporate and social channels, regarding membership of the Fondazione Libellula with a focus on the Global Policy on anti-harassment. There were also posts made on social channels on combating economic violence.
Gender balance: increasing the proportion of the least represented gender in the organisation in leadership roles, with a minimum target of 5% (by 2026): a) number of female Employees by classification (Middle Managers + Executives); b) percentage of level advancement in the "Executive Management" classification[56] (2026); c) percentage of women with increased responsibility according to the Global Job Model (2026).	148 Female employees (Managers + Executives) 23.3% (three-year period 2021-23) 0%	a) 163 Female employees (Managers + Executives); b) 9.0% - The figure is to be calculated over the three-year period 2024-2026, the figure from year-end 2024 is a partial figure; c) 3.5% - A global band title equal to or greater than band 3 (Vice-President) is considered.
Gender Equity Pay Gap: reduction of the gender equity pay gap to below 5% for all categories of workers doing the same or equally valuable work (by 2026)	11%	10% (number of homogeneous categories of workers with a gender gap > 5% that cannot be justified on the basis of objective, gender-neutral criteria out of the total number of homogeneous categories).
Implementation of interventions to support parenting and work-life balance with specific reference: a) introduction of a supplementary allowance paid by the company for parental leave; b) introduction of 2 days' paid leave for children's nursery/pre-school placement (2024); c) introduction of additional flexibilities (2024);	-	As from 1 July 2024, the following actions became operative: a) supplementing by the company of the remuneration paid by the INPS for the first 30 days of parental leave - for each child - by up to 100% of the remuneration due;

56 The figure reported in the base year value refers to the number of level promotions of female executives carried out in the three-year period 2021-2023 compared to the average number of female executives in the same three-year period. The same calculation will be applied for the three-year period 2024-2026.

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Objective, target and deadline	Baseline year value and UoM	Reporting year value (2024)
d) implementation of new initiatives to support parents in their return after maternity or paternity leave and caregivers (2026).		b) availability of 2 days' paid leave for kindergarten or nursery school placement; c) entrance time flexibility of a maximum of 30 minutes to workers with part-time employment contracts; d) evaluation of suppliers for the identification of specific initiatives including the psychological support service.

Included in the ESG MYP 2024-2026 are the objectives defined within the scope of the Gender Equality Certification pursuant to Law 162/2021 and Reference Practice UNI:125/2022, which certified Fineco's commitment to gender diversity issues as from 2023. In particular, among others, the following objectives are envisaged:

- increasing the proportion of the least represented gender in the organisation in leadership roles, with a minimum target of 5%;
- Gender equity pay gap below 5% for all homogeneous categories of workers, i.e, workers doing work of equal value.

Gender Balance and Gender Equity Pay Gap targets were included in the Long-Term Incentive Plan for the three-year period 2024-2026. The targets described relate to FinecoBank's own workforce and are measured over the three-year period 2024-2026, with annual monitoring.

The objectives were defined in line with the UNI:PDR 125:2022 reference practice, implementing the provisions of Law 162/2021, which introduced gender equality certification into the Italian legal system. These provisions are part of the international context of increasing attention to Diversity & Inclusion issues, for which Gender Equality has been included among the 17 Sustainable Development Goals set by the UN and within the 2020-2025 Gender Equality Strategy. At the national level, gender equality is one of the areas of intervention of the National Recovery and Resilience Plan (NRRP) funded by the Next Generation EU programme, aimed at gender inclusion, women's empowerment and combating gender discrimination.

Gender Balance and Gender Equity Pay Gap targets are assessed on the basis of data on the demographic composition and fixed and variable remuneration of the company population. The remaining targets are based on precise KPIs that are assessed and monitored on the basis of reliable and objectively assessable and verifiable evidence.

Stakeholders were involved through interviews in the verification process carried out by the external certifying body for the maintenance of the Gender Equality Certification. In order to achieve the above-mentioned objectives, specific actions were implemented that produced results in line with what was initially included in the target plan. In particular, with regard to the Gender Balance and Gender Equity Pay Gap targets set for 2026, specific actions were implemented to increase the representativeness of the lesser represented gender in positions of responsibility and to reduce any pay gaps. The progress of activities aimed at achieving employee targets, which include specific safeguards during recruitment, appointment and proposed changes in remuneration, are periodically monitored by the Sustainability Management Committee and the Corporate Governance and Environmental and Social Sustainability Committee, as well as being subject to annual verification by the external auditor.

In 2024, the measures taken led to progress with regard to both objectives, with the prospect of further increasing the commitment of the entire organisation on these issues also thanks to the inclusion of the KPIs in the 2024-2026 Long-Term Incentive Plan.

The engagement of colleagues is very important for Fineco. The objectives and actions to be taken are the result of the evidence that emerged from the listening sessions. In fact, specific teams of employees were involved in defining the objectives. In particular, colleagues from the HR function (both training and people management side) as the owner of the implementation of the objectives and in view of the nature of the competences related to the management of training issues, the dissemination of the common culture of diversity & inclusion and employee management are involved in the definition of the objectives.

Finally, with the signing of the second-level agreement between the Bank and the trade union representatives aimed at developing measures relating to parenting, organisational flexibility, corporate welfare and solutions favouring a better work-life balance, the following measures were defined:

- provision for 2 days' paid leave for children's nursery/pre-school placement;
- entrance time flexibility of a maximum of 30 minutes to workers with part-time employment contracts.

The targets were published within the ESG MYP 2024-2026 and monitoring pertains to specific employee teams from the HR function as owner of the implementation of the targets and in view of the nature of the competencies related to the management of training issues, dissemination of the common culture of diversity & inclusion and employee management. Periodically, the monitoring of the MYP ESG 2024-2026 targets is submitted to the

Sustainability Management Committee in which representatives of the Bank's main functions participate. In addition, interviews are conducted annually with a sample of employees by the external auditor to monitor the requirements for maintaining gender equality certification.

In order to investigate and enable continuous improvement from the company's performance, Fineco provides for the completion of an evaluation questionnaire regarding the training courses conducted. Furthermore, in order to ensure that the above-mentioned courses are learnt, a final test must be passed to certify their completion, i.e, to certify knowledge relating to:

- the Bank's commitment to supporting a serene, participative and professional working environment free of any form of discrimination, where people feel respected and appreciated and can express their potential;
- the promotion of gender equality, thus the relevant guidelines, monitoring, roles and responsibilities;
- constant prevention of all forms of discrimination/violence/harassment in any field.

Fineco AM has also defined a target related to the MYP ESG 2024-2026, concerning the adoption of a Diversity & Inclusion Policy. This Policy was issued in 2024 and incorporated the Group's Diversity, Equity & Inclusion Policy.

3.2.5 Characteristics of undertaking's Employees and diversity metrics (S1-6: S1-9)

Below are the characteristics of the Group's Employees (at the end of the period and as an average for the period, without using estimates). Any discrepancies of a single unit in the tables below are due to rounding. Furthermore, the details regarding the average total workforce are the same as those stated in the Financial Reporting, but presented differently, as required by the Italian Supervisory Authority.

No. of Employees (end of period)	Men		Women		Total	
	Number	%	Number	%	Number	%
Total employees	837	58%	614	42%	1,451	100%
of which senior management[57]	4	80%	1	20%	5	100%
Age distribution						
of which under 30 years included	129	15%	62	10%	191	13%
of which between 31 and 50 years	474	57%	417	68%	891	61%
of which over 50 years	234	28%	135	22%	369	26%
Total employees by type of contract						
of which permanent Employees	831		605		1,436	
of which temporary Employees	6		9		15	
of which non-guaranteed hours Employees	0		0		0	
Total full-time and part-time employees						
of which full-time	829		519		1,348	
of which part-time	8		95		103	
Total Employees by Geographical Area						
of which Italy -Milan	657		423		1,080	
of which Italy -Reggio Emilia	131		157		288	
of which Foreign-Ireland	49		34		83	

[57] Senior management consists of Executives with Strategic Responsibilities and is defined as the first and second level below the management and control bodies.

	≤30 years		31-50 years		>50 years		Total
No. of Employees by classification and age group (end of period)	Number	%	Number	%	Number	%	Number
Professional Areas	178	93%	551	62%	130	35%	859
Middle Managers	13	7%	319	36%	211	57%	543
Executives	0	0%	21	2%	28	8%	49

No. of Employees (period average)[58]	Men		Women		Total	
	Number	%	Number	%	Number	%
Total employees	819	58%	598	42%	1,417	100%
Total no. of employees by type of contract						
of which permanent Employees	809		588		1,397	
of which temporary Employees	10		10		20	
of which non-guaranteed hours Employees	0		0		0	
Total no. of full-time and part-time employees						
of which full-time	812		503		1,315	
of which part-time	7		95		102	

The Fineco workforce consists mainly of two types of staff:

- highly qualified staff with specific skills working mainly within the product, commercial and ICT fields;
- young people (so-called Millennials and Generation Z), hired mainly in Customer Care, which serves as a "talent incubator" in which they have the opportunity to acquire a thorough knowledge of the Bank's products, services and processes. In detail, Customer Care employees accounted for 14% of the workforce in 2024.

The number of Employees who terminated their employment, on a voluntary basis or due to dismissal, retirement, or death in service, with the Group during 2024 was 49 and the Employee turnover rate (calculated as the number of terminations that occurred in 2024 in relation to the total number of Employees at the end of 2023) was 3.5%.

3.2.6 Collective bargaining coverage and social dialogue (S1-8)

The Fineco Group pays great attention to the protection of its Employees, adopting a multi-layered approach combining different regulatory and contractual sources, which aim to ensure a fair working environment that complies with international European regulations. A key element of this protection is the presence of workers' representatives, ensuring a channel of communication and protection of rights.

The majority of Group Employees, 94.3%, are protected by collective bargaining agreements. In particular, all workers operating in Italy are covered by the CCNL of the Credit Sector, which regulates employment relationships and defines minimum standards of pay and rights. There are no agreements with its Employees for representation by CAE, SE or SCE. The Italy perimeter, comprising 94.3% of the Group's workforce, is covered by industry collective bargaining. As far as Employees of the Ireland perimeter is concerned, there is no collective bargaining for the sector. No Group Employees are present in non-EEA countries.

In Ireland, working conditions are regulated by a combination of laws, statutory instruments and regulations that provide a comprehensive legal framework for workers' rights and employers' obligations. At Fineco AM, the working and employment conditions of Employees are outlined in individual contracts and in the Employee Handbook. These instruments define in detail the working and employment conditions of Employees, ensuring transparency and clarity in the employment relationship.

[58] Calculated as monthly average

The Fineco Group's commitment to protecting workers is manifested through the combination of these different regulatory and contractual sources, which aim to ensure a fair working environment that complies with European and international regulations.

3.2.7 Adequate wages (S1-10)

In Italy and Ireland, all Employees are paid an appropriate salary in line with applicable benchmarks.

3.2.8 Social protection (S1-11)

All Employees are covered against loss of income due to illness. In the event of illness, Italian national and sector regulations protect the worker both from the point of view of the preservation of the employment relationship, giving the right to be absent for a certain period of time (the so-called "comporto" period) during which the employer is obliged to maintain the contractual relationship, and from the economic point of view, recognising his right to receive full pay, the burden of which, as in the case of the credit sector, is borne entirely by the employer.

In Ireland, Employees are legally entitled to 3 days of paid sick leave with pay equal to 70% of their normal salary (subject to a ceiling of approximately €110 per day). If not paid by the employer, Employees are eligible for government-approved sickness benefits provided they meet the eligibility criteria (Employees must have been in service for at least 13 weeks to be eligible for benefits). Fineco AM pays for sick leave in line with what is contained in the individual employment contract.

For all Fineco Employees in Italy, the legislation provides for the recognition of NASPI (Nuova Assicurazione Sociale per l'Impiego - New Social Insurance for Employment) in the event of involuntary unemployment, a monthly unemployment benefit that is paid on application by the person concerned. The state of unemployment must be involuntary, therefore, workers whose employment relationship has ended as a result of resignation or consensual termination are excluded.

As far as Fineco AM Employees are concerned, in the event of job loss, those seeking employment are entitled to social assistance or compensation.

In the case of accidents and occupational diseases, there is a form of compulsory insurance for workers whose function is to guarantee health and economic protection, as well as to provide financial assistance to the survivors of the deceased worker. The cost of the insurance is borne solely by the employer through the payment of premiums calculated on the various work activities. In addition to the regulatory requirements, Fineco provides its Employees with insurance cover against occupational and non-occupational accidents, incapacity for work, permanent disability due to illness and death.

In Ireland, in the event of injury or disability caused by accidents at work, an occupational injury/illness or disability allowance is paid to the Employee by the employer through an external provider.

In the event of a request to take time off work to care for children in their first years of life, the legislation recognises the possibility for parents to take time off, alternatively, for a period of 10 months that can be increased to 11. This period is covered by a parental leave allowance of a variable amount. In addition, Fineco has introduced improved parenting measures, compared to the legal provisions, by supplementing the economic treatment recognised by the INPS during the first 30 days of parental leave up to 100% of the remuneration due.

In Ireland, workers are granted a period of unpaid parental leave of 26 weeks.

Upon reaching the pension requirements provided for by current legislation, the worker who stops working is granted a pension allowance paid by the relevant body. If workers are enrolled in supplementary pension schemes, an additional allowance is granted in the form of a monthly pension or lump sum.

Also in Ireland, as in Italy, workers are granted a pension allowance when they meet the requirements of the legislation.

3.2.9 Persons with disabilities (S1-12)

Fineco is constantly committed to supporting people belonging to the protected and disabled categories, who, as of 31 December 2024, numbered 60 Employees (Italy perimeter only), or 4.1% of Group Employees (3.9% of men and 4.4% of women). This data is collected through the census for the purposes of the compulsory employment legislation, Law 68/1999. With regard to Ireland, it is not possible to retrieve this information in view of the fact that there is no legal obligation to conduct a census.

3.2.10 Training and skills development metrics (S1-13)

People actually constitute one of the main Key Success Factors and, this being the case, Fineco is committed to constantly investing in their development and growth by supporting them and creating an inclusive and sustainable working environment that is conducive to achieving a good work-life balance. All Group Employees undergo an annual performance evaluation by their respective managers that not only takes into account performance and results linked to specific and common objectives but also identifies future opportunities for learning and development. The **Performance Management** tool reflects the need to perform an objective and fair evaluation and to identify the behaviours that are expected in order to achieve the results. This assessment process consists of several stages:

- assignment of objectives;
- examining of the objectives;
- self-evaluation;
- measurement;
- feedback interview.

The process thus provides for two moments of official confrontation between the evaluator and those evaluated, one at the time of the assignment of objectives and the second in the feedback phase, with the aim of enhancing the leveraging of talent and the sense of belonging. In addition to performance evaluation, an evaluation of potential is also envisaged.

The annual review makes it possible to plan, define and manage career and succession plans in line with people's performance and expectations. Performance Management places the talent of each individual at the centre, allowing their strengths to be enhanced and highlighting areas for improvement that can be filled through the identification of ad hoc training paths.

In 2023, 96% of the Employees had received a performance review of their annual performance through the Performance Management tool (the most recent figure available is for the year under evaluation 2023, as the performance review takes place at the beginning of the year following the year being evaluated. Therefore, the percentage of employees who have undergone an evaluation of their annual performance for 2024 will be available after this document has been published.

In particular, Employees who participated in periodic performance and career development reviews in 2023 are listed in the table below. Any discrepancies of a single unit in the table below are due to rounding.

Percentage of Employees that participated in regular performance and career development reviews	Men	Women	Total
Professional Areas	95%	96%	96%
Middle Managers	99%	95%	98%
Executives	100%	100%	100%
Total	**97%**	**96%**	**96%**

On the basis of the main needs that employees may have in the course of their professional development, different training opportunities are provided grouped in different macro-areas in order to develop the necessary skills for each role and profession:

- mandatory;
- managerial;
- behavioural;
- technical/specialist;
- foreign languages;
- tools and cross-cutting skills.

In 2024, courses were conducted with different modes of delivery through workshops and webinars, face-to-face and virtual classrooms, online courses and asynchronous video pills.

The Group is committed to constantly strengthening the risk and compliance culture across the organisation, which enables its business not only to be profitable but also sustainable over time. In fact, the Group believes that training on these issues is essential to promote awareness among employees that transparency and compliance are essential for Fineco.

For this reason, during the year, great attention was paid to **mandatory training**, addressed to all Employees and delivered mainly on the online training platform, with the creation of courses on relevant topics (e.g: usury, tax risk, data processing consent, accessibility, reputational risk, ICT and security risk management in Fineco, Legislative Decree no. 231/2001). New versions of the online courses Anti-Money Laundering and Anti-Terrorism and Financial Sanctions have also been released. Furthermore, in order to emphasise the Bank's commitment to supporting a fair and inclusive working environment, and to prevent and prohibit all forms of discrimination in any field, the mandatory training courses "Gender Equality" and "Fight against Harassment, Sexually Inappropriate Behaviour and Bullying" were issued.

In order to ensure that all employees learn these subjects and to protect the Bank from operational, legal and reputational risks, all mandatory courses require the passing of a final test and periodic monitoring is carried out to check that they are passed. Completion of mandatory training is a prerequisite for access to the incentive system. In addition, within the structures that deal with providing information to customers, mandatory training courses have been provided in the field of IVASS insurance, professional refresher courses for the purposes of CONSOB regulations and the annual assessment of skills relating to areas stated by ESMA.

To ensure business continuity in the event of a crisis, remote business continuity training courses were organised by essential employees for replacement employees.

With regard to the **development of managerial skills**, the following training programmes are available, aligned to the strategic priorities, complexities and challenges characteristic of the role, also according to seniority level:

- “Leadership Evolution” - a training course dedicated to senior managers that offers opportunities to learn new managerial attitudes and group and individual coaching;
- “LeaderSHIFT” - a training path dedicated to newly appointed managers that offers opportunities for discussion and growth in the role and allows leadership and management skills to be enhanced. Group and individual coaching sessions are also planned;
- *“*Elevating your impact” - a coaching course for managers that offers opportunities for discussion and professional growth in gaining greater awareness of strengths and areas of focus with respect to the challenges of the role and context;
- Course for “Team Leaders” - with the aim of supporting them effectively in managing their teams.

With regard to behavioural training and the development of so-called soft skills, the following training courses are available with the aim of improving the skills and abilities of all employees and enriching the professional and personal background of each individual:

- “Saying, writing, listening: tools for effective communication”;
- “Personal effectiveness: being protagonists of one’s own development” offers insights and tools to better manage relationships, conflicts and priorities;
- “Structogram© TRAINING SYSTEM” - training course aimed at the acquisition of greater self-awareness for the development of one’s managerial/individual/relational skills.

The cluster of **specialised technical training** includes all courses on specific topics according to business area and professionalism, with the aim of ensuring the adequacy of preparation and technical-professional skills/competences. This includes, for example, pathways to recognised professional certifications, seminars and on-the-job training in particular for new entrants.

As far as **language training** is concerned, all Employees have the opportunity to use a dedicated platform, based on artificial intelligence, with the aim of enhancing everyone’s English language skills through a customised learning path based on their initial knowledge level and interests. In addition, the usual training courses in English and legal English, German, group or individual, by telephone or conducted in a virtual classroom, were activated for a specific target group of employees.

In the end, training on **tools and cross-cutting processes** improves skills relating to both general work tools and common work processes, which are indispensable for increasing efficiency and optimising daily work activities. Project Management and Excel intermediate/advanced courses are available.

All training courses are designed with a very practical focus: the training is dynamic and specific and offers participants comparisons and reflections, activities, exercises and simulations. In most cases, participants conclude the course with the definition of their own action plan. At the end of each session, the completion of a feedback survey is required.

For further training needs, an **online course** catalogue freely accessible to all employees is also available, which is constantly being broadened with new courses in different training macro-categories: *Communication & Influencing, People & Self-Management, Leadership, Efficiency, Execution & Organisation, Ethics & Respect, Diversity & Inclusion, Health & Safety, Languages.* In addition, there is the online course “We work the way we eat: nutrition pills” that aims to provide tips and trivia on how to maintain healthy eating habits, even during the day at the office.

Finally, the Valore D association offers Employees the opportunity to access content and courses designed to enhance female talent and promote an inclusive culture in the company, with a special focus on gender equality, covering topics such as unconscious stereotyping, language inclusiveness, collaboration in heterogeneous teams, leveraging of resources, and gender and sexual harassment in the workplace.

Fineco AM offers its employees a comprehensive and flexible training programme. In particular, it adopts the mandatory training programme of the parent company FinecoBank, ensuring that its employees acquire the necessary skills within the defined deadlines. Mandatory courses are also offered to Employees upon specific request by the Company’s Compliance Department. Finally, customised courses are organised for both teams and individual employees, according to the needs of the departments. Fineco AM is committed to supporting the professional development of its employees after they have passed the six-month probationary period. The company offers the possibility of sponsoring courses or training programmes relevant to the tasks performed. The successful completion of these training initiatives is recorded in the Group’s “Learning Next” system.

Managers can also propose development paths for team members, based on the needs that emerge from the performance management process.

Below are tables with data on the training of Group Employees. Any discrepancies of a single unit in the tables below are due to rounding.

No. of training hours by gender	Men	Women	Total
Total no. of training hours offered and completed by Employees	35,251	26,272	61,523
Average no. of training hours per employee	42.1	42.8	42.4

No. of training hours offered and completed by Employees	Total training hours	Average no. of training hours per employee
Professional Areas	41,639	48.5
Middle Managers	18,003	33.2
Executives	1,881	38.4
Total	**61,523**	**42.4**

3.2.11 Work-life balance metrics (S1-15)

The Bank grants all Employees the right to leave for family reasons, in line with the corporate social policy and applicable collective agreements. In addition to what is provided for by national legislation and industry bargaining, Fineco offers additional leave to facilitate a better work-life balance. These permits, include by way of example but are not limited to facilities for the placement of children in nursery and kindergarten, permits for the care of children with specific learning disorders (DSA), and permits for significant family events, such as the graduation of a child or a move.

During 2024, 122 Employees, or 8.4% of the workforce, took family leave, split between maternity leave (14.7% of the total number of female Employees) and paternity leave (3.8% of the total number of male Employees).

3.2.12 Compensation metrics (pay gap and total compensation) (S1-16)

the gender pay gap, defined as the difference of average pay levels between female and male Employees, expressed as percentage of the average pay level of male Employees, was 27.3% in 2024.

Furthermore, the total remuneration ratio between the highest paid person (in this case the CEO and General Manager) and the median annual total remuneration of all Employees (excluding the highest paid) is 1:56.

3.2.13 Incidents, complaints and severe human rights impacts (S1-17)

During the year, the Fineco Group did not record any incidents and episodes with serious human rights impacts, testifying to its ongoing commitment to protecting people. In Italy, only one complaint was received through the company channels set up for the reporting of concerns by workers (whistleblowing), the amount of which related to fines, sanctions or damages was zero, underlining the effectiveness of the preventive and whistleblowing management measures. Furthermore, again at Group level, no claims were made to the OECD National Contact Points for Multinational Enterprises concerning working conditions, equal treatment and opportunities, or other labour-related rights, confirming the Group's focus on a fair and rights-respecting working environment.

3.3. Own workforce - Personal financial advisors (S1)

The personal financial advisor Network is the main point of contact for Customers wishing to manage their savings in an informed and personalised way. The Personal financial advisors are highly qualified professionals, constantly updating their wealth of in-depth knowledge of financial instruments. The Personal financial advisors listen to Customers' needs and objectives, analysing their financial situation and developing tailor-made investment strategies. They thus propose diversified solutions, taking into account the Customer's risk profile and time horizon, accompanying and constantly monitoring investment performance. A key aspect of their role is financial education: they undertake to provide Customers with the knowledge they need to understand the risks and opportunities of the financial world, helping them to make informed decisions. In short, they are trusted partners offering a comprehensive and personalised advisory service, with the aim of helping customers achieve their financial goals.

The Network is organised on three levels in ascending hierarchical order: **Personal Financial Advisor (PFA), Group Manager (GM) and Area Manager (AM)**. PFAs represent the base of the pyramid and are the figures responsible almost exclusively for Customer management; Group Managers are the intermediary network figure and, in addition to Customer management, they also have the managerial task of coordinating advisors in a circumscribed territorial area; Area Managers, finally, are the top figure in the network and are mainly dedicated to fostering business development and coordinating human resources in their assigned territory.

Within the Network, as from 2017, the figure of the **Private Banker** was introduced. These are Personal financial advisors who, while operating within the structures described above, upon reaching certain thresholds of portfolio and number of private Customers, become the recipients of specific training, focused on in-depth study of typical wealth management topics.

In addition, the Ambassador Club, in which senior private bankers with higher portfolios participate, has been established since 2022. The initiative stems from the need to dialogue with the Bank's Top Management on key issues, such as strategic, operational and business choices and the conception of new products and services, on the evolution of the Private Banker's work organisation and the methods of service to Customers, on the conception and experimentation of communication, marketing and private customer development initiatives.

3.3.1 Policies related to own workforce (S1-1)

The Group places at the centre of its strategies a series of policies dedicated to the development and enhancement of human capital. Constant monitoring of the policies below ensures that they are updated in a timely manner whenever necessary to ensure their continued appropriateness.

Policies	Description
Integrity Charter, Code of Conduct and Compliance Culture	See the table in section 3.2.1.
Organisation and Management Model of FinecoBank S.p.A. pursuant to Legislative Decree no. 231/2001	See the table in section 3.2.1.
Global Policy - Whistleblowing	See the table in section 3.2.1.
Remuneration Policy	See the table in section 3.2.1.
Process - Management of Online Mandatory Training of the Sales Network **Process - Management of In-Person Mandatory Training of the Sales Network**	Fineco provides training to all Personal financial advisors, in order to develop their skills, attitudes and capabilities, with the aim of keeping them constantly up-to-date with regulations and aligned to its business objectives. It also aims to create a common and distinctive knowledge of the Group's identity that reflects the values in the Integrity Charter. The processes, shown opposite, govern the set of activities relating to the preparation, delivery and monitoring of mandatory courses present for the Personal Financial Advisor Network with the aim of: • provide a periodic update and on the occasion of changes or new legislation and regulations; • encourage, through training activities, the adoption of best practices by all Personal financial advisors with respect to current laws and regulations. The processes involve the definition of an annual training plan (to be delivered online and/or in-person) following the process of gathering training needs, which is followed by the delivery of courses and the continuous and punctual monitoring of their utilisation, ending with the Personal financial advisors passing the final learning test. Periodic reporting is also made to the structures concerned for the relevant checks.

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Policies	Description
	The adoption and application of these processes can lead to a positive impact with regard to “Promotion of professional growth, gender equality, fair remuneration, inclusion, diversity and anti-violence measures” in relation to Personal financial advisors, as well as the strengthening of compliance culture and risk management. These processes apply to the personal financial advisor Network and are available to the Bank’s internal structures, published in the corporate website. The implementation of these processes is the responsibility of the Chief People Officer. Through the implementation of these processes, the Bank also undertakes to comply with all internal and external regulations in force at the time (e.g. AML regulations, MIFID, PRIVACY, etc.).
Process of assessment annual MIFID II and professional refresher courses (IVASS/CONSOB)	The process in question governs the set of activities relating to the annual assessment provided for by the ESMA/MIFID II regulations and the training activities provided for the purposes of the annual IVASS/CONSOB professional refresher courses, intended for Fineco’s Financial advisor Network. In particular, the process involves the definition, delivery and monitoring of courses. Periodic reporting is also made to the structures concerned for the relevant checks. The purpose is to enable Personal financial advisors to operate ethically and in accordance with the requirements of the law. Through the implementation of this process, the Bank also undertakes to comply with the ESMA Guidelines and Regulations (IVASS and CONSOB) in force in each instance. The adoption and implementation of this process can lead to a positive impact with respect to “Promotion of professional growth, gender equality, fair remuneration, inclusion, diversity and anti-violence measures”, more specifically in terms of professional growth and competence development of Personal financial advisors, as well as with respect to strengthening the compliance culture and risk management. People development is a strategic factor for the Group and, for this reason, appropriate training plans and programmes are promoted to support the maintenance and development of each individual’s skills and knowledge. This process applies to the Personal financial advisor Network and is available to the Bank’s internal structures, published on the corporate website. The implementation of this process is the responsibility of the Chief People Officer.
Process - Becoming PFA Project	The *Becoming PFA* project (also referred to as the “Youth Project”) is concerned with recruiting and selecting young Personal financial advisors or aspiring Personal financial advisors to join the Network. The Youth Project provides a training path aimed at passing the OCF (Supervisory Body Keeping the Single Register of Personal financial advisors) exam and accompanies and supports new entrants during the four years of activity through a training path, on-the-job coaching (through a dedicated tutor) and financial support. In detail, the process describes the following activities: • recruitment and selection of candidates; • training aspiring Personal financial advisors and new advisors; • monitoring of recently-recruited new advisors. In addition, the process establishes principles and procedures to ensure that selection and placement practices are consistent, fair and meritocratic, and meet all relevant legislative requirements at the territorial level. The training and development of young Personal financial advisors is a strategic factor for the Group and, for this reason, appropriate training plans and programmes are promoted to support their talents and skills. The adoption and implementation of this process can lead to a positive impact with regard to “Promotion of professional growth, gender equality, fair remuneration, inclusion, diversity and anti-violence measures”, and professional growth and competence development of the newly recruited Personal financial advisors through the Youth Project.

Consolidated Sustainability reporting

Policies	Description
	This process applies to new Personal financial advisors placed through the Youth Project and is available to the Bank's internal structures, published on the corporate website. The implementation of this process is the responsibility of the Deputy General Manager PFA and Private Banking Network Sales Department and the Chief People Officer Department.

Policy - Personal Financial Advisor (PFA) Recruitment	The recruitment of new Senior advisors is aimed at improving the Bank's quantitative growth targets as well as improving the quality of the Network, by targeting qualified, deontologically irreproachable professionals with consolidated experience, from both the world of financial advisory networks and from traditional Banks and Institutions specialising in Private Banking.
	
	The Bank seeks professionals who share the Group's vision and core values: transparency in customer relationship management, predisposition to the intelligent use of technology, ambition for professional and sustainable long-term growth, drive to meet market challenges. In the recruitment process, both Network management structures are involved in the scouting, selection and negotiation phase, as well as the head office structures that assist the Network managers from the composition of the economic proposals to the document and regulatory requirements verification, up to the moment of the candidate's placement authorised by the Deputy GM Commercial Director.
	
	The "Personal Financial Advisor (PFA) Recruitment Policy" identifies the common principles and guidelines to be adopted when conducting recruitment activities. In particular, the following are defined:
	
	• the recruitment of Senior advisors, meaning professionals with an attractive profile and high growth potential;
	• the recruitment of Newly professional PFAs by which we mean the following:
	    ○ registered Personal financial advisors who have already entered the profession with other mandating institutions with small portfolios and short professional length of service;
	    ○ bank and/or financial sector employees with technical/financial, but not commercial, experience;
	    ○ candidates with strong commercial experience in the banking, financial or insurance sector, but who are not registered in the OCF register.
	The application of the Policy responds to the need to seize the opportunity arising from the IRO "Improving loyalty and the perception of the Group's reputation through improved working conditions for PFAs (inclusiveness, protection from acts of violence and harassment)".
	
	The Policy has been approved by the Managing Director and General Manager and the Deputy Managing Director of the PFA Network Sales Department, who implement it.
	
	The Bank makes this Policy available internally, making it available to all employees at the corporate office.

Policy - PFA Network Control System **Process - Management of behavioural anomalies on PFA and measures** **Circular Behavioural abnormalities of PFAs**	The Bank carries out direct checks on the Network by analysing specific anomaly indicators and monitoring the occurrence of specific behaviours that do not comply with corporate procedures. The PFA Network Controls System Policy is linked to reputational and operational risks also arising from mis-selling events. Upon receipt of a report of alleged anomalies attributable to a personal financial advisor, the Bank carries out an initial analysis (mini-investigation) aimed at assessing the information received in terms of the accuracy and level of seriousness of the reported conduct. On the basis of the results of this analysis, if no obvious anomalies are found in the Personal financial Advisor's actions, the Bank archives the evidence in a database without undertaking any further checks or taking any action. Where there is evidence of potential operational anomalies that may expose the Bank to the risk of fraud or non-compliant behaviour, additional remote-control activities are undertaken. In particular, depending on the type of anomaly reported, the Personal financial advisor's operations are examined in depth, either by focusing on the aspects that are the subject of the report or by checking the Financial Advisor's overall operations and all the customers assigned to him. On the basis of the checks carried out, the Head of the Network Control, Monitoring and Network Services Department may decide to take disciplinary action against a personal

Policies	Description
	financial advisor (recommendation) or, for the most serious cases, to submit the anomalies found to the Disciplinary Committee, which shall decide on the adoption of a disciplinary measure (reprimand with or without sanction suspension, revocation of the agency mandate for just cause) or precautionary measure (suspension). The Policy is approved by the Board of Directors and the Managing Director and General Manager, who implement it. It is published on the corporate website and monitored by the proposing function.

There were no significant changes in the personal financial advisor workforce policies during 2024.

Fineco verifies the effectiveness of the approach adopted mainly through dedicated tools, which consist of procedures for the periodic identification and assessment of risks inside and outside the Group, a system for reporting violations (whistleblowing), a penalty system and dialogue activities with stakeholders.

The Global Policy Whistleblowing ensures procedures to avoid any form of discrimination. In addition, in order to raise awareness on the issue, some policies were implemented through the Incentive Plan which, for both half-year periods in 2024, included ESG KPIs for the Personal financial advisors and KPIs on the recruitment of female advisors for the Managers.

Fineco promotes continuous training and periodic refresher courses on the skills that are fundamental to the work of the Personal financial advisors. Specifically, the MIFID II Annual Assessment and professional refresher course process (IVASS CONSOB) promotes, thanks to the assessment supported each year by all Personal financial advisors, the maintenance and updating of the professional knowledge and skills that ESMA in its Guidelines considers indispensable for the performance of customer advisory activities. Furthermore, the Youth Project process shows how Fineco promotes:

- a fair, meritocratic and transparent selection process, valuing the skills of each candidate;
- continuous training for Beginners based on the acquisition and development of skills useful for the professional activity (both technical and behavioural fundamental and consistent with the training needs of new advisors).

The mandatory training offering was structured in such a way as to provide all Personal financial advisors with the necessary knowledge and skills in order to be compliant with the internal and external regulations in force at all times. Within the Becoming PFA Project (Youth Project) there is a training support for passing the exam held by the Supervisory Body Keeping the Single Register of personal financial advisors (OCF in Italian) and a four-year course dedicated to all Beginners for the continuous development of commercial/relational and technical/financial skills useful to the profession.

The Personal financial advisors are also required to attend mandatory training initiatives related to the creation and promotion of a fair and inclusive working environment based on equal opportunities and non-discrimination and respect for dignity.

Finally, assessments are carried out to examine professional requirements in addition to providing access to training for all Personal financial advisors.

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

The Bank organises periodic meetings with the personal financial advisor Network (both face-to-face and online) with the aim of sharing strategies and results, evaluating initiatives and activities, analysing the needs of Customers and Advisors, and discussing the launch of new products and services and launching new projects. The effectiveness of involvement is evaluated through such opportunities for dialogue, through interaction and participation in individual initiatives, sharing strategies and results, evaluating initiatives and activities, and analysing the needs of Customers and Advisors. The involvement of the Personal financial advisors takes place with an approach based on listening to the needs, suggestions and contributions coming from the Advisors themselves, who have direct contact with the territory and are more aware of Customers' needs and their evolutions, as well as being easily aware of alternative solutions proposed by competitors.

In 2024, there were both meetings of a more institutional nature, with the participation of the Bank's Top Management, and meetings held by the commercial structures dedicated to monitoring the territory, organised in more or less extensive sessions, up to individual interviews. All these moments of engagement have given rise to ideas for creating and revising products and processes with a view to boosting the efficiency and achieving increasingly ambitious results. In particular, with the participation of the Bank's Top Management, the following were organised during 2024:

- 5 web calls with Area Managers for sharing and aligning results;
- 4 moments of sharing ideas and initiatives in small groups with Area Managers;
- 2 Committees with Area Managers in attendance;
- 1 Convention involving the whole Network;
- 1 two-day meeting with outdoor training and 1 training seminar in New York, dedicated to PFA Ambassadors;
- 1 Convention involving the entire Private Banker segment.

Furthermore, 20 days were dedicated to holding what were known as "area plenaries" – meetings during which the Area Manager and a senior figure from head office met with the Personal financial advisors to take stock of the results achieved, the objectives to be pursued and any news to be publicised imminently. In addition to these events of a more institutional nature, there were also numerous and widespread meetings held by the sales structures dedicated to the monitoring of the territory, organised in more or less extensive sessions, up to individual interviews. These meetings are planned and timetabled by the Network PFA Territorial Contacts Department, which reports to the Deputy General Manager of the PFA and Private Banking Network Sales Department.

Finally, recruitment issues are dealt with by involving managers, usually Area Managers, in individual or plenary meetings. Comparison with those who work directly in the territory is particularly fruitful in order to gather feedback, suggestions and useful indications to keep the proposition up-to-date, competitive and appealing to potential candidates in the target market, as well as to share strategies, initiatives, events and new releases on dedicated work platforms. Individual meetings with Area Managers or plenary meetings with the involvement of Group Managers take place on a monthly basis with colleagues from the Territorial Recruitment Unit in charge of the various areas. Plenary meetings take place with the Department without a fixed schedule.

3.3.3 Taking actions on material impacts on own workforce and approaches to managing material risks and pursuing material opportunities related to own workforce and effectiveness of those actions (S1-4)

The actions on the relevant impacts for the Personal financial advisors are shown in the table below.

Action	Description
Strategic / tactical initiatives	The Bank defines and proposes initiatives to support the management structure in order to foster the achievement of objectives, commercial development in the territory and the attainment of high-performance levels, and actively support the planning of commercial events, group teams and plenary meetings.
Monitoring activities	The Bank supports the network management structure in analysing results, in adequately overseeing the quantitative and qualitative targets to be achieved and in identifying initiatives aimed at fostering professional growth and the achievement of business objectives.
Resource management support	The Bank: • shares with Area Managers any reorganisation of structures (appointment of new Group Managers, depowering of existing managers, setting up of teams, management of retirements, etc.); • manages the distribution of the portfolios of resigning Personal financial advisors; • intervenes on Personal financial advisors who from a production/behavioural point of view are not in line with company guidelines; • develops logistics in the territory; • monitors the risks related to the Network's activities (compliance with industry regulations and rules of conduct) through collective interventions and individual interviews.
Professional Growth and Skills Development of Personal financial advisors	The Bank provides all Personal financial advisors with mandatory training activities on an ongoing basis, with the aim of developing the knowledge and skills necessary to be able to provide customers with high-level advice and to adopt behaviours compliant with current regulations. Every year, the Compliance Department defines a training plan in which topics and subjects are indicated that are to be the subject of mandatory training and refresher courses for the entire network of Personal financial advisors. Courses are delivered both online and in-person. Fineco is also committed to fostering the growth and development of new Personal financial advisors (so-called Beginners) through financial and training support and mentoring. In particular, the training support includes a four-year course with the objective of developing skills necessary for professional growth by delivering both commercial/relational and technical/financial courses.
Business training dedicated to the Network - **Preparation of annual training course catalogue also with scouting for new lecturers, co-design of individual training measures with**	• Drawing up of the catalogue: the creation of a comprehensive and up-to-date training catalogue makes it possible to offer a range of courses that meet the Network's professional development needs in the technical, behavioural, commercial and ESG areas. This contributes to improving the skills and knowledge of PFAs, aligning with the objectives of professional growth and continuing education. The catalogue is available to all geographical areas in which the Network operates, ensuring that Advisors in different regions have access to the same training opportunities; • scouting for new teachers: identifying and engaging high-calibre lecturers guarantees the quality and effectiveness of the courses offered. This not only raises the level of training, but also ensures that Personal financial advisors receive instruction from recognised experts, thus contributing to the achievement of the goals of educational excellence and innovation. The scouting process extends nationwide to identify and engage high-calibre lecturers, including from renowned university

management structure and Academy initiatives	backgrounds. This ensures that courses are taught by recognised experts, enhancing the quality of the training offered. The Value Chain upstream is involved, collaborating with educational institutions and professionals to select the best teachers; • co-design of individual interventions with management structure: collaboration with the management structure in designing training interventions ensures that courses are relevant and targeted to the real needs of the Advisors involved in each instance. This integrated approach fosters greater engagement and practical applicability of acquired skills, supporting the goals of inclusion, diversity and professional growth; • initiative Academy: for the opening of the Fineco Academy, an inauguration project was created, which in terms of delivery alone, ran from October to December 2024. During this period, all the Personal financial advisors were hosted in the Milan office for a total of 18 days. The main objective was to team up, discuss Fineco's innovation and developments, as well as to make the Network aware of the work done by all the Employees for the Personal financial advisors. The activities of drawing up the catalogue, scouting for new lecturers and co-designing individual actions with the structure are planned to be completed within each year. Each main action includes an annual review to ensure continuous updating and alignment with the Group's strategic objectives.
Recruiting Feedback Monitoring	In order to investigate and enable continual improvements resulting from the company's performance, Fineco provides for opportunities for discussion with meetings held by the Network structures dedicated to overseeing the territory. The aim is to share strategies and results to define objectives for the future and to evaluate new initiatives and activities, analysing advisors' needs and initiating new projects. With regard to recruitment activities, feedback from the Network Managers is collected after periodic interviews with the Recruiting Managers, the Unit Recruiting figures in charge of overseeing the various areas. Comments are also collected in the sidelines of the plenary meetings. The feedback collected is subject to study and reflection by the Management for possible improvements. Finally, the Bank's structures supporting the Network are always available to support Personal financial advisors (Senior, Private and Beginner).

The financial resources allocated in 2024 to the actions reported were not significant in the context of the Financial Reporting figures.

In order to mitigate the relevant impacts, the Bank implemented incentive campaigns and initiatives involving the entire Network, in line with the Bank's commercial strategy and objectives and with the aim of enhancing commercial development in the territory, supporting the organic growth of the Network.

Within the Bank, there are specific company figures, the Regional Coordinators, who are Employees who interface with the Network for all activities related to business development, and who propose and/or actively contribute to the definition of commercial initiatives aimed at further stimulating the productivity and involvement of the Network itself. An example in this respect is the Area Work Plan: at the beginning of each year (or semester), the Regional Coordinators and Area Managers, also with the involvement of the Group Managers, define a shared document which, besides summarising the most recent figures and results of each Area, represents a real business plan defining not only the quantitative and qualitative objectives for the period of the structure, but also the specific actions and initiatives to support their achievement and monitoring. This document also includes hypotheses for the segmentation of the structure, aimed at defining (by personal financial advisor segment) specific actions and initiatives in support of commercial activity, accompanied by push and monitoring tools, useful to foster the achievement of objectives, commercial development in the territory and increasingly higher levels of involvement and productivity.

In order to generate positive impacts for the Personal financial advisors, the Bank defines incentive plans dedicated to the Network, activates internal area contests, defines the content to be presented at events dedicated to the Network (roadshows, committees, conventions), prepares material containing commercial and sales arguments for use by the Network, supports the Commercial Network in marketing initiatives, in planning commercial events and plenary meetings, and actively participates in them.

The effectiveness of training actions and initiatives is monitored and evaluated through direct discussion with participants, using targeted listening tools, interactions during and post-course surveys. This approach allows the Bank to gather detailed and specific feedback on training experiences, identifying areas for improvement and strengths of both the training itself and the products and services provided by the Bank. The information gathered is analysed to assess the impact of initiatives on professional growth and to ensure that the actions taken are aligned with the company's strategic objectives.

Monitoring and evaluating the effectiveness of Personal financial advisors' actions and initiatives are also at the core of the work of the Regional Coordinators. Together with Network managers, they define strategic objectives and tactical business initiatives, measuring progress through a combined qualitative and quantitative approach. This continuous monitoring makes it possible to identify areas for improvement at an early stage and to intervene where necessary. Constant feedback from Network managers also fuels an ongoing optimisation process, ensuring that actions taken are always aligned with the needs of the business and contribute to achieving the desired results for the Network.

The structure of the Regional Coordinators has the task of coordinating and supervising the business development activities of the personal financial advisor Network, supporting the activities of the Network Managers on a daily basis, both in meetings with the coordinated structures on the territory, and in the planning of commercial activities and territorial supervision.

The activity of coordinating the areas into which the Network is divided takes place not only by overseeing the relationship aspects with the structures (constant organisation and active participation in meetings and events), but also by periodically monitoring quantitative evidence, commercial results and the correct and constant dissemination of information.

Concerning actions planned or already underway to pursue relevant opportunities it is reported that:

- the definition of the Work Plan (annual/semi-annual) for each Area;
- the provision of dedicated support for the “deployment on the ground” of commercial initiatives (asset redevelopment, customer asset development, etc.);
- the definition of Area Contests, aimed at facilitating the achievement of the specific objectives of the structures;
- the definition of a monitoring, aimed at stimulating and planning coordinated actions by Personal financial advisors with their Customers;
- conducting analyses to define areas of intervention and development actions.

In 2024, there was no need to plan mitigation actions for risks arising from impacts on the own workforce. Any intervention on Network structures is systematically shared in advance and planned in detail with the reference Managers (Area Managers and Group Managers), with the aim of not negatively affecting the Network hierarchical organisation and relational dynamics.

In addition, the Bank promotes training and support activities for the management structure in the construction of the training plan and the definition of professional development proposals for PFAs and Private Bankers. In 2024, an additional training course was introduced, delivered immediately after onboarding, to implement soft skills and effective communication techniques with the aim of preparing new advisors for business negotiations right from the start. The Personal financial advisors are offered specific business training.

The following training activities will be offered during 2025:

- **ACL (Academy Continuous Learning)**: the project focuses on developing new narratives and providing ongoing support to Personal financial advisors to develop their portfolios and enhance the equity culture. This format, with the help of experts in the financial sector, aims to help advisors maximise the objective value perceived by Customers by promoting more efficient and sustainable financial management that exploits the potential of the stock market over the long term.
- **Project MEC (Manager Excellence Centre):** focuses on training Network Managers, through participation in intensive courses, with the aim of developing advanced managerial skills, improving the ability to manage teams, projects and employees effectively. This project aims to create a network of Managers who are ready to lead the organisation to success by pushing the leverage of recruitment, resource management and even their own personal portfolio.
- **Performance Boost Project** - is dedicated to empowering Personal financial advisors who need to increase productivity and improve their approach to customers. Through the analysis of processes and the sharing of best practices, the project aims to develop entrepreneurial capacity and provide a high-level advisory service.

The surveys provided at each training meeting allow constant communication with the Network management structure.

3.3.4 Metrics and targets (S1-5)

Some of the following targets are part of the MYP ESG 2024-2026, approved by the Board of Directors in December 2023. For all the objectives, the baseline year is 2023.

Objective, target and deadline	Baseline year value and UoM	Reporting year value (2024)
Strengthening the Network's Youth Project: a) revision of the economic proposal (2024); b) design and release of a Coaching Plan (design by 2024 and release by 2025).	-	a) With the aim of guaranteeing and further supporting the professional growth of the newly hired Personal financial advisors in the Network, as of January 2024 the economic proposal offered to them was revised, also following benchmark analyses and the socio-economic context of reference. In particular, the revision provided for an increase of more than 50% of the economics in the three years of the side letter beginner (monthly fixed wage increase for the first two years and introduction of fixed wage for the third year as well). The objective is considered to have been achieved and no changes or reviews were necessary. b) Ad hoc follow-ups were also organised, motivational interventions organised, and the coaching plan formalised (training on the job) with the involvement of the territorial structures.
Increased focus on gender diversity also within the Network: a) at least 15% female managers among the new managers in the 2024- 2026 period; b) integration of KPIs on female recruitment in the Manager Incentive Plan (from 2024); c) female participation extended to specific activities or initiatives dedicated to Ambassadors, also involving the top 5 women per weighted portfolio (excluding women who are already Ambassadors) (from 2024).	a) – b) 17.8% c) -	a) An assessment of the potential, in managerial terms, of the Financial advisor Network for inclusion in training sessions for aspiring managers was carried out. b) A specific target was set for recruiting female advisors, in the order of 20% of the total number of placements for the year. The percentage at the end of 2024 was 18.5%. c) Women's participation was expanded to a meeting dedicated to Ambassadors. The purpose of the meeting was: 1) to define the development and branding strategies of Fineco Private Banking; 2) to identify the project priorities to be developed for the Fineco network and Customers; 3) to identify the most effective ways of improving Fineco's advisory services in 2025.
Strengthening Teamwork within the Financial advisor Network (from 2024)	-	The objective of strengthening teamwork was pursued through groups of Personal financial advisors who organised events aimed at presenting and leveraging the teamwork model, known as "FinecoTeam". These events were an opportunity not only to illustrate the concrete advantages of teamwork, but also to create a moment of direct confrontation with Customers, making them participate in a more structured, innovative and effective approach to financial advice. The transparency and collaboration fostered by FinecoTeam strengthen the trust of Customers, thus helping to consolidate the relationship and expand the overall portfolio. This action allows the Bank to seize the opportunity related to "improvement of customer loyalty through clear and transparent communication that includes sustainability issues". Meetings were scheduled by the Bank to: i) identify positive case histories (supported by results) and for possible rationalisation measures; ii) set minimum objectives by Area; iii) define the next steps for the subsequent involvement of General Managers; iv) prepare the 2025 Area Plan.

Objective, target and deadline	Baseline year value and UoM	Reporting year value (2024)
ESG training to the Network - non-mandatory ESG training sessions dedicated to the Network: a) training design and release of first sessions (2024); b) 75% of Private Bankers trained (by 2026); c) 50% of PFAs trained (by 2026).	-	a) The web conference focusing on “ESG and MiFID controls” was attended by 991 Personal financial advisors (of which 262 Private Bankers and 729 PFAs)[59]. During the training session, topics related to the introduction of ESG controls under MiFID and an in-depth look at guided portfolio construction were covered, with content delivered digitally. In addition, the scouting phase for lecturers and training companies for the next topics has begun, with the aim of completing the training by 2026. b) The percentage of Private Bankers trained in 2024 was 35%. c) The percentage of PFAs formed in 2024 was 26%.

The objectives were defined by involving the Network through meetings held by the structures dedicated to monitoring the territory. The aim is to share strategies and results in order to set goals for the future and to evaluate new initiatives and activities, while analysing the needs of the Personal financial advisors. At the plenary meeting at the end of the year 2023 with all Network Managers, the goal of recruiting more female advisors from the year 2024 was also shared. This objective is also stated in the Regulation of the Incentive Plan for Area Managers.

3.3.5 Characteristics of Personal financial advisors (S1-7)

The Personal financial advisors Network is organised on three levels in ascending hierarchical order: Personal Personal financial advisors (PFAs), Group Managers and Area Managers. Within the Network, as from 2017, the figure of the Private Banker was introduced. At the end of 2024, there are 750 Fineco Private Bankers, including 141 Senior Private Bankers, selected for the quality of their Customers’ portfolio and 37 Ambassadors.

In order to be appointed as a Private Banker, Senior Private Banker and Ambassador, one has to reach certain thresholds, which are periodically reviewed in order to make reaching them an incentive. A further and fundamental pillar of growth is the Bank’s investment in junior profiles (Beginner), useful for fostering generational turnover in the Network by updating its working methods and adapting its professional culture. Profiles are selected through partnerships with universities, social networks and targeted use of more traditional channels.

The Bank provides Beginners with training support, from the preparation phase for the licence exam to the end of the fourth year of activity in the Network, economic support with a “package” capable of sustaining the new entrant for the first 36 months of activity, which is the most delicate period for building economic sustainability in this profession, and operational support guaranteed by the presence of a dedicated trainer. As of 31 December 2024, there are 255 Beginners, of whom 203 are men and 52 are women.

Personal financial advisors by gender (end of period)	Men	Women	Total
Area Managers	26	0	26
Group Managers	170	9	179
Other PFAs	2,269	528	2,797
Total	**2,465**	**537**	**3,002**

Personal financial advisors by classification and age group (end of period)	≤30	31-50	>50	Total
Area Managers	0	1	25	26
Group Managers	0	34	145	179
Other PFAs	241	1,031	1,525	2,797
Total	**241**	**1,066**	**1,695**	**3,002**

[59] Including also the Personal financial advisors no more present as of 31 December 2024.

New entries among Personal financial advisors by seniority and gender	Men	Women	Total
Junior	81	19	100
Senior	64	14	78
Total	**145**	**33**	**178**

3.3.6 Social protection (S1-11)

The Personal financial advisors enjoy public (INPS) and industry (ENASARCO) coverage. In addition to this, for certain clusters of them, defined on the basis of the criteria set out in the "Network Benefits and Insurance Coverage Regulations", a health insurance policy is provided to cover medical examinations and analyses, hospital admissions and surgery, and highly specialised operations, as well as insurance cover for the risk of Permanent Invalidity due to accident and illness. More generally, the agency mandate provides for protections such as the possibility of temporarily transferring one's customer portfolio to others in the same territory, while partially maintaining the profitability of these assets, in the event of an accident or illness that may cause a temporary loss of income. This possibility of temporary transfer is also provided for in the case of parental leave.

Personal financial advisors, upon retirement, benefit from state and industry pension coverage. Certain categories of them may also benefit from a Class III policy, with different investment options chosen by the person concerned, which provides for settlement upon termination of the activity. Finally, there is a measure to facilitate retirement: it is possible to transfer one's own customer portfolio to other Advisors belonging to the Fineco Network for a consideration.

Due to the autonomous and contractual nature of their professional relationship, the Personal financial advisors benefit from the severance payments provided for by civil law.

3.3.7 Training and skills development metrics (S1-13)

Fineco aims to attract, retain and motivate highly qualified Personal financial advisors and reward those who are aligned to its standards of consistent ethical behaviour in running a sustainable business. In particular, the Incentive Plan Regulation is linked to the achievement of objectives and performance and is aimed at the entire Network. For 2024, the evaluation of these objectives and performance took place every six months and involved 100% of the Personal financial advisors and determined their remuneration.

In addition, during the year, special training activities (so-called Seminars) are defined for those Personal financial advisors who show that they best represent the spirit of the company and meet its business objectives.

Fineco's ambition is to encourage the spread of a truly sustainable savings culture, in a simple and accessible way. With this in mind, the training of Personal financial advisors becomes a key factor in preparing them to navigate in an ever-changing environment, providing them with the necessary tools to offer high-quality advice and services to customers. This activity is conducted in collaboration with professors from leading universities, specialised companies and other experienced professionals. Fineco is therefore constantly engaged in implementing training plans aimed at developing the advisor as a professional and as a business, with a strong focus on managerial training and on the private segment. Indeed, during the year, the promotion of Personal financial advisors' professional growth continued, providing opportunities for development and ongoing training.

The training catalogue was strengthened, offering high-calibre lecturers and consistent training methodologies for all PFA targets. People's growth comes through a strengthened engagement with the management structure in each intervention. Courses on inclusive language were identified and included in the catalogue.

At the end of the training sessions, a survey is given to participants to collect feedback on content and delivery methods, to continue improving the activity.

Mandatory training of PFAs is provided to the entire Network in order to be compliant with internal and external regulations and to respond to Regulators' requests. The mandatory training opportunities provided to PFAs each year relate to:

- regulatory courses defined in the Compliance Training Plan. In particular, each year the Compliance Department draws up the mandatory training plan on specific topics;
- insurance product courses;
- IVASS professional training and refresher courses;
- CONSOB professional refresher courses.

In addition, the ESMA Assessment is administered annually to PFAs to assess their professional knowledge and skills as required by the ESMA Guidelines.

In relation to the Becoming PFA Project, two types of training are provided:

- the first dedicated to aspiring Personal financial advisors, which provides courses in on-demand mode and test simulations aimed at passing the examination held by the Supervisory Body Keeping the Single Register of Personal Personal financial advisors - OCF;
- the second is dedicated to Beginners who are already qualified to offer their services outside their registered office and provides for a four-year training course aimed at providing skills useful for professional development. In particular, technical/financial and commercial/relational courses are made available. A total of 14 training courses are delivered over the four-year period as follows: seven training meetings in the first year, four training meetings in the second year and three training meetings spread over the third and fourth years.

The content and objectives of the courses are constantly updated and monitored in order to ensure a coherent training programme. Any misalignments of a unit in the following tables are due to rounding.

Hours of training by gender (mandatory)	Men	Women	Total
Total no. of training hours offered and completed by Personal financial advisors	152,176	33,216	185,391
Average number of training hours per Personal financial advisors	61.7	61.9	61.8

Training hours by gender (non-mandatory)	Men	Women	Total
Total no. of training hours offered and completed by Personal financial advisors	74,396	17,132	91,528
Average number of training hours per Personal financial advisors	30.2	31.9	30.5

Hours of training by gender (Youth Project)	Men	Women	Total
Total no. of training hours offered and completed by Personal financial advisors (Beginners)	10,084	2,531	12,615
Average number of training hours per personal financial advisor (Beginner)	49.7	48.7	49.5

3.4 Affected communities (S3)

3.4.1 Policies related to affected communities (S3-1)

The Group has always been committed to supporting the affected communities (without any distinction being made between different types of affected communities) both on the side of financial education (involving current and potential Customers, students, etc.) and on the side of the broader support of solidarity in various areas of intervention, including social or health care, training, education, promotion of culture and art, scientific research and environmental protection, including through sponsorships. In addition, it is committed to making its products and services increasingly accessible.

The process of the Double Materiality Analysis led to the identification of a positive impact related to the Sub-topic "Economic, Social and Cultural Rights of Communities". This positive impact relates to the "improvement of community relations through community-driven financial education initiatives aimed at increasing awareness of informed financial choices". Based on the results of the Double Materiality Analysis, there were no material negative impacts, opportunities and risks.

The policies adopted in favour of the affected communities by the Group that respond to the positive impact are outlined below.

Policies	Description
Global Policy - Commitment to Human Rights	The Global Policy is intended to consolidate the Group's desire to base its activities on respect for all human rights, in order to ensure compliance with national and international regulations and standards, and to define an inclusive approach to manage impacts and minimise potential risks of violation, while maintaining an open dialogue with Stakeholders and taking into account their legitimate expectations. The Global Policy applies across the board to different Stakeholders, including Local Communities. The commitment to Human Rights is based on generally accepted international declarations and conventions, standards, principles, guidelines and recommendations such as: The Universal Declaration of Human Rights; the Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework; The International Covenant on Civil and Political Rights; The International Covenant on Economic, Social and Cultural Rights; the International Labour Organisation (ILO) Conventions on fundamental human rights; the OECD Guidelines for Multinational Enterprises; the UN Global Compact Principles, to which the Bank and Fineco AM are signatories; the UN Principles for Responsible Investment (UN PRI), the Declaration of Financial Institutions on Environment and Sustainable Development by the United Nations Environment Programme Finance Initiative (UNEP FI) and Women's Empowerment Principles. The Board of Directors and the Chief Executive Officer and General Manager implement the Global Policy on Commitment to Human Rights Issues. This Global Policy is shared externally through its publication on Fineco's website, and internally through a specific circular and the corporate website. Fineco verifies the effectiveness of the approach adopted mainly through dedicated tools, which consist of procedures for the periodic identification and assessment of risks inside and outside the Group, a system for reporting violations (whistleblowing), a penalty system and dialogue activities with Stakeholders.
Process - Sponsorship Management	The document formalises sponsorship as a tool to enhance the Bank's reputation and support relations with the territory (as well as to seize business opportunities in line with the Bank's growth objectives). The document also formalises the essential requirements that must be met in the criteria for assessing sponsorship requests, in terms of reputational checks and the economic soundness of the counterparty. The drivers for selecting partnership proposals are based on their ability to generate positive impacts on the national territory. In addition to this common reference matrix, there are assessments of specific cities or areas/environments where it is most appropriate to develop a particular project. This approach allows greater flexibility in identifying targeted actions in favour of certain territories and contexts. Operational responsibility for sponsorship management lies with the Marketing, Advertising & Events Department.
Process - Charitable Donations	This document regulates the Bank's initiatives related to charitable donations, defining guidelines for the selection and internal controls of beneficiary entities. The projects must be promoted by non-profit entities (foundations, associations, religious bodies, universities, public institutions) whose work is done on a broad scale throughout Italy. The projects supported are all developed in Italy. The processes for identifying associations and approving donations involve careful selection and evaluation, through the request and study of specific

Policies	Description
	documentation concerning the association and the initiative for which the contribution is requested. In particular, the association is asked for: • a presentation of the organisation/body; • a presentation of the initiative for which the grant is requested, highlighting the social aims and areas of intervention (including territorial) and the needs to be met and the categories of beneficiaries; • updated Articles of Association/Sustainability Report; • certification attesting to the Chairperson's/legal representative's signatory powers (e.g. copies of minute books, updated certifications, self-certifications); • copy of the identity document of the Chairperson/Legal Representative; • any other document useful or necessary to better inform the process. A questionnaire is also submitted to the organisations in order to avoid taking on initiatives that would benefit entities involved in acts of corruption. Operational responsibility for sponsorship and sponsorship management lies with the Identity & Communications Department.

Human Rights approach

Within the framework of the policies relating to the affected Communities, the issue of human rights is set out in the context of the characteristics of the Group's business model and strategy. The Group is committed to minimising the risks of human rights violations through specific policies and practices and is committed to being an example of good practice through its business conduct.

Furthermore, within the limits of its own sphere of influence, the Group is also committed to raising awareness of human rights in the affected Communities in which it operates, and to encouraging initiatives that foster the development of people's creativity and talent, and that promote culture in all its forms (e.g. art, music, sports), in order to generate a positive impact on communities. For this reason, philanthropic and sponsoring activities are focused here.

The Group is also committed to promoting sustainability in its supply chain and minimising the risks of human rights violations through specific policies and practices. Suppliers and contractors must meet certain minimum requirements (refer to the Global Policy on Commitment to Human Rights) and are subject to appropriate review and evaluation before being hired and on an ongoing basis. This is in order to mitigate the risk of corruption and prevent any environmental and occupational health and safety impacts associated with Fineco's activities. In this regard, suppliers are required to provide specific documentation proving compliance with social security, accident prevention and insurance and occupational health and safety regulations; any ISO 9001 and ISO 14001 certification and a self-declaration on labour exploitation.

3.4.2 Financial Education (S3-2; S3-4; S3-5)

The Group is active in financial education activities throughout the territory, involving current and potential Customers, students and less protected categories in these initiatives. The main objective is to fulfil its corporate purpose. To this end, Fineco is active on the territory to raise awareness and knowledge of the workings of the financial markets in order to better manage own assets. Such initiatives also make it possible to deal with topics related to current events and the most felt needs of the moment in the financial sphere and represent a moment of mutual sharing and growth.

Financial education activities are developed by the Bank, the Financial advisor Network and Fineco AM.

3.4.2.1 Processes for Engaging with Affected Communities

The Group interacts and involves the affected communities, on the topic of financial education, through:

- **collaboration with FEduF** (the Foundation for Financial and Savings Education, set up on the initiative of the ABI and promoting financial education to develop and disseminate economic knowledge). Thanks to this collaboration, Fineco participates in events and educational projects for secondary and primary schools and the University of the Third Age;
- **dissemination of content through its own channels** (informative e-mails, posts on social channels, the Fineconomy finance and investment blog, banner placements on the website, etc.) in order to promote an aware and responsible economic culture;
- **Participation in Financial Education Month.** This initiative is organised annually by the Inter-Ministerial Committee for the planning and coordination of financial education activities.

In order to assess the effectiveness of initiatives, collect feedback and receive input on topics of interest, the Bank conducts online surveys of participants in financial education activities. This also allows for better planning of activities. The result of the surveys shows that the majority of respondents stated that they benefited from the training. In addition, following feedback from the surveys, the webinar series called "Finance for All" was supplemented with topics on financial planning and methods for getting started in investing, and specific events were held on these topics. The effectiveness of the involvement of affected Communities, such as potential customers and secondary school students, is assessed by means of a test at the end of each course to check the assimilation of the content covered. The relative operational responsibility for this activity lies with the Global Business Department.

In addition, Fineco periodically organises **meetings with current and potential Customers**, with the aim of increasing knowledge on topics related to behavioural finance, savings and investments, and financial and wealth planning. These events, both physical and virtual, are organised by the Managers of the Financial advisor Network with the participation of colleagues from the Bank and, in some cases, accredited external professionals, and also include in-depth discussions on sustainable finance. The effectiveness of engagement through events is linked to increasing the loyalty of Customers with the Bank and the onboarding of potential customers. The relative operational responsibility for this activity lies with the PFA and Private Banking Network Sales Department.

Finally, Fineco AM also contributes with various initiatives to financial education in the territory, for instance by financing the projects **"AlxGirls Summer Tech Camp" and "Conta su di te",** aimed at secondary school students in Italy.

In general, there are no measures taken to better understand the views of affected communities that may be particularly vulnerable to impacts and/or marginalised.

3.4.2.2 Engagement with affected communities

The following table brings together the actions and interventions implemented during 2024 and aimed at improving the relationship with the affected Communities to increase awareness of informed financial choices.

Action	Description
Organisation of financial education events	In 2024, 26 events were held, including: • meetings on topics related to financial education and cognitive aspects of the relationship with money, in cooperation with FEDuF; • meetings of the "Finanza per tutti" ("Finance for All") cycle, focusing on savings creation and management (and broadcast on the Bank's social channels); • meetings with secondary school students, focusing on "Savings and Supplementary Pensions" and primary school students, focusing on "Circular Economy and Consumption, Waste and Savings"; • meetings of the cycle "*Appuntamento con*..." in cooperation with financial journalists, focusing on: financial planning (e.g. financing university studies, real estate investments, inheritance) and behavioural finance. These meetings were also made available on the Fineco website for all; • meetings as part of the Financial Education Month, promoted by the Committee for the Planning and Coordination of Financial Education activities in November, dedicated to medium-to long-term investments, and focusing on: managing one's savings, basic knowledge needed to start investing, supplementary pensions.
Financial education events on the territory dedicated to specific targets of the population	In 2024, a lecture was delivered at the University of the Third Age in Novara[60], focusing on how the pension fund works both for those already in employment and for those not yet working (e.g. children and grandchildren).
Production of video material	In 2024, 22 financial education videos were made available for everyone to watch on the company website. In particular, the videos covered: • topics related to finance[61]; • issues related to the circular economy and inflation[62]; • internal webinars on financial planning and investing basics; • video recordings of the "Appointment with..." strand, in collaboration with leading journalists on financial education and planning.
"AlxGirls Summer Tech Camp" project	Fineco AM financed the third edition of "AlxGirls", a summer camp for girls in their fourth year of high school that offers free training on the topics of artificial intelligence and data science. The week-long course was organised by the Donne 4.0 association in partnership with Lavazza Group, and was endorsed by Aixia, the Italian artificial intelligence association.

[60] In collaboration with FEduF and the Novarese Foundation
[61] In cooperation with FEDuF and Adeimf (Associazione Docenti Intermediari Finanziari)
[62] In collaboration with FEDuF and Luciano Canova

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Action	Description
	In the edition held from 22 to 26 July 2024, the girls involved in the project were hosted at the School of Higher Education in Volterra, Tuscany. During the week-long campus, theoretical lectures, including AI ethics, visits to the laboratories of the University of Siena's Department of Computer Engineering, and practical activities led to the carrying out of five projects by the girls. The aim of the project is to encourage female participation in STEM faculties, and this is one of the reasons why the participants in previous editions have been involved in a community made up of people, companies and institutions that aims to support the new generation of women in their approach to a scientific education. In this sense, the co-financing of this edition of "AIxGirls" by the Lavazza Group represented a step forward in sharing the ideals that guided the initiative with an increasing number of Stakeholders. The project was first launched in 2022, in parallel with the launch of the Diversity and Inclusion FAM Fund, Fineco AM's first fund categorised as Article 9 under the EU's SFDR regulation. The strategy, created and developed in partnership with M&G Investments, enables investments in companies that have implemented gender and ethnic diversity programmes or work towards social inclusion. Fineco AM has chosen to use part of the fees from the fund to finance the creation and development of "AIxGirls", judging the initiative to be able to contribute positively to Italy's underperformance in terms of gender equality.
"Conta su di Te" Project	Fineco AM financed the second edition of "Conta su di Te", a project realised in cooperation with FEDuF and the benefit company Goodpoint, which targets students from 1st to 4th year of high school to provide elements of financial education. The last edition was attended by students from high schools and technical colleges in the provinces of Milan, Rome, Naples, Turin and Bari. In each school, four lessons of approximately 60 minutes each on the topics "Savings and retirement savings", "Investing in the future" and "Gender-related cognitive bias" were organised, in presence and digitally. The aim is to broaden young people's knowledge of savings issues, create a greater awareness of the use of money and stimulate a cultural change, as well as to bring girls closer to financial issues. The lessons were complemented by an online game, via a dedicated gamification platform, which allowed the notions to be tested and the top three to be identified, who will face each other in a challenge in 2025. The first prize is the funding of a study trip for the class to which the winning student belongs. At the end of the first edition, an impact assessment was conducted, which highlighted two aspects in particular: • most of the participants stated that they had broadened their knowledge; • among girls, the propensity to choose an economic/financial faculty at the end of their studies has increased.

The financial resources allocated in 2024 to the actions reported were not significant in the context of the Financial Reporting figures.

3.4.2.3 Metrics and targets

Objective	Year of definition	Target and deadline
Organisation of financial education events –MYP ESG 2024-2026	2023	20 (2026)
Leveraging of young talents in the last three years of secondary schools through scholarship - MYP ESG 2024-2026	2023	Scholarship disbursement (2025)
Implementation of at least one financial education event on the territory dedicated to specific target groups (vulnerable/less protected groups) of the population (2024-2026)	2023	At least one event (2024)
Increase in the number of videos (including video recordings) of financial education and their use in communication through different channels (marketing and social) - MYP ESG 2024-2026	2023	20 (2026)
Holding of at least 1 customer event with ESG focus per business area[63]	2023	At least 26 events (2025)
Increase in YoY uptake of financial education content	2023	From 2025
Specialised training for designers on the topic of accessibility to further support the development of digital products and services accessible to all users	2023	2025
Fineco AM strengthens its ESG partnerships by signing up external initiatives	2023	at least 4 new external initiatives (2026)

3.4.3 Sponsorship (S3-2; S3-4)

The Group is also active in supporting communities and the territory through partnerships and sponsorships aimed at protecting the artistic, landscape, environmental and cultural heritage.

3.4.3.1 Processes for engaging with affected communities

To date, there is no formalised direct and prior process of engaging with the affected communities in the beneficiary territories of sponsorship projects. The projects originate from a macro analysis of needs and critical issues highlighted in the country (e.g. sea pollution). From here, also with the support of specialised external partners, objectives, actions and locations are identified, articulating a plan of interventions in the area involving local stakeholders and interlocutors.

Through partnerships, both internal and external Stakeholders, and thus the community, are involved. Editorial plans are constructed through different communication channels: social platforms of the Bank and the Financial advisor Network, the Bank’s website, newsletters, etc. Depending on the specific project, the media may be involved, through press releases and/or conferences with the various project contact persons, and local institutional figures. Furthermore, if the project provides for it, meeting and experiential opportunities can be organised for the affected Communities.

[63] 26 commercial areas as of 31 December 2023 (baseline).

3.4.3.2 Taking action on material impacts on affected communities

Partnership-related interventions are made up of support for culture and national historical and artistic heritage (e.g. art exhibitions, theatres in major Italian cities, FAI spring days, etc.), environmental protection (e.g. cleaning up marine waters) and ad hoc events (e.g. participation in Accessibility Days in 2024).

Action	Description
Partnership for the support of culture and the care and enhancement of Italy's historical and artistic heritage	Sponsorships are part of the commitments of the MYP ESG 2024-2026. Below is a summary of the sponsorships in the field of culture and the care and development of historical and artistic heritage, existing in 2024: • Exhibitions: in 2024 Fineco sponsored the Cezanne / Renoir exhibition in Milan at the Palazzo Reale; • Theatres: multi-annual partnerships have been established with leading Italian theatres: the Teatro Della Pergola in Florence, the Petruzzelli in Bari and the Sistina in Rome. In other cities (Verona, Turin, Narni, Naples), short-term sponsorships were set up. • FAI (Fondo Ambiente Italiano) saw the Bank among the main partners in the FAI Spring Days; • "Fineco Evolving Future": the project consisting of the exterior and interior cladding of some underground trains and the domination *of* the Santa Radegonda Gallery in Milan, with illustrations by the artist Azzurroscuro (Sofia Romagnolo). These illustrations represent an inclusive Milan in total harmony with nature.
Partnership for environmental and land protection	"Water Defender Alliance": in the context of environmental objectives, the Bank shared and managed this project in cooperation with LifeGate. This initiative consists of activities to reduce plastics from the seas, clean the seabed of some territories and combat the presence of hydrocarbons on the surface of the waters of some Italian ports. In relation to the environmental needs of the area, targeted instruments and actions were activated: • water drones and seabins were installed in Venice, Palermo and Rome-Fiumicino and 100 hydrocarbon absorption kits (sponges given to ship owners to collect bilge water for their vessels) were distributed; • in La Spezia, an extraordinary seabed cleaning operation was organised in cooperation with the Italian Navy and ENEA at Smart Bay in Lerici; • in Milan, the project initiated by the City Council, "Care for and Adopt Public Green Areas", has been renewed for 2024, with a collaboration for the redevelopment of urban green areas in the city of Milan, in the area between Corso Como, Corso Garibaldi and Largo La Foppa. The objective of the sponsorship project is to contribute to the preservation and improvement of existing green areas.
Participation in the Accessibility Days	During 2024, Fineco participated in the Accessibility Days, Italy's largest event on accessibility and inclusiveness of digital technologies held in Rome, where the Bank's journey in ensuring fair and inclusive access to all its services was recounted.

The financial resources allocated in 2024 to the actions reported were not significant in the context of the Financial Reporting figures.

3.4.3.3 Metrics and targets

Objective and target	Year of definition	Deadline	Description
Setting up partnerships for the support of culture and the care and leveraging of Italy's historical and artistic heritage	2023	from 2024	The cultural and artistic sponsorships outlined above
Setting up partnerships for environmental and land protection	2023	from 2024	Environmental and land protection sponsorships explained above

3.4.4 Charitable donations (S3-2; S3-4)

In 2024, Fineco continued its commitment to supporting the community through solidarity campaigns promoted and managed by the Bank. These are either continuous charity campaigns throughout the year or periodically (e.g. the Christmas campaign). Fineco supports both projects targeting local communities as well as nationwide initiatives, with the aim of widening the scope of intervention and the number of beneficiaries reached as much as possible.

3.4.4.1 Processes for engaging with affected communities

The selection of the charity projects supported by the Bank takes place through contact with the associations in the area that propose the initiatives, which are then assessed through the process that regulates charitable donations. There is no provision for direct involvement of communities on an ongoing basis.

3.4.4.2 Interventions on major community impacts

Action	Description

Ongoing charity on the Fineco website	During 2024, Fineco launched an ongoing charity initiative on its website, both within the public part, in the "Solidarity" section of the homepage, and within the private part.
	In particular, nine projects were selected in four areas of intervention: "Childhood", "For the Community", "Medical Research and Health", "Art and Culture".
	The initiatives were supported by the Bank and may also receive donations from Customers for a period of about one year from the date of publication on the site.
	The aim is to enrich the section with quarterly releases of 3-4 projects (featured in the MYP ESG 2024-2026) and thus make the commitment to communities more solid and ongoing.
	Customers can donate directly through the site with a bank transfer, while non-customers can donate using the coordinates of each association in the public area.
	The projects published during 2024 in the Solidarity section of the website are:
	• "Childhood" section:
	  ○ CESVI (a secular and independent organisation working for cooperation, emergency and development all over the world), with the project "Le Case del Sorriso di CESVI in Italia" ("CESVI Smile Houses in Italy") in favour of children victims of abuse or neglect;
	  ○ Terre del Hommes, with the "InDifesa" campaign against violence against girls;
	• For the Community' section:
	  ○ Banco Alimentare, with the project "Keep eat going - Condividere il valore del cibo", for the redistribution of food and the reduction of food waste;
	  ○ LILT - Lega Italiana Lotta ai Tumori, with the project "Accompagnamento pazienti oncologici alle terapie";
	  ○ VIDAS, with its "Casa Sollievo Bimbi" project for the accompaniment of children with incurable illnesses at the end of life;
	  ○ Cometa, with the project "La bellezza di essere educati" ("The Beauty of Being Educated"), which supports boys and girls in difficulty in their studies and training;
	  ○ iSempreVivi, (a health unit recognised by the Lombardy Region) which helps people suffering from mental distress;

Action	Description
	• "Medical Research and Health" Section: o IEO Monzino Foundation, for the support of scientific research for the treatment of blood cancers; • "Art and Culture" Section: o FAI: within the "Art and Culture" area in the "Solidarity" section of the site, a fundraising drive has been activated for donors who wish to join Fineco in supporting the FAI. Operational responsibility lies with the Identity & Communications Department.
Charity Christmas 2024: "Un aiuto che illumina il Natale"	December 2024 saw the launch of the traditional Christmas Charity Campaign entitled "Un aiuto che illumina il Natale", promoted annually through the Bank's website. There are three projects supported in 2024, in different fields of intervention: • Women's empowerment and financial education: l'Albero della Vita with its "Conto su di me" ("Counting on me") project, which supports women in vulnerable and socially excluded situations in finding work and financial literacy; • Childhood and education: Mission Bambini with the "Scintilla" project, a network of socio-educational services called STELLE (or STARS), to offer support to the most fragile children, families and local communities; • Paediatric medicine - Gaslininsieme with the project "Telemedicine: Gaslini is nearby even for those who are far away", a project for the activation of teleconsultation between professionals, television for young patients and telemonitoring for children with chronic diseases.
Other charity projects	In addition, other organisations active in the country were supported during the year: • Theodora: solidarity picnic in support of the activities of Dr. Sogni (clown doctors) working with children in hospitals in Milan; • CAF: Teens Project to support the reception of teenagers in CAF foster homes; • Mathematics Without Frontiers: "Matemagica" project to support the learning of mathematics in schools for students with difficulties; • Mike Bongiorno Foundation: Orti Allegria project for the inclusion of people with different disabilities through the cultivation of social orchards; • Beyond All Limits: Calendar for Life project to promote the provision of defibrillators in sports facilities; • Little Prince: Green Paths of Inclusion project, to support a sustainable agriculture model and the labour integration of fragile people; • SOS Children: Spazio Bimbi project dedicated to children from the poorest suburbs who are not on the public primary school list; • Meeting Point Cooperative: Casa Eden project, hospice for people with autism spectrum disorders; • Brianza Community Consortium: Longoni Villab project, a training project dedicated to young people in fragile conditions for their integration into the world of work; • Bimbo Tu: Podcast project for the dissemination of content on eating disorders in young people; • TECH7 San Siro: Computer courses project to bring underprivileged young people closer to the world of work; • Lions Guide Dog Service: support for the Guide Dog Training Centre for the visually impaired; • Maria Letizia Verga: "Sport Therapy" project to strengthen the response to treatment of children with leukaemia through sporting activity.

The financial resources allocated in 2024 to the actions reported were not significant in the context of the Financial Reporting figures.

3.4.4.3 Metrics and targets

Objectives and targets	Year of definition	Deadline	Description
Ongoing community support through charity campaigns and emergency response initiatives with direct donations and the activation of fundraising	2023	from 2024	The projects explained above
Christmas Charity	2023	from 2024	The projects explained above

3.5 Consumers and end-users (S4)

Fineco is committed to making life simpler for its Customers, courtesy of the unique nature of its proprietary business model, which is designed to offer innovative, simple and efficient services. This approach has been in place since the foundation occurred in 1999 and has evolved until now, when the Bank has just celebrated its 25th anniversary. Increasing digitalisation in Italy is changing consumer behaviour and expectations in everyday life. This structural trend increasingly encourages customers to choose their main bank on the basis of the quality of the services and products offered and the overall customer experience, rather than merely in accordance with geographical proximity. For this reason, the continuous improvement of the customer experience is fundamental to Fineco and is based on the concept of simplicity, one of the Group's hallmarks. To simplify the lives of customers, the FinecoBank offering is based on the One Stop Solution concept: the customer can access banking, brokerage and investment services through a single current account.

However, offering a "single solution" is not enough: the Bank's goal is to deliver excellence at all times. The Group's success is based on the relationship of trust with its Customers, towards whom Fineco is committed to observing strict compliance with professional ethics, inspired by principles of fairness, transparency and simplicity in services and communications.

The process of the Double Materiality Analysis led to the identification of the following positive impacts:

- provision of financial advisory services and access to information resources that enable more informed and responsible financial decisions;
- accessibility of digital services offered to ensure access for all types of Customers;

of the following negative impacts:

- violation of customer privacy with potential negative consequences for customer security;
- irresponsible marketing practices tending towards greenwashing;

of the following risks:

- legal and conduct risk due to financial losses from lawsuits and customer complaints in connection with the placement of products whose disclosures do not adequately reflect the sustainability profile of the underlying assets;
- compliance risk due to the imposition of fines or penalties by the Supervisory Authority in connection with the placement of products whose disclosures do not adequately reflect the sustainability profile of the underlying assets
- reputational risk due to loss of reputational shares following the loss of Customers' personal data
- reputational risk due to publication in newspapers of the Group's alleged involvement in a greenwashing scandal
- reputational risk for loss of reputation due to publication in newspapers of alleged unfair business practices by the Group, as well as fraud or mis-selling events carried out by consultants within the sales network
- operational risk for financial losses due to legal expenses and customer claims related to mis-selling events

and, finally, of the following opportunities:

- improved customer loyalty through clear and transparent communication including sustainability topics;
- attraction of new Customers, increase in the loyalty of existing Customers and improving image with consequent expansion of market share through the implementation of digital/innovative solutions, products and services;
- attracting new customers and increasing the loyalty of current customers, through inclusion initiatives with dedicated targets (e.g. Underage Account ('*Conto Minori*'), scholarships,etc.), with benefits also in terms of brand identity.

3.5.1 Policies related to consumers and end-users (S4-1)

Fineco is aware that the financial sector plays a central role in the economy, with a responsibility to ensure stable markets and support the real economy.

Sales and financial advisory activities are designed to provide excellent products and services at a fair price and to meet Customers' real expectations and needs, thanks also to the organisation's good governance that promotes integrity, fairness and transparency. Fineco firmly believes in the importance of better social dialogue within the Group, as a facilitating tool to create a sustainable and profitable business where people's needs and rights are balanced against business requirements. A proper relationship with Customers must, in fact, be based on respect for human rights in all products and services provided to customers.

The Group is also committed to guaranteeing indispensable Customer rights such as:

- privacy of personal and sensitive data;
- non-discrimination;
- health and safety;
- clarity and transparency in all communications to Customers, enabling them to make a proper assessment of the services offered.

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Fineco is committed to promoting solutions that take sustainability aspects into account in financing and investment decisions and has adopted an integrated and comprehensive approach to managing the social and environmental risk associated with its financial products and services. In carrying out its activities, Fineco takes into account the social and environmental standards of the International Finance Corporation and the Environmental, Health and Safety Guidelines of the World Bank. The Group is also committed to combating money laundering, including terrorist financing, as well as actively managing legal, regulatory and reputational risks across the Group through the implementation of a risk-based anti-money laundering (AML) programme and mechanisms to monitor the effectiveness of the Bank's approach.

The Group aims to develop and promote products and services that can generate positive impacts for stakeholders, including social and human rights aspects, as well as long-term sustainable value for both the Group and the communities in which it operates.

The Group has approved and adopted the following policies for consumers and end users.

Policies	Description
Global Policy - Privacy	The Global Policy Privacy aims to provide a description of the privacy principles adopted by the Group to control the processing of the personal data of data subjects, including Customers, in compliance with EU Regulation 2016/679 on the protection of personal data, the national legislation in force and the provisions issued by the Italian Data Protection Authority. In particular, the main contents concern: • general principles for data processing; • general obligations applicable to the Group company; • the rights of the data subjects; • data retention periods; • the protection of employee data; • accountability (obligations for the Group to demonstrate compliance with GDPR regulation); • the organisational set-up. The principles referred to in the Global Policy are implemented in process regulations or guidelines on the topic, such as: • the guidelines on data retention period and data subject rights, which describe the retention periods that Fineco has established for each type of data processed, as well as the rights that a data subject may exercise over data relating to him or her; • the process related to the compilation of the Register of Processing Activities, the purpose of which is to define guidelines for the correct implementation of the provisions on the Registers of Processing Activities; • the data protection impact assessment (DPIA) process, applicable for data processing operations likely to pose a high risk to the rights and freedoms of data subjects; • the adoption of a Legitimate Interests Assessment (LIA) model for assessing the legal basis of the legitimate interest, where used by the data controller; In these regulations, the tasks, operational and control activities, which are the basis for compliance with data protection regulations, are better defined. By providing guidelines and identifying the requirements to be met for the proper handling of personal data, the Global Policy ensures that the processing of such personal data is carried out with respect for the fundamental rights and freedoms, as well as the dignity of the data subject, with particular reference to confidentiality, personal identity and the right to protection of personal data. The Board of Directors and the Chief Executive Officer and General Manager implement the Global Privacy Policy, which is then shared internally with Employees by means of a specific circular and subsequently published on Fineco's corporate website.
Local Policy on Digital Accessibility	The internal accessibility regulations adopted by the Bank, the implementation of which is delegated to the Compliance Department after approval by the Board of Directors, were published internally in 2024. The Local Policy responds to the positive impact "Accessibility of the digital services offered in order to guarantee access to all types of customers" and the opportunity "Attracting new customers and increasing the loyalty of current customers, through inclusion initiatives with dedicated targets (e.g. Underage Account "Conto Minori", scholarships, etc.), with benefits also in terms of brand identity". The purpose of this Policy is to formalise the key principles, the organisational architecture and the activities required of staff, aimed at guaranteeing the correct application in the company's operations of the digital accessibility legislation in relation to the subjects, internal and external, to which it refers (Guidelines on the Accessibility of Information Technology Tools for Providers pursuant to Article 3,

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Policies	Description
	paragraph 1-bis of Law no. 4 of 2004; Directive (EU) 2019/882 on accessibility requirements for products and services). Digital accessibility refers to the ability of IT systems to deliver services, products and information usable, without discrimination, even by those who, due to disabilities, need assistive technologies (e.g. keyboards, braille pads and smartphones for blind people, mouse emulators, screen readers) or special configurations. "Accessible" design means creating digital products and services (e.g. software, websites, apps, digital documents, digital marketing communications) that communicate clearly, easily and effectively with people and their assistive technologies, taking into account their preferences, abilities and limitations. In Fineco, where products and services are mainly offered on digital channels, digital accessibility is therefore not an accessory feature, but an intrinsic quality of the product or service, which determines its value and impact for customers. The main actions in the area of accessibility described in the Policy concern: • the accessibility of websites, apps, intranets and extranets and the development of new products/services or modification of the same; • the accessibility of non-web digital documentation for Customers and Employees; • contracts with suppliers/product houses; • assistance and reports from users; • training (internal and external); • accessible language. The internal policy is supported by organisational processes and documents to structure some of the activities mentioned in the previous points. Specifically: • the process on the "Management of customer reports in the area of Accessibility" regulates the Bank's management of customer reports in relation to the accessibility of corporate websites and apps, in compliance with the Guidelines on the Accessibility of Information Technology Tools for Providers referred to in Article 3, paragraph 1-bis of Law No. 4 of 2004; • the internal Circular "Guidelines on Inclusive Language" describes, also in compliance with the principles set out in UNI/PdR 1251, the ways in which the Bank communicates to prevent discrimination and harmful stereotypes within the organisation. The Global Policy is shared externally through its publication on Fineco's website and on internal channels through a specific circular.
Integrity Charter, Code of Conduct and Compliance Culture	See the table in paragraph 3.2.1.
Organisation and Management Model of FinecoBank S.p.A. pursuant to Legislative Decree no. 231/01	See the table in paragraph 3.2.1.
Global Operational Regulation - Guidelines for the Preparation of Marketing and Advertising Initiatives	Communication and marketing activities expose the Group to potentially high sanction and reputational risks, which must be mitigated by putting in place the necessary safeguards to ensure compliance with the various regulations to which it is subject. With the aim of disseminating an internal culture based on the principles of honesty, fairness and compliance with regulations, in order to minimise the above-mentioned risks, the document provides, at the level of individual products/services offered by the Group, the general principles and operational indications to be followed in defining advertising and marketing initiatives in order to ensure their compliance, in form and substance, with the relevant regulations. For this reason, the Bank is committed to ensuring all communications are distinguished by the simplicity of the way in which they are written, courtesy of the direct and immediately comprehensible language employed. When present, any sources relating to qualitative-quantitative numerical evidence or detailed conditions are always provided within the same information document and are easily verifiable. The Chief Executive Officer and General Manager implements the Global Operational Regulation, which is shared internally with employees by means of a special circular and subsequently published on Fineco's corporate website.

Policies	Description
Global Policy - New Products Process	The Global Policy responds to the opportunity “Attracting new customers, increasing the loyalty of existing customers and improving image with consequent expansion of market share through the implementation of digital/innovative solutions, products and services”. The purpose of the Global Policy is to define the principles and rules governing the design and launch of new products, including the operational process aimed at implementing product innovations within the Fineco Parent company and its Subsidiaries. The Policy also aims to ensure that this process reflects the requirements set out in the EBA Guidelines (on product supervision and governance arrangements), the MiFID II Directive and the EU Directive 2016/97 on insurance distribution, which have been transposed into the relevant Global Policies aimed at defining the Product Governance framework. These policies define the guidelines that management structures must follow with the aim of acting in the best interests of the customer. In order to guarantee the evaluation of the products and the definition of the final proposal, each Group company is required to establish formal processes to ensure the timely involvement of the competent functions for the assessment of the relevant profiles: Chief Financial Officer, Sustainability, Legal, Compliance, Privacy, Anti-Money Laundering, Chief Risk Officer, Chief Lending Officer, Organisation and Operations, ICT and Security, Human Resources, Regulatory Affairs, Business, Commercial and Network, Customer Relationship Management. Following analysis by all functions for their respective areas of responsibility, proposals for the introduction of new products and changes to existing ones must be unanimously approved by the Product Committee. The Board of Directors and the Chief Executive Officer and General Manager implement the Global Privacy Policy, which is then shared internally with employees by means of a specific circular and subsequently published on Fineco’s corporate website.
Global Policy - Claim Management	This Global Policy, which promotes the overcoming of critical issues identified on the basis of claims received and safeguards the quality of Customer relations, sets out the principles and rules to which all Employees must adhere in identifying and handling claims. The issue of claims is of great materiality to the Group in view of the legal and reputational risks that could arise from the lack of or inadequate procedures in this area. Claims can be a signalling element of critical areas of service quality, with positive effects on risk mitigation. Moreover, effective and efficient claim handling is an opportunity to re-establish a satisfactory relationship with the customer. The document also responds to the opportunity “improved customer loyalty through clear and transparent communication including sustainability topics”. The Global Policy is appropriately formalised and made easily accessible to the personnel in charge of handling claims. The Board of Directors and the Chief Executive Officer and General Manager implement the Global Policy, which is then shared internally with employees by means of a specific circular and subsequently published on Fineco’s corporate website.

3.5.1.1 Privacy and protection of personal data

The protection of personal data is recognised as an individual's right to have control over information and personal data concerning his or her private life and is fully recognised as a fundamental human right. In this context, for the Group, safeguarding the personal data of its data subjects is a fundamental element to be valued, in order to prevent undue intrusion by third parties into their personal lives. To this end, the Group has put in place a thorough system to protect the information (including personal data) provided to it by the data subject. In addition, with a view to transparency towards its data subjects, the Group has equipped itself with special information tools, such as personal data processing notices, to make data subjects aware of the purposes, methods and rights concerning personal data processing carried out by the Data Controller (the Group).

The processing activities carried out by the Group Companies are transparent to the data subjects, who are informed, as required by the General Data Protection Regulation 2016/678 (GDPR), with respect to the purposes for which they are carried out by the Data Controller and the nature and characteristics of such processing activities (legal basis, possible transfers to third countries, etc.). Data subjects have a point of contact with the Data Controller and the Data Protection Officer (DPO) who ensures that all requests from data subjects are duly handled in accordance with the legislation applicable at the time.

The measures taken internally by the Group cover all business processes, from the design of products and services to training, incentives and interaction with the data subject, and are described in the policy table where the Global Policy Privacy is described.

These tools are published and made available to all recipients on the company portal, as well as shared at the time of recruitment of each employee, or at the start of the collaboration with each party that uses the Bank's information systems, with the relevant read receipt.

The Group has, in fact, continued to develop and improve the measures necessary to implement the regulatory changes indicated by the GDPR and legislation applicable from time to time in matters of personal data protection, including compliance with the principles of data protection by design and by default, data protection impact assessment, updating the register of processing activities and strengthening security measures.

As part of its processing activities, the Group has implemented a procedure for handling personal data breaches that provides for the prompt involvement of the local DPO or Compliance Officer, the Data Controller's Delegate, and the relevant departments where such breaches are detected internally or by external parties, including customers. This process ensures a prompt assessment of impacts from a privacy point of view, enabling the Group, as Data Controller, to carry out, in the manner and within the timeframe indicated by the legislation, the assessment and any communications and notifications (pursuant to Articles 33 and 34 of the GDPR). For each violation, the measures necessary to reduce the risk of similar occurrences in the future are assessed, involving the relevant Group structures as well as the suppliers that qualify as Data Controllers.

Data protection is also carried out through fraud monitoring in accordance with European and national legislation, security regulations and best-practice industry standards, in order to ensure that information systems are protected from attacks or incidents that could compromise the rights of data subjects. With regard to the handling of reports and claims regarding privacy-related issues, the Group has formalised and adopted a number of specific internal procedures designed to ensure that these reports and claims are considered and dealt with within the time-frame established by the GDPR. These activities and tools have allowed the reputational and non-compliance risks associated with the processing of personal data to be mitigated, with reference to the lawfulness and precision of the actual processing itself.

In line with the principles enshrined in the United Nations Guidelines on Business and Human Rights and the main international standards, the Group aims to provide services of the highest quality, supporting the wellbeing and protecting all those with whom it interacts in the context of its business activities (Staff, Personal financial advisors, Customers, Suppliers, Communities) and on whom it may have a direct or indirect impact related to human rights. As part of the processing activities carried out by the Group, the latter is in fact committed to operating in accordance with the Universal Declaration of Human Rights, which states that "every individual and every organ of society, including companies, should strive to promote respect for human rights and freedoms through teaching and education and to ensure their effective and universal recognition and observance through the progressive adoption of measures at national and international level" and that "no individual shall be subjected to arbitrary interference with his/her private life, family, home, correspondence, or injury to his/her honour and reputation. Everyone has the right to be protected by law against such interference or injury". The data subject's right to maintain control over his or her own information is also guaranteed here and in the Group processes, as a prerequisite for the exercise of many other freedom rights. To this end, the Group has formalised the Commitment to Human Rights document, which enshrines its commitment to protecting the privacy of all stakeholders as well as its approach to privacy management in line with local laws and regulations on the subject through appropriate administrative, technical, physical and security systems to comply with legal requirements and to safeguard personal data against loss, theft and unauthorised access, use or modification.

3.5.1.2 Digital Accessibility

The entire body of internal accessibility legislation, consisting of the Local Digital Accessibility Policy and supporting processes, commits the Group to compliance with the provisions of Directive (EU) 2019/882, which includes among people with disabilities "those with long-term physical, mental, intellectual or sensory impairments which in interaction with various barriers may prevent their full and effective participation in society on an equal basis with others" and aims to safeguard and include them.

The domestic legislation reflects the intentions of Directive (EU) 2019/882 with regard to persons with disabilities in a manner consistent with the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD).

The internal policy adopted by the Bank, in recalling Directive (EU) 2019/882, aims to promote equal participation by improving access to generic products and services that through their initial design or subsequent adaptation meet the specific needs of persons with disabilities. The process relating to Customer reports on the Bank's websites and apps (in accordance with the Guidelines on the Accessibility of Information Technology Tools for Providers set out in Article 3(1-bis) of Law No. 4 of 2004) highlights in detail the involvement of end users of the tools made available to them by Fineco. The Bank ensures that all reports are acknowledged within the time limits set by the regulations in force (currently 30 days). The aforementioned reporting process aims at describing, according to the individual anomalous circumstances brought to the Bank's attention, the most suitable resolution method adopted on a circumstance-by-circumstance basis and communicated directly through a proactive telephone contact to the end user. It should be noted that on receipt of reports, the involvement of the various functions within the Bank responsible for managing the reported issues is activated. This policy was issued for the first time in 2024, replacing the internal circular "Accessibility Regulations" of 2022.

In order to improve the financial inclusion of disadvantaged population groups, Fineco offers the possibility of signing up for two different types of current accounts at favorable economic conditions: the Basic Account A and the Basic Account B, both aimed at facilitating access to basic financial services for economically disadvantaged groups. The offer includes not only a predefined number of free services and transactions, but also the free availability of a debit card. In particular, the Basic Account A does not include any stamp duty for customers with an annual ISEE lower than 11,600 euros and no current account commission for pensioners with an annual pension lower than or equal to 18,000 euros. Instead, the basic Account B is dedicated to pensioners with an annual pension lower than or equal to 18,000 euros and involves a limited number of free transactions.

Fineco also has an offer dedicated to young people under 30, which includes no account maintenance charge and a reduction in commissions on orders in both Italian and international stocks and ETFs, the elimination of the monthly fee for Capital Accumulation Plans (CAPs) in ETFs and fixed fees for CAPs in SICAVs.

3.5.1.3 Responsible Marketing

The overall approach to consumer and end-user involvement involves continuous and transparent dialogue. Customer feedback is valued in the Group's decision-making processes in order to improve the services offered. In order to better understand consumer needs and adapt its practices, the Group adopts direct communication tools and periodic surveys addressed to all customers without discrimination, protecting privacy, and through clear and transparent communications that allow them to make a correct assessment of the services offered. In addition, effective claim mechanisms have been implemented, providing for timely and transparent handling of reports, with the aim of resolving issues and preventing future negative impacts.

3.5.2 Process for engaging with consumers and end-users (S4-2)

Customer involvement takes place both through the Network and through the Bank's structures (Fineco AM, as a product company of the Group, is not actively involved in the first person in this process).

As described in section 3.4 on Affected communities, Fineco organises **events, training courses and provides financial education content** aimed at both Customers and the Community. Therefore, Customer involvement processes have already been dealt with within the processes relating to the Affected communities.

In addition to the feedback collected through customer events, the Bank has provided two appropriate tools to share **suggestions for improvement of products and services**. The first is the Call For Suggestion, which is activated at every interaction with the CRM (Customer Relationship Management) structure, and the second is the TRI*M ("Measure, Manage, Monitor", a proprietary algorithm that combines satisfaction and preference indicators and measures the strength of the relationship with customers) which is administered twice a year on a representative sample of the customer base. The outputs of these surveys serve as a stimulus for the continuous improvement process within the CRM structure and also in the product governance oversight (POG) tables with the structures dealing with products and services in the Bank.

On the other hand, in the area of **Digital Accessibility**, Fineco has set up the feedback mechanism, to allow anyone to notify any defects found on the website or app, in terms of compliance with accessibility principles or to get feedback on inaccessible information and/or to request an adjustment of the IT systems available to users. Fineco has set up a dedicated process for handling reports of accessibility problems that involves the direct involvement of users through telephone or e-mail contact, both at the stage of collecting reports and at the stage of final verification of the results implemented. This process enables the direct involvement of affected users so as to establish a dialogue with them in order to better understand their needs. Feedback is, however, provided within the time limits laid down in the regulations (30 days). In addition to this, Fineco has developed internally a specific process dedicated to receiving and handling all user reports collected by the Customer Care channel. Through these reports, elements or areas of criticality are identified to be fixed and optimised. In 2024, the reports received, by way of example, helped to improve the accessibility aspects of some sections of the site and the app to make them compatible with navigation via screen reader (e.g. watchlist tables, portfolio, lists). Customers who report anomalies in terms of accessibility are directly involved in order to investigate their reports and better understand their needs and are subsequently contacted in the processes of testing and evaluating the solutions provided within the terms of the regulations. Periodically, Fineco also carries out tests on its services involving a team of specialised professionals that also includes people with disabilities. Fineco identified the Marketing, Advertising & Events department as having operational responsibility for this involvement.

Finally, the process on **guidelines** for **the preparation of marketing and advertising initiatives** identifies all the controls (Level I and Level II) to ensure that all communications follow the principles of Responsible Marketing Practices.

3.5.3 Processes to remediate negative impacts on consumers and end-Users (S4-3)

Potential negative impacts in the Customer relationship include breaches of privacy with negative consequences for Customer safety and unaccountable marketing practices. To address and prevent these potential impacts, the Bank has put in place the processes described below.

3.5.3.1 Privacy and protection of personal data

The Group makes various contact channels available to data subjects, including customers, so that they can report any processing of personal data that is not in line with the GDPR and the sector legislation applicable in each instance. Such reports are brought to the attention of the DPO and the local compliance officer who, in consultation with the relevant departments, support the Group in identifying the measures necessary to mitigate the impact of any non-compliant processing and to ensure that similar situations do not recur in the future. For all questions concerning the processing of their personal data, customers can always contact the DPO or their local compliance officer by e-mail. The possibility of explaining the matter to Customer Care and lodging a claim with the Bank always remains. The channels made available for data subjects to bring issues related to the processing of personal data to the Bank's attention are formalised internally, provide for specific timeframes for feedback, and are set out in the personal data processing notices that are provided to data subjects pursuant to the GDPR and published on the Bank's website. Regardless of the channel chosen by customers, any issue related to the processing of personal data is shared with the DPO, who conducts due diligence and supports the Bank in finding a solution to the grievance presented.

3.5.3.2 Digital Accessibility and Marketing Practices

The Group has several safeguards in place to identify anomalies and/or inappropriate conduct. More precisely, reports can be made to the Bank through the verbal reports or claims channel, as well as the whistleblowing channel.

Following the reports received through the channels described above, the Bank carries out the necessary preliminary investigation aimed at ascertaining the underlying assumptions of the grievance and/or inappropriate conduct and whether it has caused damage and/or more generally negative impacts on customers.

The channels made available to customers include the so-called verbal claims process addressed by the Customer by means of a call to Customer Care or by submitting an official claim by certified mail and/or e-mail and/or registered mail.

These channels are indicated on the documentation of the products on offer, on the contracts as well as on the Bank's website and in the reserved area. If dissatisfied with the response to the claim, the customer has the option of accessing out-of-court settlement procedures by filing a claim with the competent authorities.

In addition to the information set out in the pre-contractual and product contractual documentation, the Bank has made available on its website a section devoted to Claims, where the procedure for accessing the channels through which complaints can be addressed in the event of a dispute arising between the Customer and the Bank is set out. If the customer is dissatisfied with the measures taken by the Bank as a result of the grievance expressed, he/she may access out-of-court dispute management.

The channels made available by the Bank are appropriate, accessible to Stakeholders and ensure fair treatment. They establish with transparency and clarity the procedures to be followed, the timeframe for processing by the Bank. Through the management of verbal complaints, claims as well as product oversight governance monitoring and second level controls, the Bank ensures the targeting of any areas for improvement as they are detected and/or efficiencies in the use of channels. Customers are aware of the existence of channels by means of the information indicated in the transparency and contractual documentation and on the Bank's website. Customers are informed of the use of such channels both by means of the information indicated in the transparency and contractual documentation and on the Bank's website.

The Bank, through its Whistleblowing procedures, has put in place appropriate procedures to ensure the protection of those who report unlawful, immoral and improper conduct and/or behaviour.

3.5.3.3 Claims

In the event that a dispute arises between the customer and the Bank with reference to banking and financial transactions and services or payment services (referred to in Directive 2015/2366/EU so-called PSD2) or insurance contracts or services for which the Bank has carried out the distribution activity, the customer may submit a claim to the Bank, also by registered letter with return receipt or by electronic means.

If the customer is not satisfied with the response or has not received a response within the regulatory deadlines, he may refer the matter to the Arbitro Bancario Finanziario (ABF), the Arbitro per le Controversie Finanziarie (ACF), or the IVASS or other forms of ADR (Alternative Dispute Resolution) provided for by law. The possibility of recourse to ordinary judicial authorities always remains valid.

Under the organisational model adopted by Fineco, each claim submitted in writing by customers is handled by a dedicated structure, located in the Legal Department and independent of the business functions.

The channels for submitting a claim to the Bank and the timeframe for handling it, as well as the procedures for activating ADRs, in addition to being indicated in the "Claims and Appeals" section of the public area of the Bank's website, are set out in the contract opening the relationship with the customer. The way in which claims are handled is governed by the Global Claim Management Policy, which promotes the overcoming of critical issues identified on the basis of claims received and safeguards the quality of Customer relations. They are also governed by a more operational process, known to all the Bank's Employees, which ensures that each claim is recorded in a special register and, subsequently, investigated and responded to within the timeframe set out in the relevant regulations. The claims register is set up in electronic form and contains the main data of each claim received. It is accessible to other structures of the Bank (primarily control structures, such as compliance, audit and Risk Management) for the purposes of analysing, monitoring and claim-related phenomena in order to: i) identify any recurring critical issues and take the necessary steps to overcome them, and ii) prevent or mitigate operational and reputational risks. The Claims Department prepares an annual report in which it gives an account of the activity carried out, with particular regard to the number of claims deemed well-founded and those deemed unfounded. The guidelines adopted by the courts and arbitrators set up by the Bank of Italy and CONSOB (ABF/ACF) to settle disputes between intermediaries and consumers are also taken into account when assessing the claim. At the end of these evaluations, a reply communication is sent to the claimant, exhaustive and clarifying with respect to all the issues raised. If the claim is upheld, the customer is compensated for the damage suffered and/or arrangements are made for an amicable settlement of the dispute that has arisen. Where, in the course of investigating a claim, critical issues emerge that can be linked to the non-compliance of processes followed by the Bank's structures with the relevant regulations, the claims office makes an appropriate report to the compliance function for follow-up action.

The Compliance function is also responsible for informing the competent administrative, management and control bodies, also taking into account the report prepared by the Claims Office on:

- the overall situation of claims received, with their outcomes;
- the rulings of the Banking and Financial Arbitrator and of the judicial authorities that have defined in a favourable sense to the Customers the issues subject of a previous claim, deemed unfounded;
- the main critical issues emerging from the claims received;
- the adequacy of the procedures and organisational solutions adopted, submitting periodic reports (quarterly).

The "Claims and Appeals" section of the public area of the Bank's website publishes an annual report on the management of claims relating to banking and financial transactions and services (in accordance with the Order of the Governor of the Bank of Italy of 29 July 2009 published in the Official Gazette No. 210 of 10 September 2009 - Suppl. Ord. No. 170).

There were 2,736 claims received in 2024. During the year, 2,769 were processed, including those received in the previous year (338).

3.5.4 Taking action on material impacts on consumers and end-users and approaches to pursuing material opportunities related to consumers and end-users (S4-4)

In the area of banking products and services, any negative effects are monitored by checking customer reports sent through the available channels (customer care, claims, etc.). In the event that particular negative impacts emerge from the reports, the relevant functions are involved (through a practice and not a defined process) to implement the most appropriate mitigation actions.

The actions and measures taken in 2024 to generate opportunities for customers and end users are described in the following table.

Action	Description
Underage Current Account Launch ("Conto Minori")	The Underage Account is a project designed to introduce young people to the world of finance in a safe, controlled and educational way. This is a current account in the minor's name, but linked to that of the parent/guardian, who retains control and supervision of financial activities. The main objective is to promote financial education among the younger generation by providing a practical and safe tool to introduce young people to the money management. The account is designed to be intuitive and easy to use, both for the child and the parent or guardian, who retains complete control of operations. This balance between autonomy and supervision is crucial to ensure an educational and protected experience. The minors, through their smartphone, can access a dedicated app that allows them to consult their savings in real time, receive pocket money directly on the account and manage a personal IBAN. In addition, the account is equipped with a payment card (debit or rechargeable), which can be used for purchases and withdrawals, teaching the minor to handle money responsibly and consciously. This controlled autonomy is an important step towards financial independence, as it allows young people to experience budgeting, saving and spending planning at first hand. On the other hand, the parent or guardian can check the minor's activity at any time by accessing a dedicated interface that shows movements, balances and transactions carried out. In addition, the system sends security notifications every time the account is used, ensuring constant control and secure management. This feature allows the parent/guardian to accompany the minor on their learning path, providing advice and support when necessary, and to intervene promptly in the event of any suspicious or unauthorised operations. In addition, the minors account is designed to be affordable and transparent, making it suitable for families with different financial needs.

Action	Description
Adhesion to the ABI moratorium for female victims of violence	In 2024, Fineco joined a memorandum of understanding to facilitate credit repayment by female victims of gender-based violence. Adhesion was communicated and made known to Customers via the Fineco website, as required by regulations. The protocol provides for the suspension only of principle payment of the mortgages and the loans for a maximum period of 18 months, with a corresponding extension of the repayment plan, for female victims of violence and included in protection programmes who are in economic difficulty.
Creation of new contents that generates positive impacts on Customers' financial knowledge	The Bank has prepared a master plan that includes the creation of new content in several areas: Editorial hub (Fineconomy) and social platforms (editorial articles, emails, podcasts, videos, webinars). Please refer to the initiatives described in section 3.4 on Affected Communities.
Financial Education	Please refer to the initiatives described in paragraph 3.4 on Affected communities.
Customer events	Please refer to the initiatives described in paragraph 3.4 on Affected communities.
Chatbot for onboarding new Customers	In the course of 2024, a project was launched for end-users who need information when deciding to open an account. This chatbot is fed with information from the public area, information sheets and help. In this way they can reach information very quickly, which saves a lot of time. Currently, users who want to open an account turn to the CRM for information, which is not an efficient process.

The financial resources allocated in 2024 to the actions reported were not significant in the context of the Financial Reporting figures.

3.5.5 Metrics and targets (S4-5)

Objectives and targets	Year of definition	Target and deadline	Description
Underage current account launched	2023	2025	The Underage current account was launched in 2024 and provides a current account and associated payment services to the children of Fineco account holders aged between 8 and 17.
Adhesion to the ABI moratorium for female victims of violence	2023	2024	The protocol provides for the suspension only of the principle payment of the mortgages and the loans for a maximum period of 18 months, with a corresponding extension of the repayment plan, for female victims of violence and included in protection programmes who are in economic difficulty.
Measuring and increasing the positive impact on Customers' financial knowledge through the creation of new content	2023	2025	This objective has already been described in paragraph 3.4 on Affected communities.
Preparation/integration of content for Customer events with sustainability as a central theme	2023	2025	Stimulate the Network in organising at least 1 Customer event dedicated to ESG topics per business area (4 events in cooperation with Lifegate).
Semi-annual monitoring of customer satisfaction through the TRI*M Index[64] (≥ 90 points)	2023	From 2024	100.5 points in 2024.

[64] The TRI*M index is the customer satisfaction index, produced by Kantar Italia, an independent company and market leader. The TRI*M index analysis is conducted twice a year. The TRI*M index is produced by a proprietary algorithm that combines satisfaction and preference indicators and measures the strength of the Customer relationship. It is rated on a scale of 200 points, with a minimum of "minus 50" and a maximum of "plus 150" and a margin of error of +/- 2%. Therefore, the values of FinecoBank's TRI*M new index can be considered representative of high satisfaction.

4. Governance information

4.1 Business conduct (G1)

4.1.1 Impact, risk and opportunity management (G1-1)

The Group adopts a corporate governance system that promotes a clear and responsible development of operations, contributing to the creation of sustainable long-term value. This commitment is reflected through the adoption of a business model capable of maintaining a good economic-financial performance, thus ensuring the Group's capital solidity and the development of activities and initiatives to protect and strengthen corporate identity.

In this context, the Double Materiality Analysis, as described in Chapter 1 ‘General disclosures’ led to the identification of the following IROs related to the topic of ‘Business Conduct’:

- Dissemination of an ethical and responsible business culture - positive impact
- Dissemination of a culture open to dialogue and to the protection of whistleblowers, through appropriate channels - positive impact
- Increased stakeholder confidence through financially sound and transparent banking conduct - positive impact
- Attracting new investors/customers through the presence and consolidation of a strong corporate culture - opportunity
- Strengthening of the Network's involvement in corporate ESG strategies and in the achievement of ESG objectives also through specific training, with the aim of attracting new customers, improving brand identity and spreading a culture of sustainability- opportunity
- Operational risk due to the performance of ordinary or extraordinary operations in violation of internal procedures, without the involvement or approval of the competent corporate bodies or functions
- Business risk due to loss of market share as a result of conducting activities in breach of ethical standards
- Operational risk for financial losses due to legal expenses and customer compensation related to internal fraud events
- Risk for financial losses due to sanctions imposed by supervisory authorities following the detection of business practices deemed unfair or lacking transparency
- Operational risk due to the imposition of sanctions or restrictions by the supervisory authority for deficiencies in the control framework
- Reputational risk due to publication in major newspapers of alleged flaws in the Group's anti-money laundering and anti-terrorism framework.

Consolidated Sustainability reporting

4.2 Policies (G1)

4.2.1 Business conduct policies (G1-1)

The rules, policies, procedures, controls and processes for reporting, which the Parent Company and Subsidiaries adopt, must be supported by a solid culture of compliance and integrity, necessary to create, sustain and increase over time the trust of all Stakeholders in order to ensure compliance with laws and rules, business practices and, in general terms, risk management.

Commitment to compliance must be ingrained in the organisational culture and constantly nurtured, so as to support and influence day-to-day choices and decisions. The Group aims to maintain the trust of its stakeholders by applying market rules fairly and with integrity to achieve its long-term goals. In this context, the aptitude of employees and third parties to conduct themselves correctly, in accordance with applicable regulations and consistent with the core values summarised in the Integrity Charter, is a prerequisite for the legitimacy of the Group's activities and sustainability. By complying with applicable regulations and internal rules - both globally and locally - misconduct is prevented, also contributing to the fight against financial crime. The Culture of Compliance reaches out across all hierarchical levels and functional lines and requires the understanding and sharing of individual responsibility as the first level of risk management. Group companies are required to ensure consistency between organisational processes, internal communication, personnel development and remuneration and disciplinary rules by ensuring conforming behaviour, preventing and sanctioning misconduct. Establishing and nurturing a culture of compliance is an ongoing process and requires commitment, consistency (including a common 'language' on the subject) and robust supervision. This process consists of five main mechanisms, aimed at fostering a culture of compliance throughout the Group:

- top management support (so-called Tone from the top)
- governance and processes
- training and development
- communication and people engagement
- performance management.

The policies adopted to manage sustainability issues in corporate culture and business conduct are outlined below.

Policies	Description
Integrity Charter, Code of Conduct and Compliance Culture	See the table in section 3.2.1.
Organisation and Management Model of FinecoBank S.p.A. pursuant to Legislative Decree no. 231/2001	See the table in section 3.2.1.
Global Policy - Whistleblowing	See the table in section 3.2.1.
Global Policy for the management of transactions with possible conflicts of interest of the FinecoBank Group **Global Policy - Conflicts of Interest**	The Group's **Global Policy for the management of transactions with parties in potential conflict of interest** sets out the principles and rules to be observed in order to safeguard against the risk arising from possible conflict-of-interest situations determined by the proximity of certain parties to the decision-making centres of the Bank and of the Group's subsidiaries, such as: • related parties within the meaning of the CONSOB Related Parties Regulation • related parties within the meaning of the Bank of Italy's Supervisory Provisions (Part Three, Chapter 11, Circular No. 285 of 2013) • banking officers pursuant to Article 136 of the TUB (Consolidated Law on Banking) • significant persons within the meaning of Article 88 CRD V • additional parties identified on a discretionary basis by the Bank. Furthermore, the Group has implemented a **Global Policy - Conflicts of Interest** describing in detail the unique model for identifying and managing conflicts of interest (hereinafter referred to as the 'Model'). The Model adopted by the Group includes the following steps: • identification of events/activities related to the Group that could generate conflicts of interest • identification of types of conflicts of interest based on Group classification • identification of both the organisational measures suitable for mitigating/cancelling the specific types of conflict of interest and the conduct to be adopted (e.g. communication and/or management) • recording of conflicts of interest • controls. On the basis of the Model, all cases of conflict of interest applicable to specific operations have been identified and mapped and - based on these findings - the following types of organisational measures and general principles have been defined to eliminate or mitigate the risk of damaging the interests of Customers; specifically: • **measures based on the organisational structure**, such as: i); the Group's strategic decision, on the one hand, to specialise in separate entities for the development and distribution of the products and services offered to its customers (in product companies and distribution companies) and, on the other hand, to separate, where possible, the activities that generate conflicting interests and transactions into different business units; (ii) the adoption of the principle of hierarchical independence between structures that oversee potentially conflicting activities; (iii) the prevention of control of the simultaneous exercise of conflicting activities • **measures based on specific policies/service orders**, such as the adoption of: (i) the remuneration policy, with incentive mechanisms defined in such a way as to eliminate any direct connection between the remuneration of persons who predominantly engage in transactional activities and the results of activities that might conflict with them; (ii) the policy on personal interests, for the definition of limits, exclusions, behavioural measures, notification procedures and monitoring of cases of personal interests of employees potentially in conflict with the interests of the Group or the Group's customers; (iii) policy on the execution/transmission of

<table>
<tr><th>Policies</th><th>Description</th></tr>
<tr><td></td><td>

orders; and iv) the identification of specific functions dedicated to the management of conflicts of interest (i.e, the Compliance function)
measures based on codes of conduct and training modules for employees such as: (i) training staff, at all levels, in conflict of interest regulations; (ii) preventing the exercise of undue influence by persons holding top management positions over employees responsible for carrying out transactions, outside the structures on which they are hierarchically dependent.

As regards conflicts concerning standardised products and services, these are addressed unambiguously, centrally and usually through the product approval process involving a committee (so-called Product Committee) in which various functions, including the business and compliance functions, participate.
Where arrangements made to manage conflicts of interest are not sufficient to ensure, with reasonable confidence, that the risk of harm to the interests of Customers is avoided, the Bank clearly informs them, before acting on their behalf, of the nature and sources of such conflicts of interest so that they can make an informed decision on the services provided (‘conflict disclosure’). Customers are informed before executing an order for a conflicting instrument or, in the case of advice, the disclosure is included in the advice report delivered.
The Model is implemented on a daily basis through an operational process of identifying, managing and recording all conflict-of-interest cases that may occur by applying the conflict-of-interest matrix. The conflict-of-interest matrix cross-references the list of services and activities that generate a conflict, detailing for which types of conflict organisational measures are in place to manage the conflict and those for which it has opted instead for disclosure.
This process involves:

identifying, through the IT system, each specific conflict of interest by individual contact persons identified within the Bank;
verifying that organisational measures are in place to adequately manage the conflict detected;
the decision as to whether to provide information to the customer or to put in place an ad hoc case management process.

At least once a year, the Compliance function submits a report on conflicts of interest to senior management.
The application of these Global Policies addresses the need to manage the impact contemplated in the IROs 'Dissemination of an ethical and responsible business culture'.
The Board of Directors and the Chief Executive Officer and General Manager implement both Global Policies.
The FinecoBank Group's Global Policy for the management of transactions with persons in potential conflicts of interest is shared externally through its publication on Fineco's website and on internal channels through a specific circular, while the Global Policy on Conflicts of Interest is shared on internal channels through a specific circular.
</td></tr>
<tr><td>Global Policy - Anti-Corruption</td><td>
The Global Policy - Anti-Corruption aims to:

describe the Group's commitment to both anti-corruption and compliance with anti-corruption regulations
define the principles for identifying and preventing potential corruption incidents in order to protect the Group’s integrity and reputation
communicate the anti-corruption principles to stakeholders both inside and outside the Group
provide the general framework for the Group Anti-Corruption Programme.

The Global Policy applies to all members of the strategic supervision, management and control bodies, Employees, personal financial advisors and associates working with the Group on an occasional basis. For this reason, the document not only applies to the Group's own activities, but also takes into account relations with actors in the Value Chain, which for the purposes of the Policy are key external stakeholders, such as suppliers and third-party customers.
</td></tr>
</table>

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Policies	Description
	With regard to internal processes and procedures, Group Companies must apply this Policy in conjunction with the Global Policy on Whistleblowing and corresponding local internal regulations, such as: the Group Charter of Integrity and Code of Conduct, the Code of Ethics pursuant to Legislative Decree No. 231/2001 (where applicable). The Global Policy must also be made available to external stakeholders, to inform them of the anti-corruption principles followed by the Group; these stakeholders are expressly requested to adhere to the core values of integrity, transparency and accountability as defined in the Group Anti-Corruption Programme. The Policy's scope does not include issues related to anti-money laundering, fraud, antitrust and unfair trade practices or other offences that may be related to corruption. These issues are in fact addressed in other Global Policies. The Board of Directors is responsible for: • adopting and approving the Group's Global Policy and anti-corruption strategy; • defining organisational measures to safeguard against the risk of corruption, including the identification and appointment of the local Anti-Corruption Officer; • ensuring the implementation of the prevention measures identified and described in the Group Anti-Corruption Programme. Among the main reference standards, the Global Policy takes into account the United Nations Convention Against Corruption, adopted by resolution 58/4 of 31 October 2003, and the International Standards ISO 37001. In addition, procedures are in place to promptly, independently and objectively investigate incidents of corruption and bribery. The Board of Directors and the Chief Executive Officer and General Manager implement the Global Policy on Anti-Corruption. This Global Policy is shared externally through its publication on Fineco's website and on storage channels, and internally through a specific circular.

4.2.2 Mechanisms for identifying, reporting and investigating concerns about unlawful behaviour (G1-1)

The Bank provides specific channels for reporting irregularities, including anonymous ones, managed by the Compliance Function. Specifically:

- the FinecoBank *SpeakUp* telephone line, to leave a voice message
- the FinecoBank *SpeakUp* website, to leave a written message
- via the dedicated e-mail address
- by writing to the dedicated postal address
- meeting in person.

Managers, officers and/or members of strategic, supervisory and/or executive bodies, Employees, Personal financial Advisors and associates also on a temporary basis, linked to Fineco by a contract, as well as natural or legal persons linked to the Bank by a contract or a relevant interest such as, for example, suppliers, contractors, agents, freelancers and advisors, shareholders, volunteers and trainees, paid and unpaid, job applicants who have been involved in the recruitment process or in other pre-contractual negotiations, former employees and former associates may report irregularities.

In the event that there is any reason to suspect that nonconforming conduct has occurred or may occur, it can be reported to the Compliance Officer (of either the Parent company or Subsidiaries), acting in a capacity as the person responsible for the internal reporting systems, ensuring that the procedure is properly conducted.

The Compliance Officer ensures the proper conduct of the procedure, and is in charge of receiving reports, assessing them in terms of unlawful conduct, evaluating their admissibility and the dismissal of the case or initiation of proceedings.

If a report falls within the scope of the Global Policy on Whistleblowing, the Compliance Officer carries out a preliminary assessment of the report received and, if he or she considers that there is sufficient evidence of unlawful conduct to allow an investigation to be initiated, a person or function is assigned to carry out the investigation, depending on the subject matter reported. If the Compliance Officer is hierarchically and functionally subordinate to the person to whom the complaint relates or if he or she is held responsible for the potential violation or has a potential interest in the report that is liable to compromise his or her impartiality and independence of judgement, the Head of the Internal Audit department may be contacted directly. Serious allegations, even if anonymous, must be handled and reported promptly and confidentially, in compliance with the specific process that guarantees the involvement of the Group's Top Management in the analysis stages, the definition of the activity plan and the results of the investigation, recommendations and monitoring. Confirmation that the report has been accepted for review is given within seven days of receipt.

The Group ensures confidentiality, privacy and data protection and guarantees the protection of the reporting person from any direct or indirect retaliation related to the report made. Where possible, the reporting person is informed of the report's acceptance for review, its progress, the conclusion of the proceedings and outcome. At the end of the investigation, the person or function in charge of the investigation drafts a report, summarising the investigation process and the evidence gathered, setting out the conclusions, providing recommendations and suggesting actions to be taken to remedy the breaches found and ensure that they do not occur in the future.

Information on whistleblowing is also made available to Employees and personal financial advisors in a specific section of the company Intranet dedicated to the importance of this issue, which provides details on how and when to make the report, and also provides dedicated online training sessions. Information is also available on the Bank's website. Staff in the Compliance Department, who handle reports, receive specific training.

In particular, the Global Policy on Whistleblowing complies with the Legislative Decree on the implementation of Directive (EU) 2019/1937 on the 'protection of persons who report breaches of Union law and on the protection of persons who report breaches of national laws' (Legislative Decree No. 24/2023).

The Global Policy requires each Group Company to protect the reporting person against any form of retaliation, discrimination or penalisation for making a Report in good faith.

Any act of retaliation or discrimination against the reporting person is prohibited and, if established, may lead to disciplinary proceedings against the person responsible and to sanctions and criminal proceedings by the authorities, in accordance with local law. An employee who reports or witnesses unlawful conduct has the right to request that the Company transfer him/her to another department and, where necessary, provide him/her with independent psychological counselling in the event of stress arising from making a report.

The safeguards for whistleblowing also include protection in tax matters.

The tax approach adopted by the Fineco Group is set out within the Tax Strategy, approved by the Board of Directors at Parent Company level, called the "FinecoBank Tax Strategy"[65]. The strategy is reviewed at least once a year by the Tax Function and any changes are submitted to the Board of Directors for approval.

The Group's main goal, in relation to its Tax Strategy, is to pay all taxes due, to promptly implement all obligations required by tax regulations, both domestic and international, while taking care of the efficiency of the Group's taxation at global level, avoiding double taxation and reducing its tax burden only where legitimately allowed, in compliance with provisions to ensure appropriate transfer prices for intra-group transactions.

Since 2016, the Group has been part to the Cooperative Compliance Scheme, which aims to increase the level of certainty on relevant tax issues and, thus, avoid possible disputes with tax authorities through the consolidation of a relationship of transparency and trust. The Group is committed to ensuring constant and transparent cooperation with the tax authorities, in compliance with the reporting requirements of international regulations on the exchange of information between States (e.g. FATCA, CRS).

In this context, compliance with provisions on reporting to tax authorities on crossborder mechanisms that identify a potential undue tax advantage, in accordance with DAC 6 is ensured. More specifically, a number of safeguards are in place not only for relevant internal functions, but also for Personal Financial Advisors.

Each Group Company ensures it has a specific tax function or internal tax manager.

The Parent Company Tax function is responsible for defining domestic, international and supranational tax scenarios and implementing appropriate and effective procedures for the correct fulfilment of tax obligations and the correct and efficient taxation of the Group.

In this regard, the Tax Compliance technical unit is a part of the tax function. This unit provides specialised oversight of compliance, monitoring and overseeing the risk of the Bank's activities not complying with tax regulations.

Raising the awareness of the Bank's staff and top management regarding tax risk is strongly promoted through training courses aimed at ensuring a better grasp of the regulations, fostering the development of a corporate culture focused on tax compliance.

Furthermore, the Group does not have any remuneration plans for its Directors and Employees that are related to the tax-saving component, and expressly prohibits them from purchasing or offering investments, products and other transactions that are based merely on a tax benefit for the Group, Customers and other counterparties.

To ensure that the above objectives are met, the Group has put in place an effective tax risk control system (Tax Control Framework, TCF) as part of its corporate governance system, which guarantees a constant overview of any tax risks. In particular, Fineco's TCF provides for: (i) a clear allocation of roles and responsibilities to corporate bodies and functions with appropriate skills and experience; (ii) adequate processes for detecting, measuring, managing and controlling tax risk, ensuring compliance with procedures at all corporate levels; (iii) specific procedures to remedy any deficiencies found and to take necessary corrective actions. The framework of controls, endorsed upon admission to the Cooperative Compliance Scheme, is reviewed and shared with the Revenue Agency on an annual basis.

[65] The document is published on Fineco's website at the following link: https://images.finecobank.com/it/pub/pdf/corporate/FinecoBank_strategia_fiscale.pdf

Major tax issues are periodically reported to the Board of Directors and its committees, such as the Network Committee, the Projects Committee, the Products Committee, the Private Banking Committee and the Internal Control Business Committee (ICBC).

With reference to the reporting of tax-related offences, there is an obligation for the various corporate functions to notify the Tax Function of tax fraud offences. Following the inclusion of tax offences in the group of predicate offences contemplated by Legislative Decree No. 231/2001, Model 231 requires the tax function to be informed whenever the Supervisory Board receives a report, i.e, a notice relating to anomalies or conduct that may constitute the commission of a tax offence. This enables the tax function to analyse the case from a tax perspective, mitigate the risk and possibly provide disclosure to the Revenue Agency.

In addition, reports may also come from the internal system envisaged for employees concerning any irregularities or violations of applicable laws and internal procedures (whistleblowing) in line with existing national and international best practices.

To mitigate interpretation-related tax risk, the Group adopts a specific escalation procedure[66], to govern the analysis and assessment of tax risk - with different levels of top management involvement - and subsequent stages of engagement with the Revenue Agency. The procedure, validated by the Revenue Agency under the optional scheme known as the Cooperative Compliance scheme pursuant to Legislative Decree No. 128/2015, regulates the roles, responsibilities and methods for: (i) detecting the existence of interpretation-related risk; (ii) assessing interpretation-related risk in qualitative and quantitative terms; (iii) activating the internal authorisation escalation procedure; (iv) liaising with the Revenue Agency, as applicable.

[66]Regulated in the Policy 'Escalation procedure regarding tax risk analysis and assessment and dialogue with the Revenue Agency' approved by the Board of Directors in the meeting of 15 December 2020.

4.2.3 Training in business conduct (G1-1)

The Group's approach to preventing corruption and bribery is defined in the Global Anti-Corruption Policy, which, together with the related operating instructions, sets minimum standards for anti-corruption compliance and applies to all members of strategic, control and executive bodies, employees, personal financial advisors and associates working with the Group on an occasional basis.

The Group also has an Anti-Corruption Programme, one of the main objectives of which is to establish and maintain a Group culture in which corruption is never acceptable. To this end, the Group invests in the training of Employees, Personal Financial Advisors, members of the strategic supervision, management and control bodies and associates working with the Group on an occasional basis.

To ensure all recipients have a minimum level of knowledge on anti-corruption matters, FinecoBank and its Subsidiaries organise a compulsory training programme, which everyone is required to attend at least every two years, while new resources must attend a training course within three months of being hired. Both courses focus on internal anti-corruption rules, including details on the expected contacts for making anti-corruption reports and possible escalations. The courses are held both online and in-person.

4.2.4 Corruption, bribery and extortion: the functions most at risk (G1-1)

Within the Bank, the parties most exposed to the risk of corruption and bribery are the Procurement Function and the Contract Managers. Although the Bank is sensitive to the issue of late payments, it does not currently have a specific prevention policy.

4.3 Prevention and detection of corruption and bribery (G1-3)

The Group-wide anti-corruption framework includes a set of anti-corruption standards (management of relations with public administrations, suppliers, gifts, personnel recruitment, management of risk associated with third parties) and the implementation of an anti-corruption programme, which provides for:

- written procedures;
- risk assessment;
- first and second level controls;
- a whistleblowing system;
- adequate record keeping.

For the initial and ongoing monitoring of internal and external Stakeholders, a screening system is in place to detect any negative information about them, which is then handled internally.

In line with the system of internal controls, the first-level functions, concerned with the identification of corruption cases, are separate from the management and control functions. In fact, Fineco adopts policies and procedures that ensure independence and objectivity when investigating violations or issues related to corruption. To avoid conflicts of interest, the investigators and/or the investigation committee are separated from the management chain involved in or directly affected by the matter under investigation. This ensures that the investigation is conducted in an impartial and transparent manner, without outside influences that could compromise the integrity of the process.

As for the management of risks related to non-compliance with the Anti-Corruption Framework, regular reporting to internal committees and corporate bodies takes place.

Fineco communicates its anti-corruption policies in dedicated articles of contractual agreements, and by publishing the Anti-Bribery Policy on its institutional website and in the sections dedicated to its employees (Employees and Personal Financial Advisors).

With regard to training programmes on corruption and bribery, the mandatory online 'Anti-Corruption' course is available for both Group Employees and Personal Financial Advisors. The training course aims to illustrate what corruption is and what the risks associated with it are. The course explains how to correctly handle relations with public officials and third parties, corporate gifts and hospitality, charity, donations and sponsorships. It also explores corruption risks related to human resources and merger and acquisition (M&A) transactions, and then examines the appropriate management of whistleblowing. The course has a final test to certify completion and learning.

In addition, an in-depth study dedicated to Italian Employees and Personal Financial Advisors has been released, analysing the provisions - in particular Whistleblowing and Anti-Corruption Laws - that have affected Model 231 in recent years, identifying the legislative changes implemented in Italy to strengthen the fight against corruption. This course also has a final test to certify completion and learning.

In view of the importance of the topic, the Group holds this compulsory course for all employees and personal financial advisors, regardless of the risk function categorisation.

In compliance with the recommendations of the Bank of Italy, the Rules of Procedure for the Bank's Corporate Bodies and the documents 'Qualitative and Quantitative Composition of the Board of Directors of FinecoBank S.p.A.' and 'Qualitative and Quantitative Composition of the Board of Statutory Auditors of FinecoBank S.p.A.', the members of the Board of Directors and of the Board of Statutory Auditors, after their appointment and during their term of office, receive continuous training, with the aim of ensuring a suitable set of technical skills for these positions. In particular, the Rules of Procedure for the Corporate Bodies assign the Chair of the Board of Directors the task of ensuring that induction programmes and training plans are prepared and implemented for the members of the Board of Directors and the Board of Statutory Auditors; these programmes are aimed at providing them with adequate knowledge of the business sectors in which the Group operates, of corporate dynamics and their evolution, and of the principles of proper risk management and applicable regulatory and self-regulatory framework, including Anti-Money Laundering (AML) issues.

A special induction session on AML issues is held for Directors and Statutory Auditors, conducted by an external professional with the involvement of the Bank's Anti-Money Laundering and Anti-Corruption Department. These training activities are run by external professionals or by representatives of internal functions with expertise in the subject matter. Topics are also identified on the basis of the outcome of self-assessments conducted with the help of external consultants, which make it possible to identify the main areas of interest and training priorities. Training meetings are usually held monthly. In 2024, training was dedicated in particular to the in-depth examination of regulatory guidelines and the impact on Group strategies and took place in the form of a 2-hour meeting (not compulsory), which was attended by all members of the administrative, management and control bodies.

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4.4 Metrics and targets (G1-4)

4.4.1 Action plans and resources for managing material impacts, risks and opportunities related to corruption and bribery (G1-4)

The actions taken to combat corruption and bribery are an integral part of corporate conduct and are geared towards preventing and countering the occurrence of such phenomena, with the aim of eliminating potentially corrupting events through ethical and transparent policies and conduct.

4.4.2 Confirmed incidents of corruption and bribery (G1-4)

Incidents of corruption or bribery	**2024**
Number of convictions for violation of anti-corruption and anti-bribery laws	0
Amount in euros of fines for violation of anti-corruption and anti-bribery laws	0

Incidents of corruption or bribery	**2024**
The total number and nature of confirmed incidents of corruption or bribery	0
The number of confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents	0
The number of confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery	0

5. Entity-specific topics

5.1 Sustainable finance

One of the Group's objectives is to continuously consolidate its strategy for sustainable growth, in the belief that investing responsibly means helping to generate a positive social and environmental impact in the long term, minimising risks without sacrificing opportunities for business returns and growth.

Following the outcomes of the Double Materiality Analysis, Sustainable finance was considered an entity-specific topic for Fineco, in line with the materiality of this topic in the 2023 Consolidated Non-Financial Statement.

In fact, two positive impacts were identified, represented by:

- the contribution to the development of sustainable finance through ESG integration in internal investment choices and product offerings with ESG characteristics
- the stewardship activities of Fineco AM, as an asset management company, which include proxy voting and direct engagement with companies, integrating sustainability considerations

and an opportunity, represented by:

- the attraction of new Customers, increased revenues from investments (own and for customers) in products with ESG characteristics, with benefits also in terms of portfolio quality and diversification and the strengthening of the ESG components of brand identity.

Sustainable finance means developing and implementing financial services and products that take into account environmental, social and governance matters while minimising risk, without sacrificing return opportunities, and ensuring a product and service offering that promotes financial inclusion and access to financial services and products.

To offer its customers an increasingly complete and value range of products, FinecoBank is committed to selecting financial products that meet high quality standards and are consistent with ethical and sustainability principles, evaluating their characteristics.

Products and services are offered both through the network of Personal financial advisors - which is the main channel of commercial contact with Customers - and through direct investments via the Bank's online trading platform. In addition, the main features of the products offered are also communicated to potential customers via the websites of the Bank and of Fineco AM. Finally, the Bank may also carry out specific communication campaigns by e-mail to pre-defined customer targets.

The topic of Sustainable finance is set out by the Bank and Fineco AM in the policies shown in the table below.

Policies	Description
Global Policy – Sustainability Disclosure in the Financial Services Sector **Local Policy - Policies on Integrating Sustainability Risks into Advisory Services**	These policies contribute to the development of sustainable finance through ESG integration in internal investment choices and product offerings with ESG characteristics. The Bank integrates sustainability risk into its advisory services through ESG ratings, and undertakes to assess, select and include in its asset management product range preferably new instruments with an ESG rating, subject to the availability and coverage of such ratings in relation to the asset class and type of product being assessed. The Global Policy implements the principles set out in the SFDR in force at the time and the related second-level regulations. The Local Policy provides information on the policies defined by the Bank as an intermediary offering investment advisory service, in order to: • integrate sustainability risk into the provision of these services • consider the Principal Adverse Impacts (PAIs) caused by the advised investments on sustainability factors • introduce exclusion criteria based on the consideration of PAIs, or other indicators (product alignment). The Local Policy also includes the Exclusion Policy adopted by the Bank as part of its product and service offering with respect to the mutual funds and SICAVs it distributes. The exclusion categories applied are:

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<table>
<tr><th>Policies</th><th>Description</th></tr>
<tr><td></td><td>The UN Global Compact Principles (UNGC) - Products that derive more than a certain percentage of their revenues from entities with severe violations of the ten Global Compact Principles
Controversial Weapons - Products that invest in entities that produce or derive more than a percentage of their revenues from controversial weapons (anti-personnel mines, cluster bombs, chemical weapons, biological weapons)
Tobacco - Products that derive more than a percentage of their revenue from entities directly or indirectly involved in tobacco production and distribution
Climate change - Products that derive more than a percentage of their revenues from entities involved in thermal coal mining and/or from public companies involved in the thermal coal mining and/or arctic coal and/or oil and/or gas sectors ('arctic drilling').
These specific matters are analysed and monitored by the Bank with the aim of minimising or excluding the products concerned from the investment universe being advised. The Bank also works actively with partner insurance companies with the aim of offering its customers insurance-based investment products that are as consistent as possible with the identified criteria.
The contents of the Global Policy are constantly monitored and updated whenever necessary.
The Board of Directors and the Chief Executive Officer and General Manager implement the Global Policies, which are then shared internally with employees in a specific circular and subsequently published on Fineco's corporate website. The Local Policy - Policies on Integrating Sustainability Risks into Advisory Services is also published on the corporate website. </td></tr>
<tr><td>Local Policy - Advice + Guided Portfolios Policy</td><td> The Bank's Local Policy responds to the positive impact: 'Contribution to the development of sustainable finance through ESG integration in internal investment choices and product offerings with ESG characteristics'.
'Guided Portfolios' are portfolios that the Bank makes available to Personal Financial Advisors so that they can select them within the Advice+ Advisory Service and use them to build their actual portfolios, either exactly as proposed, or by adding customisations that take into account the specific needs of each Customer.
The Local Policy defines the Bank's Guided Portfolio construction process and constraints on financial indicators (including the sustainability indicator) and describes the types of Guided Portfolios.
At regular intervals, the Deputy General Manager of Global Business, with the support of the Advisory, TP & Private Banking Solutions Department, shares the reports 'Advice and Advice+ Guided Portfolio Analysis' and 'Market Performance Analysis' on the company's corporate website and in circulars, in order to monitor portfolio rebalancing.
The Local Policy is available internally on the company corporate website. </td></tr>
<tr><td>Local Policy - Responsible Investment Policy - Fineco AM</td><td> The Local Policy responds to the positive impact: 'Contribution to the development of sustainable finance through ESG integration in internal investment choices and product offerings with ESG characteristics'.
Fineco AM has adhered to the UN Global Compact since 2022 and, through the implementation of its stated policies and frameworks, aligns its strategies and operations with universal principles on human rights, labour, the environment and anti-corruption. Fineco AM encourages companies and organisations to adopt sustainable and socially responsible policies, aligning their strategies and operations to the Ten Principles in the areas of human rights, labour standards, the environment and anti-corruption.
Fineco AM's Sustainable Finance Committee (SFC) has the authority to approve policies (for final approval by the Company's Board of Directors) and to establish practical guidelines for the implementation of Fineco AM's sustainable investment strategy and sustainability-related practices in general. </td></tr>
</table>

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<table>
<tr><th>Policies</th><th>Description</th></tr>
<tr><td></td><td>Fineco AM has been a signatory of the United Nations Principles for Responsible Investing (PRI) since October 2020 and is therefore committed to integrating ESG factors into investment analysis, decision-making processes and active shareholding practices.

Fineco AM believes that investing responsibly means integrating ESG risks and factors into management activities, identifying more sustainable outcomes and, where deemed appropriate, taking action to promote them. The purpose of the Responsible Investment Policy is to describe the framework governing Fineco AM's approach to responsible, ESG-focussed, sustainable investment.

The Local Policy is approved by the Board of Directors and the Sustainable Investment Committee (SCF) of Fineco AM, which implements it, and is available in the public section of Fineco AM's corporate website.

To implement the Responsible Investment Policy, Fineco AM has adopted the Sustainable Investments Methodology, formalised in a document outlining Fineco AM's investment methodology and calculation approach for sustainable investments of financial products pursuant to Article 2.17 of the SFDR. The document outlines the criteria taken into account for this calculation, which is applied to those funds that have committed to invest a certain amount of their portfolio in companies whose business is considered a 'sustainable investment'.

To identify and assess the sustainability of an investment, Fineco AM relies, among other things, on the following criteria: Good Governance; Do No Significant Harm; Positive Contribution tests.

The SFC has the authority to approve policies (for final approval by Fineco AM's Board of Directors) and to establish practical guidelines for the implementation of Fineco AM's sustainable investment strategy and sustainability-related practices in general.</td></tr>
<tr><td>Local Policy - Exclusion Policy - Fineco AM</td><td>Fineco AM's Exclusion Policy describes the exclusions applied to proxy investment strategies. This policy contributes to the development of sustainable finance through ESG integration: (i) in internal investment choices, made based on negative screening practices, and (ii) in offering products with ESG characteristics, which can also benefit in terms of the ESG quality of the portfolio and strengthening the ESG components of the brand identity.

The Local Policy outlines the investment exclusions adopted, the products and how these exclusions apply. Fineco AM applies exclusions for:

• serious violations of the UN Global Compact Principles
• controversial weapons or entities that derive more than a certain percentage of their revenue from such weapons
• entities in the tobacco sector involved in tobacco production and entities involved in tobacco distribution to an extent exceeding a certain percentage of their revenues
• climate change-related entities that derive more than a certain percentage of their revenues from thermal coal mining and public service companies that generate more than a certain percentage of their revenues from coal
• entities involved in any act of slavery and forced or compulsory labour, as defined by the labour principles of the UN Global Compact and the broader set of labour standards of the International Labour Organization (ILO).

For third-party proxy products, extensive ESG due diligence is conducted, consisting of obtaining disclosures on ESG factors, conducting meetings (calls) with counterparties, completing detailed questionnaires, and ensuring alignment with SFDR regulations and fund-specific responsible investment objectives. The application of exclusions, together with careful supervision of delegated managers, aims to mitigate the potential and actual negative impacts of a financial product.

The SFC has the authority to approve policies (for final approval by Fineco AM's Board of Directors) and to establish practical guidelines for the implementation of Fineco AM's sustainable investment strategy and sustainability-related practices in general.

The Local Policy is available in the public section of Fineco AM's corporate website.</td></tr>
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Policies	Description
Local Policy - Good Governance Policy – Fineco AM	Through its Good Governance Policy, Fineco AM is committed to investing in companies whose governance promotes sound ESG risk management and value creation for shareholders and stakeholders. The Local Policy describes how, for internally managed funds, Fineco AM determines if an investee company does not follow good governance practices, resulting in its exclusion from the initial investment universe for products that come under Articles 8 and 9 of the SFDR. The Good Governance Policy is a response to the development of sustainable finance, by integrating the ESG universe into internal investment choices and the offering of products with ESG characteristics, and also responds to the increase in revenues from investments in instruments with ESG characteristics, with benefits also in terms of ESG quality, portfolio diversification and strengthening the ESG components of brand identity. The Local Policy is approved by Fineco AM's Board of Directors and the SFC, which implements it. It is made available on the company's public website. The Local Policy is reviewed at regular intervals (i.e. at least annually) by the SFC and the Board of Directors of Fineco AM and updated as necessary.
Local Policy - Voting Policy - Fineco AM	The Voting Policy responds to the positive impact: ‘Fineco AM Stewardship activities including proxy voting and direct engagement with companies, integrating considerations of sustainability. Through its Local Policy, Fineco AM recognises that voting in shareholders' meetings is a powerful tool for influencing corporate behaviour and promoting ESG considerations. Fineco AM engages in proxy voting to support more sustainable practices, transparency and the accountability of investment companies. Accordingly, corporate actions are aligned with Fineco AM's values and long-term interests, contributing to a more sustainable and responsible investment landscape. Fineco AM has subscribed to ISS's International Sustainability Policy, which is consistent with the objectives of sustainability-conscious investors. ISS's Sustainability Policy promotes support for globally recognised organisations that support more sustainable business practices, in terms of environmental management, fair labour practices, non-discrimination and protection of human rights. Fineco AM aims to vote on all equity investments within its internally managed funds. For delegated strategies, the voting practices adopted by Delegated Managers are assessed through investment due diligence as part of the process of integrating sustainability risks into investment decisions. The Local Policy also applies to passively managed index-linked funds (both physically replicated and synthetically replicated[67]) to the extent that the underlying securities held have voting rights. The SFC has the authority to approve the voting policy (for final approval by Fineco AM’s Board of Directors) and to establish practical guidelines for the implementation of Fineco AM's sustainable investment strategy and sustainability-related practices in general. The Voting Policy is available in the public section of Fineco AM's corporate website.
Local Policy - Sustainability Risk Policy - Fineco AM	The Sustainability Risk Policy responds to the positive impact 'Contributing to the development of sustainable finance through ESG integration in internal investment choices and through product offerings with ESG characteristics'. The Sustainability Risk Policy describes and regulates the way in which Fineco AM adopts certain second-level controls (mainly through its Risk and Compliance functions), within the entire range of funds under management, on a number of processes, such as Principal Adverse Impact (PAI) analysis, monitoring of the minimum ESG threshold for fund categorisation, monitoring of the exclusion list, etc. The SFC has the authority to approve policies (for final approval by Fineco AM’s Board of Directors) and to establish practical guidelines for the implementation of Fineco AM's sustainable investment strategy and sustainability-related practices in general.

[67] Physical replication: the direct purchase of instruments constructing the index. Synthetic replication: use of derivative instruments instead of direct purchase.

Consolidated Sustainability reporting

In December 2020, the Bank became a signatory to the **United Nations Principles for Responsible Banking (UNRB)**, formalising the objective of committing to analysing the consequences of its activities from an environmental and social perspective, and setting goals capable of bringing about measurable improvements in the most significant aspects.

The Bank and Fineco AM are following up on the policies described previously through the actions described below, which did not require significant financial resources in the context of the balance sheet items.

Action	Description
Exclusion of funds that do not meet the parameters of the exclusion policy	Every six months, the Bank updates exclusion policy data and carries out checks to inhibit the placement of any products in the range that do not meet the identified parameters. To date, there is no automatic process for the control and inhibition of funds. Datapoints are extracted every six months to check which funds do not meet the required parameters. Once the list of these funds has been downloaded, it is sent to the funds back office for closure and all necessary procedures are manually activated (including circulars to the network, e-mails to customers, etc.). The process automation project is in the approval stage.
Improved transparency through the ESG Template (EET)	Fineco AM has prepared and provided the European ESG Template (EET) for all Fineco AM products that come under Articles 6, 8 and 9 of the SFDR. Through the production of EET files, Fineco AM has increased the level of information available and improved transparency regarding ESG characteristics, including product-level PAI data. The EET is on a quarterly basis.
Publication of the voting history and voting policy (MYP ESG 2024-2026)	Fineco AM has published its Voting Policy and an interactive dashboard with the voting history on its website, highlighting its role as an active and responsible investor.
Increased engagement activities with respect to Climate and Human Rights issues (MYP ESG 2024-2026)	Fineco AM has expanded its engagement activities by participating in the UN PRI Advance Programme focused on human rights and by joining the Climate Action 100+ initiative to address climate-related challenges. Reports of these activities, produced by the respective organisations, have been linked to Fineco AM's website for greater transparency with investors.

Sustainable finance metrics and targets are included in the 2024-2026 MYP ESG. Some of these falls within the topic of Financial Education, already discussed in section 3.4 on Affected communities. The following table reports the Bank's objectives and targets, with the year 2023 as the baseline.

Consolidated Sustainability reporting

Objective, target and deadline	Baseline year value and UoM	Value (2024) - Description
Expansion of the range of funds with ESG characteristics within the platform: a) At least 50% of the new funds launched on the Fineco's platform must have a Fineco ESG rating ≥ 6 (ISIN no.) (from 2024) b) At least 50% of new funds launched on the Fineco's platform must have an SFDR Article 8 or 9 classification (ISIN no.) (from 2024) c) Maintenance of the 68% minimum threshold of SFDR Article 8 or 9 funds out of total funds within the offering of subscribable funds (ISIN no.) (by 2026)	a) n/a b) n/a c) 66%[68]	a) 80% b) 68% c) 79%
Enhancement of insurance advice free baskets: a) At least 65% of new active funds placed in insurance advice free baskets must have an SFDR Article 8 or 9 classification (ISIN no.) (from 2024) b) Maintenance of the minimum threshold of 65% of total active SFDR Article 8 and 9 funds available within insurance advice free baskets (ISIN no.) (by 2026)	a) n/a b) n/a	a) 72% b) 70%
ESG integration into the Network Incentive Plan: all Personal Financial Advisors holding a certain % of assets in SFDR Article 8 and 9 funds and SICAVs are entitled to an increase in the bonus resulting from the Incentive Plan (from 2024)		Integration took place
Inclusion of at least two investment houses with a specific ESG DNA (by 2026)		Inclusion of an investment house; screening for other counterparties is ongoing
Expansion of the certificates offering with at least 3 ESG certificates (by 2026)		Ongoing activities
Integration of ESG information into product search and selection parameters: a) Integration of an internal filter in the Fund Selector based on ESG parameters (e.g. SFDR Articles 8 and 9 classification) of investment funds (by 2026) b) Integration of ESG parameters in the snapshots of the private area of the website for the securities records of the main classes: shares, ETPs and bonds of major listings (by 2024) c) integration of an internal ESG filter in the stocks and bond screeners for all bonds and shares of major listings (by 2025)		a) Analysis for the project being launched b) Activity concluded c) Analysis started
ESG investment volume of at least 10% of the total treasury portfolio (by 2026)	8.5%	9.8%
Volume of ESG collateral switch transactions of at least €800 million (by 2026)	€71 million	€181 million
Implementation of at least one financial education event on the territory dedicated to specific targets of the population (vulnerable/less protected groups) (2024)		Achieved (see section 3.4 on Affected Communities).

[68] Figure in October 2023.

5.1.1 Investment products and services

As a distributor of investment products, the Bank integrates sustainability risk into its distribution decisions. For the products selected and made available to customers, the Bank gives preference to those rated at least under Article 8 of the SFDR and which have a sustainability rating.

With reference to the sustainable finance objectives included in the MYP ESG 2024-2026, it is noted that as of December 31, 2024:

- funds under Articles 8 and 9 SFDR represented 79% of the funds on the platform (number of ISINs); specifically, new launches under Articles 8 and 9 SFDR during 2024 accounted for 68% of the total new funds added to the platform (number of ISINs)
- New funds added to the platform with a Fineco ESG rating≥ 6 represented 80% of the launches (number of ISINs).

In addition, the Bank applies an exclusion policy, as described above, so as to minimise investments in businesses deemed controversial.

Any discrepancies of a single unit in the tables below are due to rounding.

	2024		2023	
	AUM (€ bn)	**%**	**AUM (€ bn)**	**%**
Funds ex Art 6 SFDR[69]	20.82	48%	16.70	45%
Funds ex Art 8 SFDR[70]	21.81	50%	19.22	52%
Funds ex Art 9 SFDR[71]	0.88	2%	0.91	2%
Funds without classification	0		0.06	0%
Total funds	**43.51**	**100%**	**36.89**	**100%**
of which new funds in the platform with SFDR Art. 8 and 9 classifications	*0.02*			

New ETFs, with SFDR articles 8 and 9 classifications accounted for 26% of new launches (number of ISINs) during 2024 and represent the 28% of the Total ETFs (number of ISINs) in Fineco's platform at the end of 2024.

	2024		2023	
	AUM (€ bn)	**%**	**AUM (€ bn)**	**%**
ETF ex Art 6 SFDR	8.75	86%	5.22	84%
ETF ex Art 8 SFDR	1.37	13%	0.92	15%
ETF ex Art 9 SFDR	0.04	0%	0.04	1%
ETF without classification	0	0%	0.06	1%
Total ETF	**10.16**	**100%**	**6.24**	**100%**
of which new ETF in the platform with SFDR Art. 8 and 9 classifications	*0.01*			

All these actions are aimed at directing savings flows to instruments that avoid investing in companies linked to unsustainable or controversial businesses and at facilitating investments deemed more sustainable with consequent beneficial effects for all stakeholders.

The asset management industry has paid considerable attention to the topic of sustainability in recent years. The same regulation, through the SFDR, has given more precise guidelines leading the entire industry to use more objective parameters when selecting products with ESG characteristics. This has also resulted in greater clarity for customers, who have more tools at their disposal to identify the solutions that best meet their preferences

[69] Funds that do not promote environmental, social, or governance (ESG) characteristics, nor do they have a sustainable investment objective.
[70] Funds that promote environmental or social characteristics, provided that the companies in which they invest follow good governance practices.
[71] Funds that have a primary sustainable investment objective.

in terms of sustainability. The Bank's offering provides customers with a wide range of sustainable investment solutions, identifiable either through the SFDR rating or the proprietary ESG rating.

The ESG rating, developed by the Bank in 2022, re-processes the ESG scores assigned by a leading external specialist company to investment products - on a scale of 1 to 100 (1 'low risk', 100 'high risk' ESG) - reclassifying these scores via a conversion table, along a scale of 1 to 10 (1 'high risk', 10 'low risk' ESG). The ESG Rating provides investors with an immediate tool to better understand the extent to which the economic value of the investment might be at risk due to environmental, social or governance issues of the underlying assets, as well as to make them more informed in their investment choices. Fineco's ESG Rating is currently available for funds, Sicavs, ETFs, shares, bonds and unit-linked, class I, multi-class and segregated insurance policies.

The Bank, in its process of maintaining the range of investment funds on offer, monitors the percentage of funds with an ESG rating (both in relation to the entire range available, and in relation to new launches), with the aim of increasing the quality and breadth of the offer over time. Similarly, the Bank monitors and periodically updates the list of funds that may not comply with its exclusion policy in order to inhibit subscription.

The processes used to carry out the above are linked to periodic performance checks related to the number of funds launched and their SFDR classification, as well as to the ESG rating. The same analysis is carried out periodically (on at least an annual basis) on the entire available offering.

To prevent potential negative impacts, the Bank integrates sustainability risk into its advisory services through ESG ratings, and undertakes to assess, select and include in its asset management product range preferably new instruments with an ESG rating, subject to the availability and coverage of such ratings in relation to the asset class and type of product being assessed.

To deal with negative impacts, resulting from a deterioration in the sustainability rating of instruments in the portfolio, the Guided Portfolios are rebalanced, either by including an instrument with a higher ESG rating or by removing an instrument with a deteriorated ESG rating. Every quarter, the Guided Portfolios are checked and, if necessary, modified to ensure that sustainability parameters are also met.

ESG data are updated daily in order to identify potential new sustainability instruments on the market. In addition, instruments with an 'ESG tilt', mainly PAB *(*Paris Aligned Benchmark) and SRI (Social Responsible Investment), are used, to increase diversification within Customers' portfolios.

	2024		**2023**	
	AUM (€ bn)	**%**	**AUM (€ bn)**	**%**
Funds with a Fineco ESG rating >=6	38.62	89%	30.28	82%
Funds with a Fineco ESG rating <6	1.18	3%	1.60	4%
Funds without Fineco ESG rating	3.71	9%	5.01	14%
Total funds	**43.51**	**100%**	**36.89**	**100%**
of which new funds launched in the platform with Fineco ESG rating ≥6	*1.48*			

	2024		**2023**	
	AUM (€ bn)	**%**	**AUM (€ bn)**	**%**
ETF with a Fineco ESG rating ≥6	8.20	81%	4.89	79%
ETF with a Fineco ESG rating <6	0.69	7%	0.58	9%
ETF without Fineco ESG rating	1.27	13%	0.77	12%
Total ETF	**10.16**	**100%**	**6.24**	**100%**

5.1.2 Banking products and services

The Bank offers products with ESG characteristics to meet the needs of its Customers, also setting up a continuous product monitoring system to ensure the management of anomalies, as well as constant control of pricing and positioning against competitors.

The range of products with ESG characteristics in the Banking & Credit area includes (in addition to the new initiatives already described, such as the Under 18 Current Account in section 3.5 Consumers and End-Users):

- green mortgages - mortgages for financing the purchase of energy class A or B properties, under favourable conditions compared to standard conditions
- green loans - loans at a more favourable rate than standard loans, intended to finance the installation of renewable energy technologies. The characteristics of this product were defined in line with the “Green Loan Principles. Supporting environmentally sustainable economic activity”' of the Loan Market and Asia Pacific Loan Market Associations[72], which stipulate that a loan can only be called 'green' if the funds are made available exclusively to finance (all or part of) activities with environmentally sustainable characteristics. In defining the characteristics, reference was made to the European Environmental Taxonomy (Regulation (EU) 852/2020) and, in particular, to the technical screening criteria in the Delegated Act on Climate Change Mitigation[73]
- virtual cards - cards issued solely with a virtual format (with data visible on the APP and website channels), i.e, without the use of plastic.

In order to give Customers a greater awareness, the Bank, as a preventive measure, adopts a number of operational safeguards, covering:

- the completeness of information made available to the Customer (warnings, ex ante cost reports, conflicts of interest, etc.)
- controls on appropriateness
- requests for specific authorisations and filling in questionnaires in order to operate complex instruments
- the definition of an appropriate target market
- the implementation of price and countervalue deviation filters in the platform
- the application of caps per operation and per overall position on certain types of products.

In addition, in the post-trading stages, operational safeguards are made available to the Customer such as:

- reporting and accountability
- procedures for recording any depreciation of the instrument
- procedures that provide for the recognition of material losses with respect to the Total Financial Assets (TFA) held by the Customer.

[72] Green Loan Principles. Supporting environmentally sustainable economic activity' - Loan Market Association, Asia Pacific Loan Market Association, Loan Syndications & Trading Association, February 2021.
[73] Commission Delegated Regulation (EU) 2021/2139. The green loan aims to finance the following actions related to the purchase and installation of renewable energy technologies: installation of photovoltaic solar systems and ancillary technical equipment; installation of electrical or thermal energy storage units and ancillary technical equipment; installation of solar hot water panels and ancillary technical equipment.

5.1.3 Fineco AM

Fineco AM actively supports a responsible approach to investing with the aim of mitigating actual and potential negative impacts on the economy, the environment and people. This approach is mainly achieved through the application of certain positive filters, when considering the investable universe, an exclusion approach and the consideration of Principle Adverse Impacts - PAI.

In addition, Fineco AM seeks to encourage and promote positive impacts, both through specific sustainability policies and procedures and through the general promotion of a culture of sustainability.

As of 31 December 2024, ESG funds classified as SFDR Articles 8 and 9 accounted for 46% of Fineco AM's total assets under management, for a total amount of 17.1 billion euros of Asset Under Management. The growth in Article 8 assets depends on the positive market effect generated during 2024 and the reclassification of some funds to the Article 8 category. Since 2020, Fineco AM has committed to not charging performance fees for funds under management. For this purpose, a specific label called 'No Performance Fees' is applied, which informs customers which funds do not have this type of fee. Abstaining from performance fees is a strategic choice to ensure fair prices and better results for Customers.

	2024	
	AuM (€ bn)	**%**
SFDR Article 6 Funds	19.6	54%
SFDR Article 8 Funds	16.6	45%
SFDR Article 9 Funds	0.5	1%
Total funds	**36.7**	100%

The assets that can be positively and/or negatively screened depend on the fund strategy and asset class. Positive and negative environmental and/or social screening is applied to Fineco AM funds classified under SFDR Articles 8 and 9:

- **positive screening**: for SFDR Articles 8 and 9 products, Fineco AM's Portfolio Managers apply a number of positive ESG filters, including through the use of a rating with respect to ESG issues when selecting investments for the various portfolios under management. This is done in accordance with the Good Governance Policy and internal rules that set specific thresholds to be allocated at the overall fund level according to the relevant SFDR classification. The same or a similar 'positive' selection criterion is applied by external (proxy) Portfolio Managers, who use third-party provider platforms or proprietary metrics/solutions and/or processes, under the supervision of Fineco AM;
- **negative screening**: refers to funds classified under Articles 6, 8 and 9 of the SFDR, to which exclusion filters apply through: (i) Fineco AM's Exclusion Policy and (ii) product-level PAI considerations that in some cases may result in a 'negative screening action' on the portfolio depending on the outcome of the analysis;
- **combined positive and negative screening**: this analysis is a combination of the two previous categories and encompasses funds that apply positive and negative screening.

As from 2023, all Fineco AM products have been subject to PAI considerations. All products are subject to combined positive and negative screening (indirect exposure, through derivatives, is excluded).

	2024	2023
% of AuM subject to positive environmental and/or social screening	47%	44%
% of AuM subject to negative environmental and/or social screening	100%	100%
% of AuM subject to combined positive and negative environmental and/or social screening	100%	100%

In recent years, Fineco AM has made considerable progress in integrating ESG aspects into all its activities, through a number of important initiatives:

- the creation of a formal ESG governance framework, including the Sustainable Finance Committee (SFC), the establishment of a Chief Sustainability Officer overseeing all ESG activities, and the appointment of a sustainability contact person within each department
- the full integration of ESG elements into the front and back office trading platform to ensure that sustainability risks are considered at source and monitored on an ongoing basis
- the integration of an ESG rating into the risk management model, which allows for the monthly monitoring of each fund's score and, with it, the 'ESG quality' attributed to the portfolio against minimum score thresholds set for each SFDR category
- the implementation of various policies and procedures including the Responsible Investment, Good Governance, Exclusion, Voting and Diversity & Inclusion Policies, and the Exclusion Procedure at corporate level

- the consideration of PAI indicators at corporate and product level and the publication of PAI-related reporting (PASI - Principal Adverse Sustainability Impacts Statement)
- the commitment of Portfolio Managers to invest certain minimum 'Sustainable Investment' thresholds for a range of products, as stated in documentation to customers
- an active commitment to stewardship activities such as engagement and voting at shareholders' meetings of companies in which Fineco AM's funds hold an interest. Over the past year, Fineco AM has engaged with the companies in the funds on their decarbonisation strategies, particularly with regard to the SBTI (Science Based Target Initiative) targets. In fact, Fineco AM is part of Climate Action 100+ and UN PRI Advance, collective engagement initiatives focused on climate change and human rights respectively
- proxy voting to support sustainable practices, transparency and accountability among the companies in which investments are made. Fineco AM uses the Institutional Shareholder Services (ISS) voting platform and proxy voting recommendations for all meetings where it votes. ISS provides voting recommendations based on ISS's international sustainability policy and proxy voting guidelines.

Fineco AM's objectives (baseline year 2023) and a description of 2024 achievements are reported in the table below.

Objective, target and deadline	Baseline year value and UoM	Description (2024)
Strengthening ESG training in Fineco AM by issuing at least 10 training courses for Employees and Boards (2026)	-	3 ESG courses (a total of 797 hours) were provided for employees
Publication of the Voting Policy and voting history on the company website (from 2024)	-	The Voting Policy and voting history have been published on the corporate website
Maintaining international commitments: UN PRI and UN PRI Advance; UN Global Compact; Climate Action 100+	-	Maintenance

5.2 Innovation

Innovation is one of the pillars of the Group's strategy and is understood both as an automation of operational processes and as an increase in the quality of services offered.

Innovation, in terms of digital innovation and organisational processes, is an entity-specific topic. As a result of the Double Materiality Analysis, the following two positive impacts were identified:

- technological innovation, process dematerialisation and digitisation aimed at more effective and efficient business operations, particularly from an environmental perspective (reduction in consumption of natural resources and waste production);
- technological innovation and digitisation aimed at maximising customer satisfaction (through the development of innovative and environmentally friendly digital platforms), in particular through the digital offering of ESG products and services;

and an opportunity:

- operational efficiency (with positive effects on the quality of work of Employees and Personal Financial Advisors and the quality of service offered to Customers) through the use of new technologies such as Artificial Intelligence (AI), Blockchain and cyber.

Innovation, understood as process automation and operational efficiency, is measured within the Demand Management process, by the Projects Committee, using the Scorecard methodology. The objective of the Scorecard is to enable the Project Committee to make an objective assessment of the proposed action, ensuring a uniform approach when comparing the different efficiency initiatives, and to identify the priority for implementation purposes. The Project Committee can verify and monitor the actual benefit over time. The process requires the Proposing party, through the compilation of the Scorecard, to make a qualitative and quantitative assessment of the benefit to be obtained from the action, evaluating four different dimensions, within predetermined thresholds. Depending on the answers provided by the Proposing party, the Scorecard makes it possible to determine, and thus associate, a synthetic score with the Project.

Specifically, there are four dimensions in the Scorecard:

- People, i.e, the Proposing party must quantify the possible reduction in human resources once the action has been implemented. The savings indicated may also be representative of scenarios in which greater operational loads are expected to be reabsorbed in favour of other activities in the relevant structure, avoiding the consideration of possible requests for staff adjustments
- Financial, i.e, the Proposing party must quantify any reduction in operating costs (e.g: lower amounts invoiced by suppliers involved in the process, lower postal costs, etc.), and the possible transfer of costs to the budgets of different controllers (e.g: higher ICT costs for the purchase of software licences)
- Processes, i.e, the Proposing party must enhance the level of automation achieved, also considering the reduction of operational risk (e.g: incident which already occurred in the past, high reputational impact, loss of revenue/possible penalty) and the impact on sustainability (e.g: elimination of the sending of paper documents by post and their subsequent handling)
- Customer, i.e, the Proposing party must value the benefit obtained in favour of customer satisfaction (e.g: reduction/simplification of interactions between the Customer and Customer Care).

Innovation, understood as improving the experience (for Customers, Employees and Personal Financial Advisors) is fundamental and is based on the concept of simplicity. The Group constantly oversees the development and updating of digital platforms and services, ensuring, through investments in technological infrastructure, operational continuity and full maintenance of service levels even in emergency situations.

Thanks to the continuous consolidation of the Bank’s cyborg-advisory model, using an advisory platform that is advanced from both a technological perspective and in terms of the investment solutions offered to enable personal financial advisors to manage an increasing number of customers, even remotely, thus ensuring timely assistance and intervention with new proposals or the rebalancing of portfolios based on different market scenarios and any changing needs of customers.

Within the context of financial advice in which pure robot-advisory realities feature, Fineco's distinctive characteristic is the constant reinforcement of the cyborg-advisory model, making it possible to compress the time that Personal Financial Advisors have to devote to time-consuming but low value-added activities, and vice versa maximising the time to devote to the relationship with Customers and the analysis of their needs.

Innovation in customer service is also reflected in the type of business relationship, through the growing importance of advanced advisory services and a remuneration model unrelated to product inducements, preventing any possible negative effects from changing regulations at European level in the future and minimising potential conflicts of interest.

5.2.1 Policies

Policies	Description
Global Policy - General Principles on Artificial Intelligence (AI)	The Global Policy was approved for the first time in July 2024, in line with the goal set out in the ESG MYP 2024-2026, with the aim of presenting the principles and guidelines to be followed in approaching the issue of AI with regard to the governance of models and information security, while complying with relevant external regulations. The use of new technologies, with the guidelines presented in the Global Policy, makes it possible to seize the opportunity to generate efficiencies with positive effects on work (of Employees and Consultants) and on the quality of service offered to customers. The Group is committed to adopting best standards and best practices in AI, developing, deploying and using its models in compliance with the European Parliament's Artificial Intelligence Act and the principles defined by the OECD Observatory and the European Commission's Ethical Guidelines for Reliable AI. Therefore, the Group is committed to the following principles and guidelines: • sustainable development and wellbeing, through models that perform better than traditional ones, ensuring a better management and control of risks and a strengthening of the mechanisms for the proper functioning of financial markets • the central nature of the human factor, which maintains a crucial role in the model development and validation stages, through engagement of appropriate stakeholders, and in the downstream control stages, through appropriately documented final processes • transparency, accuracy and clarity of models, through the implementation of a structured development and validation process and user-friendly IT interfaces • information security, robustness and safety, thanks to the ICT systems in use that ensure the integrated and documented governance of the life cycle of models (including the traceability of the datasets used), of the related processes and of the decisions taken during their development and validation. The Group also recognises that the use of AI can play a major role in the pursuit of its objectives of innovation and environmental and social sustainability throughout its Value Chain. The use of AI models can in fact contribute to reducing the environmental impact of activities, for instance by promoting a more sustainable use of resources, through monitoring and analysis of data and AI-managed processes. Data produced and managed by AI can, moreover, be used to understand climate change processes and consequently develop new models that can improve environmental risk management. From a social perspective, respecting the principles of equity, diversity and non-discrimination in the design and application of AI promotes the reduction of inequalities, helping to promote and improve accessibility and inclusion. Thanks to the Global Policy, the Group aims to maximise customer satisfaction (through the development of innovative digital platforms with the lowest environmental impact, in particular through the digital offer of products/services with ESG characteristics) and to make operations more efficient, with positive effects on the quality of work of employees and Personal Financial Advisors and on the quality of service offered to customers. The governance and management processes and activities are organised according to a model involving the Bank's corporate bodies, including the Board of Directors, and internal corporate functions in line with their respective responsibilities. The Board of Directors implements the Global Policy, which is shared internally in a circular, and subsequently published on the corporate website. The Group adopts an approach consistent with the European Parliament Regulation, ensuring compliance with the following additional requirements for high-risk AI systems, always taking into account the following principles: • the preservation, quality, accuracy and replicability of the data underlying the models, control of the versions of algorithms and supporting documentation • resilience both with regard to errors, failures or inconsistencies that may occur within the system or the environment in which it operates, and with regard to attempts by unauthorised third parties to modify the use or performance of the high-risk AI system. The Global Policy is closely linked to other policies and regulations adopted by the Group: the Global Privacy Policy, the Commitment to Human Rights, the ICT & Security Operating Model, in order to allow each Group Company, consistently with the principle of proportionality, to define its own independent path to implement AI.

<table>
<tr><th>Policies</th><th>Description</th></tr>
<tr><td>Global Policy - Privacy</td><td>Please refer to section 3.5 on Consumers and End-Users.</td></tr>
<tr><td>Global Policy - Commitment to Human Rights</td><td>Please refer to section 3.4 on Affected Communities.</td></tr>
<tr><td>Global Policy - ICT & Security Operating Framework</td><td>
The Group attaches great importance to the security of information and its information system, which represents a strategic resource, a key success factor, and a distinctive element to guarantee the quality and reliability of services provided and to support proper data management.
With this in mind, information security is, for the Group, a fundamental element to guarantee the interests of its customers and all stakeholders, as well as to ensure compliance with current regulations. In this context, the Group addresses and governs information security by drawing inspiration from the main international standards, frameworks and best practices.
In this area, the main risk factors are:

the risk of external fraud, i.e, actions committed by third parties with the intention of misappropriating company or customer assets and infringing regulations or laws
cyber risk, i.e, business interruption and system failures and loss or theft of sensitive data.

The purpose of the Global Policy is to define the guidelines and principles necessary for the definition and implementation of a common, and uniform ICT & Security Operating Framework that supports the management of ICT and IT security activities. The Group has chosen to adopt an approach to the ICT & Security Operating Model that allows each Subsidiary, consistently with the principle of proportionality, to define its own independent path for implementation, while ensuring a reference model shared by the entire Group. This model is based on the application of recognised, uniform standards and a common taxonomy of IT processes and/or IT procedures defined, where necessary, by the ICT & Security Office of the Parent Company.
Within the information security framework, interventions and actions to ensure information security must be periodically assessed, reviewed and strengthened, and namely:

the governance and evolution of security in line with corporate objectives and the Group's ICT & Security strategy
the creation of a shared, documented, systematic, efficient, and effective security organisation
continuous monitoring of the security threat landscape applicable to the context in which the Group operates
the coordination and optimisation of available resources
the implementation of preventive and reactive security measures to counter threats according to a multi-level security model consistent with the principle of 'defence in depth'
the integration of security procedures with the different business processes
the development and growth of skills and awareness of information & cybersecurity risks and threats
the active monitoring of systems and security events, as well as the monitoring of technical vulnerabilities, through threat intelligence, vulnerability assessment and penetration testing
the management of relevant security events through a structured incident and crisis management process
security in relations with third parties and in outsourced activities, through appropriate safeguards.

The Board of Directors implements the Global Policy, which is shared internally in a circular, and subsequently published on Fineco's corporate website.
</td></tr>
</table>

5.2.2 Actions and objectives

In 2024, the development and improvement of **X-Net**, the Cyborg Advisory platform dedicated to the Personal Financial Advisors Network, continued.

X-net offers an integrated solution that succeeds, unlike pure robo-advisory, in leveraging the advantages of digital technology and redefining the role of advisors, enhancing the most qualified component of their work. For example, when Personal Financial Advisors forward a proposal to Customers, this is notified in the private area of the Customer's website or directly on their smartphone via the Fineco App. Customers can view, accept and confirm the order entirely independently, both from their desktop and mobile device.

In addition to the **Web Collaboration** channel – which allows for providing and tracking advisory services by eliminating paper forms through the automatic sending of advisory proposals -, Advisors also have access to the **Advanced Electronic Signature** service, which allows documents to be signed electronically. This channel guarantees the authenticity of the account holder’s signature and the document’s non-edit status. Customers have the possibility, at any time, of viewing and printing contracts signed directly online, in the reserved area of the website (if they cannot use the Web Collaboration or Advanced Electronic Signature channel, paper contracts can be used).

In developing new processes, the Web Collaboration channel is preferred, which allows Advisors and Customers to have a direct relationship without the need to meet in person. Customers can therefore view advisory proposals in any place and at any time, analysing them in detail.

During the year, the **PFA Chatbot** project was launched, an innovative initiative designed to simplify and optimise access Personal financial advisors’ access to information contained in Bank circulars. Circulars are in fact an essential source of data and guidance for the Advisors, but their considerable volume and search complexity make it difficult and time-consuming to find the necessary information. This leads Advisors to frequently having to contact the Bank’s help desk, costing both parties time and resources. The PFA Chatbot was created to solve this problem, offering an intelligent and immediate tool to access the information contained in Bank circulars, reducing search time and improving operational efficiency. Through the use of advanced AI and Natural Language Processing (NLP) technologies, the chatbot makes it possible to query the system directly, obtaining precise and targeted answers without having to consult documents manually or contact the help desk. The PFA Chatbot is simple to use, intuitive and allows questions to be asked in natural language. This approach not only reduces search time, but also improves the accuracy of information, limiting the risk of errors or misinterpretations. This innovation frees up valuable resources, both for Advisors and the Bank's help desk, which can then concentrate on more value-added activities. The project is in the development stage and is scheduled for completion in the first part of 2025.

The PFA Chatbot is positioned as a key project to modernise and simplify the Bank's internal processes and represents an important step towards the digitisation of banking services, with the aim of creating a more agile, productive and customer-oriented working environment. In addition to this initiative, the project for a **chatbot for onboarding Customers** was started, as described in section 3.5 on Consumers and End-Users.

Continuing with the aim of supporting and improving Personal financial advisors’ activities, the Bank has been working to make available an **AI assistant (Copilot)** available during 2025, that the Advisors will be able to use as a support in their daily work to create portfolio proposals for Customers that are tailored to their risk and return objectives and investment preferences. In addition, precise and detailed reporting will be generated automatically to support the portfolio proposal. All this will take place in a conversational, simple and direct way, to simplify and speed up the work of the Personal financial advisors. These innovative tools, which are easy to use thanks to AI and their conversational nature, also represent an element of inclusion that improves loyalty and the perception of the Group's reputation.

In 2024, activities continued to increase access to financial markets in a more direct and transparent way, by optimising **FinecoX** (an online trading platform available free of charge to all Customers, launched in 2023 and developed entirely in-house with proprietary technology) with various features such as, for example, watchlist sharing with the website and App, a vertical book, a 10-level book and multicharts.

FinecoX can be used entirely in a web-based environment, without the need to download and install any software, allowing customers to invest in a wide range of instruments, including shares, ETFs, Certificates and Turbo Certificates, Options, Knock Outs, CFDs and Forex, Futures, Bonds and Covered Warrants on 26 world markets. All this is possible quickly and efficiently, from a single multi-currency account via any device (PC and tablet). The platform has been developed with a focus on immediate data display. In a single screen, users can monitor charts, watchlists, news, portfolios and order monitors, tracking the performance of their investments at all times.

For the Bank's employees, a new operating procedure was introduced in 2024, allowing them to sign contracts, forms and documents concerning their employment relationship through the **Advanced Electronic Signature ('online remote AES').** This new feature makes it possible to streamline the operational process of signing documents, thanks to the use of new advanced signature tools. In fact, remote online AES consists of a signature affixed to a computer document after entering a 'One Time Password', which allows it to be uniquely traced back to the signatory of any given document. In legal terms, the computer document signed with an AES, limited to the types of documents permitted by law, has the same legal validity as the paper document signed with a handwritten signature. The use of the AES makes it possible to transform the paper flow into a digital flow with the following advantages:

- paperless management of documentation to be signed
- a reduction in the time for signing documentation and consequent phase out of ordinary/domestic mailing times
- the optimisation and streamlining of internal processes.

The use of online remote AES enables all employment relationship documents to be signed, and the Bank will make them available on the document storage platform as and when necessary. Finally, one of the developments scheduled for 2025 is the possibility to enable candidates who have successfully passed the selection stage to use the AES, sending them a 'One Time Password' to their personal e-mail address.

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During the year, the study stage relating to **tokenization** processes was launched**,** with the aim of analysing the opportunities arising from this technology and understanding, in particular, how to further improve the aspects of the investment fund placement process thanks to the possibility of using blockchain. Tokenisation refers to the transformation of rights to an asset into a token, i.e, a digital object, with the possibility of storing, issuing and exchanging it through the blockchain distributed ledger. The digital asset is registered on the blockchain, where information about the tokenized asset (the owner, date of registration and content) is always traceable and unchangeable. The study stage also takes into account the environmental cost of the development: in fact low-energy AI models (Small LLM) are being considered depending on the goal to be achieved and blockchain PoS in the field of tokenization are being evaluated.

Finally, in the area of AI, the activities carried out also regard cybersecurity and information security (see section 5.3), such as:

- the creation of a dedicated team/function, within the ICT& Security Department, with specific skills related to AI in the field of the Power of Data
- the updating and extension of internal expertise, also through the activation of structured partnerships and participation in research activities and working groups with external bodies
- the analysis and implementation of both technological and business use-cases
- the infrastructural technology setup to realise future use cases.

The table below summarises the actions on Innovation carried out in 2024. The financial resources allocated in 2024 to the actions reported were not significant in the context of the Financial Reporting figures.

Action	Description
X-Net	Development and continuous improvement of X-Net, the Cyborg-Advisory platform for the Personal Financial Advisors Network.
PFA Chatbot	Project launch for the PFA Chatbot, an innovative initiative designed to simplify and optimise access to information contained in bank circulars by Personal Financial Advisors, helping to transform the way information is managed and shared within the organisation. The launch is planned for 2025.
Chatbot for onboarding new Customers	Please refer to section 3.5 on Consumers and End-Users.
Fineco X	Release of new features such as, for example, watchlist sharing with the website and App, vertical books, 10-level books and multicharts.
Advanced Electronic Signature	A new operating mode that allows Bank employees to sign employment-related contracts, documents and tax/social security forms by affixing an Advanced Electronic Signature (online remote AES), via a special IT platform.
Tokenisation	Launch of the study stage of tokenization processes (e.g. the use of blockchain in the investment funds placement process).
New AI Team	Creation of a dedicated team/function within the ICT & Security Department with specific AI-related skills. Updating and extension of internal expertise, also through the activation of structured partnerships and participation in research activities and working groups with external bodies. Analysis and implementation of both technological and business use-cases. Infrastructural technology setup to realise future use cases.

Innovation-related targets do not have a fixed timeframe and metrics, but are linked to[74]:

- operational efficiency, to optimise the use of resources (financial and human) according to business volumes and mitigate the risk of errors in operations
- digitisation linked to: i) a better user experience for Customers, the simplification and acceleration of processes to request and use products and services (through, for example, signing contracts with digital signatures, the use of video-selfies for customer recognition during onboarding and vocal passwords for recognition during assistance) and ii)) the reduction in the use of raw materials and travel associated with traditional processes
- dematerialisation, thanks to the use of technologies that can significantly reduce paper flows and make processes more sustainable
- efficiency in the relationship between the personal financial advisor network and customers by automating, as far as possible, bureaucratic and administrative operations.

The actual release of the PFA Chatbot and the Chatbot for onboarding new customers is planned for 2025. At present, Tokenisation does not have a defined time target, as the development process is in its early stages.

[74] With reference to digitisation and dematerialisation, see also the targets and actions in section 2.3.2 in relation to the Topic 'Resource Use and Circular Economy'.

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5.3. Cybersecurity and information security

Fineco's business model, since its inception, has been based on an innovative distribution of financial services combining the efficiency of mobile and online digital channels, capable of achieve diverse customer targets. The Bank's transactional platforms and advisory services are developed in-house using state-of-the-art proprietary technologies to make customer experience a more fluid and intuitive experience on all channels. Customer satisfaction - guaranteed by an excellent user experience, reliability, security and a wide range of services and products - is a key factor in Fineco's success.

Digital complexity and information security have become increasingly critical for the banking sector, considering the threats from cybercrime, online fraud, identity theft and hacking. In this respect, within the Group, considerable attention is paid to Cybersecurity & Fraud Management issues starting from the design stage of systems, also considering developments in the regulatory context, in order to guarantee full security for customers and, at the same time, ease of use.

In particular, the security and availability of data and services, in a highly digitised context, are distinctive components of Fineco. The steps taken to improve IT security management help mitigate the Group's exposure to operational and reputational risks by adopting the necessary measures to minimise the critical issues inherent in the services offered, applying security best practices, and ensuring uniformity in the application of information systems regulations.

Following the outcome of the Double Materiality Assessment, Cybersecurity and Information Security were considered as an entity-specific topic for Fineco.

Two risks in particular were identified:

- ICT risk due to customers being unable to access their assets for extended periods due to cyberattacks or IT incidents
- reputational risk due to loss of reputation following cyber-attacks or IT incidents with prolonged impact on customer operations

and a negative impact represented by the potential “loss of data, confidential business information and breach of privacy”.

5.3.1 Policies and Actions

The topics of Cybersecurity and information security are set out in the policies in the table below.

Policies	Description
Global Policy - ICT & Security Operating Framework	Please refer to section 5.2 on Innovation.
Global Policy - Privacy	Please refer to section 3.5 on Consumers and End-Users.
Global Policy - ICT Security Incident Management	The rapid evolution of information systems, their related procedures and threats within the current environment requires increasing attention to the nature of the risks involved. In order to preserve the Group's information assets and ensure compliance with regulatory requirements, preventive measures must be put in place to: a) detect and manage security-related events appropriately and thus prevent potential incidents; b) adopt a consistent and effective approach to dealing with security events as they occur, ensuring that appropriate counter/containment measures are identified and implemented in a timely manner, minimising the impacts of the event that occurred. The objective of the Global Policy is to define the principles and rules necessary to appropriately address security incident management activities. This Global Policy mitigates the cyber risk associated with Customers' inability to access their assets for prolonged periods of time, due to cyber attacks, and the reputational risk due to a loss of reputation as a result of cyber attacks or incidents with a prolonged impact on Customers' operations. The Board of Directors and the Chief Executive Officer and General Manager implement the Global Policy, which is then shared internally with employees in a specific circular and subsequently published on Fineco's corporate website.
Global Policy - Emergency and Crisis Management	In a context of growing emergencies and an increasing focus on service quality, it has become necessary to strengthen the Emergency and Crisis Management (ECM) process in order to ensure a timely response and appropriate flow of information. The Global Policy is intended to set out the principles and rules for managing, developing and maintaining a process that allows for the appropriate coordination of and escalation for the management of emergencies/crises (generated by major incidents both locally and at Group level), ensuring appropriate responses and reporting to Employees, the media, Customers and other Stakeholders, within a common frame of reference. Severe incidents are therefore also included, as referred to in Regulation (EU) 2022/2554 of the European Parliament and of the Council on Digital Operational Resilience (DORA). The Policy mitigates the negative impacts from data loss and information and reputational risks as a result of prolonged business interruption. The Board of Directors and the Chief Executive Officer and General Manager implement the Global Policy, which is then shared internally with employees in a specific circular and subsequently published on Fineco's corporate website.
Global Process Regulation - Appointment Management (Data Processing Agreement)	The purpose of the Global Process Regulation is to describe the signing of a personal data processing agreement between Fineco and the counterparty and the rules for negotiating it. In agreements with counterparties, specific contractual requirements are identified to ensure that personal data processing activities comply with the requirements of the GDPR. In particular, where the counterparty qualifies as a data controller, Fineco gives the latter specific instructions in a 'Data Processing Agreement' that forms an integral part of the service agreement. This data processing agreement also includes obligations relating to the security of personal data, the notification of personal data breaches, the management of data processors hired by the counterparty, subject to Fineco's authorisation, and transfers to countries outside the European Union or the European Economic Area. The Global Process Regulation serves to mitigate the impact of loss of data, confidential business information and breaches of privacy. The contents are constantly monitored and updated whenever necessary by the proposing function.

Policies	Description
	The Chief Executive Officer and General Manager implements the Global Process Regulation, which is shared internally with employees in a special circular and subsequently published on Fineco's corporate website.
ICT strategic policy document	The objective of the Document is to describe the strategic model adopted by the Bank on which the management and development of the information system are based, in order to ensure alignment between business objectives and ICT & Security objectives, enabling the Bank to continuously capture and exploit the opportunities offered by technology and mitigate and prevent negative impacts (loss of corporate and customer data) and risks (cyber risk due to customers' inability to access their assets for prolonged periods of time due to cyber-attacks or incidents, and reputational risk due to loss of reputation following cyber-attacks or incidents with a prolonged impact on customers' operations. The Deputy General Manager of Global Business and the Head of the ICT & Security Department implement the Strategic Guidance Document, which is shared internally in a special circular and subsequently published on Fineco's corporate website.

During the year, the Group continued to take action to implement the contents of the policies and documents described above. Given how cyber security is evolving so profoundly, these actions are bound to develop at a constant pace.

In the area of IT system security, the following activities were implemented:

- in the area of Resilience & the Cloud:
    - a technology refresh was implemented for many platforms, including mission-critical ones
    - the scope of the IaaS (Infrastructure as a Service) environment was extended
    - the adoption of air-gapped environments was extended to meet the highest security standards for the confidentiality, integrity and availability of data and services

- in the field of Cybersecurity & Fraud Management:
    - the adoption of tools and solutions aimed at increasing the level of protection of customer data was extended to mitigate operational and reputational risks arising from potential cyberattacks
    - the requirements for compliance with security certification were revised and consolidated, and will be integrated into the selection process of third parties to guarantee adequate supervision of the services provided
    - threat intelligence capacity was increased, with new feeds and tools

- in the field of the Power of Data:
    - a dedicated team/function within the ICT & Security Department was set up, with specific AI-related skills
    - the updating and extension of internal expertise continued, also thanks to the activation of structured partnerships (e.g. with CERTFin) for the transfer of know-how in areas of excellence in the Italian economy and participation in research activities and working groups with external bodies (e.g. ABI, CERTFin)
    - both technological and business use-cases were analysed and implemented, also aimed at supporting teams in software development and security analysis
    - the first stages of the infrastructural technology setup were implemented, allowing for future use cases to be developed, guaranteeing high standards of security, management and economic sustainability.

The measures taken cover, on a continuous basis, all business processes, from product and service design, training, incentives, to stakeholder interaction and include:

- the provision of a regulation on the use of electronic tools (e.g. e-mail, Internet, laptops and smartphones) during work, with the aim of defining principles of conduct regarding their correct use, including rules on security, personal data protection, confidentiality and the protection of Bank employees
- the sharing of specific guidelines on the data retention period and the rights of data subjects
- a Data Privacy Impact Assessment (DPIA)
- the compilation of processing records, in which all data processing operations carried out at the Bank under its responsibility are tracked and organised
- second-level checks on compliance with privacy laws
- the adoption of a Legitimate Interests Assessment (LIA) model for assessing the legal basis of the legitimate interest, where used by the data controller
- the adoption of a DTIA *(*Data Transfer Impact Assessment) model for the assessment of transfers outside the EU/EEA.

The financial resources allocated in 2024 to the actions reported were not significant in the context of the Financial Reporting figures.

5.3.2 Objectives

The 2024-2026 ICT & Security strategic objectives are described in the ICT & Security Strategic Guidance Document, which forms the framework of a broader set of documents governing the Bank's ICT and Security Governance. The purpose of this document is to illustrate the long-term guidelines for the development of the information system, in line with the definition of the company's sectors of operation, organisation and strategy, and taking into account the evolution of the reference sector, as well as compliance with regulatory developments.

The main drivers considered in defining the ICT & Security strategic objectives and related enablers, i.e, the fundamental technological elements to implement the defined strategy, are:

- digitisation
- reliability
- efficiency
- resilience
- flexibility
- data driven.

The ICT & Security Strategy is outlined annually in a specific Operational Plan, which describes the main project initiatives identified to achieve the strategic objectives and is submitted for to CEO and General Manager for their approval. The progress of these initiatives is constantly monitored, to ensure their alignment with the strategic objectives, communicate any critical issues in good time and, consequently, identify and implement suitable corrective solutions to avoid compromising compliance with the plan.

The effective implementation of the ICT & Security Strategy is also ensured through the Summary Report on Adequacy and Costs which, on an annual basis, not only describes the adequacy of the services provided in relation to costs incurred, but also an overview of performance in relation to relevant ICT, Security and Fraud issues, including organisational structure and resources, security awareness & training, availability management, incident and security incident management, disaster recovery & resilience, and anti-fraud management in the area of Payments. In addition, it offers a comparison with other listed Italian banks or even with industry analyses of international panels (e.g. CIPA - ABI, Gartner). This document is presented to the Board of Directors.

The ICT & Security department has a team dedicated to Information Security & Fraud Management, with responsibility for and the objective of supporting and managing the adoption of policies and guidelines aimed at guaranteeing the security of company information and assets in various areas (applications, network, asset management, device management, patch/change/vulnerability management), in order to prevent the violation of systems and data losses or damage. As a further objective, this team manages information security incidents by applying a structured and integrated incident response framework, whose guidelines and roles are described in the Global Policy Group ICT Security Incident Management and Emergency and Crisis Management. Specific detailed processes have also been established to ensure the timely and orderly handling of the different types of events. In addition, the team carries out anti-fraud monitoring of customer transactions, which involves a multi-layered approach, based on in-depth knowledge of its customers and on behavioural analysis and risk assessment, in order to optimise and make the existing anti-fraud process more effective, while maintaining a high level of practicality and usability.

Finally, in relation to the 'human factor', which continues to represent one of the most important protection rings, the overall objective is to continue to ensure that customers, employees and management are aware of possible threats so as to be able to recognise them and react appropriately. In 2024, various initiatives took place, including: ad hoc communication campaigns for targeting customers, to raise awareness of known fraud attempts and modus operandi and to provide concrete suggestions for dealing with and/or preventing such situations; participation in simulations of adverse cybersecurity scenarios, organised and run by external third parties (e.g. CERTFin). Ongoing training and awareness-raising in this area is an important element in the growth and enhancement of the professional and personal profiles of everyone at all levels. In fact, cybersecurity and information security issues are covered annually in mandatory training courses attended by all Bank employees.

During 2024, the Bank was also assisted by external third parties to ensure adequate supervision for:

- conducting security assessments (e.g. penetration tests), both ongoing and on-demand, aimed at identifying potential threats and vulnerabilities that could impact systems/services, with the objective of verifying the security measures in place and evaluating the implementation of further protection measures, where necessary;
- conducting controls on the payment transaction monitoring system pursuant to Commission Delegated Regulation (EU) 2018/389;
- conducting assessments on the Bank's Data Centres with the aim of assessing environmental risks and the adequacy of the physical security safeguards adopted (an average reduction in energy consumption of around 2% was registered in 2024, thanks also to the continuation of the infrastructure virtualisation initiative, reducing polluting emissions);
- conducting assessments as part of the Customer Security Programme (CSP) introduced by SWIFT regarding the evaluation of payment network security measures.

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Finally, it should be noted that the MYP ESG 2024-2026 has a target, ending in 2026, for at least 80% of IT service providers to hold ISO 27001 or equivalent certification. As of 2024, data are not available.

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ANNEX I - ESG 2024-2026 MULTI-YEAR PLAN[75]

Responsible Finance - Investing and Brokerage (*)				
Objectives		**Deadline**	**ESRS**	**Consolidated Sustainability Report**
Enlargement of the offer within the platform with funds with ESG characteristics	At least 50% of new funds launched on Fineco's platform with a Fineco ESG rating ≥ 6 (ISIN no.)	From 2024	Entity-specific topic - Sustainable finance	Para 5.1
	At least 50% of new funds launched on Fineco's platform with an SFDR classification Artt.8 or 9 (ISIN no.)	From 2024	Entity-specific topic - Sustainable finance	Para 5.1
	Maintenance of the 68% minimum threshold of SFDR classification Art. 8 or 9 funds out of total funds within the offering of subscribable funds (ISIN no.)	2026	Entity-specific topic - Sustainable finance	Para 5.1
Enrichment of active funds included in open advisory insurance baskets with ESG instruments	At least 65% of new active funds placed in insurance advice free baskets with SFDR classification Artt8 or 9 (ISIN no.)	From 2024	Entity-specific topic - Sustainable finance	Para 5.1
	Maintenance of the 65% minimum threshold of SFRD classification Artt.8 or 9 funds out of total funds within the available funds (ISIN no.)	2026	Entity-specific topic - Sustainable finance	Para 5.1
Integration of ESG criteria into the PFAs Incentive Plan		From 2024	Entity-specific topic - Sustainable finance	Para 5.1
Inclusion of at least two investment houses with a specific ESG DNA within the open platform architecture		2026	Entity-specific topic - Sustainable finance	Para 5.1
Expansion of the certificates offering with at least 3 ESG certificates		2026	Entity-specific topic - Sustainable finance	Para 5.1
Integration of ESG information into product search and selection parameters	Integration of an ESG filter for all investment funds on the platform[76]	2026	Entity-specific topic - Sustainable finance	Para 5.1
	Integration of ESG parameters in the snapshots of the private area of the website for the securities records of the main classes: shares, ETPs and bonds of major listings	2024	Entity-specific topic - Sustainable finance	Para 5.1
	Integration of an internal ESG filter into the stocks and bond screeners for all bonds and shares of major listings	2025	Entity-specific topic - Sustainable finance	Para 5.1

[75] The targets in the areas marked with an asterisk identify environmental objectives in accordance with the 2024-2027 EMAS Environmental Programme, unless otherwise specified.
[76] where information from the investment house is present.

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<table>
<tr><td colspan="2">Strengthening of ESG training in Fineco AM by issuing at least 10 training courses for employees and Board[77]</td><td>2026</td><td>Entity-specific topic - Sustainable finance</td><td>Para 5.1</td></tr>
<tr><th colspan="5">Responsible Finance - Internal Investments (*)</th></tr>
<tr><th colspan="2">Objectives and targets</th><th>Deadline</th><th>ESRS</th><th>Consolidated Sustainability Report</th></tr>
<tr><td colspan="2">ESG investment volume out of the total treasury portfolio of at least 10%</td><td>2026</td><td>Entity-specific topic - Sustainable finance</td><td>Para 5.1</td></tr>
<tr><td colspan="2">Volume of ESG collateral switch transactions of at least 800 million euros</td><td>2026</td><td>Entity-specific topic - Sustainable finance</td><td>Para 5.1</td></tr>
<tr><th colspan="5">Responsible Finance - Financial Inclusion</th></tr>
<tr><th colspan="2">Objectives and targets</th><th>Deadline</th><th>ESRS</th><th>Consolidated Sustainability Report</th></tr>
<tr><td colspan="2">Adherence to the ABI Agreement for women victims of violence</td><td>2024</td><td>S4 - Consumers and end-users</td><td>Para 3.5</td></tr>
<tr><td colspan="2">Implementation of at least one financial education event on the territory dedicated to specific targets of the population (vulnerable/less protected groups)</td><td>2024</td><td>S3 - Affected communities</td><td>Para 3.4</td></tr>
<tr><td colspan="2">Strengthening teamwork approach within the Personal Financial Advisor Network</td><td>From 2024</td><td>Entity-specific topic - Sustainable finance</td><td>Para 5.1</td></tr>
<tr><th colspan="5">Financial education and advice</th></tr>
<tr><th colspan="2">Objectives and targets</th><th>Deadline</th><th>ESRS</th><th>Consolidated Sustainability Report</th></tr>
<tr><td rowspan="3">ESG training for the Network</td><td>Planning and delivery of the first training sessions</td><td>2024</td><td>S1 - Own workforce</td><td>Para 3.3</td></tr>
<tr><td>Training of at least 75% of Private Bankers</td><td>2026</td><td>S1 - Own workforce</td><td>Para 3.3</td></tr>
<tr><td>Training of at least 50% of Personal Financial Advisors</td><td>2026</td><td>S1 - Own workforce</td><td>Para 3.3</td></tr>
<tr><td colspan="2">Realisation of at least 1 customer event with ESG focus per business area[78]</td><td>2025</td><td>S3 - Affected communities</td><td>Para 3.4</td></tr>
<tr><td colspan="2">Realisation of at least 20 financial education events</td><td>2026</td><td>S3 - Affected communities</td><td>Para 3.4</td></tr>
</table>

[77] The target is not part of the 2024-2027 EMAS Environmental Programme.
[78] 26 commercial areas as of 31 December 2023 (baseline).

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Uploading of at least 20 new financial education videos		2026	S3 - Affected communities	Para 3.4
Increase in YoY uptake of financial education contents		From 2025	S3 - Affected communities; S4 - Consumers and end-users	Para 3.4 and 3.5
Provision of a scholarship for secondary school pupils as part of the collaboration with Feduf		2025	S3 - Affected communities	Para 3.4
Launch of a current account dedicated to minors		2025	S4 - Consumers and end-users	Para 3.5
ESG Governance				
Objectives and targets		**Deadline**	**ESRS**	**Consolidated Sustainability Report**
Maintenance of international commitments	UN PRB (FinecoBank); UN PRI and UN PRI Advance (Fineco AM); UN Global Compact (FinecoBank; Fineco AM); Climate Action 100+ (Fineco AM)	From 2024	Entity-specific topic - Sustainable finance	Para 5.1
Activation of structured partnerships with external bodies for the development and strengthening of internal know-how on key innovation/security issues		From 2024	Entity specific topic - Innovation; Entity specific topic - Cybersecurity and information security	Para 5.2 and 5.3
Definition of ESG Ambassadors in the Bank's organisational model		2025	ESRS2	Para 1.3
Adoption of a Policy on Artificial Intelligence		2024	Entity specific topic - Innovation	Para 5.2.
Adoption of a Policy on Diversity & Inclusion by Fineco AM		2024	S1 - Own workforce	Para 3.2
Fineco AM Active Stewardship and Voting Policy: publication of the Voting Policy and voting history on the Company website		2024	Entity-specific topic - Sustainable finance	Para 5.1
Diversity and inclusion				
Objectives and targets		**Deadline**	**ESRS**	**Consolidated Sustainability Report**
Diversity, Equity & Inclusion	Definition of an awareness plan for external and internal stakeholders on D&I with at least 13 content pieces in the three-year period and an internal survey on these issues	2026	S1 - Own workforce	Para 3.2

	Implementation of measures to support parenting and work-life balance with specific reference to the introduction of a supplementary allowance paid by the company for parental leave	2026	S1 - Own workforce	Para 3.2
	Increase in the proportion of the least represented gender in the organisation in leadership roles, with a minimum target of 5%	2026	S1 - Own workforce	Para 3.2
	Reduction of the gender equity pay gap to below 5% for all categories of workers doing the same or equally valuable work	2026	S1 - Own workforce	Para 3.2
Strengthening the Commercial Network's Youth Project	Revision of the economic proposal	2024	S1 - Own workforce	Para 3.3
	Design of a coaching plan	2024	S1 - Own workforce	Para 3.3
	Release of the Coaching Plan	2025	S1 - Own workforce	Para 3.3
Increased focus on gender diversity also within the Network	At least 15% female managers among the new managers in the 2024-2026 period	2026	S1 - Own workforce	Para 3.3
	Integration of KPIs on female recruitment in the Manager Incentive Plan	From 2024	S1 - Own workforce	Para 3.3
	Female participation extended to specific activities or initiatives dedicated to Ambassadors, also involving the top 5 women per weighted portfolio (excluding women who are already Ambassadors)	From 2024	S1 - Own workforce	Para 3.3
Specialised accessibility training for designers to further support the development of digital products and services accessible to all users		2025	S3 - Affected communities; S4 - Consumers and end-users	Para 3.4 and 3.5
Environment[79] and supply chain (*)				
Objectives and targets		**Deadline**	**ESRS**	**Consolidated Sustainability Report**
Modernisation of the car fleet - 100% hybrid/electric cars in the total car fleet		2024	E1 - Climate change	Para 2.2

[79] The target for at least 80% of IT service providers to hold ISO 27001 or equivalent certification is not included in the 2024-2027 EMAS Environmental Programme.

Commitment to Net-Zero Emissions by 2050	95% exposure in debt securities of sovereign and banking issuers with a target of Net-Zero by 2050	2030	E1 - Climate change	Para 2.2
	100% exposure in debt securities of sovereign and banking issuers with a target of Net-Zero by 2050	2050	E1 - Climate change	Para 2.2
	Reduction of Scope 1, 2 (market based) greenhouse gas emissions from operational activities: -55% vs 2021	2026	E1 - Climate change	Para 2.2
	Reduction of Scope 1, 2 (market based) greenhouse gas emissions from operational activities: -90% vs 2021	2050	E1 - Climate change	Para 2.2
	Reduction of Scope 3 greenhouse gas emissions from operational activities: -20% vs 2021	2030	E1 - Climate change	Para 2.2
Space optimisation at the registered office for energy efficiency purposes		2026	E1 - Climate change	Para 2.2
Implementation of more energy-efficient screen savers		2025	E5 - Resource use and circular economy	Para 2.3
Installation of at least 15 charging stations for the company car fleet and for employees' private cars		2025	E1 - Climate change	Para 2.2
Replacement of at least 50% of the plastic card fleet with recycled PVC cards by		2026	E5 - Resource use and circular economy	Para 2.3
Digitisation	Increase in the use of digital solutions by personal financial advisors to achieve a paper-to-digital ratio of 1/7	2026	E5 - Resource use and circular economy	Para 2.3
	90% digitisation: • of the contractual documents of non-current account holders; • of documents relating to post-sale Lombard loan operations	2026	E5 - Resource use and circular economy	Para 2.3
Supply chain	Integration of a section in the e-shop of Personal Financial Advisors for the purchase of environmentally friendly products	2024	E5 - Resource use and circular economy	Para 2.3
	Adoption of guidelines for the Network of financial advisors to select suppliers with ESG characteristics for the organisation of events	2024	E5 - Resource use and circular economy	Para 2.3

Consolidated Sustainability reporting

	Identification and selection of materials and gadgets with eco-friendly characteristics for events and the Network of financial advisors	From 2024	E5 - Resource use and circular economy	Para 2.3
	Elimination of single-use plastic products on company premises	2025	E5 - Resource use and circular economy	Para 2.3
	Provision of specialised training on green and sustainable procurement for 100% of the Procurement Office staff	2025	E5 - Resource use and circular economy	Para 2.3
	Supplier environmental audits carried out on 100% of the companies under contract providing global services at Fineco Centres over the three-year period 2024-2026	2026	E5 - Resource use and circular economy	Para 2.3
	ISO 27001 or equivalent certification held by at least 80% of IT service providers	2026	Entity specific topic - Cybersecurity and information security	Para 5.3
Customer satisfaction				
Objectives and targets		**Deadline**	**ESRS**	**Consolidated Sustainability Report**
Maintenance of the 90-point threshold on an annual basis of the TRIM*M Index		From 2024	S4 - Consumers and end-users	Para 3.5
Improved user experience and user interface through the development of new services	Service to access the training offered, with the possibility of enrolment from a mobile channel	2025	S4 - Consumers and end-users	Para 3.5
	PAC ETF on App service with simplified mobile channel use	2026	S4 - Consumers and end-users	Para 3.5
Donations, partnerships and community relations				
Objectives and targets		**Deadline**	**ESRS**	**Consolidated Sustainability Report**
Ongoing community support through charity campaigns and emergency response initiatives with direct donations and the activation of fundraising		From 2024	S3 - Affected communities	Para 3.4
Activation of partnerships to support culture and value historical and artistic heritage, and to protect the environment and territory		From 2024	S3 - Affected communities	Para 3.4
Strengthening of ESG partnerships by Fineco AM by signing up to at least 4 new external initiatives		2026	S3 - Affected communities	Para 3.4

Proposal for the approval of the accounts and allocation of profit for the year

We submit for your approval the Financial Statements for the year 2024 of the Parent Company FinecoBank S.p.A. and the proposed allocation of the profit for the year 2024, which amounts to € 648,766,328.67.

It should be noted that, pursuant to art. 6, paragraph 1, letter a) of Legislative Decree no. 38/2005, a portion of the year's profits corresponding to the capital gains recognised in the income statement, net of the related tax charge and other than those relating to financial instruments held for trading and to foreign exchange and hedging transactions, which derive from the application of the fair value or equity criteria. Pursuant to art. 6, paragraph 2 of Legislative Decree no. 38/2005, these profits must be recognised in an unavailable reserve. This reserve shall therefore be released to Extraordinary Reserve in the amount of € 722,210.62, corresponding to the change in unrealised capital gains recognised in the year 2024.

The Shareholders' Meeting is invited to approve:

- the FinecoBank's Financial Statements for the year 2024;
- the allocation of the profit for the year 2024 of € 648,766,328.67 as follows:
  - to the 611,575,321 ordinary shares with a par value of € 0.33, constituting the share capital including 575,894 shares relating to the capital increase to support the employee incentive system approved by the Board of Directors on February 5th, 2024, a unit dividend of € 0.74 for a total of € 452,565,737.54;
  - € 38,009.01 to the Legal Reserve, corresponding to 0.006% of the profit for the year, having reached the limit of a fifth of the share capital;
  - € 196,162,582.12 to the Extraordinary Reserve.

The payment of the above dividend, in accordance with the law, will take place on May 21st, 2025, with an "ex-dividend" date of May 19th, 2025. Pursuant to Article 83-terdecies of Legislative Decree No. 58 of February 24th, 1998 ("TUF"), those who are shareholders on the basis of the evidence in the accounts at the end of the accounting day of May 20th, 2025 ("record date") will therefore be entitled to receive the dividend.

The undistributed portion of dividends on treasury shares held by the Bank on the record date will be transferred to the Extraordinary Reserve.

The Board of Directors

Milan, March 11th, 2025

FinecoBank S.p.A.
Chief Executive Officer and General Manager
Alessandro Foti

FinecoBank S.p.A.
Chairman
Marco Mangiagalli

Consolidated balance sheet

(Amounts in € thousand)

Assets	12/31/2024	12/31/2023
10. Cash and cash balances	1,962,876	2,266,550
20. Financial assets at fair value through profit and loss	34,159	21,119
a) financial assets held for trading	28,539	14,109
c) other financial assets mandatorily at fair value	5,620	7,010
30. Financial assets at fair value through other comprehensive income	296,410	29,069
40. Financial assets at amortised cost	29,728,119	27,940,209
a) loans and receivables to banks	2,508,514	2,993,595
b) loans and receivables to customers	27,219,605	24,946,614
50. Hedging derivatives	677,547	896,577
60. Changes in fair value of portfolio hedged financial assets (+/-)	(150,275)	(189,303)
70. Equity investments	1,674	1,652
90. Property, plant and equipment	146,296	146,497
100. Intangible assets	124,844	124,067
- goodwill	89,602	89,602
110. Tax assets	53,250	49,997
b) deferred tax assets	53,250	49,997
130. Other assets	1,813,917	2,029,266
Total assets	**34,688,817**	**33,315,700**

Consolidated balance sheet

(Amounts in € thousand)

Liabilities and Shareholders' equity	12/31/2024	12/31/2023
10. Financial liabilities at amortized cost	31,649,742	30,433,831
a) deposits from banks	850,600	866,978
b) deposits from customers	29,988,914	28,757,589
c) debt securities in issue	810,228	809,264
20. Financial liabilities held for trading	8,130	6,997
40. Hedging derivatives	48,485	59,988
50. Changes in fair value of portfolio hedged financial liabilities (+/-)	(3,164)	(31,276)
60. Tax liabilities	19,519	86,706
a) current tax liabilities	19,519	86,706
80. Other liabilities	406,358	421,234
90. Provision for employee severance pay	4,364	4,378
100. Provisions for risks and charges:	166,071	139,166
a) commitments and guarantees given	56	304
c) other provisions for risks and charges	166,015	138,862
120. Revaluation reserves	(19,049)	(6,730)
140. Equity instruments	500,000	500,000
150. Reserves	1,053,594	890,106
160. Share premium reserve	1,934	1,934
170. Share capital	201,630	201,508
180. Treasury shares (-)	(1,082)	(1,243)
200. Net Profit (Loss) for the year (+/-)	652,285	609,101
Total liabilities and Shareholders' Equity	**34,688,817**	**33,315,700**

Consolidated Income statement

Item		2024	2023
10.	Interest income and similar revenues	830,049	778,401
	of which: interest income calculated using the effective interest method	506,556	515,577
20.	Interest expenses and similar charges	(121,331)	(94,613)
30.	**Net interest margin**	**708,718**	**683,788**
40.	Fee and commission income	1,029,538	940,347
50.	Fee and commission expenses	(504,210)	(450,731)
60.	**Net fee and commission**	**525,328**	**489,616**
70.	Dividends and similar revenues	180	226
80.	Net income financial assets and liabilities held for trading	79,609	66,273
90.	Fair value adjustment in hedge accounting	(2,182)	(7,151)
100.	Gains (Losses) on disposal or repurchase of:	708	208
	a) financial assets at amortised cost	708	208
110.	Net gains (losses) on other financial assets/liabilities at fair value through profit and loss:	1,436	1,054
	b) other financial assets mandatorily at fair value	1,436	1,054
120.	**Operating income**	**1,313,797**	**1,234,014**
130.	Net impairment/write-backs for credit risk related to:	(567)	(3,098)
	a) financial assets at amortised cost	(539)	(3,098)
	b) financial assets at fair value through other comprehensive income	(28)	-
140.	Profit/loss from contract changes without cancellation	(1)	2
150.	**Net profit from financial activities**	**1,313,229**	**1,230,918**
180.	**Net profit from financial and insurance activities**	**1,313,229**	**1,230,918**
190.	Administrative costs:	(543,187)	(474,801)
	a) payroll costs	(137,847)	(126,867)
	b) other administrative costs	(405,340)	(347,934)
200.	Net provisions for risks and charges	(8,033)	(22,206)
	a) commitments and guarantees issued	248	(229)
	b) other net provisions	(8,281)	(21,977)
210.	Impairment on tangible assets	(21,143)	(21,144)
220.	Impairment on intangible assets	(4,648)	(5,995)
230.	Other operating income/charges	203,049	165,694
240.	**Operating costs**	**(373,962)**	**(358,452)**
250.	Profit (Loss) on equity investments	17	(263)
280.	Gains and losses on disposals on investments	-	35
290.	**Total profit or loss before tax from continuing operations tax expense related to profit or loss from continuing operations**	**939,284**	**872,238**
300.	Total profit or loss after tax from continuing operations tax expense related to profit or loss from continuing operations	(286,999)	(263,137)
310.	**Total profit or loss after tax continuing**	**652,285**	**609,101**
330.	**Net profit or loss**	**652,285**	**609,101**
350.	**Profit (Loss) for the year attributable to the Parent Company**	**652,285**	**609,101**

	2024	2023
Earnings per share (euro)	1.07	1.00
Diluted earnings per share (euro)	1.07	1.00

Note:

For further information on "Earnings per share" and "Diluted earnings per share" please see notes to the consolidated accounts, Part C - Information on the Consolidated Income Statement, Section 25.

Consolidated statement of comprehensive income

(Amounts in € thousand)

Item		Total 2024	Total 2023
10.	Net Profit (Loss) for the year	652,285	609,101
	Other income components net of taxes without reversal to the income statement	**(14,796)**	**(10,146)**
70.	Defined benefit plans	(14,793)	(10,156)
90.	Valuation reserves from investments accounted for using the equity method	(3)	10
	Other income components net of taxes with reversal to the income statement	**2,477**	**1,295**
150.	Financial assets (no equity securities) measured at fair value with an impact on total profitability	2,470	1,303
170.	Valutation reserves from investments accounted for using the equity method	7	(8)
200.	**Total other income components after tax**	**(12,319)**	**(8,851)**
210.	**Overall profitability (Item 10 + 200)**	**639,966**	**600,250**
230.	**Consolidated comprehensive income attributable to Parent Company**	**639,966**	**600,250**

Statement of changes in consolidated shareholders' equity

Statement of changes in consolidated shareholders' equity at 12/31/2024

(Amounts in € thousand)

	Balance as at 12/31/2023	Change in opening balance	Balance as at 01/01/2024	Allocation of profit from previous year		Change during the year									Shareholders' equity group as at 12/31/2024	Shareholders' equity minorities as at 12/31/2024
							Shareholders' equity transactions									
				Reserves	Dividends and other distributions	Changes in reserves	Issues of new shares	Purchase of own shares	Distributions of extraordinary dividends	Changes in equity instruments	Own share derivatives	Stock options	Changes in ownership	Comprehensive income e 2024		
Share capital:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- ordinary shares	201,508	-	201,508	-	-	-	122	-	-	-	-	-	-	-	201,630	-
- other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
Share premium reserve	1,934	-	1,934	-	-	-	-	-	-	-	-	-	-	-	1,934	-
Reserves:																-
- from profits	844,333	-	844,333	187,511	-	(29,657)	-	-	-	-	-	(121)	-	-	1,002,066	
- others	45,773	-	45,773	-	-	-	-	-	-	-	-	5,755	-	-	51,528	-
Revaluation reserves	(6,730)	-	(6,730)	-	-	-	-	-	-	-	-	-	-	(12,319)	(19,049)	-
Equity instruments	500,000	-	500,000	-	-	-	-	-	-	-	-	-	-	-	500,000	-
Treasury shares	(1,243)	-	(1,243)	-	-	-	733	(572)	-	-	-	-	-	-	(1,082)	-
Profit (loss) for the year	609,101	-	609,101	(187,511)	(421,590)	-	-	-	-	-	-	-	-	652,285	652,285	-
Shareholders' Equity Group	2,194,676	-	2,194,676	-	(421,590)	(29,657)	855	(572)	-	-	-	5,634	-	639,966	2,389,312	-
Shareholders' Equity Minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

The Shareholders' Meeting of April 24th, 2024 approved the distribution of the unit dividend of € 0.69, as proposed by the Board of Directors on March 12th, 2024, totalling € 421,589,604.63.
The column "Stock options" includes the incentives plans serviced by FinecoBank shares.
The column "Changes in reserves" includes the coupons paid on equity instruments, costs directly attributable to the issue of new ordinary shares during the period and costs associated with the issue and repurchase of equity instruments that occurred during the period, net of the related taxes, as well as the portion of dividends not distributed in respect of treasury shares held by the Bank at the record date.
For further details on changes in consolidated shareholders' equity please see notes to the consolidated accounts, Part B - Consolidated Balance Sheet - Liabilities, Section 13.

Statement of changes in consolidated shareholders' equity at 12/31/2023

(Amounts in € thousand)

	Balance as at 12/31/2022	Change in opening balance	Balance as at 01/01/2023	Allocation of profit from previous year		Change during the year									Shareholders' equity group as at 12/31/2023	Shareholders' equity minorities as at 12/31/2023
							Shareholders' equity transactions									
				Reserves	Dividends and other distributions	Changes in reserves	Issues of new shares	Purchase of own shares	Distributions of extraordinary dividends	Changes in equity instruments	Own share derivatives	Stock options	Changes in ownership	Comprehensive income e 2023		
Share capital:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- ordinary shares	201,340	-	201,340	-	-	-	168	-	-	-	-	-	-	-	201,508	-
- other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share premium reserve	1,934	-	1,934	-	-	-	-	-	-	-	-	-	-	-	1,934	-
Reserves:	-	-	-													
- from profits	736,780	-	736,780	129,295	-	(21,574)	-	-	-	-	-	(168)	-	-	844,333	-
- others	41,431	-	41,431	-	-	-	-	-	-	-	-	4,342	-	-	45,773	-
Revaluation reserves	2,121	-	2,121	-	-	-	-	-	-	-	-	-	-	(8,851)	(6,730)	-
Equity instruments	500,000	-	500,000	-	-	-	-	-	-	-	-	-	-	-	500,000	-
Treasury shares	(1,714)	-	(1,714)	-	-	-	990	(519)	-	-	-	-	-	-	(1,243)	-
Profit (loss) for the year	428,505	-	428,505	(129,295)	(299,210)	-	-	-	-	-	-	-	-	609,101	609,101	-
Shareholders' Equity Group	1,910,397	-	1,910,397	-	(299,210)	(21,574)	1,158	(519)	-	-	-	4,174	-	600,250	2,194,676	-
Shareholders' Equity Minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

The Shareholders' Meeting of April 27th, 2023 approved the distribution of the unit dividend of € 0.49, totalling € 299,209,501.15 as proposed by the Board of Directors on March 14th, 2023.
The column "Stock options" includes the incentives plans serviced by FinecoBank shares.
The column "Changes in reserves" includes the coupons paid on equity instruments, costs directly attributable to the issue of new ordinary shares during the period, net of related taxes, as well as the portion of dividends not distributed in respect of treasury shares held by the Bank at the record date.

Consolidated cash flow statement

(Amounts in € thousand)

Items	Amount	
	2024	2023
A. OPERATING ACTIVITIES		
1. Operations	**727,947**	**829,513**
- profit (loss) for the year (+/-)	652,285	609,101
- gains/losses on financial assets held for trading and on assets designated at fair value through profit and loss (-/+)	(2,307)	(745)
- gains/losses on hedging operations (+/-)	2,182	7,079
- net write-downs/write-backs due to impairment (+/-)	3,245	5,656
- net write-offs/write-backs on tangible and intangible assets (+/-)	25,791	27,139
- provisions and other incomes/expenses (+/-)	24,661	36,961
- net income/expenses from insurance contracts issued and reinsurance contracts held	-	-
- unpaid duties, taxes and tax credits (+/-)	16,830	83,166
- write-downs/write-backs after tax on discontinued operations (+/-)	-	-
- other adjustments (+/-)	5,260	61,156
2. Liquidity generated/absorbed by financial assets	**(1,660,951)**	**3,723,471**
- financial assets held for trading	(13,667)	1,838
- financial assets at fair value	-	-
- other assets mandatorly at fair value	2,380	(399)
- financial assets at fair value through other comprehensive income	(261,301)	-
- financial assets at amortised cost	(1,662,756)	3,865,216
- other assets	274,393	(143,184)
3. Liquidity generated/absorbed by financial liabilities	**1,087,930**	**(3,415,338)**
- financial liabilities at amortised cost	1,192,780	(3,460,678)
- financial liabilities held for trading	1,688	3,087
- financial liabilities designated at fair value	-	-
- other liabilities	(106,538)	42,253
4. Liquidity generated/absorbed from insurance contracts issued and reinsurance contracts held	**-**	**-**
- insurance contracts issued representing liabilities/assets (+/-)	-	-
- reinsurance contracts held representing assets/liabilities (+/-)	-	-
Net cash flows from/used in operating activities	**154,926**	**1,137,646**
B. INVESTMENT ACTIVITIES		
1. Cash flows from	**-**	**38**
- sales of equity investments	-	-
- dividends received from equity investments	-	-
- sales of tangible assets	-	38
- sales of intangible assets	-	-
- sales of subsidiaries and company branches	-	-
2. Liquidity absorbed by	**(18,638)**	**(15,762)**
- purchases of equity investments	(1)	(195)
- purchases of tangible assets	(13,212)	(11,894)
- purchases of intangible assets	(5,425)	(3,673)
- purchases of subsidiaries and company branches	-	-
Net cash flows from/used in investing activities	**(18,638)**	**(15,724)**
C. FUNDING ACTIVITIES		
- issue/purchase of treasury shares	282	640
- issue/purchase of equity instruments	-	-
- distribution of dividends and other scopes	(452,102)	(321,942)
- sale/purchase of control of third parties	-	-
Net cash flows from/used in financing activities	**(451,820)**	**(321,302)**
NET CASH FLOWS GENERATED/ABSORBED IN THE YEAR	**(315,532)**	**800,620**

Consolidated cash flow statement

RECONCILIATION

(Amounts in € thousand)

Item	Amount	
	2024	2023
Cash and cash balances at the beginning of the year	2,266,250	1,469,752
Net liquidity generated/absorbed during the year	(315,532)	800,620
Cash and cash balances: effect of exchange rate variations	12,270	(4,122)
Cash and cash balances at the end of the year	1,962,988	2,266,250

Key
(+) generated
(-) used

The term “Cash and cash equivalents" refers to the definition contained in Bank of Italy rules (Circular no. 262 of December 22nd, 2005 and subsequent updates) and refers to cash and on-demand claims, in the technical form of current accounts and deposits, on banks and central banks accounted for in asset item 10. "Cash and cash balances" of the balance sheet, excluding any impairment provisions and accruals made on financial assets.

The reduction in cash and cash equivalents at the end of the financial year 2024 compared to the end of the previous year is attributable to FinecoBank's decision, in line with the change in the market scenario, to invest part of the available liquidity in bonds issued by supranational and euro area government counterparties.

Cash flows from/used by financial liabilities of the Group, although in accordance with IAS 7 par. 44A is representative of flows deriving from the financing/funding activity, is classified, in line with the banking activity carried out and as required by Bank of Italy Circular 262/2005, as liquidity deriving from the operating activity.

Part A - Accounting policies

A.1 General

Section 1 - Statement of Compliance with IFRS

The Consolidated Financial Statements of the FinecoBank Banking Group (represented by the Bank and its subsidiary Fineco Asset Management DAC, hereinafter "FinecoBank Group" or "Group") is prepared, in implementation of Legislative Decree no. 38 of February 28th, 2005, in accordance with the IAS/IFRS issued by the International Accounting Standards Board (IASB), including the SIC and IFRIC interpretation documents, as endorsed by the European Commission, pursuant to EU Regulation 1606/2002 of July 19th, 2002 and applicable to financial reports for the periods starting on or after January 1st, 2024 .

It's an integral part of the Annual Financial Report as required by art. 154-ter, paragraph 1 of the Consolidated Finance Act (TUF, Italian Legislative Decree no. 58 of February 24th, 1998).

In its Circular 262 of December 22nd, 2005 as amended, Bank of Italy laid down the formats for the consolidated financial statements and Notes to the consolidated accounts of banks and regulated financial companies that are parents of banking groups, which have been used to prepare these Consolidated financial statements.

Section 2 - Preparation criteria

As mentioned above, these Consolidated financial statements have been prepared in accordance with the IAS/IFRS endorsed by the European Commission. The following documents have been used to interpret and support the application of IFRS, even though not all of them have been endorsed by the European Commission:

- The Conceptual Framework for Financial Reporting;
- Implementation Guidance, Basis for Conclusions, IFRICs and any other documents prepared by the IASB or International Financial Reporting Interpretations Committee (IFRIC) supplementing the IFRS;
- Interpretation documents on the application of IFRS in Italy prepared by the *Organismo Italiano di Contabilità* (Italian Accounting Body);
- the documents issued by ESMA (European Securities and Markets Authority), by European Banking Authority, by European Central Bank, by Bank of Italy and by Consob that refer to the application of specific provisions in the IFRS;
- the documents prepared by Italian Banking Association (ABI).

The Consolidated financial statements comprise the consolidated Balance Sheet, the consolidated Income Statement, the consolidated Statement of Comprehensive Income, the consolidated Statement of Changes in Shareholders' Equity, the consolidated Cash Flow Statement (compiled using the indirect method), and these Notes to the consolidated accounts, together with the Directors' Report on Operations ("Consolidated Report on Operations") and the Annexes. Any discrepancies between the figures shown in the Consolidated financial statements and the Notes to the consolidated accounts is due to roundings.

The consolidated Balance Sheet and the consolidated Income Statement are compared with the corresponding statements for the previous year.

In the consolidated statement of comprehensive income the profit (loss) for the year recognised in the consolidated income statement is added to the income components recognised, in accordance with international accounting standards, as an offsetting entry to the valuation reserves, net of the related tax effect. The consolidated statement of comprehensive income is presented with separate evidence of the income components that will not be recognised in the income statement in the future and those that may otherwise be reclassified to profit (loss) for the year if certain conditions are met. The statement is compared with the corresponding statement for the previous year.

The statement of changes in consolidated shareholders' equity shows the composition of and changes in shareholders' equity during the year of the financial statements and the previous year.

The consolidated cash flow statement shows the cash flows occurred during the year of the financial statements compared to those of the previous year and has been prepared using the indirect method, whereby cash flows from operating activities are represented by the result for the year adjusted for the effects of non-monetary transactions.

The figures in the Consolidated financial statements and the Notes to the consolidated Accounts are provided in thousands of euros, unless otherwise indicated and have been prepared with reference to the instructions on banks' financial statements set out in the Bank of Italy's Circular 262 of December 22nd, 2005, and subsequent updates. In accordance with the Bank of Italy Circular 262/2005, items in the consolidated Balance Sheet, consolidated Income Statement and consolidated Statement of Comprehensive Income for which there is no significant information to be disclosed for the reporting period and the previous year, are not provided. In addition, the tables in the Notes to the Consolidated Accounts that do not have any significant information to be disclosed are not shown either for the reporting period or the previous year.

With reference to IAS 1, these Consolidated financial statements have been prepared on a going concern basis, as there are no doubts or uncertainties, considering the Group's economic and financial situation, as to the ability of the Group to continue its business operations and to continue operating for the foreseeable future (at least for the next 12 months).

Part A - Accounting policies

The measurement criteria adopted are therefore consistent with this assumption and with the principles of accrual based accounting, the relevance and materiality of accounting information, and the prevalence of economic substance over legal form.

Lastly, pursuant to Art. 123-bis par. 3 of Consolidated Finance Act, as noted in the "Other Information" section of the Consolidated Report on Operations, the Report on Corporate Governance and Ownership Structures is available in the "Governance" section of the FinecoBank website.

Section 3 – Consolidation Procedures and Scope

The consolidation criteria and principles adopted in the preparation of the consolidated financial statements as at December 31st, 2024 are set out below.

Scope of consolidation

The scope of consolidation includes FinecoBank and its direct subsidiaries. There are no companies indirectly controlled by FinecoBank.

The following was used for full consolidation:

- the draft accounts at December 31st, 2024 of FinecoBank S.p.A.;
- the draft accounts at December 31st, 2024 of Fineco Asset Management DAC ("Fineco AM"), fully consolidated and wholly owned, prepared in accordance with IAS/IFRS where the items have been appropriately reclassified and adjusted for consolidation requirements.

Preliminary data referring to the accounting date of December 31st, 2024 provided by Vorvel SIM S.p.A., the only equity investment subject to significant influence and included in the scope, were used for consolidation using the equity method.

Changes in the scope of consolidation

There are no changes in the scope of consolidation since December 31st, 2023.

1. Interests in fully-owned subsidiaries

Company names	Headquarters	Registered office	Type of relationship (1)	Ownership relationship		Voting rights % (2)
				held by	holding %	
1. Fineco Asset Management DAC	Dublin	Dublin	1	FinecoBank	100%	100% effective

Key:

(1) Type of relationship:
1 = majority of voting rights and the ordinary Shareholders' Meeting

(2) Availability of votes in the ordinary Shareholders' Meeting, with a distinction between actual and potential votes.

With reference to Fineco International Ltd, it should be noted that the company's application for "dissolution" at the English Company House (commercial register) became effective on March 12th, 2024.

Part A - Accounting policies

2. Valuations and key assumptions to define the scope of consolidation

Subsidiaries

The Group determines the existence of control and, consequently, the scope of consolidation by considering the following factors:

1. the purpose and constitution of the investee in order to identify what the entity's objectives are, the activities that determine its returns and how those activities are governed;
2. power in order to understand whether it has contractual rights that give it the ability to govern the relevant activities; for this purpose only substantive rights that provide practical capacity to govern are considered;
3. exposure to variability of returns and the ability to use the power held to influence the returns to which it is exposed;
4. the existence of potential "principal/agent' relationships, as defined in IFRS 10.

Where the relevant assets are governed by voting rights, the existence of control is verified by considering the voting rights, including potential ones, held and the existence of any agreements or shareholders' agreements that give the right to control the majority of the voting rights, to appoint the majority of the governing body or in any case the power to determine the financial and operating policies of the entity.

The Group differentiates between entities governed by voting rights, so-called operating entities, and entities not governed by voting rights, which include, for example, special purpose entities (SPE/SPV) and investment funds.

In the case of operating entities, the following factors usually provide evidence of control:

- own, directly or indirectly through your subsidiaries, more than half of the voting power of an enterprise unless, in exceptional cases, it can be clearly demonstrated that such ownership does not constitute control;
- own half or less of the votes exercisable at the shareholders' meeting and have the practical ability to govern the relevant activities unilaterally through:
  - controlling more than half of the voting rights by virtue of an agreement with other investors;
  - the power to determine the financial and operating policies of the entity by virtue of a clause in the articles of association or a contract;
  - the power to appoint or remove the majority of the members of the board of directors or equivalent corporate governance body, and the management of the company is the responsibility of that board or body;
  - the power to exercise the majority of voting rights at meetings of the Board of Directors or equivalent corporate governance body, and the management of the company is the responsibility of that board or body.

In the case of entities that are not governed by voting rights, the Group makes an assessment of whether:

- it has power over the relevant assets of the investee,
- it has exposure to the performance of the investee, and
- there is a correlation between the two points above, i.e. the Group has the ability to exercise its power to affect the returns from that relationship.

In this context, it should be noted that the control of investment funds is typically evidenced by the contractual right to manage the investment choices/strategies of the fund itself (either directly, by acting as asset manager, or indirectly through the ability to remove the asset manager) in conjunction with ownership of at least 30% of the exposure (combined with the units and fees received by the fund in the case where the investor is also an asset manager). In the context of funds managed by Group companies, funds in the Seed/Warehousing phase are not considered controlled. In fact, in this phase, the purpose of the fund is to invest, according to the provisions of the relative regulation, in financial and non-financial assets in order to place the units with third party investors. Consequently, it is believed that the management company is not in a position to exercise effective power due to the limited discretionary scope.

Associates

An associated company is an enterprise in which the investor exercises significant influence and which is neither an exclusive subsidiary nor a joint subsidiary.

Significant influence is presumed when the Group holds, directly or indirectly, at least 20% of the capital of another company, or – albeit with a lower share of voting rights – has the power to participate in determining the financial and management policies of the investee company by virtue of particular legal ties such as participation in shareholders' agreements.

Only entities whose governance is exercised through voting rights can be classified as companies with significant influence.

Part A - Accounting policies

3. Interests in fully-owned subsidiaries with major minority interests

As at December 31st, 2024, the only wholly-owned subsidiary, Fineco AM, is 100% owned.

3.1 Minority interests, availability of minority votes and dividends distributed to minority shareholders

No data to report.

3.2 Significant minority interests: accounting data

No data to report.

4. Significant restrictions

No data to report.

5. Other information

As required by paragraph 11 of IFRS 12, it should be noted that there are no financial statements of subsidiaries used in the preparation of the consolidated financial statements that are dated other than the date of the consolidated financial statements.

Consolidation methods

<u>Full consolidation</u>

Investments in subsidiaries are consolidated on a line-by-line basis, which consists of the acquisition of the subsidiary's balance sheet and income statement aggregates "line by line".

After any attribution to third parties, in their own items, of their share of the equity and the economic result (respectively item "190. Minority interests" and item "340. Profit (loss) for the period attributable to minority interests"), the book value of the investment is written off - against the assumption of the related assets and liabilities – against the corresponding portion of shareholders' equity attributable to the parent company (100% in the case of a company wholly owned by the parent company). Differences resulting from this transaction, if positive, are recognized - after any allocation to assets or liabilities of the subsidiary, including intangible assets – as goodwill under Intangible Assets. Any negative differences are recognized in the income statement. Assets and liabilities, off-balance sheet transactions, income and expenses as well as profits and losses between the companies are fully eliminated in accordance with the consolidation method adopted. Dividends distributed by subsidiaries are eliminated from the consolidated profit and loss account with a counter-entry to retained earnings.

<u>Consolidation using the equity method</u>

Investments in associates and joint ventures are consolidated, in accordance with IAS 28, using the equity method, which consists of the initial recognition of the investment at acquisition cost, including initial direct costs associated with the acquisition, and its subsequent value adjustment based on the investor's share of the investee's equity.

At the time of acquisition, the difference between the cost of the investment and the investor's share of the net fair value of the investee's identifiable assets and liabilities must be identified; if the difference is positive, it is recognized as goodwill and included in the carrying amount of the investment; if it is negative, it is recognized as income in determining the investor's share of the associate's profit or loss for the period in which the investment is acquired.

Subsequently, the carrying amount is increased or decreased by the investor's share of the investee's profits or losses recognized after the date of acquisition, recognized in profit or loss in item 250. "Profit (Loss) on equity investments".

This share must be adjusted to take account of:

- the profits and losses resulting from the transactions of the associated company, in proportion to the percentage of the shareholding in that company;
- depreciable assets based on their fair value at the date of acquisition and impairment losses on goodwill and any other non-cash items.

Dividends received are not recognized in the income statement but are treated as a mere equity transaction that reduces the carrying amount of the investment against the cash received.

Changes in valuation reserves of associates are disclosed separately in the consolidated statement of comprehensive income.

If the associate prepares its financial statements in foreign currency, the translation differences at the balance sheet date are recognized in a separate currency translation reserve to be reported in the consolidated statement of comprehensive income.

If there is evidence that the value of an investment may have decreased, the recoverable amount of the investment is estimated, taking into account the present value of future cash flows that the investment may generate, including the final disposal value of the investment. If the recoverable amount is lower than the carrying amount, the difference is recognised in the income statement under item 250. “Profit (Loss) on equity investments”. If the reasons for the impairment loss are removed as a result of an event occurring after the impairment was recognised, the related reversals are recognised in the same income statement item.

Section 4 - Subsequent events

No significant events have occurred after the balance sheet date that would make it necessary to change any of the information given in the Consolidated Financial Statements as at December 31st, 2024.

The Consolidated Financial Statements at December 31st, 2024 were approved by the Board of Directors of March 11th, 2025, which authorised their publication also pursuant to IAS10.

Section 5 - Other matters

During 2024, the following accounting standards, amendments and interpretations, approved by the European Commission, become effective for reporting periods beginning on or after January 1st, 2024:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current and Non-current - Non-current Liabilities with Covenants (EU Reg. 2023/2822);
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (EU Reg. 2024/1317);
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (EU Reg. 2023/2579).

These standards, amendments and accounting interpretations did not have a material impact on the consolidated economic and financial situation at 31st December 2024. It should be noted, in fact, that with regard to:

- IAS 1, in consideration of the content of the amendment and given the obligation for banks to apply the formats provided for by Bank of Italy Circular No. 262/05, the limited proposed amendments to IAS 1 are not relevant;
- IAS 7 and IFRS 7, the amendments are not relevant for the Group, as the Bank and its subsidiary Fineco AM have not entered into financing agreements as purchasers for supplies;
- IFRS 16, the amendments introduced to the standard are not relevant to the Group, as the Bank and its subsidiary Fineco AM do not carried out any sale and leaseback transaction.

In addition, at December 31st, 2024, the following accounting standards had been endorsed and are applicable for annual periods beginning after 2024:

- Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (EU Reg. 2024/2862);

As at December 31st, 2024, the IASB had issued the following standards and accounting interpretations or revisions thereof, the application of which is, however, still subject to the completion of the endorsement process by the competent bodies of the European Union, which is still underway:

- IFRS 18 Presentation and Disclosure in Financial Statements (April 2024);
- Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments (May 2024);
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (May 2024);
- Annual Improvements Volume 11 (July 2024);
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (December 2024)

The possible effects of the future adoption of these standards, interpretations and amendments, to the extent that they are applicable and relevant to the Group, are reasonably estimated to be immaterial; the related analyses, also in relation to the fact that endorsement has not yet taken place, are still to be completed.

It should also be noted that on 24 October 2024, ESMA published Public Statement ESMA32-193237008-8369 “European common enforcement priorities for 2024 corporate reporting” the annual public statement in which it set out the common European enforcement priorities for the preparation of the 2024 annual financial reports of issuers admitted to trading on EEA regulated markets ('European Economic Agreement'). In particular, ESMA

Part A - Accounting policies

lists the following recommendations that issuers should consider, according to their relevance and materiality, when preparing their annual financial reports:

- Liquidity considerations. In this context, ESMA draws attention to the following aspects:
  - Supplier finance arrangements ('SFAs'). Issuers must ensure that they identify all material SFAs to which disclosure requirements apply, in particular, the new disclosure requirements in IAS 7 Statement of Cash Flows in relation to SFAs and their effects on issuers' exposure to liquidity risk;
  - Covenants. Issuers must ensure that they provide the clarifications and new disclosures required by IAS 1 in respect of non-current liabilities with covenants and the disclosures required by IFRS 7 in respect of loans payable, in particular in the event of defaults, breaches or renegotiations of loan agreements;
  - Cash flow statements. Issuers must comply with the following requirements, in relation to which supervisory authorities have identified instances of non-compliance in the past: (i) cash flows in the cash flow statement must be presented on a gross basis, (ii) non-cash transactions may not be presented in the cash flow statement, and (iii) material non-cash transactions related to investment and financing transactions must be disclosed elsewhere in the financial statements. In addition, ESMA reminds issuers that bank loans are generally considered financing activities. Only bank overdrafts repayable on demand, which are an integral part of an entity's cash management, are included as a component of cash and cash equivalents.
- Significant accounting policies, judgements and estimates. In this context, ESMA draws attention to the following aspects:
  - General remarks. ESMA emphasises that disclosures about significant accounting policies, judgements and sources of estimation uncertainty should be (i) entity-specific and (ii) consistent with other disclosures in the financial statements. In addition, issuers shall clearly disclose (i) the judgements made that have had the most significant effect on the amounts recognised in the financial statements and (ii) the assumptions about the future and other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year. In addition, issuers shall evaluate and, if relevant, explain whether and how estimation uncertainty is affected by significant current developments (eg macroeconomic, technological, social, climatic and geopolitical);
  - Control, joint control and significant influence. In determining whether an issuer controls an entity (alone or jointly with other investors) or has significant influence over an investee, significant judgement may be required. Issuers should pay close attention to the requirements of paragraphs 7-9 of IFRS 12 'Disclosure of Interests in Other Entities' and provide clear and detailed disclosures of significant judgements made in assessing control, joint control and significant influence;
  - Revenues from contracts with customers. ESMA notes that the analysis as to whether issuers' long-term contracts (e.g., leases) meet the definition of a contract with a customer may require significant judgement, therefore, issuers may need to disclose the judgements used in performing such analysis. In addition, ESMA points out that in the case of long-term contracts with customers (e.g. construction contracts), where the performance of the related obligations spans multiple accounting periods, there is often uncertainty regarding revenues and costs. Given the macroeconomic environment (interest rate changes, inflation), issuers must ensure that the forecasts used are reasonable and sustainable, particularly when it comes to measuring progress towards full performance of an obligation when revenue is to be recognised over time. For onerous (overall loss-making) contracts, the present obligation under the contract must be recognised and measured as a provision. In this context, ESMA outlines the disclosure requirements for provisions in IAS 37 'Provisions, Contingent Liabilities and Contingent Assets,' including disclosure of uncertainties about the amount and timing of economic benefit outflows and (where necessary) key assumptions made about future events.

On the other hand, with regard to priorities for sustainability statements, ESMA lists the following recommendations for issuers to consider, according to their relevance and materiality, when preparing annual financial reports:

- Materiality considerations in reporting under ESRS. Issuers should pay attention to EFRAG's Implementation Guidance on Materiality Assessment (IG1) when applying the relevant requirements of the European Sustainability Reporting Standards (ESRS). Detailed disclosure of the assessment process itself, in accordance with ESRS 2 General Disclosures, is essential to enable users of sustainability information to fully understand the scope of the different steps the issuer has taken to reach its materiality conclusions, including by providing sufficient information on the activities, business relationships, geographic areas and stakeholders considered. ESMA emphasises the specific data within the Disclosure Requirement ('DR') IRO-1 related to the input parameters (para. 53 (g)), as well as the need to disaggregate in the disclosures the processes followed for impacts (para. 53 (b)), risks and opportunities (para. 53 (c)) (collectively referred to as 'IRO'). A crucial aspect of the materiality assessment process concerns the sustainability due diligence process, including the involvement of identified stakeholders. According to Section 4 of ESRS 1 General Requirements, the impact materiality assessment process is informed by the outcome of any sustainability due diligence process implemented by the issuer. According to Section 4 of ESRS 1 General Requirements, the impact materiality assessment process is informed by the outcome of any sustainability due diligence process implemented by the issuer. Disclosures under DR IRO-1 should clearly reflect this linkage.
  Regarding the involvement of identified stakeholders, ESMA points out that several ESRS 2 DRs address the issue of whether and how a company involves stakeholders, including in relation to the materiality assessment process (DR IRO-1 paragraph 53 (b) (iii)). 53 (b) (iii)). In this regard, ESMA notes that IG1 FAQ 16 clarifies that the objective of such engagement is to obtain the views of key identified stakeholders. ESMA expects issuers to provide transparent disclosure in accordance with DR SBM-2 and DR IRO-1 on how they identify and prioritise the stakeholders involved. ESMA also notes that IG1 FAQ 10 states that, where possible, materiality assessment should be based on quantitative information as objective evidence of the materiality of an impact, risk or opportunity. ESMA stresses the importance for issuers to carefully consider the materiality regime associated with ESRS disclosures. ESMA notes that Section 3.2 of ESRS 1 defines

the materiality regime associated with different types of DR, which is further explained in Appendix E of ESRS 1. More specifically, ESMA highlights the fact that, regardless of materiality, all DRs and related data in ESRS 2 are mandatory. This includes all DRs and related data in DR IRO-1 in the thematic principles, regardless of whether or not the related topics are deemed relevant as a result of the materiality assessment process. If the topic is material, disclosure is required under the DRs related to ESRS 2 in the thematic principles, other than DR IRO-1, listed in Appendix C of ESRS 2. As regards DRs related to policies, actions and objectives in the thematic principles, disclosures (or a statement explaining that the issuer does not have a policy, action or objective in those areas and, on an optional basis, the timetable for adopting a policy) are mandatory for each material sustainability issue listed in paragraph AR16 of ESRS 1. ESMA reminds issuers that the ESRS application requirements (ARs) are an integral part of the ESRS and have the same authority as the main standards. ESMA points out that, while entity-specific disclosures are required when a relevant IRO is not, or only inadequately, covered by an ESRS (paragraphs 11 and ARs 1 to 5 of ESRS 1), such disclosures should only be included if they are relevant and meet the qualitative characteristics of the disclosures listed in ESRS 1. ESMA also notes that while all thematic standards are subject to the same materiality regime, for climate change disclosures, as set out in ESRS E1 Climate Change, a strengthened transparency regime is in place. According to paragraph 57 of ESRS 2, if an issuer omits all ESRS E1 DRs as a result of its materiality assessment, it must provide a detailed explanation of this fact, including a forward-looking analysis of the conditions that could lead to climate change becoming material in the future. Finally, ESMA emphasises the requirement in DR IRO-2 paragraph 56 and AR 19 of ESRS 2 to list the DRs complied with in sustainability reporting, including page numbers and paragraphs. ESMA encourages issuers to present this disclosure in the form of a table of contents, which could promote completeness of the disclosure and allow users to more easily navigate the sustainability reporting. ESMA also emphasises the requirement to include a table of all data derived from other EU regulations, as listed in Appendix B of ESRS 2. In addition, paragraph 48(h) of ESRS 2 requires companies to specify whether the identified IROs are covered by the application of the ESRS DR or entity-specific disclosures.

- Scope and structure of sustainability reporting. ESMA emphasises that sustainability reporting must cover the reporting entity itself, as stated in section 5.1 of ESRS 1. In this regard, DR BP-1 of ESRS 2, which must be disclosed regardless of materiality, requires confirmation that the same scope of consolidation has been used for consolidated sustainability reporting as for the consolidated financial statements. In addition, the information provided in sustainability reporting is extended to include information on material IROs related to the company's value chain, as set out in paragraphs 63-67 of ESRS 1. In this regard, ESMA points out that DR BP-1 also requires information on the extension of the value chain. ESMA points out that the structure of sustainability reporting is prescribed by Section 8 of ESRS 1 (as further explained in Appendix D of that standard) with the possibility of incorporation by reference to specific conditions listed in Section 9.1 of ESRS 1. ESMA encourages issuers to apply the detailed framework provided in Appendix F for illustrative purposes and recommends that issuers, who have made extensive use of alternative presentation formats for their sustainability reporting, carefully consider the compliance of their approaches with the relevant ESRS requirements. ESMA also notes that paragraph 111(b) of ESRS 1 sets out general objectives for the presentation of information, indicating the importance of facilitating access to and understanding of the information reported. In this regard, ESMA recommends that issuers wishing to make use of the possibilities of internal cross-reference and incorporation by reference highlighted in paragraph 115 and paragraph 119 of ESRS 1, respectively, ensure full compliance with the general presentation objectives (also in view of paragraph 122 of ESRS 1). Finally, ESMA recalls that paragraph 118 of ESRS 1 requires companies to provide information that allows for an understanding of the connections with other parts of corporate reporting. In this regard, ESMA highlights the requirement in paragraph 124 of ESRS 1 regarding monetary amounts or other quantitative information included in sustainability reporting and also presented in the financial statements. For such direct linkage situations, paragraph 124 of ESRS 1 requires a reference to the corresponding information in the financial statements. 124 of ESRS 1.
- Disclosure related to Article 8 of the Taxonomy Regulation. The recommendations on disclosures related to Article 8 of the Taxonomy Regulation made by ESMA in its 2023 public statement on ECEPs remain valid in the context of the expansion of the set of environmental objectives and climate-related activities. These recommendations concerned: the use of templates, the avoidance of double counting, the scanning of activities in relation to all environmental objectives, qualitative information on the assessment of compliance with the technical screening criteria, and the disclosure of CapEx plans.

Regarding ESEF reporting priorities, however, the Public Statement highlights that, with respect to the review of 2024 annual financial reports containing consolidated financial statements subject to ESEF reporting requirements, ESMA and the relevant national authorities will focus on the following areas of common ESEF compilation errors found in the balance sheet and financial statements: correctness of mark-ups; elements of the extension and anchor taxonomy; consistency and completeness of mark-ups; correctness of marks, scale and accuracy; and consistency of calculations . Issuers must holistically consider whether these common areas of error impact the various items when preparing and marking up their balance sheet.

Finally, ESMA recalls some general aspects that issuers need to assess, which are not a 2024 priority. Where relevant, ESMA encourages issuers, auditors and supervisors to take them into account when preparing, reviewing or overseeing annual financial reports, as some of these considerations relate to future reporting periods, disclosures in the annual report and/or past publications, in particular:

- Consistency between IFRS financial statements and non-financial information. ESMA continues to require consistency and connectivity between information on climate risks and opportunities included in financial statements, information included in sustainability reports or other parts of management reports.

Part A - Accounting policies

- IFRS financial reporting considerations. ESMA recalls the observations and recommendations contained in its report on the application of the requirements of IFRS 17 in financial statements 2023 and in its statement 'Clearing the smog: Accounting for Carbon Allowances in Financial Statements', which provides recommendations on disclosures related to the accounting for carbon pricing programmes.
- Considerations on Alternative Performance Measures (APMs). As required for all APMs, ESMA reminds issuers that when APMs related to cash flows or net debt are included in the annual report, prospectus or ad hoc disclosures, issuers should provide reconciliations to the most directly reconcilable item, subtotal or total presented in the financial statements. ESMA also points out that with the entry into force of IFRS 18 'Presentation and Disclosure in Financial Statements' (expected in 2027), certain APMs will also fall under the definition of management-defined performance measures. This means that certain APMs and the respective disclosures (such as reconciliations) will have to be included in the financial statements. ESMA encourages issuers to start assessing the effects of the implementation of IFRS 18 on the APMs disclosed in published documents, annual report, prospectuses and, where necessary, to consider adjusting their reporting processes and systems to allow for a smooth implementation of the standard.
- Sustainability reporting considerations. ESMA reminds issuers to work with the company that will issue the limited assurance to reach a shared understanding of what the assurance requirements entail in terms of processes for identifying reportable information and the results of those processes. In July 2024, ESMA issued a public statement on the first application of ESRS by large issuers to provide timely support to issuers in implementing the new requirements. While recognising that this first application represents an important milestone in the learning curve for issuers and other stakeholders, the public statement highlights five key areas that deserve close attention
  - establishing governance policies and internal controls that promote high quality sustainability reporting;
  - properly design and conduct dual materiality assessments and be transparent about them;
  - be transparent about the use of transitional arrangements
  - prepare clearly structured, digitisation-ready sustainability reporting; and
  - make the connection between financial and sustainability information.
- ESEF reporting considerations. The European Commission has recently published a draft interpretative communication addressing several aspects of the CSRD changes in EU legislation, including the requirements for digitisation of sustainability information. In particular, issuers are not obliged to mark-up their sustainability reports until a specific digital taxonomy is adopted through an amendment of the ESEF Delegated Regulation.

Finally, it should be noted that on 20 December 2024, Consob published a Call for Attention on the subject of climate disclosures to be made in financial statements in light of the elements that emerged from the analyses conducted on the subject and in view of the entry into force of the sustainability reporting obligations required by Legislative Decree No. 125/2024. In particular, Consob has identified three areas worthy of careful consideration by issuers

- facilitating investors in identifying information on climate aspects. Consob draws the attention of issuers to the advisability of reporting the same in a specific note to the financial statements, or of including specific references to the notes in which they are represented. In particular, the information should be structured so as to cover, if deemed material, inter alia, the risks, uncertainties and impacts on items in the financial statements or the reasons why no impacts have been identified;
- promoting consistency between financial and sustainability reporting. Consob draws the attention of issuers to reporting financial information in the financial statements that is consistent with the information provided to the market, particularly in sustainability reports. In particular, in light of the information that will have to be provided starting from the 2024 financial year in sustainability reports pursuant to Decree No. 125/2024, which implements the Corporate Sustainability Reporting Directive, and especially the new ESRS standards on the transition plan adopted, if any, the attention of issuers is drawn to providing relevant information in the financial statements that enables investors to appreciate the impact, if any, on the accounting estimates of the actions identified in such plans, representing the assessments that led to the recognition or non-recognition of impacts in the financial statements. In this regard, attention is drawn to the provisions contained in paragraph 31 of IAS 1 'Presentation of Financial Statements';
- providing clear disclosure of the considerations made regarding the impacts of climate factors. Consob draws the attention of issuers to disclose in their financial statements relevant financial information on climate issues tailored to their characteristics, in order to make investors appreciate the analyses performed and the associated uncertainties. In particular, with reference to impairment testing, Consob reminds issuers to ensure that the description of the methodology used to determine recoverable amount, as well as the key valuation assumptions used, is clear and sufficiently precise to allow users of the financial statements to understand how recoverable amount has been determined by providing, where applicable, information when climate-related issues affect (i) the key business plan assumptions used to estimate the recoverable amount of the assets, (ii) the period considered beyond the business plan, and (iii) the other parameters used, such as the discount rate or growth rate. Finally, Consob emphasises the importance for issuers to disclose the impact of climatic factors, where material and reliably estimable, on the useful life of assets recognised in the financial statements, on assessments of expected credit losses and on the measurement of insurance contracts, and to provide information useful for understanding the considerations made and the causes of uncertainty in the estimates.

To the extent applicable, the above recommendations have been adopted for the purpose of preparing these Consolidated Financial Statements as of 31 December 2024, which include the Sustainability Report in a separate section of the Consolidated Management Report. With reference to the impact of climate factors, it should be noted that, as reported in Part E - Information on risks and related hedging policies - 1.5 - Operational risks - Risks arising from environmental, social and governance (ESG) factors of the consolidated notes to the financial statements, to which reference should be made for further details, the Group's companies, thanks to the intrinsic characteristics of their business model, have little exposure to climate and environmental risks.

Risks, uncertainties and impacts of the Russia-Ukraine military conflict

As described in the section “The Russian-Ukrainian conflict” reported in the Consolidated Report on Operations (to which we refer for more details), in 2024 there was no impact on the Group’s economic and financial situation, and also from a forward-looking perspective there was no impact in terms of strategic orientation, objectives and business model.

Risks and uncertainties related to the use of estimates

In accordance with IFRS, management must make judgments, estimates, and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, expenses, and revenues recognised in the financial statements, as well as on the disclosure of contingent assets and liabilities. The estimates and related assumptions, set out below, take into account all information available at the date of preparation of the half-yearly report and are based on past experience and other factors considered reasonable in the case and have been adopted to estimate the carrying value of assets and liabilities that are not readily apparent from other sources.

In the presentation of the consolidated financial statements at December 31st, 2024, estimates have been used to support the carrying amount of some of the valuation-based items, as required by the accounting standards and regulations described above. These estimates are largely based, as regards assets, on calculations of future recoverability of the values recognised in the accounts and as regards liabilities, on estimates of the probability of using resources to meet the Group’s obligations and on the amount of resources necessary to that end, according to the rules laid down in current legislation and standards. They have been made on the assumption of a going concern, on which basis these consolidated financial statements have been prepared, i.e. without contemplating the possibility of the forced sale of the estimated items. The processes adopted support the carrying amounts at December 31st, 2024. For some of the above items, the valuation is particularly complex the current market environment, which continues to be characterized by high levels of uncertainty for both short-term and medium-term forecasts, and the economic consequences arising from geopolitical tensions. For other items, the complexity and subjectivity of estimates is also influenced by the intricacy of the underlying assumptions, the amount and variability of available information and the uncertainties connected with possible future outcomes of proceedings, disputes and litigation.

The parameters and information used to determine the above-mentioned values are therefore significantly affected by multiple factors, which could change rapidly in ways that are currently unforeseeable and, as a result, future effects on the estimated carrying amounts cannot be ruled out.

Estimates and underlying assumptions are regularly reviewed. Any changes resulting from these reviews are recognised in the period in which the review was carried out, provided the change only concerns that period. If the revision concerns both current and future periods it is recognised accordingly in both current and future periods.

Uncertainty affecting estimates is inherent, among other factors, in the determination of:

- fair value of financial instruments not listed in active markets;
- the valuation of exposures, represented by loans/debt securities and in general, any other financial assets. These include, but are not limited to, the risk of uncertainty in determining the parameters for a significant increase in credit risk, the inclusion of forward-looking factors, including macroeconomic factors, in determining PD and LGD, and the determination of future cash flows from impaired loans (for more details see the specific section “Impairment” set out in Part A - Accounting policies of the notes to the consolidated accounts);
- the value in use of intangible assets with an indefinite life, represented by goodwill, trademarks and domains;
- employee severance pay provision and other employee and personal financial advisor benefits;
- provisions for risks and charges, the quantification of which is estimated with reference to the amount of expenditure required to meet the obligations, taking into account the actual probability of having to use resources;
- deferred tax assets;
- tax liabilities;

the quantification of the above items can vary even significantly over time, depending on changes in national and international social and economic conditions and their impact on the Group’s earnings, customer solvency and the credit quality of borrowers; the performance of the financial markets, which influence interest rate fluctuation, prices and actuarial assumptions used to make estimates; legislative and regulatory changes affecting the market; and developments in existing or potential disputes.

The Group has no significant exposures in financial instruments not listed in active markets. With regard to valuation methods, unobservable inputs and parameters used in fair value measurements and sensitivity to changes in the same, please refer to Part A - Section A.4 ‘Fair Value Disclosures’ of these consolidated notes.

For the purpose of calculating expected losses, the Group uses specific models that adopt Probability of Default (“PD”) and Loss Given Default (“LGD”) indicators, conservatively estimated and to which specific adjustments are made in order to ensure full consistency with accounting regulations. Expected loss for institutional counterparties is calculated using the risk parameters provided by the external provider Moody's Analytics; for retail counterparties, not having internal rating systems available, PD and LGD curves are estimated by product type through models developed internally by the CRO Department (personal loans and mortgages) or proxies (other exposures). To implement the provisions of IFRS 9 accounting standard, the parameters are adjusted by forward-looking analyses through specific scenarios developed by the external provider Moody's Analytics. Specifically, the forward-looking component is determined by three macroeconomic scenarios, a baseline scenario, a positive scenario and an adverse scenario. The base scenario is weighted at 40% as it is considered the most likely to be realised; the positive and adverse scenarios, on the other hand, are weighted at 30%, and represent alternative best and worst-case realisations, respectively. Forward-looking factors used as at December 31st, 2024 incorporate prospective information that considers different possible developments in the geopolitical and economic crisis triggered by the conflict between Russia and Ukraine and the conflict in the Middle East between the State of Israel and Hamas.

A key aspect required by IFRS 9 is the need to recognise at each reporting date whether there has been a significant increase in credit risk (SICR) on each individual credit exposure, transposed through a three-stage Staging Allocation model. This model envisages a first stage (stage 1) which includes new exposures and exposures that at the reporting date do not show a significant deterioration in credit risk with respect to initial recognition, a second stage (stage 2), which includes exposures on which a significant deterioration in credit risk has been detected with respect to initial recognition, and a third stage (stage 3), which includes impaired exposures (Non-performing exposures - NPE). With reference to the institutional counterparties with whom credit activity is carried out, the Group uses a method that compares the rating at the reference date and the rating recorded at the date the exposure was first recognised in the financial statements. The method, which makes use of the external rating assigned by the agency Moody's, is also applied to the securities purchased by the Group for investment purposes. Regarding retail counterparties and other unrated institutional counterparties, the Group monitors a set of early warning indicators (e.g. interruption of wage crediting, classification of the position as Forborne, etc.) and thresholds (e.g. worsening of the instalment/income ratio, overdraft of the position for a certain number of days, etc.) highlighting a potential deterioration in the creditworthiness of the counterparty, according to the different types of credit facilities.

Despite the delicate geopolitical and economic context, there was no significant deterioration in the credit portfolio during 2024, neither with regard to financial investments nor with regard to the Group's loans to ordinary customers. With regard to institutional counterparties issuing financial instruments that the Group has acquired as an investment, although there was a deterioration in credit parameters mainly due to the application of forward-looking factors, which incorporate the effects of the deteriorated macroeconomic environment, no changes in creditworthiness were detected that would trigger a stage 2 transition. Loans to ordinary customers, on the other hand, did not show any significant increase in flows to stage 2 or stage 3[80]. The latter are in fact disbursed in application of a careful and prudent lending policy and are mainly backed by financial and real estate collateral. In the case of real estate loans, the average loan-to-value is, in fact, about 45% and the credit facilities granted provide for the acquisition of guarantees with conservative margins.

For more details on the models and parameters used in the measurement of IFRS 9 adjustments, see Part E - Information on risks and related hedging policies - Section 2 - Credit risk management policies of these notes to the consolidated accounts.

With reference to the projections of future cash flows, assumptions and parameters used for the purpose of assessing the recoverability of the goodwill, brands and Fineco domains recorded in the financial statements, it should be noted that the parameters and information used are significantly influenced by the macroeconomic market environment, which could experience unforeseeable changes considering the uncertainties highlighted above. In this regard, it should be noted that as at December 17th, 2024, the Board of Directors approved the procedure adopted to determine the value in use of goodwill, brands and domains (model, assumptions and parameters used). The results, approved by the Board of Directors on February 5th, 2025, confirm the sustainability of the goodwill recorded in the financial statements, in none of the hypothesised scenarios would an impairment loss arise, confirming a value in use significantly higher than the book value. The sensitivity analyses carried out also highlight that the impairment test would reach a break-even level assuming changes currently not reasonably conceivable in the main parameters used in the valuation model. For further details on the impairment test and related sensitivity analyses, see Part B - Information on the consolidated balance sheet - Section 10 - Intangible assets of these notes to the consolidated accounts. On the same date, the Board of Directors approved the method for determining the value in use of the investment in Vorvel SIM S.p.A. - model, assumptions and parameters used-, the results of which show a recoverable value higher than the value recorded in the financial statements.

With reference to severance indemnity and other benefits due to employees and financial advisors, including, in particular, the supplementary customer indemnity, although the valuations were made on the basis of information deemed reasonable and supportable as of 31 December 2024, they may be subject to changes that are currently unforeseeable due to changes in the parameters underlying the respective valuations. For further details, please refer to Part B - Information on the Balance Sheet of these notes to the consolidated accounts, in which the main parameters used for the actuarial valuation and a sensitivity analysis are reported with reference to the provision for termination indemnity and the provision for supplementary customer indemnity.

The quantification of provisions for risks and charges, and in particular those related to claims and disputes, is estimated both with reference to the amount of the outlays required to fulfil the obligations, taking into account the actual probability of having to use resources, and with reference to the timing of the outlay. The valuation may be particularly complex, therefore, it cannot be excluded that the estimates of the provisions for risks and charges allocated may change in the future, at the moment unforeseeable, as a result of the updating of available information. For further details, please refer to Part E - Information on risks and related hedging policies - Section 5 – Operating risks of these notes to the consolidated accounts.

There is also no uncertainty about the recoverability of deferred tax assets. There are no unrecognised deferred tax assets or liabilities related to temporary differences. In addition, there are no tax losses. The amount of deferred tax assets recognised in the financial statements must be tested for the likelihood of future taxable income that would allow for their recovery. The test performed at the closing of the financial statements as at 31 December 2024 resulted in a positive outcome. For more details on the test performed, please refer to the paragraph 'Test for the recoverability of

[80] The slight increase in stage 2 exposures is due to the adoption during the year of new criteria to determine the staging allocation of retail counterparties.

deferred tax assets' included in Section '11 - Tax assets and tax liabilities - Item 110 of assets and Item 60 of liabilities' of these notes to consolidated financial accounts.

Lastly, it should be noted that current tax liabilities include the balance, net of payments on account, of the positions of Group companies in relation to Italian and foreign financial administrations attributable to direct taxation, calculated on the basis of a prudent forecast of the tax burden due for the year and, if applicable, for previous years, determined on the basis of current tax regulations.

Going concern declaration

Persistent geopolitical tensions lead to significant uncertainty in macroeconomic forecasts, in terms of GDP, inflation rates and interest rates; despite this, it is considered that there are no doubt regarding the Group's ability to continue as a going concern in the foreseeable future, nor there are any uncertainties that would give rise to significant adjustments to book values within the next year. However, it cannot be ruled out that, by their nature, the assumptions reasonably made may not be confirmed in the actual future scenarios in which the Group will operate. In making this assessment, moreover, key regulatory indicators, in terms of point data as of December 31st, 2024, relative buffers against minimum regulatory requirements and their evolution in the foreseeable future were considered.

The Directors have considered these circumstances and consider that it is reasonably certain that the Group will continue to operate successfully in the foreseeable future and, therefore, in accordance with IAS 1, the consolidated financial statements for the year ended December 31st, 2024 have been prepared on a going concern basis.

Single electronic reporting format for the preparation of annual financial reports

Directive 2004/109/EC (the "Transparency Directive") and Delegated Regulation (EU) 2019/815 introduced the requirement for securities issuers listed on regulated markets in the European Union to prepare their annual financial report in the XHTML language, based on the ESMA-approved European Single Electronic Format (ESEF).

XBRL (eXtensible Business Reporting Language) is machine-readable and enables the automated use of large amounts of information. XBRL is well established and used in several jurisdictions and is currently the only appropriate markup language for the information contained in financial statements. The use of the XBRL markup language consists of applying a taxonomy to convert human readable text into machine-readable information. The IFRS taxonomy, made available by the IFRS Foundation, is a consolidated taxonomy developed to markup disclosures in accordance with the IFRS. The use of the IFRS taxonomy facilitates worldwide comparability of markups in financial statements prepared in accordance with the IFRS.

Issuers are required to prepare their annual financial reports in the XHTML language and to "mark up" the IFRS consolidated financial statements contained in their annual financial reports for financial years beginning on or after January 1st, 2021. For the "markups", issuers shall use the XBRL markup language and a taxonomy whose elements are those of the basic taxonomy contained in Delegated Regulation (EU) 2019/815 and subsequent Regulations amending its content. If it is not appropriate to use elements of the base taxonomy, issuers shall create the elements of the extension taxonomy.

With reference to the annual financial report for the year ending December 31st, 2024, the following information must be marked up:

- Basic identification details;
- Consolidated financial statements (consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows);
- Notes to the consolidated accounts.

Annex II of the RTS (Regulatory Technical Standards) on ESEF includes a number of elements defined with the "textBlockItemType" which are expected to be used for marking up (following the block tagging approach) larger pieces of information contained in the IFRS consolidated financial statements such as explanatory notes and accounting policies. Those elements are of different granularity. Therefore, preparers have to consider the accounting meaning of a taxonomy element when selecting the appropriate block tag for marking up such disclosure. This is particularly important for cases where there are multiple block tags that can match a given disclosure. ESMA is of the opinion that issuers shall, as a minimum, mark up information contained in the IFRS consolidated financial statements (including headers/titles) with the elements of Annex II. In case of a disclosure corresponding to more than one element of different granularity (with narrower and wider elements), preparers should use each of them and multi tag the information to the extent that corresponds with the underlying accounting meaning of the information. In certain cases, content of tables (i.e. selected columns or rows) presented in issuer's financial statements may correspond to multiple elements listed in the Annex II Table.

Taking into consideration technical complexity and the fact that tags applied within such tables could not be understandable without layout information. ESMA recommends that the lowest level of granularity for block tagging the IFRS consolidated financial statements be individual tables contained within a single note. Therefore, issuers are not required to apply "textBlockItemType" elements from Annex II on selected rows or columns of such table, and instead shall apply corresponding elements on the entire table.

Part A - Accounting policies

At its meeting of March 11th, 2025, the Board of Directors of FinecoBank approved the taxonomy to be used for marking up the schedules and the Notes of these 2024 Consolidated Financial Statements, an integral part of FinecoBank's annual financial report, and the XHTML version, included in the ESEF package, of the same annual financial report, which will therefore be published in the XHTML language on the basis of the single electronic communication format ESEF approved by ESMA, on Fineco's website (https://www.finecobank.com), in order to comply with the communication obligations provided for by Directive 2004/109/EC (so-called Transparency Directive). Please note that the Group's consolidated annual financial report includes both the consolidated financial statements and the separate financial statements of the Parent Company FinecoBank. Finally, note that this document "Accounts and Reports 2024" was approved by the Board of Directors of FinecoBank at the same meeting on March 11th 2025.

Other information

The Consolidated financial statements as at December 31th, 2024 have been reviewed, pursuant to Italian Legislative Decree no. 39 of January 27th, 2010 and Regulation (UE) 2014/537, by KPMG S.p.A. appointed as auditor of the Bank's accounts in implementation of the Shareholders' Meeting resolution of April 28th, 2021.

Following the entry into force, on 25 September 2024, of Legislative Decree No. 125/2024 (which implements Directive 2022/2464/EU of the European Parliament and of the Council of 14 December 2022 - the so-called CSRD Directive - on corporate sustainability reporting), the Board of Directors, in its meeting of 17 December 2024, after consulting with the Board of Statutory Auditors (to which the matter was submitted in the meeting of 10 December 2024), approved the proposal to maintain the engagement of KPMG S.p.A. for the limited examination of the sustainability report pursuant to the aforementioned Legislative Decree No. 125/2024, as allowed by Article 18 of the same Legislative Decree No. 125/2024, pursuant to which the non-financial statement compliance attestation engagements conferred pursuant to Article 3, paragraph 10, of Legislative Decree No. 254/2016 remain valid until the agreed expiry date for the performance of the sustainability report compliance attestation activity, except for the possibility of early termination and the assignment of a new engagement.

The entire document is lodged with the competent offices and entities as required by law.

A.2 The main items of the accounts

1 – Financial assets at fair value through profit and loss

a) Financial assets held for trading (HFT)

Classification criteria

A financial asset is classified as held for trading if it is:

- acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking;
- a derivative contract not designated within hedge accounting operations, with a positive fair value incorporated into financial liabilities other than those valued at fair value through profit and loss.

Derivative contracts are recognised as financial assets held for trading if their fair value is positive. If the fair value of an instrument becomes negative, which may be the case for derivative contracts, this instrument is recorded under item 20. 'Financial liabilities held for trading' on the liabilities side of the balance sheet.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable (usually called the 'underlying') provided that in case of non-financial variable, this is not specific of one of the parties;
- it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors;
- it is settled at a future date.

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract, with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

An embedded derivative is separated from financial liabilities other than those measured at fair value through profit or loss and from non-financial instruments, and is recognized as a derivative, if:

- the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative;
- the hybrid (combined) instrument is not measured entirely at fair value through profit or loss.

When an embedded derivative is separated, the host contract is accounted for according to its accounting classification.

Recognition criteria

Financial assets held for trading financial are initially recognised, at settlement date with regard to debt and equity securities and disbursement data with regard to loans, at its *fair value*, which is usually equal to the amount paid, excluding transaction costs and income, which are recognised through profit or loss even when directly attributable to the financial assets. Trading book derivatives are recognised at trade date.

Measurement criteria

After initial recognition these financial assets are measured at their fair value through consolidated profit or loss.

An exception is represented by derivatives settled by delivery of an unlisted equity instrument whose fair value cannot be reliably measured, and which are therefore measured at cost as estimation of fair value.

For more information on the criteria for determining fair value, please refer to Section 'A.4 Fair Value Disclosures'.

Derecognition criteria

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred and such transfer results in the substantial transfer of all risks and rewards associated with the financial asset. If a material portion of the risks and rewards associated with the transferred financial assets are retained, they continue to be recognised in the balance sheet, even though legally title to them has been effectively transferred.

Criteria for recognising income components

Gains or losses arising from sale or redemption or a change in the fair value of HFT financial assets are recognised in consolidated income statement in item 80 “Gains (losses) on financial assets and liabilities held for trading”, including financial derivatives relating to a fair value option.

b) Financial assets designated at fair value

At the balance sheet date, no financial assets classified as "Financial assets designated at fair value" were held.

For the sake of completeness, it should be noted that a non-derivative financial asset may be designated at fair value if such designation avoids accounting mismatches arising from the valuation of assets and associated liabilities according to different valuation criteria.

The accounting treatment of these transactions is similar to that of ‘Financial assets held for trading’, therefore, for the criteria for recognition, measurement and derecognition, please refer to point a) Financial assets held for trading above, while for the criteria for recognising income components, it should be noted that realised and unrealised gains and losses on financial instruments are recognised in the income statement under item “Gains (losses) on financial assets and liabilities at fair value through profit and loss: a) financial assets and liabilities designated at fair value”.

c) Other financial assets mandatorily at fair value

Classification criteria

A financial asset, that is not held for trading, is classified as financial asset mandatorily at fair value if it does not meet the conditions, in terms of business model or cash flow characteristics, for being measured at amortised cost or at fair value through other comprehensive income.

Specifically, the following assets have been classified in this portfolio:

- debt instruments, securities and loans held within a business model whose objective is not the holding of assets for the purpose of collecting contractual cash flows (Held to collect), nor the holding of assets for the purpose of both collecting contractual cash flows and selling financial assets (Held to collect & sell) and which are not a financial asset held for trading;
- debt instruments, securities and loans with cash flows that are not solely payment of principal and interest;
- units in investment funds;
- equity instruments for which the Group does not apply the option granted by the standard of valuing these instruments at fair value through other comprehensive income.

Recognition, Measurement, Derecognition criteria

The accounting treatment of these transactions is similar to that of ‘Financial assets held for trading’, so please refer to point a) Financial assets held for trading above for the criteria for recognition, measurement and derecognition.

Criteria for recognising income components

Realised gains and losses and unrealised gains and losses arising from changes in the fair value of instruments are recognised in the consolidated income statement item 110. "Gains (losses) on financial assets and liabilities at fair value through profit and loss: b) other financial assets mandatorily at fair value".

2 - Financial assets at fair value through comprehensive income

Classification criteria

A financial asset is classified among financial assets at fair value through comprehensive income if:

- its business model is held to collect and sell;
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This item also includes equity instrument, not held for trading purposes and non-qualifying control, connection and joint control, for which at the date of initial recognition, or in the first time adoption of the principle, the Group exercised the option, granted by the standard, to designate this instruments at fair value with an impact on Statement of comprehensive income.

Recognition criteria

Financial assets measured at fair value through comprehensive income are initially recognised, at settlement date with regard to debt and equity securities and disbursement data with regard to loans, at its fair value, which is usually equal to the consideration of the transaction, plus transaction costs and income directly attributable to the instrument.

Measurement criteria

After initial recognition, in the case of debt instruments, the effects of applying amortised cost, impairment and any exchange rate effect are recognised in the income statement, while gains and losses arising from changes in fair value are recognised in the Statement of Comprehensive Income and disclosed under item 120. Upon derecognition, in whole or in part, the cumulative gain or loss in the valuation reserve is reversed to the income statement.

For equity instruments, gains and losses from changes in fair value are recognised in the Statement of Comprehensive Income and shown in item 120. 'Valuation reserves' in shareholders' equity (item 110. "Valuation reserves" in shareholders' equity of the company's financial statements). In accordance with IFRS 9, impairment losses are not recognised in the income statement for equity instruments. In the event of a sale, the cumulative gains and losses are recognised under item 150. 'Reserves' in shareholders' equity (item 140. "Revaluation" in shareholders' equity of the company's financial statements).

For more information on the criteria for determining fair value, see Section 'A.4 Fair Value Disclosures'.

Derecognition criteria

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred and such transfer results in the substantial transfer of all risks and rewards associated with the financial asset. If a material portion of the risks and rewards associated with the transferred financial assets are retained, they continue to be recognised in the balance sheet, even though legally title to them has been effectively transferred.

In the event that substantially all risks and rewards of ownership of the financial asset are neither transferred nor retained, the financial assets are derecognised if no control is retained over them. Otherwise, the financial asset is retained in the financial statements to the extent of the entity's continuing involvement, corresponding to the extent to which the entity is exposed to changes in the value of the transferred asset.

Finally, transferred financial assets are derecognised if the contractual rights to receive the related cash flows are retained, but at the same time an obligation is assumed to pay those flows, and only those flows, without material delay, to one or more recipients.

For more details, see Section 16 - Other Information, paragraph 'Derecognition of financial assets'.

Criteria for recognising income components

The interest accruing on interest-bearing instruments is recognised on the income statement, in net interest margin, on an accrual basis using the effective interest rate method. This shall be calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

f) purchased or originated credit-impaired financial assets. For those financial assets, the entity shall apply the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition.
g) financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the entity shall apply the effective interest rate to the amortised cost of the financial asset in subsequent reporting periods.

Delay interest is taken to the consolidated income statement on collection or receipt.

These instruments are the subject to reductions / write backs in accordance with the illustration given in the next relevant section "Impairment". Gain/losses are recorded in the consolidated income statement item 130. "Impairment losses/write backs on: b) financial assets at fair value through comprehensive income" with contra-entry in the Consolidated Statement of Comprehensive Income and are also shown in item 120. "Revaluation reserves" in consolidated shareholders' equity (item 110. "Revaluation reserves" in shareholders' equity of the company's financial statements). The time value interests are recognised in the interest margin.

In the event of disposal, the accumulated profits and losses are recognised in the consolidated income statement in item 100. "Gains (losses) on disposal or repurchase of: b) financial assets at fair value through comprehensive income".

3 - Financial assets at amortised cost

Classification criteria

A financial asset is classified within the financial assets measured at amortised cost if:

- its business model is held to collect;
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

More specifically, this item includes:

- loans to banks and customers in the various technical forms that meet the requirements of the previous paragraph;
- debt securities that meet the requirements of the previous paragraph.

This item also includes current receivables associated with the provision of financial assets and services as defined by the T.U.B. and from the T.U.F. (e.g. current receivables associated with the distribution of financial products). The latter category also includes receivables from product companies and receivables from the personal financial advisor network in respect of commission advances paid. “On demand” deposits, in the technical form of current accounts and deposits, on banks and central banks (with the exception of compulsory reserves) are excluded, and are reported under “Cash and cash balances”.

Recognition criteria

Financial assets at amortised cost are initially recognised, at settlement date with regard to debt securities and disbursement data with regard to loans, at its fair value, which is usually equal to the consideration paid, plus transaction costs and income directly attributable to the instrument.

Measurement criteria

After initial recognition at fair value, these assets are measured at amortised cost using the effective interest method, which can be adjusted to take account of any write-downs/write-backs resulting from the valuation process in accordance with the illustration given in the next relevant section “Impairment”.

Amortised cost method is not used for assets - valued at historical cost - whose short duration makes the effect of applying the effective interest rate criterion negligible, for those without a defined maturity and for revocable loans.

Derecognition criteria

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred and such transfer results in the substantial transfer of all risks and rewards associated with the financial asset. If a material portion of the risks and rewards associated with the transferred financial assets are retained, they continue to be recognised in the balance sheet, even though legally title to them has been effectively transferred.

In the event that substantially all risks and rewards of ownership of the financial asset are neither transferred nor retained, the financial assets are derecognised if no control is retained over them. Otherwise, the financial asset is retained in the financial statements to the extent of the entity's continuing involvement, corresponding to the extent to which the entity is exposed to changes in the value of the transferred asset.

Finally, transferred financial assets are derecognised if the contractual rights to receive the related cash flows are retained, but at the same time an obligation is assumed to pay those flows, and only those flows, without material delay, to one or more recipients.

For more details, see Section 16 - Other Information, paragraph ‘Derecognition of financial assets’.

Criteria for recognising income components

The interest is recognised on the income statement, in net interest margin, on an accrual basis using the effective interest rate method. This shall be calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

- purchased or originated credit-impaired financial assets. For those financial assets, the entity shall apply the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition;
- financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the entity shall apply the effective interest rate to the amortised cost of the financial asset in subsequent reporting periods.

Delay interest is taken to the income statement on collection or receipt.

These instruments are subject to reductions/write-backs resulting from the valuation process, as illustrated in the specific ‘Impairment’ section. These reductions/write-backs are recorded in the consolidated income statement item 130. “Impairment losses/write backs on: a) financial assets at amortised cost”. The time value interest are recognised in the interest margin.

In the event of derecognition, the profits and losses are recognised in the consolidated income statement in item 100. “Gains (losses) on disposal or repurchase of: a) financial assets at amortised cost”.

4 - Hedge Accounting

The Group applies the hedge accounting rules set out in IFRS 9, with the exception of fair value hedges of the interest rate exposure of a portfolio of financial assets or liabilities, for which it continues to apply the hedge accounting provisions of IAS 39, as set out in IFRS 9 paragraph 6.1.3.

Hedging transactions are carried out with the aim of reducing the market risks (interest rate, exchange rate, price) to which the hedged positions are exposed. The following types of hedges can be identified:

- hedging of the fair value of a recognised asset or liability or of an identified portion of that asset or liability;
- a hedge of the exposure to variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss in future periods;
- hedging a net investment in a foreign company whose assets are managed in a currency other than the euro.

Hedging transactions IFRS 9 - Specific hedges ("Micro Hedge Accounting")

The Group applies the hedge accounting rules set out in IFRS 9 to specific hedging transactions. The Group enters into hedging transactions by entering into derivative contracts, which are initially recognised on the "trade date" based on their fair value.

At the reporting date of these consolidated financial statements, the Group has specific hedging transactions in place for the interest rate risk of debt securities.

Classification criteria

A derivative financial instrument is classified as a hedge if the relationship between the hedging instrument and the hedged item is formally documented, including the risk management objectives, the strategy for undertaking the hedge and the methods that will be used to verify its effectiveness.

A hedging relationship is considered effective if all of the following requirements are met:

- there is an economic relationship between the hedged item and the hedging instrument. This implies that the value of the hedging instrument generally evolves in the opposite direction of that of the hedged item as a result of the same risk, which is the hedged risk;
- the effect of credit risk does not prevail over changes in value resulting from the economic relationship;
- the hedge ratio used for hedge accounting purposes is the same as that which the entity actually uses to hedge the amount of the hedged item. This designation shall not reflect an imbalance between the weightings of the hedged item and the hedging instrument that would cause the hedge to be ineffective (whether or not recognised) and could result in an accounting result that would be inconsistent with the purpose of hedge accounting.

The effectiveness of the hedging relationship must be tested at the beginning of the relationship and on an ongoing basis, at least at each financial statements or interim reporting date, and in any case whenever there is a significant change in the circumstances affecting the effectiveness requirements. The effectiveness test may also be qualitative and performed only on a prospective basis.

The ineffectiveness of a hedging relationship is measured by the changes in fair value of the hedged instrument and the hedging instrument, comparing the changes in their values. The measurement of the value of the hedged instrument must take into account the time value of money, so it must be measured at net present value. In order to measure changes in the value of the hedged instrument, the Group uses, as a practical expedient, a "hypothetical" derivative with identical terms to those of the instrument (but without including other elements - present in the hedging derivative - which the hedged instrument lacks).

The following may be excluded from the hedging relationship as hedging costs

- the time value of purchased options
- the forward element of forward contracts
- basis spreads in foreign currencies

The excluded component is suspended in equity and amortised.

If the tests do not confirm the effectiveness of the hedge, hedge accounting is discontinued and the hedging derivative contract is reclassified as a trading instrument.

The hedging relationship also ceases in its entirety when it no longer meets the eligibility criteria, e.g:

- the hedging relationship no longer meets the risk management objective on the basis of which it was eligible for hedge accounting;
- the hedging instrument is sold or terminated;
- the economic relationship between the hedged item and the hedging instrument is lost or the effect of credit risk takes precedence over changes in value determined by the economic relationship.

It is not permissible to reclassify, and thus terminate, a hedging relationship that:

- still meets the risk management objective on the basis of which it was eligible for hedge accounting (i.e. the entity still pursues that risk management objective);
- continues to meet all other eligibility criteria (after taking into account any rebalancing of the hedging relationship, if applicable).

Recognition criteria

Derivative hedging instruments are initially recognised at their fair value on the trade date.

Measurement, Derecognition and Criteria for recognising income components

Hedging transactions are measured at fair value, in particular:

- in the case of **fair value hedges**, the change in the fair value of the hedging instrument is recognised in the consolidated income statement under item 90. “Fair value adjustments in hedge accounting”, which are attributable to the risk hedged with the derivative instrument, are recognised in the same item of the consolidated income statement as an offsetting entry to the change in the carrying amount of the hedged item. The ineffectiveness of the hedge is represented by the difference between the change in the fair value of the hedging instruments and the change in the fair value of the hedged item. If the hedging relationship ends, for reasons other than the sale of the hedged item, the hedged item returns to be measured in accordance with the accounting policy for the category to which it belongs and the cumulative change in fair value is amortised in the income statement to interest income or expense using the effective interest rate recalculated at the date amortisation begins. In the event that the hedged item is sold or redeemed, the unamortised portion of the fair value is recognised immediately in item 100. "Gains (losses) on disposal or repurchase" of the income statement. The difference in fair value of the hedging derivative with respect to the last effective measurement date is recognised immediately in the income statement under item 90. “Fair value adjustments in hedge accounting”;
- in the case of **cash flow hedges**, the hedging derivatives are measured at fair value. The change in the fair value of the hedging instrument that is considered effective is recognised in item 120. “Valuation reserves” of the consolidated shareholders’ equity (item 110. “Revaluation reserves” in shareholders’ equity of the company's financial statements). The ineffective part of the hedge is recognised in the income statement under item 90. “Fair value adjustments in hedge accounting”. If the cash flow hedge is no longer considered to be effective or the hedging relationship is terminated, the total amount of gains or losses on the hedging instrument, which has already been recognised under "Revaluation reserves", remains there until the hedged transaction takes place or it is considered that there is no longer any possibility of the transaction taking place. The total fair value changes recognised in item 120. "Revaluation reserves" (item 110. “Revaluation reserves” in shareholders’ equity of the company's financial statements) are disclosed in the statement of comprehensive income;
- **hedges of investments in foreign companies** whose assets are managed in a currency other than the euro are recognised in a similar way to cash flow hedges. The gain or loss on the hedging instrument relating to the effective portion of the hedge is classified in shareholders’ equity and recognised in the income statement when the net investment in the entity is disposed of. Changes in fair value recognised in item 120. “Revaluation reserves” (item 110. “Revaluation reserves” in shareholders’ equity of the company's financial statements), are also presented in the statement of comprehensive income, while the ineffective portion is recognised in the income statement under item 90. “Fair value adjustments in hedge accounting”.

Hedging transactions IAS 39 - Generic hedging (“Macro Hedge Accounting”)

The Group applies the hedge accounting provisions of IAS 39 to fair value hedges of the interest rate exposure of a portfolio of financial assets or liabilities. The Group enters into hedging transactions by entering into derivative contracts, which are initially recognised on the “trade date” at their fair value.

At the reporting date of the consolidated financial statements the Group has in place generic interest rate hedges of mortgages to retail customers and fixed rate direct funding from customers.

Classification criteria

A derivative financial instrument is classified as a hedge if the relationship between the hedging instrument and the hedged item is formally documented, including the risk management objectives, the strategy for undertaking the hedge and the methods that will be used to verify its prospective and retrospective effectiveness. Accordingly, it is necessary to verify, both at the inception of the transaction and throughout its term, that the hedge using the derivative instrument is highly effective in offsetting changes in the fair value or expected cash flows of the hedged item.

Generally, a hedge is considered highly effective if at the inception of the hedge and in subsequent periods it is expected to be highly effective and if its retrospective results (the ratio of changes in value of the hedged item to that of the hedging derivative) are within a defined range (80% - 125%). The hedge is assessed on the basis of a criterion of continuity; it must therefore prospectively remain highly effective for all the reference periods for which it has been designated. The assessment of effectiveness is carried out at each balance sheet or interim reporting date. If the assessment does not confirm the effectiveness of the hedge, hedge accounting is discontinued and the hedging derivative contract is reclassified as a trading instrument.

The hedging relationship also ceases when the derivative expires, is sold, terminated or exercised; the hedged item is sold, expires or is redeemed; it is no longer highly probable that the hedged future transaction will occur.

In the case of macro-hedging of portfolios of assets/liabilities, IAS 39 allows the fair value to be hedged against interest rate risk not only by a single financial asset or liability, but also by a monetary amount contained in a number of financial assets and liabilities (or portions thereof), so that a set of derivative contracts can be used to reduce the fair value fluctuations of the hedged items when market interest rates change. Net amounts arising from the mismatch of assets and liabilities cannot be designated as macrohedged. A macro hedge is considered highly effective if, both at inception and during its term, changes in the fair value of the hedged monetary amount are offset by changes in the fair value of the hedging derivatives and if the actual results are within a range of 80% to 125%.

Recognition criteria

Derivative hedging instruments are initially recognised at their fair value on the trade date.

Measurement, Derecognition and Criteria for recognising income components

Hedging transactions are measured at fair value, in particular the positive or negative balance of changes in the value of assets and liabilities, respectively, subject to macro-hedging measured with reference to the hedged risk is recognised in asset item 60. “Value adjustments of financial assets subject to macro-hedging (+/-)” or liability item 50. “Value adjustments of financial liabilities subject to macro-hedging (+/-)”, with an offsetting entry in consolidated income statement item 90. The change in fair value of the hedging instrument is recognised in the same item of the income statement.

The ineffectiveness of the hedge is represented by the difference between the change in the fair value of the hedging instruments and the change in the fair value of the hedged monetary amount. The ineffectiveness portion of the hedge is nevertheless included in item 90. “Net result from hedging activities” in the income statement. If the hedging relationship is terminated for reasons other than the sale of the hedged items, the cumulative revaluation/devaluation recognised in asset item 60 or liability item 50 is recognised in the income statement under interest income or expense over the remaining life of the hedged financial assets or liabilities. In the event that the hedged financial assets or liabilities are sold or repaid, the unamortised portion of the fair value is recognised immediately in income statement item 100 “Gains and losses on disposal or repurchase”.

5 - Equity Investments

Classification criteria

This item includes interests held in associates and joint ventures, i.e. a company in which the investor exercises significant influence and which is neither an exclusive subsidiary nor a joint subsidiary (for further details, see Section 3 - Scope and Methods of Consolidation above), as well as any interests in subsidiaries excluded from the scope of consolidation pursuant to Group policies.

At the reporting date of these consolidated financial statements, the Group had no joint ventures or companies in which, on a contractual basis, control is shared between the Group and one or more other counterparties, and the unanimous consent of all parties sharing control is required for decisions relating to relevant activities.

The remaining interests other than subsidiaries, associates and joint ventures, and interests recognised in the consolidated balance sheet in items 120. “Non-current assets and disposal groups classified as held for sale” (110. “Non-current assets and disposal groups classified as held for sale” of the company's financial statements) (see Section 8 - Non-Current assets and disposal groups classified as Held for Sale) are classified as financial assets at fair value through other comprehensive income or financial assets s mandatorily at fair value and treated accordingly (see Section 1 – “Financial assets at fair value through profit and loss: c) other financial assets mandatorily at fair value” and Section 2 – “Financial assets at fair value through other comprehensive income”).

Recognition and Measurement criteria

The initial recognition and subsequent valuation criteria for interests governed by IFRS10 Consolidated Financial Statements, IAS27 Separate Financial Statements, IAS28 Investments in associates and joint ventures and IFRS11 Joint Arrangements, are detailed to the applicable extent in Section 3. Consolidation scope and methods of Section A.1 of these Notes to the consolidated accounts, that includes information on valuation and key assumptions made to establish the presence of control, joint control or significant influence in compliance with the provisions of IFRS12 (paragraphs 7-9).

Derecognition criteria

Equity Investments are derecognised when the contractual rights to the cash flows from the assets expire or when the investment is sold transferring substantially all the risks and rewards associated with it.

6 – Property, Plant and Equipment (Tangible Assets)

The item includes:

- lands
- buildings
- furniture and fixtures
- electronic machinery and equipments
- plant and other machinery and equipments
- motor vehicles

and is divided between:

- assets used in the business
- assets held as investments
- inventories of property, plant and equipment under IAS 2

At the date of these consolidated financial statements, the Group did not hold any tangible assets arising from the enforcement of guarantees received.

Assets used in the business and Assets held for investment purposes

Classification criteria

Tangible assets used in the business are held for use in the production or supply of goods or services or for administrative purposes and are expected to be used during more than one period.

Property, plant and equipment include rights of use of tangible assets, as defined by IFRS16, and leasehold improvements relating to assets which can be separately identified. They are classified according to the specific sub-items relating to the asset type (e.g. plants). Leasehold improvements are usually borne in order to make leased premises fit for the expected use. Improvements and additional expenses relating to property, plant and equipment identifiable but not separable are recognised in the consolidated balance sheet in item 130. "Other assets" (120. "Other assets" of the company's financial statements).

Tangible assets held for investment purposes are properties covered by IAS 40, i.e. properties held in order to derive rentals and/or a capital gain. At the date of these Consolidated Financial Statements, the Group had no tangible assets held for investment purposes.

Recognition criteria

Property, plant and equipment are initially recognised at cost including all costs directly attributable to bringing the asset into use (transaction costs, professional fees, direct transport costs incurred in bringing the asset to the desired location, installation costs and dismantling costs).

With regard to the property, plant and equipment for the right of use acquired with lease, at the time of the initial registration this asset is evaluated on the basis of the financial flows associated with the leasing contract, corresponding to the present value of future installments due for unpaid leasing amounts on that date: "lease liability", including installments made on or before the effective date and the initial direct costs incurred by the lessee. Installments due for leasing are determined in light of the provisions of the lease agreement and calculated net of the VAT component, where applicable, by virtue of the fact that the obligation to pay this tax arises at the time the invoice is issued by of the lessor and not as of the effective date of the leasing contract, and are discounted using the marginal loan rate of the Group, determined on the basis of the cost of funding for liabilities of a duration and guarantees similar to those implicit in the leasing contracts.

Measurement criteria

After initial recognition, these assets are measured based on the provisions for property, plant and equipment under IAS 16 or IAS 40 and, therefore, at cost net of amortization and any impairment, at the "redetermined value" or at fair value according to as applicable. At the date of these Consolidated Financial Statements, the Group held only tangible assets measured at cost less accumulated depreciation and impairment losses.

Subsequent costs are added to the carrying amount or recognised as a separate asset only when it is probable that there will be future economic benefits in excess of those initially foreseen and the cost can be reliably measured. Other expenses borne at a later time (e.g. normal maintenance costs) are recognised in the year they are incurred in consolidated profit and loss items:

- 190. "Administrative expenses: b) Other administrative expenses", if they refer to assets used in the business (160. "Administrative expenses: b) Other administrative expenses" of the company's financial statements);

or:

- 230. “Other net operating income”, if they refer to property held for investment (200. “Other net operating income” of the company's financial statements).

Property, plant and equipment with a finite useful life is subject to straight-line depreciation over their useful life. Lands and buildings, if separately quantifiable, are recognised separately, even if acquired together. Lands are not depreciated since they usually have an indefinite useful life, except for rights of uses; buildings, conversely, have a finite useful life and are therefore subject to depreciation.

Residual useful life is usually assessed as follows:

• Buildings	up to 33,3 years
• Office furniture and fittings	up to 9 years
• Electronic machinery and equipments	up to 5 years
• Plants, other machinery and equipments	up to 14 years
• Motor vehicles	up to 4 years

The useful life used to calculate the amortisation of rights of use does not exceed the useful life attributed to the right of use.

The estimate of the useful life of an asset is reviewed at least at each accounting period-end on the basis inter alia of the conditions of use of the asset, of maintenance conditions and expected obsolescence, and, if expectations differ from previous estimates, the relative useful life is recalculated and the depreciation amount for the current and subsequent periods is adjusted accordingly.

In particular, it should be noted that the expenses for improvements capitalized on the main asset, in particular on properties, may result in a significant increase in the useful life of the asset, which may not in any case exceed the useful live below starting from the capitalization date of the improvement.

If there is objective evidence that an asset has been impaired, the carrying amount of the asset is compared with its recoverable value, equal to the greater of its fair value less selling cost and its value in use, i.e. the present value of future cash flows expected to originate from the asset. Any impairment loss is recognised in the income statement. If the value of a previously impaired asset is restored, there is a write-back of value and its increased carrying amount cannot exceed the net carrying amount it would have had if there had been no losses recognised on the prior-year impairment.

Derecognition criteria

Property, plant and equipment is de-recognised from the balance sheet (i) on disposal or (ii) when no future economic benefits are expected from its use or sale.

Criteria for recognising income components

The systematic depreciation of property, plant and equipment is recorded in item 210. “Net impairment/write-backs on property, plant and equipment” of the income statement (item 180. “Net impairment/write-backs on property, plant and equipment of the company's financial statements). The same item shows any impairment made on property, plant and equipment who have been subjected to a reduction in value as well as any value write-backs recorded on previously written-down assets.

In the event of derecognition, any difference between the disposal value or the recoverable value and the carrying amount is recognised in the income statement under item 280. “Gains (Losses) on disposal of investments” (item 250. “Gains (Losses) on disposal of investments” of the company's financial statements) in the event of disposal or under item 210. “Net impairment/write-backs on property, plant and equipment” (item 180. “Net impairment/write-backs on property, plant and equipment” of the company's financial statements) if no future economic benefits are expected from its use or realisation.

Inventories of property, plant and equipment under IAS 2

At the date of these consolidated financial statements, the Group did not have any inventories of property, plant and equipment under IAS 2.

Property, plant and equipment constitute inventories when they are held for sale in the ordinary course of business. These assets are measured at the lower of cost and net realisable value. Any impairment resulting from the application of this criterion are recognised under item 210. “Impairment/write-backs on property, plant and equipment" in the income statement (under item 180. “Impairment/write-backs on property, plant and equipment" of the company's financial statements).

7 - Intangible assets

Classification criteria

Intangible assets are non-monetary assets with a multi-year utility, identifiable even if without physical substance, controlled by the Group, and from which it is probable that future economic benefits will flow. Intangible assets mainly relate to goodwill, trademarks and domains and software.

Recognition criteria

Intangible assets other than goodwill are recorded in the balance sheet at purchase cost, including any direct costs incurred to prepare the asset for use.

Pursuant to IFRS3, goodwill is represented by the excess, in a business combination, of the acquisition cost incurred over the interest acquired in the net fair value, at the acquisition date, of the assets and liabilities acquired. Specifically, the goodwill recorded among intangible assets in these consolidated financial statements, corresponding to the goodwill recorded in the Bank's financial statements, arises from the acquisitions of companies subject to mergers or incorporations.

Goodwill on the acquisitions of subsidiaries and joint ventures (consolidated proportionally) is recorded among intangible assets; that on the acquisitions of associated companies is instead inherent in the purchase cost and, consequently, exposed to an increase in the value of the investments.

Measurement criteria

Subsequent to initial recognition, intangible assets with a finite life are systematically amortised on a straight-line basis based on the estimate of their useful life. Residual useful life is usually assessed as follows:

- software up to 3 years;
- other intangible assets up to 5 years.

Assets with an indefinite useful life are not subject to systematic amortization, but to a periodic test, at least annually (or whenever there is evidence of impairment), to verify the adequacy of the related carrying amount in the balance sheet. At the reference date of these consolidated financial statements, there are no intangible assets with an indefinite useful life, with the exception of goodwill and the Fineco trademark and domains.

If there is objective evidence that an individual asset, whether with a finite or indefinite useful life, may have suffered an impairment, the carrying amount of the asset is compared with its recoverable amount, equal to the higher of the fair value, less costs to sell, and the related value in use, understood as the present value of the future cash flows expected to originate from the asset. Any impairment are recognized in the income statement. If the value of an intangible asset, other than goodwill, previously written down is restored, a write-back occurs and the new book value cannot exceed the net book value that would have been determined if no impairment loss had been recognized for the asset in previous years.

With reference to intangible assets with a finite duration, it should be noted that in the Notes to the Financial Statements the item “Gross closing inventory” and “Total net impairment losses” includes only intangible assets, not subject to derecognition, that have not yet been fully amortized at the balance sheet date.

With reference to the goodwill recorded in the balance sheet, it should be emphasized that the same concerns acquisitions of business units or companies engaged in the trading business or in the distribution of financial, banking and insurance products through financial advisors, activities that have been completely integrated into the Bank's current operations, so it is not possible to isolate the contribution of each company/branch with respect to the Bank's overall profitability. This means that in order to confirm the appropriateness of the value of the goodwill recorded in the balance sheet, reference must be made to the overall profitability of the FinecoBank company. The cash generating unit (CGU) is the Bank as a whole, including the contribution of the subsidiary Fineco AM, thanks to the vertically integrated business model. In fact, given the particular business model of the Group, which provides for very strong integration between financial advisors, trading platform and banking, for which the network of financial advisors is an integral part of the overall offer, which provides banking, brokerage and investing services, the accounting of costs/revenues allocated to the macro areas of activity is not considered relevant and significant. For further information on goodwill, trademarks and domains and the related impairment test, please refer to Section 10.3 “Intangible assets – Other information” of Part B of these notes to consolidated accounts.

Derecognition criteria

An intangible asset is eliminated from the consolidated balance sheet (i) upon its disposal or (ii) when no future economic benefits are expected from its use or realisation.

Criteria for recognising income components

The systematic amortization of intangible assets with a finite life is recorded in item 220. “Net adjustments/write-backs on intangible assets” of the income statement (item 190. “Net adjustments/write-backs on intangible assets” of the company’s financial statements). The same item shows any impairment made to intangible assets, other than goodwill, that have suffered a reduction in value, as well as any write-backs recorded on previously written-down assets. Impairments to goodwill are recorded in the income statement under item 270. “Goodwill impairment” (item 240. “Goodwill impairment” of the company’s financial statements). Value write-backs are not permitted on goodwill.

In the event of derecognition, any difference between the transfer value or the recoverable value and the book value is recorded in the income statement under item “280. Gains (losses) on disposal of investments” (item 250. “Gains (losses) on disposal of investments” of the company’s financial statements) in the event of disposal or under item “220. Net adjustments/write-backs of value on intangible assets” (item 190. “Net adjustments/write-backs of value on intangible assets” of the company’s financial statements) in the event that no future economic benefits are expected from its use or realisation.

8 - Non-current assets classified as held for sale

These categories include individual assets held for disposal (tangible, intangible and financial assets) or groups of assets held for sale, with the associated liabilities, as required by IFRS 5.

Individual assets (or groups of assets held for sale) and relating liabilities are recognised in the consolidated balance sheet in item 120. “Non-current assets and disposal groups held for sale” (item 110. “Non-current assets and disposal groups held for sale” of the company’s financial statements) and 70. “Liabilities included in disposal groups classified as held for sale”, respectively, at the lower of their carrying amounts and fair values less costs to sell.

The revaluation reserves relating to Non-current assets held for sale, which are recorded as a contra item to changes in value relevant for this purpose), are reported separately in the statement of comprehensive income (see Part D – Consolidated comprehensive income).

The net balance of profits (dividends, interest income, etc.) and losses (interest expense, etc.) attributable to groups of assets or liabilities held for sale are recognised in the consolidated income statement in item 320. “Profit (Loss) after tax from discontinued operations” (item 320. “Profit (Loss) after tax from discontinued operations” of the company’s financial statements). Profits and losses attributable to individual assets held for disposal are recognised in the consolidated income statement under the most appropriate item.

At the date of these consolidated financial statements, the Group does not hold “non-current assets classified as held for sale”.

9 - Current and Deferred Tax

Tax assets and liabilities are recognised in the consolidated balance sheet respectively in item 110. “Tax assets” (item 100. “Tax assets” of the company’s financial statements) and in liability item 60. “Tax liabilities”.

In compliance with the “Balance sheet liability method”, current and deferred tax items are:

- current tax assets, i.e. amount of tax paid in excess of income tax due under the current tax regulations;
- current tax liabilities, i.e. tax payables due under the current tax regulations;
- deferred tax assets, i.e. amounts of income tax recoverable in future fiscal years and relating to:
    - deductible temporary differences;
    - the carry-forward of unused tax losses;
    - the carry-forward of unused tax credits;
    - deferred tax liabilities, i.e. the payables for income tax due in future fiscal years in respect of taxable temporary differences.

Current and deferred tax assets and tax liabilities are calculated in accordance with local tax regulations (with reference to each company consolidated on line-by-line basis) and are recognised in profit or loss on an accrual basis and are accounted for as expenses (income) on the same accrual basis as the costs and revenues that gave rise to them.

More specifically, with regard to FinecoBank, for current IRES income tax, a rate of 27.50% has been calculated; for IRAP corporate tax, the rate applied was 5.57%. In this regard, it should be noted that the effects of the reduction in the IRES income tax rate from 27.50% to 24% introduced, with effect from January 1, 2017 effective for tax periods after the period to December 31st, 2016, introduced by the Stability Law for 2016 were "neutralised" for the Bank as a result of the introduction, by the same Law, of an additional 3.5 percentage points for credit institutions effective for the same tax periods.

With regard to the Irish subsidiary Fineco AM, taxes were calculated using a rate of 12.5% (as per tax legislation), as well as the 2.5% surcharge introduced in Ireland to comply with the provisions of EU Directive 2022/2523 so-called Pillar II.

In general, deferred tax assets and liabilities arise when there is a difference between the accounting treatment and the tax treatment of the carrying amount of an asset or liability.

Deferred tax assets and liabilities are recognised applying tax rates that at the balance sheet date are expected to apply in the period when the carrying amount of the asset will be recovered or the liability will be settled on the basis of tax regulations in force and are periodically reviewed in order to reflect any changes in regulations.

Furthermore, deferred tax assets are recognised only to the extent that it is probable that sufficient future taxable profit will be generated. In accordance with the provisions of IAS12, the probability that sufficient future taxable profit will be available, against which the deferred tax assets can be utilised, is reviewed periodically. The carrying amount of deferred tax assets should be reduced to the extent that it is not probable that sufficient taxable profit will be available.

Deferred tax liabilities are always recognised.

Current and deferred taxes are recognised in the income statement in item 300. “Tax expense (income) related to profit or loss from continuing operations” (item 270. “Tax expense (income) related to profit or loss from continuing operations” in the income statement of the company’s financial statements), except for tax referred to items that in the same or in another fiscal year are credited or charged directly to equity, such as those relating to valuation gains or losses on financial assets at fair value through other comprehensive income, whose changes in value are recognised, after tax, under the revaluation reserves directly in the statement of comprehensive income.

Current tax assets are shown in the balance sheet net of related current tax liabilities, where the following requirements are met:

- there is a right to offset the recognised amounts; and
- there is an intention to settle the asset and liability positions with a single payment on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets are shown in the consolidated balance sheet net of related deferred tax liabilities, where the following requirements are met:

- there is a right to offset the underlying current tax assets with the current tax liabilities; and
- deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or different taxable entities which intend to settle current tax assets and liabilities on a net basis (usually under a tax consolidation agreement).

10 - Provisions for risks and charges

Provisions for risks and charges for commitments and guarantees given

The sub-item of the provisions for risks and charges in question includes the funds for credit risk recognized for commitments to disburse funds and guarantees given which fall within the scope of application of the rules on impairment in accordance with IFRS 9, according to illustrated in the next specific section “Impairment”. The effects of valuation are recognised in item 200. “Net provisions for risks and charges: a) commitments and guarantees given” in the consolidated income statement (item 170. “Net provisions for risks and charges: a) commitments and guarantees given” in the income statement of the company’s financial statements).

Provisions for retirement payments and similar obligations

At the date of these consolidated financial statements, there were no provisions for retirement payments and similar obligations.

For the sake of completeness, it is specified that retirement provisions – i.e. provisions for employee benefits paid after leaving employment – are defined as defined contribution plans or defined benefit plans according to the economic nature of the plan.

In particular:

- Defined-benefit plans provide a series of benefits depending on factors such as age, years of service and compensation policies. Under this type of plan actuarial and investment risks are borne by the company.
- Defined-contribution plans are plans under which the company makes fixed contributions. Benefits are the result of the amount of contributions paid and return on contributions invested. The employer bears no actuarial and/or investment risks connected with this type of plan as it has no legal or implicit obligation to make further contributions, should the plan not be sufficient to provide benefit to all employees.

In the case where such funds are of the first type, i.e. defined benefit, the determination of the required present values is carried out by an external actuary, using the “Unit Credit Projection Method”.

Other provisions

Provisions for risks and charges consist of liabilities recognised when:

- the entity has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

The amounts recognised as provisions are the best estimate of the expenditure required to settle the present obligation. The risks and uncertainties that inevitably surround the relevant events and circumstances are taken into account in reaching the best estimate of a provision.

In addition to the legal expenses to be borne by the Group in the event of an unfavourable outcome of the dispute, the provision for risks and charges for legal disputes includes the estimated expenses to be paid to the legal advisors and any technical consultants and/or experts assisting the Group in ongoing disputes up to the estimated amount of the expenses that will not be reimbursed by the counterparties. This estimate, with regard to the fees of the lawyers assisting the Group, has been made in relation to the ongoing litigation, mainly on the basis of the Legal Tariffs set by the applicable regulations.

In addition, where the effect of the time value of money is significant (usually when the expense is expected to materialise more than 18 months after its recognition), the amount of the provision should be the present value of the best estimate of the cost required to settle the obligation. The discount rate used reflects the current market assessments.

Provisions are reviewed periodically and adjusted to reflect the current best estimate. If it becomes clear that it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

A provision is used only to cover the costs for which it was originally recorded. The provision for the financial year, recorded in item 200. “Net provisions for risks and charges: b) other net provisions” of the income statement (item 170. “Net provisions for risks and charges: b) other net provisions” of the income statement company’s financial statements), includes increases in the provisions due to the passage of time and is net of any reversals. In some circumstances, provisions for risks and charges (for example, those related to personnel expenses or administrative expenses) have been recorded in their own item of the income statement to better reflect their nature.

“Other provisions” also include obligations relating to benefits due to financial advisors relating to the supplementary customer indemnity and the contractual indemnity, which are similar to defined benefit plans and therefore the related obligations were calculated by an actuary using the “Unit Credit Projection Method”, which involves 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. This method distributes the cost of the benefit uniformly over the working life of the financial advisor. More precisely, the amount recorded as a liability (there are no assets serving the plan), in application of the provisions of IAS 19 Revised, in the balance sheet under item 100. “Provisions for risks and charges: c) other provisions for risks and charges” is equal to the present value of the obligation at the balance sheet reference date. Actuarial gains/losses arising from the valuation of defined benefit liabilities are recognised as a counterpart to equity in item 120. “Valuation reserve” (item 110. “Valuation reserve” company’s financial statements) and shown in the Statement of Comprehensive Income.

The discount rate used is determined based on the market yields recorded at the balance sheet date of bonds of primary companies with an average duration consistent with that of the liability itself.

11 - Financial liabilities at amortised cost

Classification criteria

Financial liabilities valued at an amortised cost include financial instruments (other than trading liabilities and those valued at fair value), representing various forms of third-party funding (including deposits, current accounts, loans, lease liability, current payables related to the provision of financial services as defined by the T.U.B. and T.U.F.).

It should be noted that the Group's debt exposures may include negative pledges and covenants, the content of which is standard according to normal practice. The nature of the commitments undertaken, in line with market practice, and the remote likelihood of default events occurring, allow these clauses to be considered immaterial.

Recognition criteria

Financial liabilities are initially recognized on the settlement date, which normally coincides with the time of receipt of the amounts collected or the issue of debt securities. The initial recognition is made on the basis of fair value, which normally corresponds to the consideration received, net of transaction costs directly attributable to the financial liability.

Financial liabilities measured at amortized cost include lease liabilities initially recognized equal to the present value of lease payments not paid at that date. Lease payments are discounted using the Group's incremental borrowing rate, determined on the basis of the cost of funding for liabilities with a duration and guarantees similar to those implicit in the lease contracts.

At the reference date of these Consolidated Financial Statements, there are no hybrid debt instruments and instruments convertible into own shares, however, for completeness of information, it is specified that hybrid (combined) debt instruments, indexed to equity instruments, foreign currencies, credit instruments or indices, are considered structured instruments. The embedded derivative is separated from the primary contract and represents a derivative in its own right if the separation criteria are met. The embedded derivative is recorded at its fair value, classified among financial assets or liabilities held for trading and subsequently measured at fair value with the related gains or losses recorded in the income statement. The primary contract is initially attributed the value corresponding to the difference between the total amount collected and the fair value of the embedded derivative. Instruments convertible into own shares, on the other hand, entail the recognition, at the issue date, of a financial liability and a component of net equity recorded in item 140. "Equity instruments", if the contract regulations provide for physical delivery. In particular, the net equity component is attributed the residual value resulting after deducting from the overall value of the instrument the value determined separately for a financial liability without a conversion clause having the same cash flows. The resulting financial liability is then measured at amortized cost using the effective interest criterion.

Measurement criteria

After initial recognition, financial liabilities are measured at amortized cost using the effective interest method. The exception is short-term liabilities, for which the time factor is negligible, which remain recorded at the collected value.

Leasing liabilities must be recalculated, after the effective date, if changes are made to the lease payments (which must not be accounted for as a separate contract); the amount of the recalculation of the lease liability must be recognized as an adjustment to the corresponding right-of-use asset.

Derecognition criteria

Financial liabilities are derecognized from the balance sheet when they are extinguished or when the obligation specified in the contract is fulfilled or cancelled or expires. Securities in issue are recorded net of the amounts repurchased; the difference between the carrying amount of the liability and the amount paid to purchase it is recorded in the income statement.

Criteria for recognising income components

Interest accrued on financial liabilities measured at amortized cost is recognized in the income statement, in the interest margin, based on the effective interest rate criterion pro rata temporis over the duration of the credit.

In the event of repurchase of outstanding securities, the difference between the carrying amount of the liability and the amount paid to purchase it is recognized in item 100. “Gains (losses) on disposal or repurchase of: c) financial liabilities” of the income statement. The subsequent re-placement/sale by the issuer is considered as a new issue that does not generate any economic effect.

12 - Financial liabilities held for trading

Classification criteria

Financial liabilities held for trading include:

- derivatives that are not designated as hedging instruments;
- obligations to deliver financial assets borrowed by a short seller (i.e., an entity that sells financial assets it does not yet own);
- financial liabilities issued with an intention to repurchase them in the near term;
- financial liabilities that are part of a portfolio of financial instruments considered as a unit and for which there is evidence of a recent pattern of trading.

Recognition criteria

Financial liabilities held for trading are initially recognized, on the settlement date, at their fair value, which normally corresponds to the consideration paid, excluding transaction costs and revenues that are immediately recognized in the income statement even if directly attributable to such financial liabilities. Trading derivatives are recognized by trade date.

Measurement criteria

Financial liabilities held for trading, including derivatives, are measured at fair value initially and for the life of the transaction.

Derecognition criteria

Financial liabilities are derecognised from the balance sheet when they are extinguished or when the obligation specified in the contract is fulfilled or cancelled or expired.

Criteria for recognising income components

Gains or losses arising from sale or redemption or a change in the fair value of financial instruments are detected in consolidated income statement in item 80. “Gains (losses) on financial assets and liabilities held for trading”, including financial derivatives relating to a fair value option.

13 - Financial liabilities designated at fair value

At the date of these consolidated financial statements, no financial liabilities classified as “Financial liabilities designated at fair value” were held.

For the sake of completeness, it is specified that financial liabilities, like financial assets may also be designated or in the first time adoption of the principle, according to IFRS 9, on initial recognition as measured at fair value, provided that:

- this designation eliminates or considerably reduces the discrepancy that could arise from the application of different methods of measurement of assets and liabilities and related gains or losses;

or

- a group of financial assets, financial liabilities or both are managed and measured at fair value under risk management or investment strategy which is internally documented with the Board of Directors or equivalent body.

This category may also include financial liabilities represented by hybrid (combined) instruments containing embedded derivatives that otherwise should have been separated from the host contract.

Financial liabilities in this category, including derivatives, are valued at fair value initially, and during the life of the operation.

Changes in fair value are recognised in income statement in item 110. “Gains (losses) on financial assets and liabilities at fair value through profit and loss: a) financial assets and liabilities designated at fair value”, except for any changes in fair value that derive from changes in the credit rating, which are shown in item 120. “Revaluation reserves” in shareholders' equity (item 120. “Revaluation reserves” of company’s financial statements) unless that recognition causes a discrepancy that would result from a different valuation of assets and liabilities and related gains and losses, in which case the changes in fair value deriving from changes in credit rating are also recognised on the consolidated income statement.

14 - Foreign currency transactions

Classification criteria

A foreign currency transaction is recognised at the spot exchange rate of the transaction date.

Recognition criteria

Foreign currency monetary assets and liabilities are translated at the closing rate of the year.

If any, non-monetary assets and liabilities, recorded at historical cost, are converted using the exchange rate in effect on the transaction date, while those measured at fair value are converted using the exchange rate at the end of the financial year.

Criteria for recognising income components

Exchange differences arising from settlement of monetary items at rates different from those of the transaction date and unrealised exchange rate differences on foreign currency assets and liabilities not yet settled, other than assets and liabilities designated as measured at fair value and hedging instruments, are recognised in profit and loss item 80. "Gains and losses on financial assets and liabilities held for trading” in the income statement.

When a gain or loss on a non-monetary item is recognised directly in equity, any exchange component of that gain or loss is recognised directly in equity. Conversely, when a gain or loss on a non-monetary item is recognised through profit or loss, any exchange component of that gain or loss is recognised through profit or loss.

All exchange differences recognised on revaluation reserves in shareholders' equity are also reported in the Statement of Comprehensive Income.

15 - Insurance assets and liabilities

At the date of these consolidated financial statements, no insurance assets and liabilities were held. For the sake of completeness, it is specified that IFRS 17 defines insurance contracts as those agreements based on which a party (the insurer) accepts a significant insurance risk from a third party (the insured), agreeing to pay the latter in the event of damages arising from a specific future uncertain event.

These policies are recognised briefly as follows:

- item 160. "Insurance service result" of the consolidated income statement, of:

  - *insurance revenues arising from insurance contracts issued*, reflecting the share of the consideration received by the policyholder for services provided during the financial year;
  - *insurance service expenses from insurance contracts issued*, which reflect the expenses related to the insurance contracts issued;
  - *insurance revenue from reinsurance*, which includes the amount recovered from reinsurers;
  - *insurance service expenses from reinsurance*, which includes commissions/other expenses related to reinsurance;
- item 170. “Insurance finance income and expenses” from the consolidated income statement, of net finance costs/revenues relating to insurance contracts issued and reinsurance cessions, showing the balance, positive or negative, of changes in the balance sheet value of insurance contracts issued and reinsurance cessions associated with the effects and changes in the time value of money, and with the effects and changes in the financial risks associated with the cash flows arising from such transactions;
- item 110. “Insurance liabilities” of liabilities in the Consolidated financial statement, of insurance contracts issued that constitute liabilities, or insurance contracts, including reinsurance contracts, issued and investment contracts with discretionary participation features, and reinsurance cessions that constitute liabilities;
- item 80. “Insurance assets for re-insurers” of assets in the Consolidated financial statement, of insurance contracts issued that constitute liabilities, or insurance contracts, including reinsurance contracts, issued and investment contracts with discretionary participation features, and reinsurance cessions that constitute assets.

16 - Other information

Business Combinations

A business combination is a transaction through which an entity obtains control of a company or of a business segment, resulting in the combination of separate business activities in a single entity required to prepare financial statements.

A business combination may result in a Parent-subsidiary relationship in which the acquirer is the Parent and the acquiree a subsidiary of the acquirer. A business combination may involve the purchase of the net assets of another entity, in which case goodwill can arise, or the purchase of the equity of the other entity (mergers).

IFRS 3 requires that all business combinations shall be accounted for by applying the purchase method, that involves the following steps:

- identifying an acquirer;
- measuring the cost of the business combination;

and

- allocating, at the acquisition date, the cost of the business combination to the assets acquired and liabilities and contingent liabilities assumed.

In particular, the cost of a business combination is the aggregate of the fair value, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the acquirer, in exchange for control of the acquiree.

The acquisition date is the date on which the acquirer effectively obtains control of the acquiree. When this is achieved through a single exchange transaction, the date of exchange coincides with the acquisition date.

A business combination may involve more than one exchange transaction; nevertheless, the cost of the business combination remains equal to the fair value of the total shareholding acquired. This involves the revaluation at fair value - and the recognition of the effects in the Income Statement - of the equity investments previously held in the acquired entity.

The cost of a business combination is allocated by recognising the assets, the liabilities and the identifiable contingent liabilities of the acquired company at their acquisition-date fair value. Exceptions to this principle are deferred income tax assets and liabilities, employee benefits, indemnification assets, reacquired rights, non-current assets held for sale, and share-based payment transactions that are subject to review in accordance with the principle applicable to them.

The positive difference between the cost of the business combination and the acquirer’s interest at fair value, net of the identifiable assets, liabilities and contingent liabilities, must be accounted for as goodwill.

After initial recognition, goodwill is tested for impairment at least annually.

If the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the acquirer shall reassess the fair values and immediately recognise any excess remaining after that reassessment in profit or loss. If the acquisition concerns a percentage less than 100% of the assets of the acquired company, minorities are recognised.

At the acquisition date, minorities are valued:

- at fair value, or

- as a share of minority interests in the assets, liabilities and potential liabilities that can be identified for the company acquired.

Purchased or originated Credit Impaired - POCI

When on initial recognition an exposure, presented in the Consolidated financial statement in item 30. “Financial assets at fair value through comprehensive income” or 40. “Financial assets at amortised cost”, is non-performing, it is qualified as “Purchased Originated Credit Impaired - POCI”.

The amortised cost and the interest income generated by these assets are calculated by considering, in the estimate of future cash flows, the expected credit losses over the entire residual duration of the asset. This expected credit loss is subject to periodic review thus determining the recognition of impairment or write - backs.

The disclosure of impaired financial assets acquired or originated in the notes to the consolidated accounts is excluded from the credit risk stage breakdown and recognised separately.

At the date of these consolidated financial statements, no “Purchased or Originated Credit Impaired – POCI” were held.

Treasury Shares

Changes in treasury shares are reported as a direct contra item to consolidated shareholders’ equity, i.e. as a reduction to the latter in the amount of any purchases, and as an increase in the amount of any sales proceeds. This entails that, if treasury shares are subsequently sold, the difference between the sale price and the related post-tax purchase cost is recognised entirely as a contra item to consolidated shareholders' equity.

Employee Benefits

Employee benefits are defined as all types of remuneration provided by the company in exchange for the work performed by employees and are divided into

- short-term benefits (other than termination benefits and equity compensation benefits) that are expected to be settled in full within twelve months after the end of the period in which the employees render the service and recognised in full in the income statement when they become vested (for example, wages, salaries and “extraordinary” benefits fall into this category)
- post-employment benefits payable after the termination of employment that obligate the enterprise to make future payments to employees. These include termination benefits and pension funds which, in turn, are divided into defined contribution plans and defined benefit plans or company pension funds;
- termination benefits, i.e. those payments that the company pays to employees as a counterpart to the termination of employment, following the company's decision to terminate the employment relationship before the normal retirement date;
- long-term benefits, other than the above, that are not expected to be settled in full within twelve months after the end of the period in which the employees rendered their services.

Employee benefits are recognised in the consolidated income statement under item 190. “Administrative expenses a) staff expenses” (item 160. “Administrative expenses a) staff expenses” of the income statement of the company’s financial statements) and are normally recognised in the consolidated balance sheet under item 80. “Other liabilities” based on the valuation at the balance sheet date of the commitments undertaken, with the exception of benefits for which the maturity and/or amount are uncertain, which are normally recognised in the consolidated balance sheet under item 100. “Provisions for risks and charges”, and of termination benefits, which are recognised in the consolidated balance sheet under item 90. “"Provisions for employee severance pay”.

Cash and cash balances

Cash and cash balances include cash and all on-demand deposits, in the form of current accounts and deposits, on banks and central banks (with the exception of the reserve requirement). In the profit and loss account, net credit risk adjustments/write-backs relating to the above loans to banks and central banks on demand are recognised in item 130. “Impairment losses/writebacks”.

Offsetting financial assets and financial liabilities

The accounting offsetting of assets and liabilities items has been performed according to IAS 32, assessing the fulfilment of the following requirements:

- current legally enforceable right to set off the recognised amounts;
- intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accordance with IFRS 7, further information has been included in the table of these Notes to the consolidated accounts, in Part B - Other information.

Those tables show the following in particular:

- the carrying amounts, before and after the accounting offsetting effects, related to the financial assets and liabilities that meet the criteria for applying those effects;
- the amount of the exposures that do not meet the above-mentioned criteria, but are included in master netting agreements, or similar agreements, that create the right to set-off only under specific circumstances (e.g., default events);
- the amount of the related collateral.

Contributions to guarantee and resolution funds

The accounting treatment applicable to contributions paid to resolution funds has been regulated by the Bank of Italy in a Communication of 20 January 2016 “Contributions to resolution funds: treatment in financial statements and in supervisory reporting” and in a Communication of January 25th, 2017 “Additional contributions to the National Resolution Fund: treatment in financial statements and in supervisory reporting”. The application of IFRS to contributions to guarantee funds (“Deposit Guarantee Schemes”) were the subject of an ESMA Opinion “Application of the IFRS requirements in relation to the recognition of contributions to Deposit Guarantee Schemes in IFRS accounts” (2015/ESMA/1462 of 25 September 2015).

The same accounting treatment is applied to contributions paid to the “Life Insurance Guarantee Fund”, established by Law no. 213 of 30 December 2023, article 1, paragraph 113, with which “Chapter VI-bis” was inserted in Title XVI of the Private Insurance Code, pursuant to Legislative Decree 7 September 2005, 209.

For the purposes of treatment in the financial statements, reference should be made to IAS 37 Provisions, Contingent Liabilities and Contingent Assets and IFRIC Interpretation 21 “Levies”. The latter deals with the accounting for a liability relating to the payment of a tax in the event that the liability falls within the scope of IAS 37. According to IFRIC21, a levy represents a use of resources embodying economic benefits imposed by governments on entities in accordance with legislation. Both “ordinary” and “extraordinary” levy obligations arise from legislation and, consequently, are covered by the notion of “levies” in IFRIC 21. IAS 37 and IFRIC21 require that a liability must be recognised when a binding event occurs that creates a present obligation. Since the decree does not provide for contributions to be reduced or returned to intermediaries in whole or in part, the liability associated with the related contributions should be recognised in full each time the binding event occurs. Since neither an intangible asset within the meaning of IAS 38 nor a prepayment asset can be recognised as a balancing entry to the liability, it follows that contributions must be recognised in profit or loss. Since these contributions are treated as taxes, they are recognised in the consolidated income statement under item 190. “Administrative expenses b) other administrative expenses” (item 160. “Administrative expenses b) other administrative expenses” in the income statement of the company’s financial statements), which includes, inter alia, indirect taxes and taxes (paid and unpaid) for the period.

Government grants

Government grants take the form of transfers of resources to the corporation provided that the corporation has complied, or is committed to comply, with certain conditions relating to its operating activities. Excluded are those forms of public assistance with which a value cannot reasonably be associated and transactions with public entities that cannot be distinguished from the company's normal business activities.

Government grants can be divided into

- capital grants, for which it is a precondition that the entity purchases, constructs or otherwise acquires fixed assets;
- operating grants, other than capital grants.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs that the grants are intended to compensate and only when there is reasonable assurance that:

- the entity will comply with the terms and conditions; and
- the grants will be received.

The Group recognises government capital grants in the consolidated balance sheet as deferred income in item 80. "Other liabilities" and recognises the portion attributable to the period in the consolidated income statement in item 230 “Other net operating income” (item 200 “Other net operating income” of company’s financial statements).

Operating grants are presented in the consolidated income statement in item 230. “Other net operating income” (item 200 “Other net operating income” of company’s financial statements) or are deducted from the related cost if such an offset more appropriately reflects the substance of the transaction.

Amortised cost

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment.

Part A - Accounting policies

The effective interest method is a method of allocating the interest income or interest expense over the life of a financial asset or liability. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or financial liability. The calculation includes all fees and basis points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Commissions forming an integral part of the effective interest rate include loan drawdown fees or underwriting fees relating to a financial asset not designated at fair value, e.g., fees received as compensation for the assessment of the issuer's or borrower's financial situation, for valuation and registration of security, and generally for the completion of the transaction (management fees).

For securities issued, amortised cost includes bond placement commissions paid to third parties, quotas paid to stock exchanges, fees paid to the independent auditors for their work on each individual issue and, more generally, costs incurred to complete the transaction.

Transaction costs include fees and commissions paid to agents (including employees acting as selling agents), advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

Tax credits related to the "Cura Italia" and "Rilancio" Law Decrees

Decree-Laws no. 18/2020 (the so-called "Cura Italia") and no. 34/2020 (the so-called "Rilancio")[81] introduced into the Italian legal system tax incentive measures connected with both investment expenditure (e.g., eco and seismic bonus) and current expenditure (e.g., rents for premises not for residential use), which are commensurate with a percentage of the expenditure incurred and apply to households or businesses (in some cases reaching as much as 110%). These incentives are granted in the form of tax credits or tax deductions (optionally convertible into tax credits). For the eco and seismic bonus, as well as for the other incentives for building works, it is possible to benefit from the incentive also through a discount on the amount due to the supplier, who will receive a tax credit. The beneficiaries of these credits can use them as direct compensation for taxes and contributions or transfer them to third parties (in whole or in part). Potential purchasers may use these credits according to the same rules as the original beneficiary, or may in turn sell them (in whole or in part) to third parties. None of the credits in question can be reimbursed directly by the State, since they can be used for offsetting purposes without the possibility of carrying forward or requesting reimbursement of the portion not offset in the year of reference for reasons of inability to pay.

The accounting for tax credits acquired from a third party (the transferee of the tax credit) is not subject to a specific international accounting standard. IAS 8 requires that, in cases where there is a situation that is not explicitly covered by an IAS/IFRS accounting standard, management should define an appropriate accounting policy to ensure relevant and reliable disclosure of such transactions.

To this end, the Group, taking into consideration the indications expressed by the Authorities[82], has adopted an accounting policy that refers to the accounting rules provided for by IFRS 9, considering that the tax credits in question are, in substance, similar to financial assets.

The tax credit is initially recognised at its fair value, which corresponds to the transaction price, including the initial costs directly attributable to the transaction, and is subsequently measured using an accounting model based on IFRS 9 corresponding to a "Held To Collect" business model, which provides for measurement at amortised cost, as this is considered more suitable for providing relevant and reliable information, considering that FinecoBank's current intentions are to obtain a return over the entire duration of the transaction. The effective interest rate is calculated by estimating the expected cash flows, taking into account all the terms related to the tax credit, including the expected offsets and the fact that the unused tax credit in each offsetting period will be lost.

At each reporting period, the income for the period is recognised in the income statement, amortising according to a financial logic the difference between the nominal value of the tax credit acquired and the amount recognised to the customer plus the initial direct costs related to the file.

When revising the estimates of expected cash flows, the Group recalculates the gross carrying amount of the tax credit as the present value of the new cash flows discounted at the original effective interest rate, as required by paragraph B5.4.6 of IFRS 9. Any prepayments with respect to the originally estimated offsets will generate reversals, while any deferrals will generate adjustments, which will be recognised in profit or loss.

The tax credit is not subject to impairment according to the rules defined by IFRS 9, as the transaction does not expose the Group to credit risk.

As specified by the Joint Paper of the Authorities, taking into account that purchased tax credits do not represent, according to International Accounting Standards, tax assets, government grants, intangible assets or financial assets, the most appropriate classification, for the purposes of presentation in the financial statements, is the residual classification under balance sheet item 130. "Other assets" (item 120. "Other assets" of company's financial statements), while income determined using the effective interest rate is recognised under item 10. "Interest income and similar revenues". Gains/losses arising from the revision of estimates of expected cash flows are recognised in the same item, with the exception of those arising from the non-utilisation of purchased tax credits, which are recognised in item 230. "Other operating income/expenses" (item 200. "Other operating income/expenses" of the income statement of the company's financial statements).

[81] Converted into law, with amendments, respectively by Law no. 27 of April 24th, 2020 and Law no. 77 of July 17th, 2020.

[82] On January 5th, 2021, the Bank of Italy, Consob and IVASS published Document No. 9 of the Coordination Table on the application of IAS/IFRS "Accounting treatment of tax credits related to the "Cura Italia" and "Rilancio" Decree-Laws acquired following disposal by direct beneficiaries or previous purchasers".

In the event of a sale to a third party, the difference between the price received and the residual amortised cost at the date of sale will be recognised in the income statement in item 100. "Gains (losses) on disposal or repurchase of: a) financial assets at amortised cost".

Classification of financial assets

The standard for the classification and measurement of financial assets provided for by IFRS 9 is based on the "business model" and the financial instrument's contractual cash flows (SPPI criterion - Solely Payments of Principal and Interests).

Based on the entity's business model for managing financial instruments, the assets may be classified as:

- "held to collect" contractual cash flows ("HTC"), measured at amortised cost and subject to impairment based on expected losses;
- "held to collect cash flows and for sale" ("HTCS"), measured at fair value through comprehensive income, in an equity reserve, and subject to impairment on the basis of expected losses;
- "held as part of other business models", e.g. held for trading, measured at fair value through profit and loss.

It is also possible upon initial recognition to:

- irrevocably designate a financial asset as measured at fair value through profit or loss if this eliminates or significantly reduces a mismatch ("accounting mismatch") that would otherwise arise from a different measurement of assets or liabilities or from the recognition of gains and losses on different bases;
- irrevocably designate particular investments in equity instruments, which would otherwise be measured at fair value through profit or loss, as measured at fair value through other comprehensive income items. Upon disposal, the fair value changes recognised in a specific shareholders' equity reserve are not transferred to profit or loss, but to another shareholders' equity reserve.

Business model

With regard to the business model, IFRS 9 identifies three types of cases in relation to the manner in which cash flows are managed and sales of financial assets:

- Held to Collect (HTC): whose objective is to hold assets in order to collect contractual cash flows are managed to realize cash flows by collecting contractual payments over the life of the instrument. The 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, the value and the timing of sales, the reasons for sales and expectations regarding to future sales;
- Held to Collect and Sell (HTCS): whose objective is achieved by both collecting contractual cash flows and selling financial assets. Both activities (collection of contractual flows and sales) are essential for achieving the business model objective. Therefore, sales are more frequent and significant than an HTC business model and are an integral part of the strategies pursued;
- Other business models: which include both financial assets held for trading purposes and financial assets managed with a business model not attributable to previous business models.

The Group's Business Model is determined by Key management personnel at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The entity's business model does not depend on management's intentions for an individual instrument. Accordingly, this condition is not an instrument-by-instrument approach to classification and should be determined on a higher level of aggregation with the corporate objective of pursuing, time in time, specific performance of maximizing net interest income and accessory commissions, in order to limit credit risk, always compatible with the RAF (Risk Appetite Framework) established annually. However, a single entity may have more than one business model for managing its financial instruments.

For the Held to Collect business model, the Group has defined eligibility thresholds for sales that do not affect the classification and has defined parameters that allow for the identification of possible increases in the credit risk of assets, because, as provided for by IFRS9 paragraph B4.1.3A, regardless of their frequency and value, sales due to an increase in credit risk are not incompatible with a business model whose objective is the possession of financial assets for the purpose of collecting contractual cash flows, because the credit quality of financial assets is relevant to the entity's ability to collect contractual cash flows.

The Group included the following mainly financial assets in the "HTC" business model, according to the purposes for which they are held and their expected turnover:

- customer loans (e.g. mortgages, personal loans, unsecured loans, revolving credit cards, current account credit lines and, usually, overdraft facilities);
- cash-secured securities loans to retail customers "Multiday leverage" and institutional;
- credit cards full payment of balance;
- deposits, loans and repurchase agreements;
- other trade receivables;

- proprietary securities for which the objective defined by the investment policy is the ownership of financial assets aimed at the collection of contractual cash flows with the aim of achieving medium/long-term profitability.

The “HTCS” business model includes own securities for which the objective defined by the investment policy is pursued through both the collection of contractual flows and the sale of financial assets. Sales are an integral part of this business model and, therefore, there is no turnover threshold for portfolio sales, both in terms of frequency and amount. Nevertheless, trading activity is not allowed in order to pursue the business model and any purchases must be effected taking into account a medium to long-term time horizon.

The “Other Business Models” include any assets that do not fall into the aforementioned macro-classes: these are financial assets that are not held as part of a business model whose objective is the holding of assets aimed at the collection of contractual cash flows or whose objective is pursued through both the collection of contractual cash flows and the sale of financial assets and which, instead, reflect trading intentions.

In particular, it involves are the following mainly activities identified by the Group:

- financial assets connected to internalization
- financial assets held for trading
- securities withdrawn from customers
- other securities (not included in the above points).

SPPI Test

In order to assess whether the features of contractual cash flows support either an amortised cost valuation (HTC) or at fair value through comprehensive income (HTCS) - in addition to the analysis relating to the business model - it is necessary that the contractual terms of financial assets provide for, at given dates, financial flows consisted solely of principal and interest payments on the outstanding capital share (SPPI criterion - Solely Payments of Principal and Interests).

The tests were carried out on each individual financial instrument at initial recognition in the financial statements. Subsequent to initial recognition, and as long as it is recognized in the financial statements, the asset is no longer subject to new assessments for the purpose of the SPPI test. If a financial instrument is cancelled (derecognition) and a new financial asset is recognised, the SPPI test must be carried out on the new asset.

For the application of the SPPI test, IFRS 9 provides the following definitions:

- Principal: is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset, for example if there are repayments of principal;
- Interest: consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

For the assess of the SPPI test in the context of credit granting processes and for transactions in debt securities, a tool was developed based on an internally developed methodology (decision trees).

For transactions in debt securities, the test is carried out using the previously mentioned tool at the time of purchase of the financial instrument.

For standard credit products, the SPPI test is carried out during the proposal to market a new product or to change the standard conditions of an existing product, except for periodic repricing of interest rates, and the test result is extended to all the individual relationships referable to the same product catalog. For credit products with contractual conditions other than those stated in standard term sheet, the SPPI test is performed at the time of disbursement of each loan/concession of a new credit line using the same tool.

It should be noted that the Group did not set minimum or false thresholds considering any clause contractual cash flow characteristics that does not comply with the SPPI requirement as a trigger that result in the test's failure, considering the nature of its loans and securities portfolio, consisting of plain vanilla financial assets.

Derecognition of financial assets

Derecognition is the removal of a previously recognised financial asset from an entity’s consolidated balance sheet.

Before evaluating whether, and to what extent, derecognition is appropriate, under IFRS 9 an entity should determine whether the relevant conditions apply to a financial asset in its entirety or to a part of a financial asset. The standard is applied to a part of financial assets being transferred if, and only if, the part being considered for de-recognition meets one of the following conditions:

- the part comprises only specifically identified cash flows from a financial asset (or a group of similar financial assets);
- the part comprises only a fully proportionate (pro rata) share of the cash flows from a financial asset (or a group of similar financial assets);
- the part comprises only a fully proportionate (pro rata) share of specifically identified cash flows from a financial asset (or a group of similar financial assets).

Part A - Accounting policies

In all other cases, the standard is applied to the financial asset in its entirety (or to the group of similar financial assets) in their entirety.

An entity shall derecognise a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the contractual rights to receive the cash flows of the financial asset to a third party.

Rights to cash flow are considered to be transferred even if contractual rights to receive the asset's cash flow are retained but there is an obligation to pay this cash flow to one or more entities and all the following conditions are fulfilled (pass-through agreement):

- there is no obligation on the company to pay uncollected amounts associated with the original asset;
- sale or pledge of the original asset is not allowed, unless it secures the obligation to pay cash flow;
- there is an obligation to transfer forthwith all cash flows received and may not invest them, except for liquidity invested for the short period between the date of receipt and that of payment, provided that the interest accrued in that period is paid on.

Furthermore, the derecognition of a financial asset is subject to verification that all risks and rewards of ownership of the rights have been substantially transferred. Where substantially all risks and rewards are transferred, the asset (or group of assets) transferred is derecognised and the rights and obligations relating to the transfer are recognised separately as assets or liabilities.

Conversely, if the entity substantially retains all the risks and rewards of ownership of the asset (or group of assets), the entity shall continue to recognise the transferred asset(s). In this case it is necessary to recognise a liability corresponding to the amount received under the transfer and subsequently recognise all income accruing on the asset or expense accruing on the liability.

The main transactions that do not allow, under the above rules, total derecognition of a financial asset are securitisations, repurchase (sell and buy-backs) and securities lending transactions.

In the case of securitisations, the company does not de-recognise the financial asset on purchase of the equity tranche or provision of other forms of support of the structure which result in retention by the company of the credit risk of the securitised portfolio.

In the case of repurchase transactions and stock lending, the assets transacted are not derecognised since the terms of the transaction entail the retention of all their risks and rewards.

Lastly, it should be noted that securities lending transactions collateralised by other securities or not collateralised were recorded as off-balance sheet items.

At the date of these consolidated financial statements, no loan securitisation transactions were present.

Impairment

General matters

Loans and debt instruments classified in the items: Financial assets at amortised cost, Financial assets at fair value through comprehensive income and the relevant off-balance sheet exposures (Commitments and guarantees given), are subjected to an impairment calculation in accordance with IFRS 9, taking into account the integrated reference regulations of the internal regulations and policies which regulate the credit classification rules and their transfer to the various categories.

The exposures are classified in Stage 1, Stage 2 or Stage 3 depending on their absolute or relative credit rating, compared to the initial disbursement. In particular:

- Stage 1: this includes newly originated or acquired credit exposures and exposures that have not suffered a significant deterioration in credit risk compared to the date of first recognition;
- Stage 2: this includes credit exposures that are performing but which have suffered a significant deterioration in credit risk compared to the date of first recognition;
- Stage 3: this includes impaired credit exposures.

For Stage 1 exposures, the impairment is equal to the expected loss calculated on a time frame of up to one year. For Stage 2 and Stage 3 exposures, the impairment is equal to the expected loss calculated on a timeframe equivalent to the residual duration of the related exposure.

In order to meet the standard, the Parent Company developed specific models to calculate the expected loss. These models draw on the PD and EAD criteria used for regulatory purposes, to which specific adjustments are made to ensure full consistency with the accounting standard[83]. In this regard, forward-looking information has also been included[84] with the elaboration of specific scenarios.

[83] See paragraph "Parameters and definitions of risk level used in the calculation of value adjustments" for a more detailed explanation of the risk measures used within the Group to calculate the expected credit loss in accordance with IFRS 9.
[84] See paragraph "Forward-looking information used in calculating value adjustments" for a more detailed explanation of the forward-looking information and scenarios used to calculate the expected credit loss in accordance with IFRS 9.

The expected loss is calculated for institutional counterparties, using the credit parameters provided by Moody's Analytics. For retail counterparties, not having internal rating systems available, PD and LGD parameters are estimated with a different methodology according to the type of product, through models developed internally by the CRO Department (personal loans and mortgages) or proxies (other exposures). For further information, please refer to paragraph 2.3 "Methods for measuring expected losses" of part E "Information on risks and related hedging policies" of these consolidated explanatory notes.

A key aspect of the new accounting model required to calculate the expected loss is the Stage Allocation model, the aim of which is to transfer exposures between Stage 1 and Stage 2 (as Stage 3 is equivalent to that of impaired exposures), where Stage 1 mainly includes newly disbursed exposures and exposures that have no significant impairment of credit risk compared to initial recognition. The Stage Allocation valuation model always operates at the level of the individual exposure, and is based on a combination of relative and absolute elements. The main elements were:

- the comparison between the rating of the counterparty at the reference date and the rating recorded at the date of the opening of the relationship/purchase of securities. Under the methodology, the position will move to stage 2 when a certain threshold is exceeded, set in terms of notch by the rating recorded on the date the relationship was first opened ;
- absolute elements such as the backstops provided for by the regulation (e.g. 30 day Expired);
- further evidences emerging from credit monitoring.

With reference to the institutional counterparties with which the Group carries out credit business, the staging allocation methodology makes use of the external rating assigned by the Moody's agency, and it is also applied to financial instruments purchased by the Group for investment purposes. With reference to retail counterparties, in the absence of internal ratings, the Group monitors a set of early warning indicators (e.g. interruption of wage crediting, classification of the position as Forborne, etc.) and thresholds (e.g. worsening of the instalment/income ratio, overdraft of the position for a certain number of days, etc.) highlighting a potential deterioration in the creditworthiness of the counterparty, according to the different types of credit facilities.

The criteria for determining the write-downs of receivables are based on the discounting of expected cash flows of principal and interest. In line with the business model, these can also refer to market operations; for determining the present value of cash flows, the basic requirement is the identification of estimated collections, the timing of payments and the discounting rate used. The amount of the loss on impaired exposures classified as bad exposures, unlikely to pay and past due according to the categories specified below, is the difference between the carrying value and the present value of estimated cash flows discounted at the original interest rate of the financial asset. For all fixed-rate positions, the interest rate determined in this manner is also held constant in future years, while for floating rate positions the interest rate is updated according to contractual terms. If the original interest rate is not directly available, or if finding it would be excessively onerous, the interest rate that best approximates the original one is applied, including through practical expedients that do not affect the substance and ensure consistency with international accounting standards. Recovery times are estimated on the basis of business plans or forecasts based on historical recovery experience observed for similar classes of loans, taking into account the customer segment, type of loan, type of security and any other factors considered relevant, or if the conditions of expected market transactions are met.

Parameters and definitions of risk level used in the calculation of value adjustments

As mentioned above the models to calculate the expected loss, which draw on the PD, LGD and EAD criteria, as well as the effective interest rate. These models are used for calculating value adjustments of all the institutional counterparties common to the Group, for the most part made up of FIBS (Financial Institutions, Banks and Sovereigns) counterparties.

Specifically:

- PD (Probability of Default) expresses the percentage of estimated loss, and hence the expected recovery rate whenever a credit position default event occurs;
- LGD (Loss Given Default) expresses the percentage of estimated loss, and hence the expected recovery rate is the complement to the unit (of the LGD) whenever a credit position default event occurs;
- EAD (Exposure at Default) expresses the measurement of the exposure at the time of the credit position default event;
- Effective Interest Rate is the discount rate expressing the time value of the money.

These parameters are calculated on the basis of identical parameters used for the purpose of calculating Internal Capital, with specific adjustments made to ensure full cohesion with the requirements of the IFRS 9.

The main adjustments are made in order to:

- introduce "point-in-time" required by the accounting standard;
- include forward-looking information;
- extend the credit risk parameters to a multi-year perspective.

Part A - Accounting policies

With regard to the lifetime PD, the through-the-cycle PD curves obtained by adapting the cumulative non-compliance rates are adjusted to reflect point-in-time provisions and forward-looking provisions with regard to the portfolio non-compliance rates.

The rate of recovery incorporated in the through-the-cycle LGD was adapted in order to reflect the latest trends in recovery rates, and expectations about future trends discounted to the actual interest rate or its best approximation.

For Stage 3, this includes the corresponding impaired exposures towards debtors who fall, in accordance with the Bank of Italy rules defined in Circular 272 of July 30th, 2008 as updated, into the "Non-performing" category pursuant to Regulation 630/2019 amending Regulation (EU) No 575/2013 and Commission Implementing Regulation (EU) No 451/2021, as amended and supplemented (Implementing Technical Standards). Financial instruments included in the portfolio "Financial assets held for trading" and derivative contracts are excluded.

For the purposes of identifying and classifying impaired credit exposures, account must also be taken of the provisions of the EBA Guidelines on the application of the definition of default pursuant to Article 178 of Regulation (EU) No 575/2013 of the European Parliament and of the Council (EBA/GL/2016/07) and EU Regulation 2018/171. Impaired credit exposures must, during the 3-month "cure period" provided for in paragraph 71(a) of EBA/GL/2016/07, continue to be recognised in the relevant categories in which they were located.

The aforementioned Circular 272 establishes that the impaired assets aggregate is divided into the following categories:

- Bad exposures, i.e., the on-balance-sheet and off-balance-sheet exposures to insolvent borrowers, even if the insolvency has not been recognised in a court of law. They are generally measured individually (including by verifying statistically defined coverage levels for some loan portfolios below a predefined threshold) or, for individually insignificant amounts, on a flat basis by type of homogeneous exposure;
- Unlikely to pay – on – and off-balance sheet exposures which do not meet the borrower's condition for classification as bad exposures and for which, in the absence of actions such as the enforcement of collateral, the debtor's ability to fully meet its credit obligations (principal and/or interest) is assessed as unlikely. This assessment is made independently of any past due and unpaid amount (or instalment). The classification of an exposure as "unlikely to pay" is not necessarily tied to evident issues (non-repayment) but is rather linked to indicators of a potential default of the borrower. The "unlikely to pay" exposures are measured in the accounts individually (including by verifying statistically defined coverage levels for some loan portfolios below a predefined threshold) or by applying a percentage on a flat basis by type of homogeneous exposures.
  Exposures classified as unlikely to pay and identified as forborne, may only be reclassified to unimpaired loans after at least one year has passed from the time of the forbearance and the conditions established in paragraph 157 of the EBA Implementing and Technical Standards have been met. With regard to their measurement, they are generally measured on an individual basis or by applying a percentage on a flat basis by type of homogeneous exposures and the resulting allowance may include the discounted cost due to renegotiation of the Interest rate at a rate lower than the original contractual rate;
- Past due and/or overdrawn impaired exposures - on-balance sheet exposures, other than those classified as bad exposures or unlikely to pay that are past due or overdrawn at the reporting date. The past due and/or overdrawn impaired exposures are determined with respect to the individual debtor. Specifically, they represent the total exposure to any borrower not included in the unlikely to pay and non-performing loans categories, who at the reporting date has expired facilities or unauthorised overdrafts that are more than 90 days past due if the amount of principal, interest or fees unpaid at the date they were due exceeds both of the following thresholds: a) an absolute limit of €100 for retail exposures and of € 500 for non-retail exposures; b) a relative limit of 1% given by the ratio of the total amount past due and/or in arrears to the total amount of all credit exposures to the same debtor. Impaired past due and/or in arrears exposures are valued on a lump-sum basis on a historical/statistical basis.

Forward-looking information used in calculating value adjustments

The credit loss expected from the parameters described in the forgoing paragraph considers macroeconomic forecasts by applying multiple scenarios to the forward looking components. Specifically, the forward looking component is determined by three macroeconomic scenarios, a basic scenario ("Baseline"), a positive scenario and an adverse scenario. The basic scenario is the central scenario of reference and is therefore considered the most probable realization; the positive and adverse scenarios represent alternative realizations, respectively better and worse. For further details, please refer to Section 2 - Risk of the prudential consolidated perimeter, of Part E - Information on Risks and relating hedging policies of these Consolidated Notes to the consolidated accounts.

Leases IFRS 16

A contract is, or contains, a lease if, in return for consideration, it confers the right to control the use of a specified asset for a period of time. IFRS 16 provides a definition of a lease based on the notion of control ("right of use") of an asset to distinguish leases from service contracts, identifying the following as the determinants of leases: identification of the asset, the right to replace the asset, the right to obtain substantially all the economic benefits embodied in the use of the asset, and the right to direct (i.e. control) the use of the leased asset. In addition to leases proper, leases are also defined as rental, hire, lease and loan agreements.

The accounting model to be applied by the lessee provides that, for all types of leases (operating and finance leases), an asset representing the right of use of the leased asset and, at the same time, the financial liability for the lease payments ("lease liabilities") must be recognised.

With regard to the accounting model to be applied by the lessor, the accounting standard distinguishes between an operating lease and a finance lease: a lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset; a lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

Lessee

At initial recognition, the asset, representing the right of use of the leased asset, is measured based on the cash flows associated with the lease at the lease inception date, corresponding to the present value of unpaid lease payments at that date ('lease liabilities'), including payments made on or before the inception date and initial direct costs incurred by the lessee (if any). Lease payments are determined in accordance with the terms of the lease and are calculated net of VAT, where applicable, as the obligation to pay VAT arises at the time the lessor issues the invoice and not at the commencement date of the lease, and are discounted using the Bank's marginal borrowing rate, which is determined on the basis of the cost of funding liabilities of similar durations and guarantees as those implied by the leases. Subsequent to initial recognition, this asset is measured in accordance with the requirements for property, plant and equipment in IAS 16 or IAS 40 and, therefore, at cost less depreciation and any impairment losses, at "revalued amount" or at fair value as applicable (see paragraph 6 - Property, plant and equipment for further details).

The lease liability shall be restated after the effective date if changes are made to the lease payments due; the amount of the restatement of the lease liability shall be recognised as an adjustment to the right-of-use asset.

In accordance with the standard, which grants exemptions in this respect, the Group envisaged the exclusion of contracts involving low-value assets (the threshold of which was identified as €5 thousand), the exclusion of all leases with a contractual duration of 12 months or less (known as "short term leases") and it not to apply the standard to leases of intangible assets (mainly software leases). For these contracts, the related lease payments are recognised in the income statement on a straight-line basis for the corresponding duration. It should also be noted that the non-lease components are separated from the lease components and recognised in the income statement on an accrual basis in accordance with the applicable accounting policy, and that the costs of variable lease payments not included in the measurement of lease payables are also recognised in the income statement.

Lessor

Lease agreements entered into by the Group have been classified as operating leases, therefore payments received are recognised as income on a straight-line basis in income statement item 230 "Other operating income/expenses" (item 200 "Other operating income/expenses" of the income statement company's financial statements). Underlying assets subject to operating leases are depreciated and subjected to the impairment testing process in a manner similar to similar assets (for further details see paragraph 6 - Property, plant and equipment).

For further details on leasing operations, please refer to Part M - Leasing information, contained in these notes to the consolidated accounts.

Repos and securities lending

Securities received in a transaction that entails a contractual obligation to sell them at a later date or delivered under a contractual obligation to repurchase are neither recognised nor derecognised. In respect of securities purchased under an agreement to resell, the consideration is recognised as financial assets at amortised cost, in respect of securities held in a repurchase agreement, the liability is recognised as financial liabilities at amortised cost. Revenue from these loans, being the coupons accrued on the securities and the difference between the sale/purchase and resale/repurchase prices, is recognised in consolidated profit or loss through interest income and expenses on an accruals basis.

These transactions can only be offset if, and only if, they are carried out with the same counterparty and provided that such offset is provided for in the underlying contracts.

The same rules apply to securities lending transactions collateralised by cash fully available to the lender.

The profit or loss items connected with these transactions are booked respectively:

- in the item Interest, for the positive component (borrower) and the negative component (lender) related to the return on cash paid to the lender;

- in the item Fees and commissions, for the negative component (borrower) and the positive component (lender) related to the service received (provided) through the provision of the security by the lender.

With reference to securities lending transactions collateralised by other securities, or not collateralised, the security lent or the security put up as collateral are still recognised as assets in the balance sheet, depending on the role - lender or borrower, respectively - played in the transaction.

Share-Based Payment

These are payments to employees, or other similar entities (specifically financial advisors), as compensation for work or other services/goods received, based on shares, which consist of the assignment of rights to receive shares upon reaching quantitative-qualitative objectives (so-called performance shares) regulated with capital instruments.

Although not present at the reference date of these Consolidated Financial Statements, for the sake of completeness of information, it is specified that share-based payments may also include:

- rights to subscribe to paid capital increases (stock options properly speaking);
- rights to receive shares upon reaching quantitative-qualitative objectives (so-called performance shares) regulated in cash.

Considering the difficulty of reliably measuring the fair value of the services acquired against equity-settled payments, reference is made to the fair value of the instruments, measured at the date of their allocation.

The fair value of equity-settled payments or the purchase on the market of shares in FinecoBank in exchange of work or services is recognised as cost in consolidated income statement in item 190. “Administrative expenses” (item 160. “Administrative expenses” of the income statement company’s financial statements) or 50. “Fee and commission expenses” as a contra-entry to item 150. "Reserves” in shareholders' equity (item 140. “Reserves” in shareholders' equity of company’s financial statements), on an accruals basis over the period in which the services are acquired.

In any share-based payments settled in cash, the services acquired and the liabilities assumed are measured at the latter’s fair value and recognised in profit or loss as counterparty of the Item 80. "Other Liabilities". Until the liability is settled, the fair value is recalculated at each balance sheet date until the settlement date, and all changes in fair value are recognised in profit or loss.

Renegotiations

When, during the life of an instrument, the contractual clauses are subject to modification by the parties to the contract, it is necessary to verify whether following the renegotiation the original asset must continue to be recognized in the financial statements and accounted for using the "modification accounting" or if, on the contrary, the original instrument must be cancelled from the financial statements (derecognition) and a new financial instrument must be recognised.

To this end, the renegotiations of financial instruments that lead to a change in the contractual terms are recognised on the basis of the "substantiality" of those contractual changes.

The assessment of the substantial nature of the change must be carried out considering both qualitative elements and, in the case of financial liabilities, quantitative elements. In some cases it is possible to establish whether the modification introduced substantially change the characteristics and/or contractual cash flows of a given asset/liability through a qualitative analysis. With regard to the financial liabilities, moreover, further analyses, including quantitative ones, must be carried out to appreciate the effects of the same and verify the need to proceed or not with the derecognition of the liability and the recognition of a new financial instrument (10% threshold test).

If the risks and rewards of ownership of the financial asset, after the modification, are not substantially transferred, the accounting representation that offers the most relevant information for the reader of the financial statements is that performed through the "modification accounting", which implies that the gross value is redetermined by calculating the present value of cash flows resulting from the renegotiation, at the original rate of the exposure. The difference between the gross value of the financial instrument prior to and after the renegotiation of the contractual terms, adjusted to consider the associated changes to the cumulative value adjustments, is recognised as a profit or loss in item 140. “Profit/loss from contractual modification without derecognition” on the consolidated income statement.

Otherwise, when the risks and rewards of ownership of the financial asset, after the modification, are substantially transferred, it is necessary to proceed with the derecognition.

Renegotiations formalised by means of changes to the existing contract or by the signing of a new contract, which lead to the exclusion of the right to receive cash flows according to the provisions of the original contract, are considered to be significant. The rights to receive cash flows are considered to be excluded in the case of renegotiations that lead to the introduction of clauses resulting in a change of classification of the instrument, which result in a change in the currency and which are made at market conditions, thus not constituting a credit exposure.

Renegotiations for commercial reasons involve debtors that are not in a situation of financial difficulty. This generally includes all renegotiations that are aimed at adjusting the onerousness of the debt to market conditions. Such transactions entail a change in the original terms of the contract, usually requested by the debtor, that relates to aspects connected to the onerousness of the debt, with a consequent economic benefit for the debtor. In general, such renegotiations are considered substantial and are treated in accounting terms as an early extinguishment of the original debt and the opening of a new loan.

Equity instruments

Equity instruments represent a residual interest in assets of the Company, net of liabilities. An instrument is classified as equity instrument if there are no contractual obligations to make payments in the form of principal, interest or other types of returns.

Specifically, instruments that meet the following requirements are classified as equity instruments:

- unlimited term or at least equal to the term of the company;
- full discretion of the issuer in coupon payments and redemptions, also advanced, of the principal outstanding.

Equity instruments include Additional Tier 1 instruments under Regulation (EU) No. 575/2013 (CRR) on prudential requirements for credit institutions and investment firms, which in addition to the above characteristics:

- maintain the issuer’s full discretion as to the reinstatement of the nominal value (write-up) following a capital event that resulted in a write-down;
- do not include provisions that require the issuer to make payments (must pay clauses) as a result of actual events under the control of the parties.

Equity instruments other than ordinary or savings shares, are classified in the balance sheet in item 140. “Equity instruments” (item 130. “Equity instruments” of company’s financial statements) for the amount received. Any coupons and transaction costs attributable to the transaction paid are deducted from Item 150. “Reserve” in shareholders' equity (item 150. “Reserve” in shareholders' equity of company’s financial statements), net of related taxes.

Provisions for employee severance pay

The “TFR” provision for Italy-based employee benefits is to be construed as a "post-retirement defined benefit". It is therefore recognised on the basis of an actuarial estimate of the amount of benefit accrued by employees discounted to present value. This benefit is calculated by an external actuary using the unit credit projection method (see Section 10 - under “Provisions for Risks and Charges”). This method distributes the cost of the benefit evenly over the employee's working life.

Following pension reform by Law 252 of December 5, 2005, TFR instalments accrued to December 31, 2006 (or to the date between January 1, 2007 and June 30, 2007 on which the employee opted to devolve their TFR to a supplementary pension fund) stay in the employer and are considered a post-employment defined benefit plan therefore incurring actuarial valuation, though with simplified actuarial assumptions, i.e., forecast future pay rises are not considered.

TFR instalments accrued since January 1, 2007 (date of Law 252 coming into effect) (or since the date between January 1, 2007 and June 30, 2007) are, at the employee's discretion, either paid into a pension fund or left in the company and (where the company has in excess of 50 employees) paid into an INPS Treasury fund by the employer, and are assimilated to a defined-contribution plan.

Costs relating to TFR are recognised in the Consolidated Income Statement in item 190. "Administrative expenses: a) staff expenses" (item 160. "Administrative expenses: a) staff expenses" of the income statement company’s financial statements) and include, for the part of the defined benefit plan: (i) interest cost accrued in the year, for the part of plan considered defined contribution plan (ii) the accrued instalments for the year paid into the complementary pension scheme or to the Treasury fund of INPS.

Actuarial gains and losses, defined as the difference between the carrying amount of the liability and the present value of obligations at period end, are recognised in Shareholders' equity under the Revaluation reserves in accordance with IAS 19 Revised and are also shown in the Statement of Comprehensive Income.

Write – offs

The Group records a write-off of a financial asset whenever there are no reasonable expectations of recovering capital and interests. The evaluations on possible write-offs are implemented based on different criteria, listed below (by way of example and not exhaustive), such as:

- Untraceable of borrower and/or guarantor, if present;
- Lack of enforceable assets (i.e. lack of salary, real estate);
- Unprofitable and expensive judicial actions in relation to the receivable;

Part A - Accounting policies

- Decease of the debtor and possible no living heirs and / or renunciation of the inheritance.

In any case, the Group policy is to not continue recovery activities after a write-off has been recorded.

RECOGNITION OF INCOME AND EXPENSES

The main revenues and costs are recorded in the income statement as follows:

- interest is recognized pro rata temporis based on the contractual interest rate or the effective interest rate if the amortised cost method is applied. Interest expenses (or interest income, in case of negative interest expenses) also includes the interest on lease liabilities determinated based on the marginal loan rate. Interest income (or interest expense) also includes the spreads or margins, positive (or negative), accrued up to the reporting date, relating to derivative financial contracts hedging interest-bearing assets and liabilities;
- default interest is taken to the income statement on actual collection;
- dividends are recognised in profit or loss in the financial year in which their distribution has been approved, unless that date is not known or the information is not immediately available, in which case recognition at the time of collection is permitted;
- fees and commissions from services are recognized, based on the underlying contractual agreements, in relation to the provision of the services from which they originated, as defined by provisions of IFRS 15 (as detailed below). The fees included in amortised cost to calculate the effective interest rate are recognized as interest;
- gains and losses from securities trading are recognized in the income statement at the time the sale is finalized, based on the difference between the amount paid or collected and the carrying amount of the instruments;
- gains and losses from the sale of non-financial assets are recognized at the time the sale is finalized, or when the performance obligation to the customer is fulfilled;
- the costs are recognized in the income statement according to the accrual principle; the costs recognized for the acquisition of contracts with customers, which the Group would not have incurred had it not obtained the contract, are recognized as assets and systematically amortised in the income statement in line with the recognition of revenues related to the transfer to customers of the goods or services to which the asset refers.
  The compensation paid to financial advisors in the context of recruitment programs and incentive systems parameterized to the achievement of collection objectives are recognized as assets and systematically amortized in the income statement.

Although not present at the reference date of these Consolidated Financial Statements, for the sake of completeness of information, interest income (or interest expense) also includes the differentials or margins, positive (or negative), accrued up to the reference date of the financial statement, relating to:

- financial derivative contracts classified in the balance sheet as held for trading, but operationally linked to financial assets and / or liabilities designated at fair value (*fair value option*);
- financial derivative contracts operationally linked to assets and liabilities classified in the balance sheet as held for trading or operationally linked to "other financial assets required to be measured at fair value" and which provide for the settlement of spreads or margins with several maturities ("multi-flow contracts");

Among costs, administrative expenses also include short-term lease payments, low value lease payments (i.e. contracts whose assets underlying the contract do not exceed, when new, the threshold of € 5 thousand), costs for variable payments due for leasing not included in the evaluation of the lease liability, the VAT component of the lease payments to be paid/paid on the leasing contracts recognized in accordance with IFRS 16 and the fees for the leasing of intangible assets.

Fees and commissions income and other operating income are accounted for in the income statement as the entity satisfies the performance obligation embedded in the contract, according to “IFRS15 Revenue from Contracts with Customers” rules. In particular, revenues from commissions from services and other income are recognized in the income statement:

- at a specific moment, when the entity fulfills the obligation to transfer the promised good or service ("point in time") to the customer,

or

- over time, as the entity fulfils its obligation to transfer the promised good or service ("over time") to the customer.

The promised good or service, i.e. the asset, is transferred when the customer has control.

If the timing of cash-in of the contractual amount is not aligned to the way the performance obligation is satisfied, the Group accounts for a contract asset or a contract liability for the portion of revenue accrued in the period or to defer in the following periods.

The amount of revenues linked to fees and commissions income and other operating income is measured based on contractual provisions. If the amount contractually foreseen is subject, totally or partially, to variability, a revenue has to be booked based on the most probable amount that the Group expects to receive. Such amount is determined on the basis of all facts and circumstances considered relevant for the evaluation, that depend on the type of service provided and, in particular, on the presumption that it is not highly probable that the revenue recognized will not be significantly reversed.

Part A - Accounting policies

If a contract regards different goods/services whose performance obligations are not satisfied at the same time, the revenue is allocated among the different obligation proportionally to the stand-alone price of the single item delivered. These amounts will be therefore accounted for in income statement through different methods ("over time" or "point in time") on the basis of the timing of satisfaction of each obligation. If the allocation is particularly burdensome and where revenues are not material, revenue is entirely allocated to the main performance obligation.

Where envisaged, the fees to be paid to customers are recorded as a reduction in revenues from the supply of goods or services and consistently with the recognition of said goods or services.

Any revenues that include a significant funding component are adjusted to take into account the effects of the time value of money, to reflect the price that the customer would have paid if the payment had occurred upon (or gradually with) the transfer of the promised goods or services. The Group uses the practical expedient envisaged by paragraph 63 of IFRS 15; as a result of which the Group does not adjust the promised amount to take into account the effects of a funding component when the time interval expected between the transfer of the promised good or service and the related payment is less than one year.

To this end, it is worth noting that the performance of financial services provided over a given period of time (for example, the keeping and management of current accounts, advisory services, management of UCITS or insurance products) have been considered satisfied over time, regardless of the moment the consideration is paid by the customer, while performances of financial services that require the execution of specific activities (for example, purchase, sale or placement of securities, UCITS or insurance products, execution of money transfers) have been considered fulfilled at a given time ("point in time"), even if the contract requires the service is provided for an indefinite period.

With reference to the main revenue recognized by the Group in application of the IFRS 15 accounting standard, it should be noted that:

- the commissions for trading, order collection and placement of financial instruments are accounted for "point in time", as the service is intended provided when the service is rendered. The consideration is quantified as a fixed or percentage amount, based on the contractual conditions, on the value of the instrument traded/placed;
- advisory, portfolio management and insurance product management commissions are recorded "over time", as the service is intended provided during the term of the contract (input method). For this kind of fees, in fact, it is deemed that the input which are necessary to provide the service incorporated in the performance obligation are evenly distributed during the term of the contract. There are no performance fees on asset management instruments. With regard to placement of specific insurance policies, whose return is determined on the basis of the performance of the separate management on the annual recurrence of the policy, it should be noted that there is a variability determined by the performance of the separate management, which may result in a reduction in applicable rate. In this context, it is specified that the Group estimates the revenue and records an accrued income (contract asset) on the basis of the information available at the balance sheet date with reference to the expected performance of the separate management in the following 12 months;
- commissions related to payment systems are mainly recognized "point in time", except for some services that are recorded "over time" during the term of the contract (SEPA Electronic Database Alignment). The considerations are quantified as a fixed amount, mainly with reference to transactions carried out on behalf of customers (for example ATM withdrawals, Visa debit withdrawals, foreign money transfers or in other currencies other than euro, postal bills, etc...), or as percentage of the value of the transaction, mainly with reference to revenues received from the circuits and generated by transactions carried out on behalf of customers (credit cards / Visa debit, Pos, etc.);
- incentive contracts are in place with the circuits that manage the settlement of credit card and debit card transactions that provide for the recognition of variable fees upon reaching specific annual commercial objectives. If the commercial objective refers to a period whose end does not coincide with the balance sheet reference date, the Group estimates the revenue and recognises an accrued income (contract asset) on the basis of the expected value, i.e. the sum of the amounts weighted by the probabilities in a range of possible amounts of the fee, or on the basis of the most probable amount, i.e. the most probable amount in a range of possible amounts of the fee, depending on the type of incentive, taking into account all the information (historical, current and forecast) available at the balance sheet date;
- recoveries of the stamp duty on financial assets are recorded "over time", according to the provisions in force, as the service is considered provided during the term of the contract.

A.3 Disclosure on transfers between portfolios of financial assets

IFRS 9 and IFRS 7 allow, after initial recognition, the modification of their business model for managing financial assets and, consequently, impose the reclassification of reclassify all affected financial assets.

Such changes are expected to be very infrequent. Such changes are determined by the entity's senior management as a result of external or internal changes and must be significant to the Group's operations and demonstrable to external parties. Accordingly, a change in a Group's business model will occur only when an entity either begins or ceases to perform an activity that is significant to its operations; for example, when the entity has acquired, disposed of or terminated a business line.

Specifically, the following may be reclassified:

- the financial assets out of the amortised cost measurement category and into the fair value through profit or loss measurement category and vice versa;
- the financial assets out of the amortised cost measurement category and into the fair value through other comprehensive income measurement category and vice versa;
- the financial assets out of the fair value through profit or loss measurement category and into the fair value through other comprehensive income measurement category and vice versa.

The following changes in circumstances are not considered reclassifications:

- an item that was previously a designated and effective hedging instrument in a cash flow hedge or net investment hedge no longer qualifies as such;
- an item becomes a designated and effective hedging instrument in a cash flow hedge or net investment hedge;
- changes in measurement.

The following are not changes in business model:

- a change in intention related to particular financial assets (even in circumstances of significant changes in market conditions);
- the temporary disappearance of a particular market for financial assets;
- a transfer of financial assets between parts of the entity with different business models.

During 2024 the Group has not made changes to its business models and, consequently, did not make any changes.

A.3.1 Reclassified financial assets: change of business model, book value and interest income

No data to report.

A.3.2 Reclassified financial assets: change of business model, fair value and impact on comprehensive income

No data to report.

A.3.3 Reclassified financial assets: change of business model and effective interest rate

No data to report.

A.4 Information on fair value

Qualitative information

This section presents a disclosure on fair value hierarchy as required by IFRS 13.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal market at the measurement date (i.e. an exit price).

The fair value of a payable financial liability (e.g. a demand deposit) shall not be less than the amount payable on demand, discounted from the first date at which it may be required to be paid.

As far as financial instruments listed in active markets are concerned, the fair value is determined on the basis of official prices quoted in the principal market (or the most advantageous) to which the Group has access to (Mark to Market).

A financial instrument shall be considered as quoted in an active market if quoted prices are readily and regularly available from a pricing service, dealer, broker, pricing or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If official listing in an active market is not available for a financial instrument as a whale, but active markets exist for its component parts, fair value is determined on the basis of the relevant market prices for the component parts.

The Group uses valuation models (Mark to Model) aligned with the methods generally accepted and used by the market. Valuation models which include techniques based on the discounting of future cash flows and volatility estimates are subject to revision both during their development and periodically in order to ensure their consistency with the objectives of the valuation.

As a further guarantee of the objectivity of valuations resulting from valuation models, the Group performs:

- independent price verifications (IPVs);
- Fair Value Adjustment or FVAs.

Independent price verification requires prices to be monthly verified by the CRO Department, which, as the risk management function, is independent from risk-taking units. The verification thereof requires comparison and adjustments to the daily price according to valuations carried out by independent market participants. As far as instruments not listed in active markets are concerned, the above verification process takes as reference the prices provided by infoproviders, assigning greater relevance to those most representative of the instrument being valued. Such valuation includes: the "executability" of the transaction at the price observed, the number of contributors, the degree of similarity of the financial instruments, the consistency of prices coming from different sources, and the process followed by the info provider to get the information.

The internal legal framework consists of a Global Policy and an Operations Manual. The Global Policy sets the principles and the rules governing the fair value measuring framework and the independent price verification process, whereas the Operations Manual describes the process in detail and identify Fair Value measuring techniques as well as independent price verification methodologies applicable for each financial instrument held by the Group.

A.4.1 Fair value levels 2 and 3: valuation techniques and input used

In order to determine a fair value or Level 2 and Level 3 financial instruments not listed and actively traded on the market, the Group uses the following valuation techniques widely-used in the market.

Description of evaluation techniques

Among the evaluation methods used by the Group, the following are worth mentioning:

- Discounted cash flow: evaluation techniques based on discounted cash flow consist of estimating expected future cash flow collectable during the life of the financial instrument. The model requires an estimate of cash flows and the adoption of market parameters for the discounting: the discount rate or margin reflects the credit and / or financing spread required by the market for instruments with similar risk and liquidity profiles, in order to define a "discounted value". The fair value of the contract is the sum of the discounted future cash flows;
- Option price model: Option price models are generally used for instrument awarding a mandatory right or duty based on the occurrence of a future event, such as the attainment of a predetermined strike price. Option models estimate the probability of occurrence of a specific event, incorporating assumptions like the volatility of the underlying returns and the price of the underlying instrument;
- Market approach: evaluation techniques exploiting prices resulting from actual market transactions involving identical or comparable asset and liabilities or groups of identical or comparable asset and liabilities;
- Adjusted Net Asset Value (NAV): the NAV is the value of a fund's assets minus the value of its liabilities. An increase in such amount result in a Fair Value increase as well.

Part A - Accounting policies

Fair Value Adjustments (FVAs)

For financial instruments not listed in active markets, as the Fair Value is determined through evaluation models, there may be necessary value adjustments in order to consider estimation uncertainties or difficulties in disinvestment. Such Adjustments represents amendments to the theoretical fair value, determined through an evaluation technique, for factors not included in the basic discounted value considered by market participant for the estimation of an exit price.

Adjustments may be calculated as additional components of valuation or be directly included in the evaluation itself. Shall the Group acquire any instrument whose evaluation does requires adjustments, the latter will be estimated by the CRO Department keeping into consideration the following risk sources: Close out cost, market liquidity, model risk, CVA/DVA.

Assets and liabilities measured at fair value on recurring basis

The main information on the valuation models used for the valuation of assets and liabilities measured at fair value on a recurring basis is summarized below by type of financial instrument.

With reference to the quantitative disclosure required by IFRS 13 on significant unobservable inputs used in the fair value measurement and the sensitivity analysis of level 3 financial assets and liabilities measured at fair value on recurring basis, it should be noted that the Group does not hold significant positions in financial instruments classified in level 3 of the fair value hierarchy. The only exception are Visa INC class “C” and class “A” preferred shares, for which reference is made to the following paragraph “Equities”.

Fixed Income Securities

Fixed Income Securities are priced through two main process depending on the reference market liquidity. Liquid instruments listed on active markets are assigned the fair value hierarchy of 1 and the Bid price (for long positions) and the Ask price (for short positions) are considered. This approach was preferred to the detection of the closing price as it also includes liquidity risk in the assessment. Even the odds of bonds listed on active markets, whose amount is not significant, are assigned a fair value hierarchy of 1.

Any instruments not traded in active markets are valued through independent third-party valuations that consider recent transactions, market prices, yield curves, and other metrics to provide an accurate estimate of the market value of a security (e.g. Bloomberg Valuation - BVAL), or mark-to-model using implicit credit spread curves derived from Level 1 instruments. The model maximizes the use of observable parameters and minimizes the use of unobservable parameters. In this sense, depending on the representativeness of the credit spread curve applied, the bonds are classified as Level 2 or Level 3, respectively; Level 3 is applied in the case in which a significantly unobservable credit spread is used. As of December 31, 2024, there are no bond instruments not traded in active markets valued at mark-to-model, as the only bond instruments present are of an insignificant amount and mainly related to issuers in default. Instead, the HTC portfolio includes two bond instruments valued through BVAL price, classified as level 2 of the fair value hierarchy.

The accuracy of valuations coming from both market prices of Level 1 bonds and pricing models for illiquid bonds is regularly verified through the bond Independent Price Verification (IPV) process.

OTC derivatives

The fair value of derivatives not traded in an active market derives from the application of mark-to-model valuation techniques. When there is an active market for input parameters constituting the different components of the derivative, the fair value is determined through a valuation model on the basis of the market prices of these components. Valuation techniques based on observable inputs are classified as Level 2, while those based on significant unobservable inputs are classified as Level 3.

The determination of the fair value of financial instruments and the related independent price verification process are governed at Group level by a specific Global Policy and Global Operational Regulation. With particular reference to OTC derivatives, a distinction must be made between derivatives that the Group trades directly with customers, mainly CFDs (Contract for Difference) and options (daily options and knockout options), and those that the Group trades as hedges with other financial institutions.

To calculate the price of CFDs (Contract for Difference) Fineco uses a closing price consistent with the price offered to the customer, determined according to contractual rules and data from Info Providers, and subjected to initial validation within the New Products Process. The use of the closing price is justified by the nature of the exposures held by the Bank in this type of instrument, which envisages a trading on own account with customer’s orders.

The valuation of options by the relevant risk control functions for IPV purposes is carried out using market best practices (e.g. Hull for exotic options). The option pricing model is based on the Black & Scholes formula, which considers the following inputs:

- current price of the underlying “St”;
- strike “K”;
- barrier “L” (in the case of exotic options such as Barrier Options);
- interest rate “r”;
- volatility “σt”.

Finally, for derivative instruments such as asset swaps and interest rate swaps, which the Group trades as hedges with other financial institutions, the fair value is determined through the use of a Position Keeping system, which applies the Discounting Cash Flow method. The net present value of the derivative, which is recognised on a daily basis, is used to meet clearing obligations in accordance with EMIR regulations and as agreed between the counterparties. The fair value is monitored as part of the independent price verification (IPV) process by the CRO Department. The CRO Department performs a quarterly comparison between the curves provided by the Treasury Department and those considered as the reference set for the valuation of balance sheet positions.

Equity Instruments and Derivative contracts listed

Equity Instruments and derivative contracts listed, including certificates issued by Fineco, shall be marked as to Level 1 when a quoted price is available on an active market. In this case, the closing price of the most liquid regulated market to which Fineco has access is considered. Again, the use of the closing price for these instruments is justified by the nature of the exposures held by the Bank in the Trading Book, which are functional to the brokerage activity with customers, and involves a trading on own account with customer's orders.

Equity securities and derivative contracts, if listed, are classified as Level 2 if the volume of activity on the listing market is significantly reduced and as Level 3 when no quotations are available or quotations have been suspended indefinitely.

In order to provide a fair value for Visa INC preferred shares class "C", the Group has adopted a model which converts the market price in dollars of Visa INC class "A" shares into euro and applies a discount factor. For the class "C" preferred shares valuation as at December 31st, 2024, such factor was determined equal to 14,61%, estimating litigation risk at 8.61% and illiquidity risk at 6%. The litigation risk component has been extracted from an historical series of data provided by Visa INC, whereas the illiquidity risk component has been derived from the illiquidity of shares having limitations on their transferability for a certain period. The preferred share class "A" instead are subject to a valuation method in the balance sheet that does not provide for the application of a "Litigation Discount". Furthermore, since the latter are convertible into VISA-A Common shares and subsequently sellable, the "Illiquidity Risk" component is lower than that of the Visa class "C", therefore, the discount factor was estimated at 3.96%.

The Visa INC preferred shares class "C" and class "A" have been marked as level 3 of fair value hierarchy.

Investment Funds

The Group may hold investments in investment funds publishing a Net Asset Value (NAV) per share and may include investments in funds managed by the Group itself. Funds are generally classified as Level 1 when an official price is available on active markets. Funds shall be classified as Level 2 and Level 3 depending on the NAV availability, the transparency of the portfolio and any possible constraints/limitations.

Assets and liabilities not measured fair value or measured at fair value on a non-recurring basis

The main information on the valuation models used to measure assets and liabilities measured at fair value on a non-recurring basis is summarized below.

Financial instruments not measured at fair value on a recurrent basis, including loans and receivables at amortised cost, are not managed on a fair value basis. For these financial instruments the fair value is calculated for disclosure purposes only, and it has no impact on the balance sheet or through profits and losses. In addition, fair value estimations on assets and liabilities not generally traded is based on internal parameters not directly observable on active markets, as defined by IFRS 13.

With reference to the quantitative disclosure required by IFRS 13 on significant unobservable inputs used in the measurement of financial assets and liabilities measured at fair value on a non-recurring basis of level 3, and in particular with reference to loans, it should be noted that Fineco uses its own expectations regarding likely variations in the amount and timing of cash flows (e.g. early repayments), and the PD and LGD risk parameters estimated at product level to determine the uncertainty inherent in cash flows. These parameters, appropriately corrected through forward-looking information, are also used to determine the expected credit losses in accordance with the IFRS 9 accounting standard.

Financial assets at amortised cost

The fair value of financial assets measured at amortized cost that is not determined on the basis of listed prices observed on active markets (Fair Value Hierarchy 1), can be determined through independent third-party valuations that consider recent transactions, market prices, yield curves, and other metrics to provide an accurate estimate of the market value of a security (e.g. Bloomberg Valuation - BVAL). These valuations are appropriately validated by the Risk Control function as part of the Independent Price Verification process. Depending on the asset valued and the presence of inputs available for the valuation, it may be necessary to use a risk-adjusted present value model (mark to model). For some portfolios, other simplified approaches are applied, which however take into account the financial characteristics of the financial instruments contained therein. It should be noted that for all debt instruments measured at amortized cost present in the balance sheet at 31 December 2024, the fair value was determined on the basis of quoted prices observed on active markets, or provided by independent third parties. The mark-to-model was used to determine the fair value of the receivables, with the exception of the cases reported below.

The fair value of on-demand or callable items, and of financial assets with a maturity of less than 12 months and operating receivables related to the provision of financial activities and services, is approximated equal to the balance sheet value; these assets are assigned the level 3 fair value hierarch.

The fair value of impaired loans was determined by considering that the realisable value expressed by the net book value represents the best estimate of the foreseeable future cash flows discounted at the valuation date; these assets are assigned the level 3 fair value hierarchy.

Part A - Accounting policies

Financial liabilities at amortised cost

The fair value of financial liabilities measured at amortized cost is determined using a present value model adjusted for the associated issuer risk, with the exception of the cases reported below.

The fair value of debt securities issued and listed on active markets is determined by considering the Ask price; these instruments are assigned a fair value hierarchy of 1.

The fair value of financial liabilities on demand, financial liabilities with an original duration of less than 12 months and operating debts associated with the provision of financial activities and services is approximated equal to the book value; these liabilities are assigned a fair value hierarchy of level 3.

Cash and cash balances

The fair value of on-demand loans and receivables from banks and central banks recognised in the item "Cash and cash balances" is approximated equal to the carrying amount; these assets are assigned the fair value hierarchy level 3.

Description of the inputs used in measuring the fair value of Level 2 and Level 3 instruments

The following is a description of the main significant inputs used in measuring the fair value of assets and liabilities measured at fair value on a recurring and non-recurring basis belonging to Levels 2 and 3 of the fair value hierarchy.

Level 2 inputs are prices other than quoted Level 1 prices that are observable either directly or indirectly for the assets or liabilities. In particular, they may be

- quoted prices in active markets for similar assets or liabilities;
- quoted prices in markets that are not active for similar or identical assets or liabilities;
- inputs other than quoted prices that are observable for assets or liabilities (e.g. interest rates and yield curves observable at commonly quoted intervals; implied volatilities; credit spreads);
- inputs corroborated by market data that cannot be directly observed but are based on or supported by market data.

Level 2 factors must be observable (either directly or indirectly, e.g. through confirmations with market data) throughout the contractual life of the asset or liability being valued. Market factors that may not be directly observable but are based on or supported by observable market data are included in Level 2 because such factors are less subjective than unobservable factors classified as Level 3. Examples of Level 2 instruments are bonds whose value is derived from a similar publicly traded bond, over-the-counter interest rate swaps valued from a model whose inputs are observable, corporate bonds, asset-backed securities, high-yield debt securities as well as certain structured products where the valuation inputs are based primarily on readily available pricing information.

Level 3 valuation inputs are not observable and are relevant in the absence of Level 1 and Level 2 inputs. Given the need to estimate an exit price at the valuation date also for instruments classified in hierarchy 3, these inputs are exploited by internally developed valuation models.

Examples of Level 3 inputs for assets and liabilities are as follows:

- historical volatility, when it is not possible to observe the implied volatility (e.g. of similar options because they are not sufficiently liquid). Historical volatility generally does not represent market participants' current expectations of future volatility, even though it is the only information available to evaluate an option;
- financial forecasts developed using own data in case there is no information available;
- correlation between non-liquid assets. There are several types of correlation inputs, including credit correlation, cross-asset correlation (e.g. equity and interest rate correlation) and correlation between assets of the same type (e.g. interest rate correlation) that are generally used to value hybrid and exotic instruments;
- credit spread when it is unobservable or cannot be corroborated by observable market data.

Part A - Accounting policies

A.4.2 - Valuation processes and sensitivity of fair value measurements

The Group verifies that the value assigned at each trading position properly reflects the current fair value. The fair value measurement of assets and liabilities is calculated using various techniques, including discounted cash flow models and internal measurement models. All instruments shall be classified as Level 1, Level 2 or Level 3 of the fair value hierarchy according to the observability of the input used. When a position is characterised by one or more significant inputs not directly observable, a further price verification procedure shall be implemented. Procedures thereof include the revision of relevant historical data, the analysis of profits and losses, the individual valuation of each component for structural products and benchmarking. In order to ensure an appropriate level of separation between developing functions and validation functions, all valuation models developed by front office units shall be independently and centrally tested and validated. The aim thereof is to assess model risk arising from model's theoretical robustness, calibration techniques where applicable and suitability of the model to valuate a specific instrument in a defined market.

In addition to the daily mark to market or mark to model valuation, an Independent Price Verification (IPV) is carried out monthly by the Group's Market & Liquidity Risk function in order to provide an independent fair value.

With regard to the sensitivity analysis of financial assets and liabilities measured at fair value on a recurring basis at level 3 as required by IFRS 13, it should be noted that the Group does not hold significant positions in financial instruments classified in the fair value hierarchy 3, with the exception of exposures in preferred shares of Visa INC class "C", for which reference should be made to the paragraph "Equity Securities and Derivative contracts listed on regulated markets" above.

A.4.3 Fair value hierarchy

The IFRS 13 principle establishes a fair value hierarchy according to the observability of the input used in the valuation techniques adopted.

The fair value hierarchy level associated with assets and liabilities shall be the lowest level among those associated to all significant inputs used. As a rule, an input of valuation is not considered significant for the fair value of an instrument if the remaining inputs are able to explain most of the variance of the fair value over a period of three months. In some specific cases, the magnitude of the limit is verified in relation to the fair value of the instrument at the measurement date.

In particular, three levels are considered:

- Level 1: the fair value of instruments classified in this level is determined by quotation prices observed in active markets for identical assets or liabilities that the Group has access to at the measurement date. An active market is an active market if transactions in the asset or liability being valued occur frequently and in sufficient volume to provide useful pricing information on an ongoing basis;
- Level 2: the fair value for instruments classified within this level is determined according to valuation models using observable market inputs, other than market prices already included in Level 1. Inputs are considered observable if they are developed on the basis of information available to the market regarding current events or transactions and reflect the assumptions that market counterparties would use to value the asset or liability;
- Level 3: the fair value of instruments classified in this level is determined on the basis of valuation models using primarily significant inputs, other than those included in Level 1 and Level 2, that are not observable in active markets. The unobservable inputs must, however, reflect the assumptions that market participants would use in valuing the asset or liability, including assumptions about risk.

The transfer of the fair value level of financial assets and liabilities measured at fair value on a recurring basis may occur if the inputs used by the valuation model change (e.g. if a quotation on an active market is no longer available for an instrument). If a valuation technique that uses inputs from different levels of the hierarchy is used to measure an instrument, the instrument is classified entirely in the same level of the hierarchy as the lowest level input that is significant to the measurement. A valuation input is not considered significant for the purposes of assigning the fair value hierarchy if the remaining inputs determine 90% of the fair value of the instrument.

A.4.4 Other information

No information is required to be disclosed with respect to the requirements of IFRS 13 paragraphs 48, 93(i) and 96.

Part A - Accounting policies

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 level of fair value

(Amounts in € thousand)

Assets/Liabilities at fair value	12/31/2024			12/31/2023		
	L1	L2	L3	L1	L2	L3
1. Financial assets at fair value through profit or loss	24,767	5,345	4,047	11,208	3,856	6,055
a) financial assets held for trading	23,171	5,345	23	10,230	3,856	23
b) financial assets designated at fair value	-	-	-	-	-	-
c) other financial assets mandatorily at fair value	1,596	-	4,024	978	-	6,032
2. Financial assets at fair value through other comprehensive income	296,356	-	54	29,062	-	7
3. Hedging derivatives	-	677,547	-	-	896,577	-
4. Property, plant and equipment	-	-	-	-	-	-
5. Intangible assets	-	-	-	-	-	-
Total	**321,123**	**682,892**	**4,101**	**40,270**	**900,433**	**6,062**
1. Financial liabilities held for trading	6,612	1,515	3	5,324	1,670	3
2. Financial liabilities designated at fair value	-	-	-	-	-	-
3. Hedging derivatives	-	48,485	-	-	59,988	-
Total	**6,612**	**50,000**	**3**	**5,324**	**61,658**	**3**

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

During the current financial year there were no significant transfers of financial assets between fair value hierarchy 1 and 2.

No Credit Value Adjustment (CVA) and/or Debit Value Adjustment (DVA) was applied in determining the fair value of derivative financial instruments.

The Russia-Ukraine military conflict has not affected fair value measurement. In particular, as far as securities on which the Group holds a relevant share are concerned, decreases or withdrawals of prices quoted in active markets (level 1) or any other observable inputs (level 2) have not been recorded so far, nor have securities changes in fair value hierarchy.

Part A - Accounting policies

A.4.5.2 Annual changes in assets measured at fair value on a recurring basis (level 3)

(Amounts in € thousand)

	Financial assets measured at fair value with impact on the income statement				Financial assets at fair value through other comprehensive income	Hedging derivatives	Property, plant and equipment	Intangible assets
	Total	of which: a) financial assets held for trading	of which: b) financial assets designated at fair value	of which: c) other financial assets mandatorily at fair value				
1. Opening balance	**6,055**	**23**	**-**	**6,032**	**7**	**-**	**-**	**-**
2. Increases	**3,961**	**1,585**	**-**	**2,376**	**47**	**-**	**-**	**-**
2.1. Purchases	1,585	1,585	-	-	47	-	-	-
2.2. Profits recognised in:	2,376	-	-	2,376	-	-	-	-
2.2.1. Income Statement	2,376	-	-	2,376	-	-	-	-
- of which unrealised gains	2,335	-	-	2,335	-	-	-	-
2.2.2. Shareholders' Equity	-	X	X	X	-	-	-	-
2.3.Transfers from other levels	-	-	-	-	-	-	-	-
2.4. Other increases	-	-	-	-	-	-	-	-
3. Decreases	**(5,969)**	**(1,585)**	**-**	**(4,384)**	**-**	**-**	**-**	**-**
3.1. Sales	(1,584)	(1,584)	-	-	-	-	-	-
3.2. Redemptions	-	-	-	-	-	-	-	-
3.3. Losses recognised in:	(1,447)	(1)	-	(1,446)	-	-	-	-
3.3.1. Income Statement	(1,447)	(1)	-	(1,446)	-	-	-	-
- of which unrealised losses	(1,446)	-	-	(1,446)	-	-	-	-
3.3.2. Shareholders' Equity	-	X	X	X	-	-	-	-
3.4. Transfers to other levels	-	-	-	-	-	-	-	-
3.5. Other decreases	(2,938)	-	-	(2,938)	-	-	-	-
4. Closing balances	**4,047**	**23**	**-**	**4,024**	**54**	**-**	**-**	**-**

The sub-items 2.2.1 “Profits recognized in Income Statement” and 3.3.1 “Losses recognized in Income Statement” are included, where present, in consolidated income statement in the following items:

- Item 80: Gains (losses) on financial assets and liabilities held for trading;
- Item 110: Gains (losses) on financial assets and liabilities at fair value through profit and loss;
- Item 90: Fair value adjustments in hedge accounting.

The sub-items 2.2.2 “Profits recognised in Shareholders’ equity” and 3.3.2 “Losses recognised in Shareholders’ equity” arising from changes in fair value of “Financial assets at fair value through other comprehensive income” are recognised, if any, in equity item 120. “Revaluation reserves” of consolidated shareholder’s equity - except losses due to impairment and exchange rate gains or losses on monetary items (debt instruments) which are recognised under item 130. “Impairment losses/write backs on: b) financial assets at fair value through other comprehensive income” and item 80. “Gains (losses) on financial assets and liabilities held for trading” of the consolidated income statement, respectively - until the financial asset is sold, at which time cumulative gains and losses are recognised in consolidated profit or loss in item 100. “Gains (losses) on disposal or repurchase of: b) financial assets at fair value through other comprehensive income”.

Sub-item 3.5 “Other decreases” refers to the conversion of Visa class A preferred shares (Series A Convertible Participating Preferred Stock), which had been assigned the level 3 hierarchy, into Visa class A Common shares, which were assigned the level 1 hierarchy, and were then sold during the 2024 financial year.

A.4.5.3 Annual changes in financial liabilities measured at fair value level 3 on a recurring basis

(Amounts in € thousand)

	Financial liabilities held for trading	Financial liabilities at fair value through profit or loss	Hedging derivatives
1. Opening balance	**3**	**-**	**-**
2. Increases	**-**	**-**	**-**
2.1. Issues	-	-	-
2.2. Losses allocated to:	-	-	-
2.2.1. Income Statement	-	-	-
- of which capital losses	-	-	-
2.2.2. Shareholders' Equity	X	-	-
2.3. Trasferts from other levels	-	-	-
2.4. Other increases	-	-	-
3. Decreases	**-**	**-**	**-**
3.1. Reimbursements	-	-	-
3.2. Repurchases	-	-	-
3.3. Profits recognised in:	-	-	-
3.3.1. Income Statement	-	-	-
- of which capital gains	-	-	-
3.3.2. In equity	X	-	-
3.4. Trasferts to other levels	-	-	-
3.5. Other decreases	-	-	-
4. Closing balances	**3**	**-**	**-**

Part A - Accounting policies

A.4.5.4 Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis: breakdown by level of fair value

(Amounts in € thousand)

Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis	12/31/2024				12/31/2023			
	BV	L1	L2	L3	BV	L1	L2	L3
1. Financial assets at amortised cost	29,728,119	22,110,002	85,626	6,580,462	27,940,209	19,409,985	837,063	6,494,211
2. Tangible assets held for investment	-	-	-	-	-	-	-	-
3. Non-current assets and disposal groups classified as held for sale	-	-	-	-	-	-	-	-
Total	**29,728,119**	**22,110,002**	**85,626**	**6,580,462**	**27,940,209**	**19,409,985**	**837,063**	**6,494,211**
1. Financial liabilities at amortised cost	31,649,742	804,686	32,958	30,806,158	30,433,831	777,598	31,513	29,591,557
2. Liabilities included in disposal group classified as held for sale	-	-	-	-	-	-	-	-
Total	**31,649,742**	**804,686**	**32,958**	**30,806,158**	**30,433,831**	**777,598**	**31,513**	**29,591,557**

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

As previously described, assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis are presented on the basis of their fair value and fair value hierarchy for the sole purpose of meeting financial statement disclosure requirements.

A.5 Day-one profit/loss

Financial instruments must be initially recognised at fair value.

Normally, the fair value of a financial instrument, at the date of initial recognition, is equal to the price paid/amount paid for the acquisition of the financial assets or the amount received for the financial liabilities. This assertion is generally found in the case of transactions referring to financial instruments belonging to the level 1 and also level 2 fair value hierarchy, considering that the prices are normally derived indirectly from the market.

In the case of level 3, on the other hand, there is a partial discretion in the determination of fair value, but due to the absence of an unequivocal benchmark to be compared with the transaction price, initial recognition must always be at the transaction price. In the latter case, however, the subsequent measurement cannot include the difference between the price paid/amount disbursed and the fair value found at the time of the initial measurement, also referred to as "Day one profit/loss". This difference must be recognised in profit or loss only if it arises from changes in the factors on which market participants base their valuations in setting prices.

The adoption of prudent valuation models, the review processes thereof and their parameters, as well as value adjustments to reflect model risk ensure that the amount recognised in the income statement is not derived from the use of unobservable valuation parameters. In particular, the quantification of value adjustments related to model risk ensures that the part of the fair value of these instruments resulting from the adoption of subjective parameters is not recognised through profit or loss, but rather as an adjustment to their balance sheet value. Variations shall be recognized through profit or loss only where objective parameters prevail and, consequently, adjustments are no longer required.

There are no day-one profits/losses to disclose in accordance with paragraph 28 of IFRS 7.

Part B - Consolidated Balance Sheet

Assets

Section 1 - Cash and cash balances - Item 10

1.1 Cash and cash balances: breakdown

(Amounts in € thousand)

	Total 12/31/2024	Total 12/31/2023
a) Cash	5	6
b) Current accounts and demand deposits to Central banks	1,688,889	1,933,510
c) Current accounts and demand deposits to banks	273,982	333,034
Total	**1,962,876**	**2,266,550**

The item “(b) Current accounts and demand deposits to central banks” refers to the overnight deposit and the liquidity deposited to Bank of Italy, net of the balance related to the minimum reserve requirement allocated for the current reporting period, which is represented in the item “Financial assets at amortised cost: loans and receivables to banks”.

Item “c) Current accounts and demand deposits to banks” consists of current accounts opened with credit institutions mainly for the settlement of transactions on payment circuits, for the settlement of securities and derivatives transactions and for the management of Fineco AM's liquidity.

Part B - Consolidated Balance Sheet

Section 2 - Financial assets at fair value through profit or loss - Item 20

2.1 Financial assets held for trading: product breakdown

(Amounts in € thousand)

Items/Amounts	Total 12/31/2024			Total 12/31/2023		
	L1	L2	L3	L1	L2	L3
A. Balance sheet assets						
1. Debt securities	13	-	-	-	-	-
1.1 Structured securities	13	-	-	-	-	-
1.2 Other debt securities	-	-	-	-	-	-
2. Equity instruments	22,100	-	-	8,765	-	-
3. Units in investment funds	1	-	23	-	-	23
4. Loans	-	-	-	-	-	-
4.1 Reverse repos	-	-	-	-	-	-
4.2 Others	-	-	-	-	-	-
Total (A)	**22,114**	**-**	**23**	**8,765**	**-**	**23**
B. Derivative instruments	-	-	-	-	-	-
1. Financial derivatives	1,057	5,345	-	1,465	3,856	-
1.1 Trading	1,057	5,345	-	1,465	3,856	-
1.2 Linked to fair value option	-	-	-	-	-	-
1.3 Others	-	-	-	-	-	-
2. Credit derivatives	-	-	-	-	-	-
2.1 Trading	-	-	-	-	-	-
2.2 Linked to fair value option	-	-	-	-	-	-
2.3 Others	-	-	-	-	-	-
Total (B)	**1,057**	**5,345**	**-**	**1,465**	**3,856**	**-**
Total (A+B)	**23,171**	**5,345**	**23**	**10,230**	**3,856**	**23**

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

Equities in the proprietary portfolio are mainly used for management hedging of open equity positions in counterpart to customers and, to a lesser extent, may arise from internalisation activities and are intended to be traded in the short term.

Financial derivatives refer to the positive valuation of CFD contracts traded against customers, as well as derivative contracts regulated or entered into with institutional counterparties for the purpose of hedging such derivative contracts, Knock Out Options and Certificates issued, and for a total amount of € 5,200 thousand (€ 3,652 thousand as at December 31st, 2023).

Sub-item B.1.1 “Derivative instruments - Trading financial derivatives” also includes the positive valuations of spot contracts for securities that meets the definition of held for trading and currencies to be settled in times established by market practices ("regular way"). They amounted to € 1,202 thousand (€ 1,669 thousand as at December 31st, 2023).

Part B - Consolidated Balance Sheet

2.2 Financial assets held for trading: breakdown by issuer/borrower

(Amounts in € thousand)

Items/Amounts	Total 12/31/2024	Total 12/31/2023
A. On-balance sheet assets		
1. Debt securities	13	-
a) Central Banks	-	-
b) Public Entities	-	-
c) Banks	-	-
d) Other financial companies	13	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
2. Equity instruments	22,100	8,765
a) Banks	394	-
b) Other financial companies	888	688
of which: Insurance companies	1	-
c) Non-financial companies	20,818	8,077
d) Other issuers	-	-
3. Units in investment funds	24	23
4. Loans	-	-
a) Central Banks	-	-
b) Public Entities	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
f) Households	-	-
Total (A)	**22,137**	**8,788**
B. Derivative instruments		
a) Central Counterparties	94	73
b) Others	6,308	5,248
Total (B)	**6,402**	**5,321**
Total (A+B)	**28,539**	**14,109**

Item B. “Derivative instruments” also includes the positive valuations of spot contracts for securities classified in the “Financial Assets held for trading” portfolio and currencies to be settled within times established by market practices (“regular way”).

2.3 Financial assets designated at fair value: product breakdown

No data to report.

2.4 Financial assets designated at fair value: breakdown by issuer/borrower

No data to report.

Part B - Consolidated Balance Sheet

2.5 Other financial assets mandatorily at fair value: product breakdown

(Amounts in € thousand)

Items/Accounts	Total 12/31/2024			Total 12/31/2023		
	L1	L2	L3	L1	L2	L3
1. Debt securities	**57**	**-**	**-**	**48**	**-**	**-**
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	57	-	-	48	-	-
2. Equity instruments	**1**	**-**	**4,024**	**1**	**-**	**6,032**
3. Units in investment funds	**1,538**	**-**	**-**	**929**	**-**	**-**
4. Loans	**-**	**-**	**-**	**-**	**-**	**-**
4.1 Reverse repos	-	-	-	-	-	-
4.2 Others	-	-	-	-	-	-
Total	**1,596**	**-**	**4,024**	**978**	**-**	**6,032**

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

The equity instruments included in “Other financial assets mandatorily at fair value” primarily consist of the Visa INC class “A” preferred shares, for an amount of € 2,133 thousand and of the Visa INC class “C” preferred shares, for an amount of € 1,879 thousand. The Units in investment funds held by the subsidiary Fineco AM in the amount of € 1,538 thousand. During 2024, the preferred shares of Visa INC (class “A”) outstanding at the previous December 31st were sold.

For more details on the fair value measurement of financial instruments, please refer to Part A - Accounting Policies - A.4 Information on the fair value of these notes to the consolidated accounts.

Equity securities of issuers in default were classified by the Group as non-performing in the financial statements for a non-relevant amount.

Part B - Consolidated Balance Sheet

2.6 Other financial assets mandatorily at fair value: breakdown by issuer/borrower

(Amounts in € thousand)

	Total 12/31/2024	Total 12/31/2023
1. Equity instruments	**4,025**	**6,033**
of which: banks	10	8
of which: other financial companies	4,012	6,022
of which: other non-financial companies	2	3
2. Debts securities	**57**	**48**
a) Central Banks	-	-
b) Public Entities	55	45
c) Banks	2	3
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
3. Units investment funds	**1,538**	**929**
4. Loans	**-**	**-**
a) Central Banks	-	-
b) Public Entities	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
f) Households	-	-
Total	**5,620**	**7,010**

Section 3 - Financial assets at fair value through comprehensive income - Item 30

3.1 Financial assets at fair value through comprehensive income: product breakdown

(Amounts in € thousand)

Item/Amounts	Total 12/31/2024			Total 12/31/2023		
	L1	L2	L3	L1	L2	L3
1. Debts securities	**296,356**	**-**	**-**	**29,062**	**-**	**-**
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	296,356	-	-	29,062	-	-
2. Equity instruments	**-**	**-**	**54**	**-**	**-**	**7**
3. Loans	**-**	**-**	**-**	**-**	**-**	**-**
Total	**296,356**	**-**	**54**	**29,062**	**-**	**7**

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

Part B - Consolidated Balance Sheet

“Financial assets at fair value through other comprehensive income” consist of securities issued by Sovereign and Supranational issuers and, residually, of equity interests in companies in which the Group does not exercise control or significant influence for € 54 thousand for which the "FVTOCI"[85] option was exercised. For more details, see the information in exposures on securities issued by Sovereign States set out in Part E of the notes to the consolidated accounts.

3.2 Financial assets at fair value through comprehensive income: breakdown by issuer/borrower

(Amounts in € thousand)

Items/Amounts	Total 12/31/2024	Total 12/31/2023
1. Debt securities	**296,356**	**29,062**
a) Central Banks	-	-
b) Public Entities	296,356	29,062
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
2. Equity Instruments	**54**	**7**
a) Banks	-	-
b) Other issuers:	54	7
- other financial companies	47	-
of which: insurance companies	-	-
- non-financial companies	7	7
- others	-	-
3. Loans	**-**	**-**
a) Central Banks	-	-
b) Public Entities	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
f) Households	-	-
Total	**296,410**	**29,069**

[85] With regard to non-trading equity instruments, IFRS 9 provides for the possibility of classifying them at fair value recognized in the other components of the comprehensive income statement (so-called "FVTOCI" - Fair Value Through Other Comprehensive Income).

Part B - Consolidated Balance Sheet

3.3 Financial assets at fair value through comprehensive income: gross value and total value adjustments

(Amounts in € thousand)

	Gross amount					Writedowns				
	Stage 1	of which: low credit risk	Stage 2	Stage 3	Purchased or originated credit-impaired	Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired	Partial write-offs
Debt securities	296,386	-	-	-	-	(30)	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-
Total 12/31/2024	**296,386**	**-**	**-**	**-**	**-**	**(30)**	**-**	**-**	**-**	**-**
Total 12/31/2023	**29,064**	**-**	**-**	**-**	**-**	**(2)**	**-**	**-**	**-**	**-**

Part B - Consolidated Balance Sheet

Section 4 - Financial assets at amortised cost – Item 40

4.1 Financial assets at amortized cost: product breakdown of loans and receivables to banks

(Amounts in € thousand)

Type of transaction/Values	Total 12/31/2024						Total 12/31/2023					
	Book value			Fair value			Book value			Fair value		
	Stage 1 and Stage 2	Stage 3	Purchased or originated credit-impaired	L1	L2	L3	Stage 1 and Stage 2	Stage 3	Purchased or originated credit-impaired	L1	L2	L3
A. Loans and receivables to Central Banks	**283,355**	**-**	**-**	**-**	**-**	**283,355**	**269,082**	**-**	**-**	**-**	**-**	**269,082**
1. Time deposits	-	-	-	X	X	X	-	-	-	X	X	X
2. Compulsory reserves	283,355	-	-	X	X	X	269,082	-	-	X	X	X
3. Reverse repos	-	-	-	X	X	X	-	-	-	X	X	X
4. Others	-	-	-	X	X	X	-	-	-	X	X	X
B. Loans and receivables to banks	**2,225,159**	**-**	**-**	**1,945,987**	**85,626**	**87,378**	**2,724,513**	**-**	**-**	**1,757,250**	**711,173**	**107,291**
1. Loans	87,378	-	-	-	-	87,378	107,291	-	-	-	-	107,291
1.1. Current accounts	-	-	-	X	X	X	-	-	-	X	X	X
1.2. Time deposits	63,624	-	-	X	X	X	71,303	-	-	X	X	X
1.3. Other loans	23,754	-	-	X	X	X	35,988	-	-	X	X	X
- Reverse repos	292	-	-	X	X	X	397	-	-	X	X	X
- Finance leases	-	-	-	X	X	X	-	-	-	X	X	X
- Others	23,462	-	-	X	X	X	35,591	-	-	X	X	X
2. Debts securities	2,137,781	-	-	1,945,987	85,626	-	2,617,222	-	-	1,757,250	711,173	-
2.1. Structured	-	-	-	-	-	-	-	-	-	-	-	-
2.2. Other	2,137,781	-	-	1,945,987	85,626	-	2,617,222	-	-	1,757,250	711,173	-
Total	**2,508,514**	**-**	**-**	**1,945,987**	**85,626**	**370,733**	**2,993,595**	**-**	**-**	**1,757,250**	**711,173**	**376,373**

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

"Reverse repos" do not include the technical form of securities lending with collateral consisting of other securities or without collateral. These transactions are shown under "off-balance sheet" transactions in table A.1.4 in Part E - Information on risks and related hedging policies - Section 2 - Risks of the prudential consolidation - Quantitative information of these to the consolidated accounts.

The item "Other loans: Other" amounting to € 9,941 thousand refers to the amount of the initial and variation margins and collateral deposits placed with credit institutions for derivative and other financial transactions (€ 28,489 thousand as at December 31st, 2023) and € 13,522 thousand to current receivables associated with the provision of financial services (€ 7,102 thousand as at December 31st, 2023).

Financial assets at amortised cost are presented based on their fair value and fair value hierarchy for the sole purpose of fulfilling disclosure requirements. For further details, see paragraph "A.4 - Fair value disclosures" in Part A - Accounting policies of these notes to the consolidated accounts.

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4.2 Financial asset at amortised cost: product breakdown of receivables to customers

(Amounts in € thousand)

Type of transaction/Values	Total 12/31/2024						Total 12/31/2023					
	Book value			Fair value			Book value			Fair value		
	Stage 1 and Stage 2	Stage 3	Purchased or originated credit-impaired	L1	L2	L3	Stage 1 and Stage 2	Stage 3	Purchased or originated credit-impaired	L1	L2	L3
1. Loans	**6,231,526**	**4,117**	**-**	**-**	**-**	**6,209,729**	**6,194,576**	**3,965**	**-**	**-**	**-**	**6,117,838**
1.1. Current accounts	2,051,186	1,782	-	X	X	X	2,171,981	1,901	-	X	X	X
1.2. Reverse repos	158,316	73	-	X	X	X	130,069	168	-	X	X	X
1.3. Mortgages	2,309,858	1,676	-	X	X	X	2,498,914	1,101	-	X	X	X
1.4. Credit cards, personal loans and wage assignment	873,717	575	-	X	X	X	856,918	735	-	X	X	X
1.5. Lease loans	-	-	-	X	X	X	-	-	-	X	X	X
1.6. Factoring	-	-	-	X	X	X	-	-	-	X	X	X
1.7. Other loans	838,449	11	-	X	X	X	536,694	60	-	X	X	X
2. Debt securities	**20,983,962**	**-**	**-**	**20,164,015**	**-**	**-**	**18,748,073**	**-**	**-**	**17,652,735**	**125,890**	**-**
2.1. Structured	-	-	-	-	-	-	-	-	-	-	-	-
2.2. Other	20,983,962	-	-	20,164,015	-	-	18,748,073	-	-	17,652,735	125,890	-
Total	**27,215,488**	**4,117**	**-**	**20,164,015**	**-**	**6,209,729**	**24,942,649**	**3,965**	**-**	**17,652,735**	**125,890**	**6,117,838**

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

The item "Reverse repos" does not include the technical form of securities lending with collateral consisting of other securities or without collateral. These transactions are shown under "off-balance sheet" transactions in table A.1.5 in Part E - Information on risks and related hedging policies - Section 2 - Risks of the prudential consolidation - Quantitative information of these notes to the consolidated accounts.

The item "Other loans" mainly includes loans granted to Cronos Vita Assicurazioni S.p.A., for a balance sheet amount of € 527,411 thousand (€ 293,022 thousand as at December 31st, 2023), guarantee deposits, initial and variation margins for derivative and other financial transactions, in the amount of € 155,533 thousand (€ 103,593 thousand as of December 31st, 2023), and operating receivables related to the provision of financial services, in the amount of € 151,521 thousand (€ 136,306 thousand as of December 31st, 2023).

Debt securities mainly consist of securities issued by Sovereign and Supranational issuers. For more details, see the information on exposures in securities issued by Sovereign States set out in Part E of the notes to the consolidated accounts.

Financial assets and liabilities may be offset when the company currently has a legal right to offset the recognised amounts and intends to settle for the net residual, or realise the asset and settle the liability simultaneously, as required by IAS 32.

In addition to complying with IAS 32, the Group offsets financial assets and liabilities only when:

- the transactions have the same explicit final settlement date;
- the right to set off the amount due to the counterparty against the amount due from the counterparty is legally enforceable in the ordinary course of business and in the event of default, insolvency or bankruptcy;
- either the counterparties intend to settle on a net basis or simultaneously, or the transactions are subject to a settlement mechanism that functionally results in the equivalent of net settlement.

In the table above, repo transactions entered into on the Repo MTS and settled through a Central Counterparty have been shown netted. The effect of netting is shown in table "6. Financial assets subject to accounting offsetting or master netting agreements or similar arrangements" and table "7.

Part B - Consolidated Balance Sheet

Financial liabilities subject to accounting offsetting or master netting agreements or similar arrangements" in Part B - Balance Sheet Information of these notes to the consolidated accounts.

Financial assets at amortised cost are presented on the basis of their fair value and fair value hierarchy for the sole purpose of fulfilling disclosure requirements. For further details, see paragraph "A.4 - Fair value disclosures" in Part A - Accounting policies of these notes to the consolidated accounts.

4.3 Financial assets at amortized cost: breakdown by debtors/issuers of receivables to customers

(Amounts in € thousand)

Type of transaction / Values	Total 12/31/2024			Total 12/31/2023		
	Stage 1 and Stage 2	Stage 3	Purchased or originated credit-impaired	Stage 1 and Stage 2	Stage 3	Purchased or originated credit-impaired
1. Debt securities	**20,983,962**	**-**	**-**	**18,748,073**	**-**	**-**
a) Public Administration	20,968,867	-	-	18,748,073	-	-
b) Other financial company	15,095	-	-	-	-	-
of which: insurance companies	-	-	-	-	-	-
c) Non financial companies	-	-	-	-	-	-
2. Loans to:	**6,231,526**	**4,117**	**-**	**6,194,576**	**3,965**	**-**
a) Public Administration	3	-	-	4	-	-
b) Other financial company	826,045	6	-	524,682	5	-
of which: insurance companies	550,431	-	-	315,715	-	-
c) Non financial companies	2,132	11	-	1,340	26	-
d) Households	5,403,346	4,100	-	5,668,550	3,934	-
Total	**27,215,488**	**4,117**	**-**	**24,942,649**	**3,965**	**-**

4.4 Financial assets at amortised cost: gross value and total value adjustments

(Amounts in € thousand)

		Gross amount					Writedowns				Partial write-offs
		Stage 1	of which: low credit risk	Stage 2	Stage 3	Purchased or originated credit-impaired	Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired	
Debt securities		23,125,415	-	-	-	-	(3,672)	-	-	-	-
Loans		6,565,826	-	46,129	27,721	-	(4,673)	(5,023)	(23,604)	-	-
Total	**12/31/2024**	**29,691,241**	**-**	**46,129**	**27,721**	**-**	**(8,345)**	**(5,023)**	**(23,604)**	**-**	**-**
Total	**12/31/2023**	**27,907,873**	**-**	**46,375**	**24,094**	**-**	**(12,661)**	**(5,343)**	**(20,129)**	**-**	**-**

Part B - Consolidated Balance Sheet

Section 5 – Hedging derivatives – Item 50

5.1 Hedging derivatives: breakdown by type of hedge and by level

(Amounts in € thousand)

	Fair Value 12/31/2024			NA	Fair Value 12/31/2023			NA
	L1	L2	L3	12/31/2024	L1	L2	L3	12/31/2023
A. Financial derivatives								
1. Fair value	-	677,547	-	8,620,346	-	896,577	-	9,070,461
2. Cash flows	-	-	-	-	-	-	-	-
3. Net investment in foreign subsidiaries	-	-	-	-	-	-	-	-
B. Credit derivatives								
1. Fair value	-	-	-	-	-	-	-	-
2. Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**677,547**	**-**	**8,620,346**	**-**	**896,577**	**-**	**9,070,461**

Key:
NA = notional amount
L1 = Level 1
L2 = Level 2
L3 = Level 3

5.2 Hedging derivatives: breakdown by hedged assets and risk (balance sheet value)

(Amounts in € thousand)

Transaction/Type of hedge	Fair Value							Cash-flow hedges		Net investments in foreign subsidiaries
	Micro						Macro	Micro	Macro	
	debt securities and interest rates	equity instruments and index	currencies and gold	credit	commodities	others				
1. Financial assets at fair value through other comprehensive income	-	-	-	-	X	X	X	-	X	X
2. Financial assets at amortised cost	498,491	X	-	-	X	X	X	-	X	X
3. Portfolio	X	X	X	X	X	X	158,538	X	-	X
4. Others	-	-	-	-	-	-	X	-	X	-
Total assets	**498,491**	**-**	**-**	**-**	**-**	**-**	**158,538**	**-**	**-**	**-**
1. Financial Liabilities	-	X	-	-	-	-	X	-	X	X
2. Portfolio	X	X	X	X	X	X	20,518	X	-	X
Total liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**20,518**	**-**	**-**	
1. Expected transactions	X	X	X	X	X	X	X	-	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	X	-	X	-	-

Part B - Consolidated Balance Sheet

Section 6 – Changes in fair value of portfolio hedged financial assets – Item 60

6.1 Fair value change of hedged assets: breakdown by hedged portfolio

(Amounts in € thousand)

Fair value of hedged assets/Amounts	Total 12/31/2024	Total 12/31/2023
1. Positive changes	**3,338**	**75**
1.1 of specific portfolios:	3,338	75
a) financial assets at amortized cost	3,338	75
b) financial assets at fair value through other comprehensive income	-	-
1.2 overall	-	-
2. Negative changes	**(153,613)**	**(189,378)**
2.1 of specific portfolios	(153,613)	(189,378)
a) financial assets at amortized cost	(153,613)	(189,378)
b) financial assets at fair value through other comprehensive income	-	-
2.2 overall	-	-
Total	**(150,275)**	**(189,303)**

Part B - Consolidated Balance Sheet

Section 7 - Equity investments - Item 70

7.1 Equity investments: information on shareholders' equity

Denominations	Registred office	Place of business	Relationship type	Shareholding relationships		Vote availability %
				Participating company	Share %	
A. Joint ventures						
B. Companies under significant influence						
Vorvel SIM S.p.A.	Milan	Milan	Significant influence	FinecoBank S.p.A.	20%	20%

For further details on the illustration of the criteria and principles concerning the scope and methods of consolidation, please refer to Section 3 - Part A - Accounting policies.

7.2 Significant Shareholdings: book value, fair value and dividends received

No data to report.

7.3 Significant Shareholdings: accounting information

No data to report.

7.4 Non-significant equity investments: accounting information

(Amounts in € thousand)

Denominations	Equity investments book value	Total assets	Total liabilities	Total earnings	Profit (Loss) of current operativity at net value of levies	Profit (Loss) of operative assets at net value of levies	Profit (Loss) for the year (1)	Other income components at net value of levies (2)	Total earnings (3) = (1) + (2)
Joint ventures									
Companies under significant influence									
Vorvel SIM S.p.A.	1,674	7,994	883	4,024	123		123		123

The table above shows the preliminary data referring to the accounting date of December 31st,, 2024 provided by Vorvel SIM S.p.A..

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7.5 Equity investments: annual changes

(Amounts in € thousand)

	Total 12/31/2024	Total 12/31/2023
A. Opening balance	**1,652**	**1,718**
B. Increases	**22**	**195**
B.1 Purchases	-	-
B.2 Writebacks	-	-
B.3 Revaluations	22	-
B.4 Other changes	-	195
C. Decreases	**-**	**(261)**
C.1 Sales	-	-
C.2 Adjustments	-	(195)
C.3 Depreciations	-	(66)
C.4 Other changes	-	-
D. Closing balance	**1,674**	**1,652**
E. Total revaluations	**-**	**-**
F. Total adjustments	**-**	**-**

Impairment testing of investments

As required by IAS/IFRS, impairment testing of investments is performed when there is objective evidence of impairment as a result of one or more events occurring after the initial recognition of the net investment, and these loss events have an impact on the expected future cash flows.

For investments in associates and joint ventures, the process of recognising objective evidence of impairment includes testing for impairment indicators of a qualitative and quantitative nature. In the presence of impairment indicators, the recoverable amount, represented by the higher of fair value less costs to sell and value in use, is determined and if the latter is lower than the carrying amount, an impairment loss is recognised. It is not always necessary to determine both fair value and value in use. If either value is higher than the carrying amount, the asset is not impaired and it is not necessary to estimate the other amount.

To determine the value in use of the investment in Vorvel SIM S.p.A., the only company subject to significant influence, the Discounted Cash Flow (DCF) model was used, where the cost of capital (ke) was calculated using the same values that FinecoBank uses in other models already in use in other contexts, with the exception of Beta for which reference was made to a basket of comparable companies. The results of the impairment test carried out showed a recoverable value that was higher than the value recorded in the financial statements, therefore no impairment adjustment was made. It should be noted that the equity valuation at December 31st, 2024 resulted in a revaluations of € 22 thousand.

The method for determining the recoverable amount described above (model, assumptions and parameters used) was approved by the Board of Directors on February 5th, 2025.

7.6 Valuation and significant assumptions to establish the existence of joint control or significant influence

Companies under joint control (joint ventures) are entities for which, on a contractual basis, control is shared between the Group and one or more other counterparties and where the unanimous consent of all parties sharing control is required for decisions relating to significant activities.

Companies subject to significant influence (associates) are entities in which the Group holds, directly or indirectly, at least 20% of the capital, or - although with a lower percentage of voting rights - has the power to participate in determining the financial and operating policies of the investee by virtue of particular legal ties such as participation in shareholders' agreements.

7.7 Commitments related to equity investments in jointly-controlled companies

There are no commitments related to jointly-controlled companies.

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7.8 Commitments related to equity investments in companies subject to significant influence

There are no commitments related to companies subject to significant influence.

7.9 Significant restrictions

No data to report.

7.10 Other information

For the equity method valuation of Vorvel SIM S.p.A., preliminary data referring to the accounting date of December 31st, 2024 provided by the Company itself were used.

Section 8 – Insurance assets – Item 80

No data to report.

Section 9 - Property, plant and equipment - Item 90

9.1 Property, plant and equipment used in the business: breakdown of assets carried at cost

(Amounts in € thousand)

Assets/Amounts	Total 12/31/2024	Total 12/31/2023
1. Owened assets	**90,186**	**86,930**
a) lands	23,932	23,932
b) buildings	38,777	38,795
c) office furniture and fittings	2,723	2,794
d) electronic system	20,733	18,771
e) other	4,021	2,638
2. Assets under financial lease	**56,110**	**59,567**
a) lands	213	296
b) buildings	55,316	58,669
c) office furniture and fittings	-	-
d) electronic system	-	4
e) other	581	598
Total	**146,296**	**146,497**
of which: obtained through enforcement of the guarantees received	-	-

A description of the methods used to calculate depreciation is provided in Part A – Accounting Policies of the notes to the consolidated accounts.
The Group has operational leasing transactions in place consisting of leases of the surface of the property owned.

With regard to the property owned for functional use held by FinecoBank, in order to assess whether there are any indications that the assets may be impaired, the Bank, at the time of the closing of the financial statements as at December 31st, 2024, requested an appraisals from independent third party company from which no evidence emerged that would lead to the need for impairment pursuant to IAS 36.

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9.2 Property, plant and equipment held for investment: breakdown of assets carried at cost

No data to report.

9.3 Property, plant and equipment used in the business: breakdown of revalued assets

No data to report.

9.4 Property, plant and equipment held for investment: breakdown of assets measured at fair value

No data to report.

9.5 Inventories of property, plant and equipment regulated by IAS 2: breakdown

No data to report.

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9.6 Property, plant and equipment used in the business: annual changes

(Amounts in € thousand)

	Lands	Buildings	Office furniture and fittings	Electronic systems	Others	Total
A. Gross opening balance	**24,360**	**143,335**	**20,668**	**55,494**	**14,928**	**258,785**
A.1 Total net reduction in value	(132)	(45,871)	(17,874)	(36,719)	(11,692)	(112,288)
A.2 Net opening balance	**24,228**	**97,464**	**2,794**	**18,775**	**3,236**	**146,497**
B. Increases:	**2**	**9,567**	**1,245**	**8,356**	**2,508**	**21,678**
B.1 Purchases	-	1,708	1,245	8,356	2,507	13,816
B.2 Capitalised expenditure on improvements	-	1,357	-	-	-	1,357
B.3 Write-backs	-	-	-	-	-	-
B.4 Increase in fair value recognised	-	-	-	-	-	-
a) in equity	-	-	-	-	-	-
b) through profit or loss	-	-	-	-	-	-
B.5 Positive exchange differences	-	-	-	-	-	-
B.6 Transfers from properties held for investment	-	-	X	X	X	-
B.7 Other changes	2	6,502	-	-	1	6,505
C. Decreases:	**(85)**	**(12,938)**	**(1,316)**	**(6,398)**	**(1,142)**	**(21,879)**
C.1 Sales	-	-	-	-	-	-
C.2 Depreciation	(85)	(12,223)	(1,313)	(6,396)	(1,121)	(21,138)
C.3 Impairment losses recognised	-	-	(2)	(2)	(2)	(6)
a) in equity	-	-	-	-	-	-
b) through profit or loss	-	-	(2)	(2)	(2)	(6)
C.4 Decreases in fair value recognised	-	-	-	-	-	-
a) in equity	-	-	-	-	-	-
b) through profit or loss	-	-	-	-	-	-
C.5 Negative exchange differences	-	-	-	-	-	-
C.6 Transfer to:	-	-	-	-	-	-
a) property, plant and equipment held for investment	-	-	X	X	X	-
b) assets held for sale	-	-	-	-	-	-
C.7 Other changes	-	(715)	(1)	-	(19)	(735)
D. Net closing balance	**24,145**	**94,093**	**2,723**	**20,733**	**4,602**	**146,296**
D.1 Total net reduction in value	(217)	(57,802)	(19,105)	(43,110)	(12,494)	(132,728)
D.2 Gross closing balance	**24,362**	**151,895**	**21,828**	**63,843**	**17,096**	**279,024**
E. Carried at cost	24,145	94,093	2,723	20,733	4,602	146,296

The asset classes specified in the table above are carried at cost.

Items B.7 and C.7 "Other changes" include, in addition to the changes deriving from the application of IFRS16, the changes in the activities consisting of the right of use due to the changes made to the payments due for the leasing after the initial recognition. Below is the amount of changes by type of asset.

(Amounts in € thousand)

	Land	Buildings	Furniture and fittings	Electronic systems	Other	Total
Other increases due to changes in rights of use	2	6,502			1	**6,505**
Other decreases due to changes in rights of use		(715)			(1)	**(716)**

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9.7 Property, plant and equipment held for investment: annual changes

No data to report.

9.8 Inventories of property, plant and equipment regulated by IAS 2: annual changes

No data to report.

9.9 Commitments to purchase property, plant and equipment

As at December 31st, 2024 the Group had contractual commitments to purchase property, plant and equipment amounting to € 2,151 thousand. It should also be noted that there are no restrictions on the ownership of tangible assets and there are no tangible assets pledged as security for liabilities.

Section 10 - Intangible assets - Item 100

10.1 Intangible assets: breakdown by assets type

(Amounts in € thousand)

Activities/Values	Total 12/31/2024		Total 12/31/2023	
	Finite life	Indefinite life	Finite life	Indefinite life
A.1 Goodwill	X	**89,602**	X	**89,602**
A.1.1 attributable to the group	X	89,602	X	89,602
A.1.2 attributable minorities	X	-	X	-
A.2 Other intangible asset	**7,783**	**27,459**	**7,006**	**27,459**
of which: software	7,782	-	7,000	-
A.2.1 Assets valued at cost:	7,783	27,459	7,006	27,459
a) Intangible assets generated internally	-	-	-	-
b) Other assets	7,783	27,459	7,006	27,459
A.2.2 Assets valued at fair value:	-	-	-	-
a) Intangible assets generated internally	-	-	-	-
b) Other assets	-	-	-	-
Total	**7,783**	**117,061**	**7,006**	**117,061**

Other intangible assets with an indefinite life relate to the Fineco brands and domains.

The useful life of softwares, considered for the calculation of amortisation, is 3 years, while the useful life of other intangible assets with definite life is 5 years. A description of the methods used to calculate depreciation is provided in Part A – Accounting Policies of these Notes to the consolidated accounts.

With regard to the considerations conducted as of December 31st, 2024 regarding the impairment test of intangible assets with finite and indefinite useful lives, specifically goodwill, trademarks, and Fineco domains, there are no indicators that would require adjustments to the related carrying amounts. For further details regarding the impairment test of intangible assets with indefinite useful lives, please refer to the paragraphs below.

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10.2 Intangible assets: annual changes

(Amounts in € thousand)

	Goodwill	Other intangible assets: internally generated		Other intangible assets: others		Total
		FIN	INDEF	FIN	INDEF	
A. Gross opening balance	**124,729**	**-**	**-**	**16,556**	**27,459**	**168,744**
A.1 Total net reduction in value	(35,127)	-	-	(9,550)	-	(44,677)
A.2 Net opening balance	**89,602**	**-**	**-**	**7,006**	**27,459**	**124,067**
B. Increases	**-**	**-**	**-**	**5,425**	**-**	**5,425**
B.1 Purchases	-	-	-	5,425	-	5,425
B.2 Increases in internal intangible assets	X	-	-	-	-	-
B.3 Write-backs	X	-	-	-	-	-
B.4 Increases in fair value recognised:	-	-	-	-	-	-
- in equity	X	-	-	-	-	-
- through profit or loss	X	-	-	-	-	-
B.5 Positive exchange differences	-	-	-	-	-	-
B.6 Other changes	-	-	-	-	-	-
C. Decreases	**-**	**-**	**-**	**(4,648)**	**-**	**(4,648)**
C.1 Sales	-	-	-	-	-	-
C.2 Impairment losses	-	-	-	(4,648)	-	(4,648)
- Amortisations	X	-	-	(4,648)	-	(4,648)
- Write-downs	-	-	-	-	-	-
+ in equity	X	-	-	-	-	-
+ through profit or loss	-	-	-	-	-	-
C.3 Decreases in fair value	-	-	-	-	-	-
- in equity	X	-	-	-	-	-
- through profit or loss	X	-	-	-	-	-
C.4 Transfers to non-current assets and discontinued operations	-	-	-	-	-	-
C.5 Negative exchange differrences	-	-	-	-	-	-
C.6 Other changes	-	-	-	-	-	-
D. Net closing balance	**89,602**	**-**	**-**	**7,783**	**27,459**	**124,844**
D.1 Total net impairments	(35,127)	-	-	(5,631)	-	(40,758)
E. Gross closing balance	**124,729**	**-**	**-**	**13,414**	**27,459**	**165,602**
F. Carried at cost	89,602	-	-	7,783	27,459	124,844

Key
FIN: finite life
INDEF: indefinite life

The asset classes specified in the table above are carried at cost.

It should be noted that in the table above, as of December 31st , 2024 the Group deemed it appropriate to represent in the item “Gross closing balance” and in the item “Total net impairments“, respectively, the gross value and the value adjustments of only those intangible assets that have not yet been fully amortised and have not been subject to disposal or derecognition.

10.3 Intangible assets: other information

As at December 31st, 2024 the Group had contractual commitments to purchase intangible assets amounting to € 2,670 thousand. It should also be noted that there were no intangible assets acquired through government concession; no intangible assets were used as collateral for own debts; no intangible assets were held under a finance lease; there were no revalued intangible assets.

Other information – Intangible assets indefinited life Impairment test

Under IAS 36, impairment testing of intangible assets with indefinite useful lives must be performed at least annually and, in any case, whenever there is objective evidence of the occurrence of events that may have reduced their value.

Recoverable value is the greater of the value in use (present value of future cash flows generated by the asset being valued) and the associated fair value, net of sales costs. It is not always necessary to determine both fair value and value in use. If either value is higher than the carrying amount, the asset is not impaired and it is not necessary to estimate the other amount.

The recoverable value of the assets subject to impairment testing must be determined for the individual assets, unless both of the following conditions exist:

- the value in use of the asset is not estimated to be close to the fair value net of selling costs;
- the asset does not generate incoming cash flows largely independent of those coming from other assets (or group of assets).

If these conditions exist, the impairment test is conducted at the level of the Cash Generating Unit (CGU) of the asset, as required by the accounting principle.

According to IAS 36, when determining the value in use of assets subject to impairment testing, reference must be made to the cash flows of assets in their current conditions at the testing date and representing the best estimate by the management of the overall economic conditions in place during the residual useful life of the asset.

For the purposes of impairment testing, the value in use of the cash generating unit (CGU) to which the intangible assets have been assigned must be calculated considering the cash flows for all the assets and liabilities included in the CGU and not just those for which goodwill and/or the intangible asset has been recognised upon application of IFRS 3.

Definition of CGU

Estimating the value in use for the purposes of any impairment testing of intangible assets, including goodwill, which do not independently generate cash flows, but only in conjunction with other business assets, requires that these assets first be attributed to operating units that are relatively autonomous in the business context (from the points of view of independent cash flows generated and of internal planning and reporting). These operating units are defined as Cash Generating Units (CGU).

Goodwill recorded in these consolidated financial statements, deriving from the separate financial statements of the Bank, relates to buy-outs of divisions or companies engaged in trading activities or the distribution of financial, banking and insurance products through personal financial advisors. These activities have been fully integrated with FinecoBank's ordinary operations, as a result it is not possible to isolate the contribution of each company/business division from the Bank's overall income; this means that to establish the recoverability of the value of goodwill recognised in the financial statements it is necessary to take account of the Bank’s comprehensive income.

The cash generating unit (CGU) to be considered for the impairment test is therefore the Bank as a whole (including the contribution from the subsidiary Fineco Asset Management DAC, an asset management company incorporated under Irish law, thanks a vertically integrated business model). In view of the specific business model adopted by the Group, which envisages a high level of integration between personal financial advisors and the trading and banking platform, so that the personal financial advisors network is an integral part of the overall offering of the Bank, which includes banking, brokerage and investing services, an allocation of costs/revenues per business units is not considered relevant or meaningful. The Fineco brand and domains purchased during the year 2019 from UniCredit S.p.A. are attributed to the same CGU following the exit from the related group.

Estimating cash flows to determine the value in use of the CGU

The applicable accounting principles require that the impairment test be carried out by comparing the book value of the CGU to its recoverable value. When the latter proves to be less than the book value, a write-down must be recorded in the financial statements. The recoverable value is the greater of its fair value (net of sales costs) and the related value in use. The recoverable amount of the CGU in this value in use, determined on the basis of future cash flows.

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Impairment test model

The calculation of the value in use for the purposes of impairment testing is made using the Discounted Cash Flow (DCF) model. The cash flows are determined by subtracting the annual capital requirement generated by the change in the risk-weighted assets from net profit. This capital requirement is determined by considering the long-term capitalisation to be achieved, also in light of the minimum regulatory capital requirements.

Cash flows

The discounted cash flow model used is based on future cash flows estimated by management in four steps:

- year 2025, in which the budget figures were considered (submitted for approval by the Board of Directors on January 21st, 2025);
- years 2026-2027, which consider the financial projections approved by the Board of Directors on January 21st, 2025;
- intermediate period of five years from 2028 to 2032, for which the forecasts of the financial flows are projected by applying beginning in the last explicit estimate period (2027) rates of growth decreasing up to 2% to the terminal value (TV);
- terminal value calculated using a nominal growth rate of 2%. The average Eurozone actual GDP rate from 2014 to 2023 was 3.9% (of which 2.2% due to inflation).

Discount rates of cash flows

Future financial flows were discounted using a conservative estimate of the discount rate, incorporating the risk factors linked to the business sector into the cost of equity (Ke). The discount rate is a nominal rate, net of taxes.

In particular, the cost of capital for the Bank is the sum of the following:

- Risk-free rate: the daily average at 12 months of the 10-year Btp (equal to 3.81%)
- Equity Risk Premium - ERP (Beta * Market Risk Premium): calculated using the value of 5.50% as a premium for the risk offered by the stock market compared to the risk-free investment (Rm-Rf) and as Beta (coefficient that links the performance of the stock to that of the stock market) the 5-year daily average of the Fineco share compared to FTSEMIB and SXXP indices.
- ke 2025 is therefore 9.86%.

The cost of capital in 2027 is calculated considering the average expected return of the 10-year BTP expected in 2027 as risk free (12-months average, equal to 3.48%); the ERP is instead kept the same as that calculated for 2025. The 2027 cost of capital is then maintained steady until the TV. Ke 2027 is therefore 9.53%.

Impairment test results

The methodology for calculating the value in use described above (model, assumptions and parameters used) was approved by the Board of Directors on December 17th, 2024. For the impairment testing the carrying amount of the goodwill, the brand (including domains) and Shareholders' equity was compared with its value in use calculated using that methodology. The outcome of the tests, approved by the Board of Directors on February 5th, 2025, confirmed the sustainability of the goodwill and the brand recognised in the financial statements as at December 31st, 2024, with the value in use significantly higher than the carrying amount. It should be noted that the value of “FinecoBank” shares resulted in a market capitalisation of € 10,259 million at December 31st, 2024, markedly higher than the Bank's assets and the results provided by the model used for the impairment test, which confirms the implementation of prudent criteria for calculation of the value in use.

Sensitivity analysis

Given the complexity of the measurement process and the uncertainty involved in making forecasts on future profitability, especially in the long term, some sensitivity analyses were carried out assuming changes to the main parameters used in the impairment test.

The table below shows the change in the value in use, net of book value, of brand and of shareholders' equity, in relation to changes in the main parameters used in the DCF model underlying the impairment test.

	1% increase of the discount rate after taxes (ke)	1% increase of core tier 1 ratio target	1% decrease of the nominal growth rate for the calculation of terminal value	5% decrease of annual earnings	Use of core tier 1 ratio as at 12/31/2024 (25.9%)
Change of value in use	-12.2%	-0.3%	-8.1%	-5.2%	-3.2%

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The results confirm the sustainability of the goodwill recognised in the financial statements, as none of the scenarios hypothesised revealed the need for a write-down, as the value in use, calculated applying those variations, was much higher than the book value.

It should also be noted that the impairment test reaches the break-even assuming changes in the above parameters that are currently unreasonable. The impairment test reached a break-even with an absolute positive change in the discount rate after tax (Ke) of around 26 percentage points, i.e. with a reduction of around 65% of annual earnings (while maintaining all the other parameters and information used unchanged, in both scenarios).

Section 11 - Tax Assets and Tax Liabilities - Asset item 110 and liability item 60

The item “Tax assets” amounting to € 53,250 thousand at December 31st, 2024, it is exclusively made of “Deferred tax assets”, already net of the set-off against “Deferred tax liabilities” for € 6,676 thousand.

The item “Tax liabilities” amounting to € 19,519 thousand at the same date, it is exclusively made of “Current tax liabilities”, already net of the set-off against tax advances 2024. There are not “Deferred tax liabilities” as they are offset against “Deferred tax assets” for € 6,676 thousand.

Current Tax Assets and Liabilities

(Amounts in € thousand)

Assets/Amounts	Total 12/31/2024	Total 12/31/2023
Current tax assets	-	-
Current tax liabilities	19,519	86,706

Deferred tax assets/liabilities

Deferred tax assets/liabilities are shown in the consolidated Balance Sheet net of the related deferred tax liabilities/assets; the detail is as follows:

- “Deferred tax assets” of € 56,482 thousand recognised as a balancing entry in the income statement;
- “Deferred tax assets” of € 3,444 thousand recognised as a balancing entry of shareholders' equity;
- “Deferred tax liabilities” of € 4,767 thousand recognised as a balancing entry in the income statement;
- “Deferred tax liabilities” of € 1,909 thousand recognised as a balancing entry of shareholders' equity.

In accordance with the law and regulations currently in force:

- the recognition of deferred tax assets for IRES income tax purposes takes into account the expected income figures of the Group for future years, according to the decisions made by the competent company bodies;
- the recognition of deferred tax assets for IRAP corporate tax purposes takes place on the basis of the Group's expected income figures for future years, and takes into account changes in the legal context;
- deferred tax liabilities are recognised whenever the relevant requirements are satisfied.

To determine the Parent Company’s current taxes, a 27.5% IRES rate was used (24% standard rate and 3.5% additional rate for banks), as well as IRAP rate of 5.57% for credit institutions. Regarding Fineco AM, the corporation tax rate of 12.5% was applied. The provisions concerning the entry into force of the so-called Pillar Two provisions, implementing Directive 2022/2523, were also applied.

There are no deferred tax assets/liabilities not recognized in the financial statements in relation to temporary differences. Furthermore, there are no unused tax losses.

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11.1 Deferred tax assets: breakdown

(Amounts in € thousand)

Assets/Amounts	Total 12/31/2024	Total 12/31/2023
Allocations through profit or loss	**55,615**	**50,784**
- of which Patent Box ex D.L. n.3/2015	21,186	17,186
- of which Provisions for Risks and Charges	23,631	23,062
- of which Realignment of goodwill art. 110 of D.L. n. 104/2020	9,398	9,603
- of which Other	1,400	933
Allocations through equity	**3,444**	**2,032**
- of which Revaluation reserve application IAS 19	1,983	750
- of which Financial assets at fair value through comprehensive income	1,461	1,282
Impairment losses on receivables (of which pursuant to Law 214/2011)	**867**	**1,615**
Total before IAS 12 offset	**59,926**	**54,431**
Offset against deferred tax liabilities - IAS 12	(6,676)	(4,434)
Total	**53,250**	**49,997**

11.2 Deferred tax liabilities: breakdown

(Amounts in € thousand)

Assets/Amounts	Total 12/31/2024	Total 12/31/2023
Allocations through profit or loss	**4,767**	**3,921**
- of which Goodwill and Brand	4,704	3,824
- of which Other	63	97
Allocations through equity	**1,909**	**513**
- of which Revaluation reserve application IAS 19	511	513
- of which Financial assets at fair value through comprehensive income	1,398	-
Total before IAS 12 offset	**6,676**	**4,434**
Offset against deferred tax assets - IAS 12	(6,676)	(4,434)

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11.3 Changes in deferred tax assets (through profit or loss)

(Amounts in € thousand)

	Total 12/31/2024	Total 12/31/2023
1. Opening balance	**52,399**	**48,304**
2. Increases	**9,136**	**11,583**
2.1 Deferred tax assets recognised in the year	9,093	11,557
a) relating to prior years	-	-
b) due to changes in accounting policies	-	-
c) write-backs	-	-
d) others	9,093	11,557
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	43	26
3. Decreases	**(5,053)**	**(7,488)**
3.1 Deferred tax assets cancelled in the year	(5,053)	(4,854)
a) reversals of temporary differences	(5,053)	(4,854)
b) write-downs of non-recoverable items	-	-
c) changes in accountable policies	-	-
d) others	-	-
3.2 Decreases in tax rates	-	-
3.3 Other decreases:	-	(2,634)
a) conversion of tax credits as per Law 214/2011	-	-
b) others	-	(2,634)
4. Closing balance	**56,482**	**52,399**

Increases in deferred tax assets recognized in the year with a balancing entry in the income statement refer, mainly, to the tax benefit associated with the Patent Box regime pursuant to Legislative Decree No. 3 of 2015 for the year 2024 and to provisions for risks and charges. Decreases refer, mainly, to uses or releases of provisions for risks and charges.

11.4 Changes in deferred tax assets under Law 214/2011

(Amounts in € thousand)

	Total 12/31/2024	Total 12/31/2023
1. Opening balance	**1,615**	**2,407**
2. Increases	**-**	**-**
3. Decreases	**(748)**	**(792)**
3.1 Reversals	(748)	(792)
3.2 Conversion into tax credits	-	-
a) resulting from operating losses	-	-
b) resulting from tax losses	-	-
3.3 Other decreases	-	-
4. Closing balance	**867**	**1,615**

Decreases refer to the deduction of write-downs and losses on loans to customers according to the reabsorption plan provided for by Legislative Decree n. 83 of 2015 as amended by Law No. 145 of 2018 and Law No. 160 of 2019 and later by Article 42 of Decree Law No. 17 of 2022. Law No. 213 of 2023 rescheduled the repayment plan for pre-2016 customer loans starting with the portions referring to 2024.

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11.5 Changes in deferred tax liabilities (through profit or loss)

(Amounts in € thousand)

	Total 12/31/2024	Total 12/31/2023
1. Opening balance	**3,921**	**3,057**
2. Increases	**893**	**895**
2.1 Deferred tax liabilities arising during the year	893	895
a) relating to prior years	-	-
b) due to changes in accounting policies	-	-
c) others	893	895
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	**(47)**	**(31)**
3.1 Deferred tax liabilities de-recognised during the year	(46)	(29)
a) reversals of temporary differences	(46)	-
b) due to changes in accounting policies	-	-
c) others	-	(29)
3.2 Reduction in tax rates	-	-
3.3 Other decreases	(1)	(2)
4. Closing balance	**4,767**	**3,921**

Increases in deferred tax liabilities recognised in the year as a balancing entry in the income statement refer to the recognition of deferred tax liabilities on the amortisation of the brand and goodwill subject to realignment pursuant to Article 110 of Legislative Decree 104/2020.

Part B - Consolidated Balance Sheet

11.6 Changes in deferred tax assets (through equity)

(Amounts in € thousand)

	Total 12/31/2024	Total 12/31/2023
1. Opening balance	**2,032**	**1,926**
2. Increases	**1,412**	**749**
2.1 Deferred tax assets recognised in the year	1,412	749
a) relating to prior years	-	-
b) due to changes in accounting policies	-	-
c) others	1,412	749
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	**-**	**(643)**
3.1 Deferred tax assets cancelled in the year	-	(643)
a) reversals of temporary differences	-	(643)
b) write-downs of non-recoverable items	-	-
c) due to changes in accounting policies	-	-
d) others	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	-	-
4. Closing balance	**3,444**	**2,032**

Increases in deferred tax assets recognized during the year as an offset to equity relate to actuarial losses recognized in shareholders' equity as part of the valuation reserves in application of the provisions of IAS 19 Revised.

Part B - Consolidated Balance Sheet

11.7 Changes in deferred tax liabilities (through equity)

(Amounts in € thousand)

	Total 12/31/2024	Total 12/31/2023
1. Opening balance	**513**	**596**
2. Increases	**1,399**	**-**
2.1 Deferred tax assets recognised in the year	1,399	-
a) relating to prior years	-	-
b) due to changes in accounting policies	-	-
c) others	1,399	-
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	**(3)**	**(83)**
3.1 Deferred tax assets cancelled in the year	(3)	(83)
a) reversals of temporary differences	(3)	(83)
b) write-downs of non-recoverable items	-	-
c) due to changes in accounting policies	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases:	-	-
4. Other decreases	**1,909**	**513**

Increases refer to taxation calculated on changes in the fair value of securities recognised in financial assets at fair value through other comprehensive income. Decreases in deferred tax liabilities recognised during the year through equity refer to actuarial losses recognized in shareholders' equity as part of the valuation reserves in application of the provisions of IAS 19 Revised.

Test of recoverability of deferred tax assets

In accordance with the rules set out in IAS 12 and the ESMA communication of July 15th, 2019, the Fineco Group has recognised Deferred Tax Assets (DTA), after verifying that the amounts so recognised are supported by a judgement of likelihood as to their recoverability. For the purpose of making this judgement, current tax regulations and the Group's ability to generate future taxable income were taken into consideration. To this end, the DTAs were subjected to a recoverability test on the basis of the relevant Fineco Global Policy.

The forward-looking income statement estimates used in the model are derived from the income statement numbers expressed in accordance with IAS/IFRS. The forward-looking time horizon is a function of the expected 'reversals' of DTAs and is constructed by taking into consideration: (i) for the first projection year the budget approved by the Board of Directors, (ii) for the following period the latest official projections approved by the Board of Directors and (iii) for the remaining projection years the income statement estimate by linearly converging the growth rates to long-term growth. The test is based on the official projections of the multi-year plan and/or annual budget and, therefore, expressing the most reliable view of the company's development, as approved by the Board of Directors. Starting from the income statement estimates thus determined, the relative prospective tax base is calculated by applying tax adjustments and in accordance with the methodology usually applied in the analytical calculation of the final tax base. In addition, the model is periodically updated according to changes in the relevant tax legislation. Based on the valuation exercise conducted with the model described above, the test determined the full sustainability of deferred tax assets recognised as assets in the balance sheet arising from temporary differences for both IRES and IRAP purposes.

11.8 Other information

No information to report.

Part B - Consolidated Balance Sheet

Section 12 - Non-current assets and disposal groups classified as held for sale and associated liabilities - Assets item 120 and liabilities item 70

No information to report.

Section 13 – Other assets – Item 130

13.1 Other assets: breakdown

(Amounts in € thousand)

	Total 12/31/2024	Total 12/31/2023
Trade receivables according to IFRS15	7,746	8,049
Tax credits purchased	1,259,059	1,618,030
Current receivables not related with the provision of financial services	4,183	3,730
Receivables due to disputed items not deriving from lending	129	129
Notes, cheques and other documents to be settled	3,890	4,594
Improvement and incremental expenses incurred on leasehold assets	2,051	2,809
Definitive items not recognised under other items	3,930	7,782
Tax items other than those included in the item "Tax assets":	389,993	258,290
- tax advances	387,052	254,217
- tax credit	2,941	4,073
Items in processing:	13,174	10,817
- POS, Bancomat and Visa debit	13,154	10,813
- others	20	4
Items in transit not allocated to relevant accounts	5	-
Accrued income and prepaid expenses other than those related to contracts to customers and other than capitalised in related financial assets or liabilities	22,531	26,042
Accrued income and prepaid expenses related to contracts with customers other than capitalised in related financial assets or liabilities	90,923	76,585
Securities and coupons to be settled	3,013	541
Transactions to be charged to customers' credit cards	13,290	11,868
Totale	**1,813,917**	**2,029,266**

It should be noted that as at December 31st, 2024, some items in the above table were changed for a more explanatory presentation of the same. For the sake of consistency of comparison, the comparative figure for 2023 has been restated.

Tax credits purchased include the carrying amount of tax credits purchased under Decree-Law 34/2020 and subsequent amendments. They include both the tax credits acquired following their transfer by the direct beneficiaries and those acquired following their transfer by previous purchasers. The reduction compared to the carrying amount as at December 31st ,2023 is mainly attributable to offsets made during 2024. It should be noted that as at December 31st ,2023, there were also tax credits acquired by FinecoBank on the secondary market that were subsequently subject to preventive seizure under criminal law. In December 2024, the Bank reached a settlement agreement with the assigning counterparty under which the parties agreed to cancel by mutual consent FinecoBank's acceptance of the aforementioned tax credits as well as additional tax credits reported as not available by the same assigning counterparty. By virtue of the agreement reached, the assigning counterparty returned to FinecoBank the consideration for the assignment of such credits paid by the Bank.

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The following table “Periodic Change of Accrued Income/Expenses and Prepaid Expenses/Income” discloses the changes incurred in the sub-items “Accrued income and prepaid expenses related to contracts with customers other than capitalised on related financial assets or liabilities” and “Accrued expenses and prepaid income related to contracts with customers other than capitalised on related financial assets or liabilities” reported in the tables “Other assets: breakdown” and “Other liabilities: breakdown” (Section 8 - Liabilities of this Part B of these Notes to the consolidated accounts), respectively, as required by the par. 118 of the IFRS15.

Periodic Change of Accrued Income/Expenses and Prepaid Expenses/Income

(Amounts in € thousand)

	Accrued income and prepaid expenses 12/31/2024	Accrued expenses and prepaid income 12/31/2024
Opening balance	**76,585**	**19,195**
Increases	**61,961**	**12,776**
a) external acquisition	-	-
b) cumulative catch-up adjustments to revenue that affect the corresponding contract asset or contract liability, including adjustments arising from a change in the measure of progress, a change in an estimate of the transaction price (including any changes in the assessment of whether an estimate of variable consideration is constrained) or a contract modification (IFRS 15 Par 118.b)	-	-
c) reversal of impairment of a contract asset (IFRS 15 Par 118.c)	-	-
d) change in the time frame for a right to consideration to become unconditional (ie for a contract asset to be reclassified to a receivable) (IFRS 15 Par 118.d)	-	-
e) change in the time frame for a performance obligation to be satisfied (ie for the recognition of revenue arising from a contract liability (IFRS 15 Par 118.e)	-	-
f) other	61,961	12,776
Decreases	**(47,623)**	**(14,352)**
a) external acquisition	-	-
b) cumulative catch-up adjustments to revenue that affect the corresponding contract asset or contract liability, including adjustments arising from a change in the measure of progress, a change in an estimate of the transaction price (including any changes in the assessment of whether an estimate of variable consideration is constrained) or a contract modification (IFRS 15 Par 118.b)	-	-
c) impairment of a contract asset (IFRS 15 Par 118.c)	(383)	-
d) change in the time frame for a right to consideration to become unconditional (ie for a contract asset to be reclassified to a receivable) (IFRS 15 Par 118.d)	-	-
e) change in the time frame for a performance obligation to be satisfied (ie for the recognition of revenue arising from a contract liability (IFRS 15 Par 118.e)	-	-
f) other	(47,240)	(14,352)
Closing balances	**90,923**	**17,619**

The item “Increases f) other” includes the value as at December 31st, 2024 of the accruals that arose in the year 2024. The item “Decreases f) other” includes the reversal to profit and loss, for the portion pertaining to the year 2024, of the accruals existing at December 31st, 2023.

With regard to the information required by parag. 120 of IFRS 15 (“Transaction price allocated to the remaining performance obligations”), below a quantitative disclosure will be provided with the expected duration (within 1 year and over 1 year) of accrued income and deferred expenses from contracts with customers other than capitalised on the related financial assets or liabilities

Part B - Consolidated Balance Sheet

Transaction price allocated to the remaining performance obligations

(Amounts in € thousand)

	Expected duration of performance <=1 year 12/31/2024	Expected duration of performance >1 year 12/31/2024
Unsatisfied (or Partially Unsatisfied) Performance Obligations - Duration - Other Assets (IFRS 15 Par 120a)	25,384	-
Unsatisfied (or Partially Unsatisfied) Performance Obligations - Duration - Other Liabilities (IFRS 15 Par 120a)	1,433	4,614
Total	**26,817**	**4,614**

The aggregate amount of revenues from services to customers related to the portion of performance obligations not yet satisfied, showed in the table above is equal to € 31,430 thousand. 85% of this amount regards performance obligations expected to be satisfied by the next year-end reporting date.

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Liabilities

Section 1 - Financial liabilities at amortised cost - Item 10

1.1 Financial liabilities at amortised cost: product breakdown deposits from banks

(Amounts in € thousand)

Transactions type/Amounts	Total 12/31/2024				Total 12/31/2023			
	BV	Fair Value			BV	Fair Value		
		L1	L2	L3		L1	L2	L3
1. Deposits from central banks	**-**	X	X	X	**-**	X	X	X
2. Deposits from banks	**850,600**	X	X	X	**866,978**	X	X	X
2.1 Other current accounts and demand deposits	1,947	X	X	X	1,205	X	X	X
2.2 Time deposits	-	X	X	X	-	X	X	X
2.3 Loans	184,414	X	X	X	50,786	X	X	X
2.3.1 Repos	184,414	X	X	X	50,786	X	X	X
2.3.2 Other	-	X	X	X	-	X	X	X
2.4 Liabilities relating of commitments to repurchase treasury shares	-	X	X	X	-	X	X	X
2.5 Lease liabilities	3,237	X	X	X	3,487	X	X	X
2.6 Other liabilities	661,002	X	X	X	811,500	X	X	X
Total	**850,600**	**-**	**-**	**850,600**	**866,978**	**-**	**-**	**866,978**

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

Item 2.3.1 “Loans - Repos” does not include the technical form of securities lending with collateral consisting of other securities or without collateral. These transactions are shown under “off-balance sheet” in table A.1.4 in Part E - Information on risks and related hedging policies - Section 2 - Risks of the prudential consolidation - Quantitative information of these notes to the consolidated accounts.

Item 2.6 Other liabilities mainly includes variation margins received for derivative transactions.

Financial liabilities at amortised cost are presented on the basis of their fair value and fair value hierarchy for the sole purpose of fulfilling disclosure requirements. For further details, see paragraph “A.4 – Information on fair value” in Part A - Accounting policies of these notes to the consolidated accounts.

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1.2 Financial liabilities at amortised cost: product breakdown deposits from customers

(Amounts in € thousand)

Transactions type/Amounts	Total 12/31/2024				Total 12/31/2023			
		Fair Value				Fair Value		
	BV	L1	L2	L3	BV	L1	L2	L3
1. Current accounts and demand deposits	28,517,922	X	X	X	27,704,387	X	X	X
2. Time deposits	1,115,411	X	X	X	695,275	X	X	X
3. Loans	107,557	X	X	X	133,930	X	X	X
3.1 Reverse repos	107,557	X	X	X	133,930	X	X	X
3.2 Other	-	X	X	X	-	X	X	X
4. Liabilities relating of commitments to repurchase treasury shares	-	X	X	X	-	X	X	X
5. Lease payables	54,935	X	X	X	57,895	X	X	X
6. Other liabilities	193,089	X	X	X	166,102	X	X	X
Total	**29,988,914**	**-**	**32,958**	**29,955,558**	**28,757,589**	**-**	**31,513**	**28,724,579**

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

The item 3.1 "Loans – Reverse repos" does not include the technical form of securities lending with collateral consisting of other securities or without collateral. These transactions are shown under "off-balance sheet" transactions in table A.1.5 in Part E - Information on risks and related hedging policies - Section 2 - Risks of the prudential consolidation - Quantitative information of these notes to the consolidated accounts.

Financial assets and liabilities may be offset when the company currently has a legal right to offset the amounts recognised in the accounts and intends to settle for the net residual, or realise the asset and settle the liability at the same time, as required by IAS 32.

In addition to complying with IAS 32, the Bank only offsets financial assets and liabilities when:

- the transactions have the same explicit final settlement date;
- the right to set off the amount due to the counterparty against the amount due from the counterparty is legally enforceable in the ordinary course of business and in the event of default, insolvency or bankruptcy;
- either the counterparties intend to settle on a net basis or simultaneously, or the transactions are subject to a settlement mechanism that functionally results in the equivalent of net settlement.

In the table above, repo transactions entered into on the Repo MTS and settled through a Central Counterparty have been shown netted. The effect of netting is shown in table "6. Financial assets subject to accounting offsetting or master netting agreements or similar agreements" and table "7. Financial liabilities subject to accounting offsetting or master netting agreements or similar agreements" in Part B - Balance Sheet Information of these notes to the consolidated accounts.

Financial liabilities measured at amortised cost are presented on the basis of their fair value and fair value hierarchy for the sole purpose of fulfilling disclosure requirements. For further details, see paragraph "A.4 – Information on fair value" in Part A - Accounting policies of these notes to the consolidated accounts.

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1.3 Financial liabilities at amortised cost: product breakdown of debt securities in issue

(Amounts in € thousand)

Type of securities/Values	Total 12/31/2024				Total 12/31/2023			
	BV	Fair Value			BV	Fair Value		
		L1	L2	L3	00/01/1900	L1	L2	L3
A. Debts securities including bonds								
1. bonds	810,228	804,686	-	-	809,264	777,598	-	-
1.1 structured	-	-	-	-	-	-	-	-
1,2 other	810,228	804,686	-	-	809,264	777,598	-	-
2. other securities	-	-	-	-	-	-	-	-
2.1 structured	-	-	-	-	-	-	-	-
2.2 other	-	-	-	-	-	-	-	-
Total	**810,228**	**804,686**	**-**	**-**	**809,264**	**777,598**	**-**	**-**

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

Financial liabilities measured at amortised cost are presented on the basis of their fair value and fair value hierarchy for the sole purpose of fulfilling disclosure requirements. For further details, see paragraph “A.4 – Information on fair value” in Part A - Accounting policies of these notes to the consolidated accounts.

1.4 Breakdown of subordinated deposits/securities

No data to report.

1.5 Breakdown of structured deposits/securities

No data to report.

1.6 Amounts payable under leases

(Amounts in € thousand)

Items/Time buckets	Up to 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	Over 5 years
Lease liabilities	**11,021**	**9,894**	**9,170**	**7,629**	**6,189**	**14,269**
- Lease liabilities - Banks	513	529	482	473	484	756
- Lease liabilities - Customers	10,508	9,365	8,688	7,156	5,705	13,513

The amount of cash flows for leasing paid during 2024 is equal to € 12,563 thousand.

Part B - Consolidated Balance Sheet

Section 2 - Financial liabilities held for trading - Item 20

2.1 Financial liabilities held for trading: product breakdown

(Amounts in € thousand)

Transactions type/Amounts	Total 12/31/2024					Total 12/31/2023				
	NA	Fair Value			Fair Value *	NA	Fair Value			Fair Value *
		L1	L2	L3			L1	L2	L3	
A. Cash liabilities										
1. Deposits from banks	-	-	-	-	-	-	-	-	-	-
2. Deposits from customers	33	1,004	-	3	1,007	29	2,210	-	3	2,213
3. Debt securities	-	-	-	-	X	-	-	-	-	X
3.1 Bonds	-	-	-	-	X	-	-	-	-	X
3.1.1 Structured	-	-	-	-	X	-	-	-	-	X
3.1.2 Other bonds	-	-	-	-	X	-	-	-	-	X
3.2 Other securities	-	-	-	-	X	-	-	-	-	X
3.2.1 Structured	-	-	-	-	X	-	-	-	-	X
3.2.2 Others	-	-	-	-	X	-	-	-	-	X
Total (A)	**33**	**1,004**	**-**	**3**	**1,007**	**29**	**2,210**	**-**	**3**	**2,213**
B. Derivatives										
1. Financial derivatives	X	5,608	1,515	-	X	X	3,114	1,670	-	X
1.1 Trading derivatives	X	5,608	1,515	-	X	X	3,114	1,670	-	X
1.2 Related to the fair value option	X	-	-	-	X	X	-	-	-	X
1.3 Other	X	-	-	-	X	X	-	-	-	X
2. Credits derivatives	X	-	-	-	X	X	-	-	-	X
2.1 Trading derivatives	X	-	-	-	X	X	-	-	-	X
2.2 Linked to fair value option	X	-	-	-	X	X	-	-	-	X
2.3 Other	X	-	-	-	X	X	-	-	-	X
Total (B)	**X**	**5,608**	**1,515**	**-**	**X**	**X**	**3,114**	**1,670**	**-**	**X**
Total (A+B)	**X**	**6,612**	**1,515**	**3**	**X**	**X**	**5,324**	**1,670**	**3**	**X**

Key:
NA = notional amount
L1 = Level 1
L2 = Level 2
L3 = Level 3
FV* = Fair value calculated excluding the changes in value due to the change in the issuer's credit rating since the issue date

Financial derivatives refer to the negative valuation of CFD contracts, Knock Out Options and Certificates issued, as well as derivative contracts regulated or settled with institutional counterparties used for the operational hedging of the above mentioned derivatives. They amounted to € 6,144 thousand (€ 3,347 thousand as at December 31st, 2023).

Sub-item B.1.1 “Derivative instruments - Trading financial derivatives” includes the negative valuations of spot contracts for securities that meets the definition of held for trading and currencies to be settled in times established by market practices (“regular way”). They amounted to € 979 thousand (€ 1,436 thousand as at December 31st, 2023).

2.2 Breakdown of “Financial liabilities held for trading”: subordinated liabilities

No data to report.

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2.3 Breakdown of "Financial liabilities held for trading": structured debts

No data to report.

Section 3 – Financial liabilities designated at fair value – Item 30

No data to report.

Section 4 – Hedging derivatives – Item 40

4.1 Hedging derivatives: breakdown by type of hedge and by level

(Amounts in € thousand)

	Fair value 12/31/2024			NA	Fair value 12/31/2023			NA
	L1	L2	L3	12/31/2024	L1	L2	L3	12/31/2023
A. Financial derivatives	**-**	**48,485**	**-**	**1,511,302**	**-**	**59,988**	**-**	**2,857,000**
1) Fair value	-	48,485	-	1,511,302	-	59,988	-	2,857,000
2) Cash flows	-	-	-	-	-	-	-	-
3) Net investment in foreign subsidiaries	-	-	-	-	-	-	-	-
B. Credit derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**48,485**	**-**	**1,511,302**	**-**	**59,988**	**-**	**2,857,000**

Key:
NA = notional amount
L1 = Level 1
L2 = Level 2
L3 = Level 3

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4.2 Hedging derivatives: breakdown by hedged assets and risk

(Amounts in € thousand)

Transactions/Type of hedge	Fair Value							Cash flow		Net investment in foreign subsidiaries
	Micro									
	Debt securities and interest rates	Equities and equity index	Currencies and gold	Credit	Commodity	Others	Macro	Micro	Macro	
1. Financial assets at fair value through other comprehensive income	-	-	-	-	X	X	X	-	X	X
2. Financial assets at ammortised cost	39,551	X	-	-	X	X	X	-	X	X
3. Portfolio	X	X	X	X	X	X	3,303	X	-	X
4. Other transactions	-	-	-	-	-	-	X	-	X	-
Total assets	**39,551**	**-**	**-**	**-**	**-**	**-**	**3,303**	**-**	**-**	**-**
1. Financial liabilities	-	X	-	-	-	-	X	-	X	X
2. Portfolio	X	X	X	X	X	X	5,631	X	-	X
Total liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**5,631**	**-**	**-**	**-**
1. Expected transactions	X	X	X	X	X	X	X	-	X	X
2. Financial assets and liabilities Portfolio	X	X	X	X	X	X	-	X	-	-

Section 5 – Changes in fair value of portfolio hedged financial liabilities – Item 50

5.1 Changes to macro-hedged financial liabilities

(Amounts in € thousand)

Adjustments to the value of hedged liabilities/Components of the group	Total 12/31/2024	Total 12/31/2023
1. Positive changes to financial liabilities	2,579	1,271
2. Negative changes to financial liabilities	(5,743)	(32,547)
Total	**(3,164)**	**(31,276)**

Section 6 – Tax liabilities – Item 60

See section 11 of assets.

Section 7 – Liabilities included in disposal groups classified as held for sale – Item 70

See section 12 of assets.

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Section 8 – Other liabilities – Item 80

8.1 Other liabilities: breakdown

(Amounts in € thousand)

Items/Amounts	Total 12/31/2024	Total 12/31/2023
Payables to Directors and Statutory auditors	262	257
Payables to employees	20,093	18,920
Outgoing bank transfers	117,271	152,839
Social security contributions payable	9,193	8,745
Current payables not related to the provision of financial services	46,348	43,107
Payables for share-based payments	81	-
Payment authorisations to be settled	26,643	22,705
Payment orders issued by customers and other transactions to be settled	7,268	7,585
Definitive items not recognised under other items	6,395	7,269
Tax items other than those included in the item "Tax liabilities":	120,542	71,993
- sums withheld from third parties as withholding agent	78,300	39,741
- other	42,242	32,252
Illiquid items for portfolio transactions	8,389	1,500
Items in processing:	3,552	2,785
- incoming bank transfers	2,609	1,326
- other items in processing	943	1,459
Accrued expenses and deferred income other than those related to contracts with customers and other than capitalised on the related financial assets or liabilities	209	240
Deferred income related to contracts with customers other than those capitalised on the related financial assets or liabilities	17,620	19,195
Sums available to be paid to customers	3,730	8,013
Securities and coupons to be settled	18,735	28,128
Credit card transactions to be settled with circuits	-	784
POS, ATM and Visa Debit transactions to be settled with circuits	27	27,169
Total	**406,358**	**421,234**

It should be noted that as at December 31st, 2024, some items in the above table were changed for a more explanatory presentation of the same. For the sake of consistency of comparison, the comparative figure for 2023 has been restated.

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Section 9 – Provisions for employee severance pay – Item 90

9.1 Provisions for employee severance pay: annual changes

(Amounts in € thousand)

	Total 12/31/2024	Total 12/31/2023
A. Opening balance	**4,378**	**3,942**
B. Increases	**143**	**490**
B.1 Provision of the year	143	158
B.2 Other increases	-	332
C. Decreases	**(157)**	**(54)**
C.1 Severance payments	(118)	(54)
C.2 Other decreases	(39)	-
D. Closing balance	**4,364**	**4,378**
Total	**4,364**	**4,378**

Item C.2 Other decreases includes the increase in provisions for employee severance pay as a result of the actuarial valuation, performed in accordance with IAS 19 Revised, recognised as an offsetting entry to revaluation reserves.

9.2 Other information

The “TFR” provision for Italy-based employee benefits is considered to be a “post-retirement defined benefit”. It is therefore recognized on the basis of an actuarial estimate of the amount of benefit accrued by employees discounted to present value. This benefit is calculated by an external actuary using the unit credit projection method (see Part A.2 – The Main Items of the Accounts).

The Provision for employee severance pay covers the amount of the rights accrued in that respect up to December 31st, 2024 by employees, under current legal regulations, as well as national collective bargaining agreements and supplementary company agreements.

The current year was affected by the normal events referable to the severance indemnity fund in accordance with the provisions of the law and the company agreements in force.

In 2007, the new supplementary pension reform pursuant to Legislative Decree no. 252/2005 became effective and, as a result the amounts accrued up to December 31st, 2006 were kept with the Company, whilst the amounts of employee severance pay provision accruing as of January 1st, 2007 were transferred to the supplementary pension funds or the INPS Treasury fund according to the option adopted by the employees (within June 30th, 2007). The result is that:

- the employee severance fund accrued up to December 31st, 2006 (or until the date of the option - falling between January 1st, 2007 and June 30th, 2007 - adopted by the employees if they decided to transfer their employee severance pay provision to a supplementary pension fund) continues to be a "defined-benefit" plan and therefore subject to actuarial valuation, although based on simplified actuarial assumptions which no longer take account of estimated future pay rises;
- the amounts accrued from January 1st, 2007 (or from the date of the option - falling between January 1st, 2007 and June 30th, 2007 - by the employees if they decided to transfer their employee severance pay provision to a supplementary pension fund), were considered as a “defined-contribution" plan (as the Company's liability ceases at the time it pays the employee severance pay provision accrued to the pension fund chosen by the employee) and therefore the related cost for the period is equal to the amounts paid to the Supplementary Pension fund or the INPS Treasury fund.

The following table shows the main actuarial assumptions used to remeasure the liability.

Description of the main actuarial assumptions	12/31/2024	12/31/2023
Discount rate	3.40%	3.45%
Expected inflation rate	2.00%	2.00%

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(Amounts in € thousand)

Employee severance pay provision: other information	Total 12/31/2024	Total 12/31/2023
Provisions for the year	**143**	**158**
- Current service cost	-	-
- Interest expense on defined benefit obligations	143	158
- Gains and losses on curtailments and settlements	-	-
- Past service cost	-	-
Actuarial gains (losses) recognised in revaluation reserves (OCI)	**(39)**	**332**
- Actuarial gains (losses) for the year	(28)	220
- Actuarial gains/losses on demographic assumptions	(27)	-
- Actuarial gains/losses on financial assumptions	16	112

As required by IAS 19 Revised, a sensitivity analysis was conducted aimed at identifying how the present value of the liability changes when the actuarial assumptions considered most significant are changed, while keeping the other actuarial assumptions constant. A change of -25 basis points in the discount rate would result in an increase in the liability of € 81 thousand (+1.85%), whereas an equivalent increase in the rate would result in a reduction of the liability of € 78 thousand (-1.79%). A change of -25 basis points in the inflation rate would result in a decrease in the liability of € 47 thousand (-1.09%), whereas an equivalent increase in the rate would result in an increase in the liability of € 48 thousand (+1.10%).

Section 10 - Provisions for risks and charges - Item 100

10.1 Provisions risk and charges: breakdown

(Amounts in € thousand)

Items/Components	Total 12/31/2024	Total 12/31/2023
1. Provisions for credit risk of commitments and financial guarantees given	56	226
2. Provisions for other commitments and other guarantees given	-	78
3. Provisions for retirement payments and similar obligations	-	-
4. Other provisions for risks and charges	166,015	138,862
4.1 legal and tax disputes	25,317	27,308
4.2 staff expenses	8,171	7,812
4.3 other	132,527	103,742
Total	**166,071**	**139,166**

Item 4.1 “legal and tax disputes” mainly includes provisions made to cover complaints and disputes for damage to customers arising from the unlawful behaviour of the Bank's personal financial advisors, provisions relating to pending disputes with personal financial advisors (generally employment-related) and other ongoing court and out-of-court litigation with customers, in relation to normal banking activities, and other parties for € 24,727 thousand (€ 23,817 thousand as at December 31st, 2023) and provisions for tax disputes (penalties and interest) for € 590 thousand (€ 3,491 thousand as at December 31st, 2023). In addition to the costs incurred by the Group in the event of an unfavourable conclusion of the dispute, this provision includes the estimate of the costs to be paid to legal advisors and any technical consultants and/or experts who assist the Group in ongoing disputes. This estimate was determined by the Group in relation to the ongoing litigation to the extent that it is believed that they will not be reimbursed by the counterparties, mainly on the basis of the Forensic Tariffs envisaged by current legislation. With reference to the provision for tax disputes, it should be noted that in 2024, an amount of approximately € 3,321 thousand was re-allocated to the income statement, which had been recognised for penalties and interest relating to a tax dispute for which the judgement in favour of the Bank has become final or has become res judicata.

Item 4.2 “staff expenses” includes, mainly, the provisions made for the variable remuneration to be paid to employees in subsequent years, which have an uncertain due date and/or amount.

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Item 4.3 “Other” includes the Supplementary customer indemnity provision, of € 118,460 thousand (€ 89,948 thousand as at December 31st, 2023), Contractual Indemnity Fund for € 238 thousand (€ 220 thousand as at December 31st, 2023) and other provisions made for risks related to the Group’s business and operations for € 13,829 thousand (€ 13,574 thousand as at December 31st, 2023), including, in particular, the obligations arising from the cost rebalancing agreement that the Parent Company signed with the other distributing banks as part of the operation aimed at protecting Cronos formerly Eurovita policyholders and the provisions made for training events for personal financial advisors.

10.2 Provisions for risks and charges: annual changes

(Amounts in € thousand)

	Provisions for other commitments and other guarantees given	Provisions for retirement payments and similar obligations	Other provisions for risks and charges	Total
A. Opening balance	**78**	**-**	**138,862**	**138,940**
B. Increases	**(78)**	**-**	**40,536**	**40,458**
B.1 Provisions for the year	(78)	-	13,905	13,827
B.2 Changes due to the passage of time	-	-	3,938	3,938
B.3 Changes due to variations in the discount rate	-	-	491	491
B.4 Other increases	-	-	22,202	22,202
C. Decreases	**-**	**-**	**(13,383)**	**(13,383)**
C.1 Amounts used in the year	-	-	(13,185)	(13,185)
C.2 Changes due to variations in the discount rate	-	-	(138)	(138)
C.3 Other decreases	-	-	(60)	(60)
D. Closing balance	**-**	**-**	**166,015**	**166,015**

Item B.1 Provisions for the year includes net provisions recognised in the income statement. Item C.1 Utilisation during the year includes only monetary utilisations.

Item B.4 Other increases mainly includes the increase in the Supplementary customer indemnity provision as a result of the actuarial valuation, carried out in accordance with IAS 19 Revised, recognised as an offsetting entry to the valuation reserves.

It should be noted that “Other changes” include transfers between claims and pending litigation, relating to legal and tax disputes recognised in “other provisions for risks and charges”, as shown in table 10.6 Provisions for risks and charges - other provisions.

10.3 Funds for credit risk related to release financial obligations and warranties

(Amounts in € thousand)

	Funds for credit risk related to financial obligation and warranties release				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired	Total
1. Loan commitments given	45	3	6	-	54
2. Financial guarantees given	2	-	-	-	2
Total	**47**	**3**	**6**	**-**	**56**

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10.4 Provisions on other commitments and other guarantees given

(Amounts in € thousand)

Items/Components	Total 12/31/2024	Total 12/31/2023
1. Other guarantees given	-	-
2. Other commitments	-	78
Total	**-**	**78**

10.5 Pensions and other post-retirement defined-benefit obligations

No data to report.

10.6 Provisions for risks and charges - other provisions

(Amounts in € thousand)

	Total 12/31/2024	Total 12/31/2023
Legal and fiscal disputes	**25,317**	**27,308**
- Pending cases	22,291	21,305
- Complaints	2,436	2,512
- Tax disputes	590	3,491
Staff expenses	**8,171**	**7,812**
Others	**132,527**	**103,742**
- Supplementary customer indemnity provision	118,460	89,948
- Provision for contractual payments	238	220
- Other provisions	13,829	13,574
Total provisions for risks and charges - other provisions	**166,015**	**138,862**

(Amounts in € thousand)

Provisions for risks and charges	Total 12/31/2023	Uses	Transfers and other changes	Actuarial gains (losses) IAS 19R *	Net provisions**	Total 12/31/2024
Legal and fiscal disputes	**27,307**	**(2,113)**	**-**	**-**	**123**	**25,317**
- Pending cases	21,304	(1,804)	60	-	2,731	22,291
- Complaints	2,512	(307)	(60)	-	291	2,436
- Tax disputes	3,491	(2)	-	-	(2,899)	590
Staff expenses	**7,812**	**(7,233)**	**-**	**-**	**7,592**	**8,171**
Others	**103,742**	**(3,839)**	**-**	**22,143**	**10,481**	**132,527**
- Supplementary customer indemnity provision	89,948	(1,826)	-	22,134	8,204	118,460
- Provision for contractual payments	220	-	-	9	9	238
- Other provisions	13,574	(2,013)	-	-	2,268	13,829
Total provisions for risks and charges - other provisions	**138,861**	**(13,185)**	**-**	**22,143**	**18,196**	**166,015**

* The item " IAS 19R actuarial gains (losses)" includes the actuarial gains (losses) recognised in the item "Revaluation reserves" in application of IAS 19R.
** The item "Net provisions" includes the costs recognised in their own income statement item to better reflect their nature (e.g. "Staff expenses", "Administrative costs" and "Interest expenses and similar charges").

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The following table shows the main actuarial assumptions used to measure the liability for the supplementary customer indemnity provision and the provision for contractual payments.

Description of the main actuarial assumptions	12/31/2024	12/31/2023
Discount rate	3.40%	3.45%
Rate salary increase	5.00%	4.50%

As required by IAS 19 Revised, a sensitivity analysis was conducted aimed at identifying how the present value of the liability changes when the actuarial assumptions considered most significant are changed, while keeping the other actuarial assumptions constant.

With reference to the supplementary customer indemnity provision, a change of -25 basis points in the discount rate would result in an increase in liabilities of € 2,766 thousand (+2.34%); an equivalent increase in the rate, on the other hand, would reduce the liability by € 2,662 thousand (-2.25%). A change of -25 basis points in the salary base would result in a reduction in the liability of € 829 thousand (-0.70%); an equivalent increase in the rate, on the other hand, would result in an increase in liabilities of € 851 thousand (+0.72%).

With reference to the provision for contractual payments, a change of -25 basis points in the discount rate would result in an increase in liabilities of € 3 thousand (+1.42%); an equivalent increase in the rate, on the other hand, would reduce the liability by € 3 thousand (-1.46%). A change of -/+25 basis points in the salary base would not entail any significant change in the liability.

In addition, for the other provisions recognised in the financial statements on the basis of IAS 37, where the effect of the time value of money is significant (generally when payment is to be made more than 18 months from recognition), the amount of the provision should be the present value of the best estimate of the cost required to settle the obligation. The discount rate used reflects the current market assessments. As at December 31st, 2024 an analysis was conducted to assess the impact on the provision on "Legal and fiscal disputes" and "Other provisions" (with the exception of the supplementary customer indemnity and contractual payment, for which the relating sensitivity analyses have been described above) is made of a variation of - 25 basis points in the discount rate would increase the liability by € 157 thousand (+0.10%); an equivalent increase in the rate, on the other hand, would decrease the liability by €155 thousand (-0.10%).

The **Provision for legal disputes** includes provisions made to cover complaints and disputes for damage to customers arising from the unlawful behaviour of the Bank's personal financial advisors, provisions relating to pending disputes with personal financial advisors (generally employment-related) and other ongoing court and out-of-court litigation with customers, in relation to normal banking activities, and other parties. In addition to the costs incurred by the Group in the event of an unfavourable conclusion of the dispute, this provision includes the estimate of the costs to be paid to legal advisors and any technical consultants and/or experts who assist the Group in ongoing disputes. This estimate was determined by the Group in relation to the ongoing litigation, mainly on the basis of the Forensic Tariffs envisaged by current legislation.

The **Provision for tax disputes** is allocated to cover tax demands received from the Italian Revenue Agency following tax audits carried out on the Bank over the years, in relation to which the Bank considers it has calculated the tax correctly and legitimately and has therefore submitted an appeal at various levels of proceedings. The above mentioned provision for risks and charges include the allocations for fines and interest for the additional tax being contested and requested by the Tax Authorities through tax bills or payment notices paid and for the estimated amount of legal expenses to be incurred in the various proceedings. For more details, see Part E – Information on risks and hedging policies – Section 1.5 – Operational risk – paragraph "Risks arising from tax disputes and audits" of these Notes to the consolidated accounts.

The **Provision for staff expenses** includes provisions made in relation to the variable remuneration to be paid to employees in subsequent years which have an uncertain due date and amount.

The **Supplementary customer indemnity provision** is accrued to cover the amount of severance indemnity to be paid to the personal financial advisor network pursuant to art. 1751 of the Italian Civil Code, in the event of termination of the contract for reasons not attributable to the advisor, such as, for example, when reaching retirement age. The amount of the obligation at the end of the period was assessed with the aid of an independent actuary, in accordance with the provisions of IAS 19.

The **Provision for contractual payments,** relating to a specific cluster of personal financial advisors, is constituted against a special indemnity that the Bank agrees to pay to personal financial advisors, who opted to transfer the rights and obligations arising from their contract with the Bank to third parties, where these advisors continue to keep an ethical and professional conduct with the Bank after termination of employment, with specific regard to the customer portfolio. The amount of the obligation at the end of the period relating to contractual payments was assessed with the aid of an independent actuary.

The **Other Provisions** are mainly allocated to cover the risks related to the business and operations of the Group, including, in particular, the obligations arising from the cost rebalancing agreement that the Parent Company signed with the other distributing banks as part of the operation aimed at protecting Cronos formerly Eurovita policyholders described above and the provisions for training events for personal financial advisors.

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Section 11 – Insurance liabilities – Item 110

No data to report.

Section 12 - Redeemable shares - Item 130

No data to report.

Section 13 - Group Shareholders' equity - Items 120, 130, 140, 150, 160, 170 and 180

13.1 "Share capital" and "Treasury shares": breakdown

As at December 31st, 2024, share capital came to € 201,630 thousand, comprising 610,999,427 ordinary shares with a par value of € 0.33 each.

The Board of Directors of FinecoBank on February 6th, 2024, considering the positive result of the verification of the minimum conditions of access at the Group level and the individual ones (behavior compliance and continuous employment), as well as the favourable opinion of the Remuneration Committee meeting on February 5th, 2024, approved the allocation of the share tranches scheduled for the financial year 2024 with reference to the 2018, 2019, 2020, 2021, 2022 incentive systems and the long-term incentive plans for the period 2018-2020 and for the period 2021-2023. A total of 367,792 ordinary FinecoBank shares were issued and a bonus share capital increase was carried out for a total amount of €121 thousand, effective as of March 28 th, 2024.

As a result of the aforementioned capital increases, the available profit reserve was reduced, and in particular, the reserve related to the medium-long term incentive scheme for FinecoBank's personnel, established with the Extraordinary Reserve, was used.

As at December 31st, 2024 the Group, in particular the parent company FinecoBank, held in the portfolio 81,200 FinecoBank ordinary shares, in order to execute the PFA incentive plans of the Bank, corresponding to 0.01% of the share capital, for an amount of €1,082 thousand. During 2024 n. 44,200 shares, for an amount of €572 thousand, were purchased in relation to the 2023 PFA Incentive System for personal financial advisors identified as "Identified staff " and n. 12,781, n. 19,004, n. 16,480, and n. 6,194 FinecoBank ordinary shares held in the portfolio were assigned free to personal financial advisors respectively in execution to the 2020, 2021 and 2022 PFA Incentive System and 2018-2020 Long Term Incentive Plan, held in portfolio for an amount of € 733 thousand.

(Amounts in € thousand)

	Total 12/31/2024	**Total 12/31/2023**
Share capital	201,630	201,508
Share premium reserve	1,934	1,934
Reserves	1,053,594	890,106
(Treasury shares)	(1,082)	(1,243)
Revaluation reserves	(19,049)	(6,730)
Equity instruments	500,000	500,000
Net Profit (Loss) for the year	652,285	609,101
Total	**2,389,312**	**2,194,676**

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13.2 Share capital - Number of shares of the Parent Company: annual changes

Items/Type	Ordinary	Others
A. Shares outstanding at the beginning of the year	**610,540,176**	**-**
- fully paid	610,631,635	-
- not fully paid	-	-
A.1 treasury shares (-)	(91,459)	-
A.2 Shares outstanding: Opening balance	**610,540,176**	**-**
B. Increases	**422,251**	**-**
B.1 New issues	367,792	-
- against payment:	-	-
- business combination	-	-
- bonds converted	-	-
- warrants exercised	-	-
- others	-	-
- free:	367,792	-
- to employees	367,792	-
- to directors	-	-
- others	-	-
B.2 Sales of treasury shares	-	-
B.3 Other changes	54,459	-
C. Decreases	**(44,200)**	**-**
C.1 Cancellation	-	-
C.2 Purchase of treasury shares	(44,200)	-
C.3 Business tranferred	-	-
C.4 Other changes	-	-
D. Shares outstanding: closing balance	**610,918,227**	**-**
D.1 Treasury shares (+)	81,200	-
D.2 Shares outstanding at the end of the year	610,999,427	-
- fully paid	610,999,427	-
- not fully paid	-	-

The item B.3 “Other changes” reports the shares allocated to the personal financial advisors as “Identified staff” under the stock granting plans 2020, 2021 and 2022 and 2018-2020 long term incentive plan.

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13.3 Share capital: other information

The shares are not subject to any right, privilege or constraint; there are no shares reserved for issue under option and sales contracts.

13.4 Reserves from allocation of profit from previous years: other information

The reserves from profits consist of the:

- Legal reserve, amounting to € 40,326 thousand;
- Reserve for treasury shares held, amounting to € 1,082 thousand;
- Consolidation reserve, amounting to € 39,290 thousand;
- Reserves of unavailable profits pursuant to article 6 paragraph 2 of Legislative Decree 38/2005, for an amount equal to € 2,675 thousand;
- On-distributable reserve pursuant to Article 26, Section 5-bis of Decree-Law No. 104 of 10 August 2023 for an amount equal to € 30,479 thousand;
- other reserves from profits, amounting to € 888,215 thousand, of which € 86,354 thousand subject to a taxability restriction in the event of distribution, allocated following the tax realignment of goodwill provided for by article 110 of Decree-Law 104 of 2020.

As previously mentioned in para. 13.1 “Share capital and Treasury shares: breakdown”, the Board of Directors of FinecoBank held on February 6th, 2024 approved execution of the incentive systems with a consequent increase in share capital, against with the reserves from profits have been reduced for an amount of € 121 thousand, in particular, the reserve related to the medium-long term incentive scheme for FinecoBank's personnel, set up with the available extraordinary reserve, was used. The extraordinary reserve was also used for the payment of costs directly attributable to the aforementioned capital increase operations, for an amount of € 7 thousand net of the related taxes.

As previously mentioned in para. 13.1 “Share capital and Treasury shares: breakdown”, during 2024 n. 44,200 shares, for an amount of € 572 thousand, were purchased in relation to the 2023 PFA Incentive System for personal financial advisors identified as “Identified staff ” and n. 12,781, n. 19,004, n. 16,480, and n. 6,194 FinecoBank ordinary shares held in the portfolio were assigned to personal financial advisors identified as “Identified staff” respectively in execution to the 2020, 2021 and 2022 incentive system and 2018-2020 long term incentive plan, for an amount of € 733 thousand. Consequently, the Reserve for treasury shares reduced by a total of € 161 thousand, with a simultaneous increase in the Extraordinary reserve.

The FinecoBank Shareholders' Meeting of April 24th, 2024 approved the allocation of profit for the year 2023 of FinecoBank S.p.A. amounting to € 604,498 thousand, as follows:

- to the 610,999,427 ordinary shares with a par value of € 0.33, constituting the share capital including 367,792 shares related to the capital increase to support the employee incentive system approved by the Board of Directors on February 6, 2024, a unit dividend of € 0.69 totaling € 421,590 thousand;
- € 24 thousand to the Legal reserve, corresponding to 0.004% of the profit for the year, having reached the limit of a fifth of the share capital;
- € 30,479 thousand to the on-distributable reserve pursuant to Article 26, Section 5-bis of Decree-Law No. 104 of 10 August 2023, corresponding to the amount of the extraordinary tax determined pursuant to the aforementioned decree;
- € 461 thousand to the reserve of unavailable pursuant to article 6 paragraph 2 of Legislative Decree 38/2005:
- € 151,944 thousand to the extraordinary reserves.

In addition, during 2024, the extraordinary reserve was reduced by an amount of:

- € 26,525 thousand, corresponding to coupons, net of related taxation, paid to holders of Additional Tier1 instruments issued by the Bank;
- € 609 thousand, corresponding to the loss, net of related taxation, recognised following the repurchase for an amount of € 168 million of the Additional Tier1 instrument issued in July 2019 for a total nominal value of €300 million;
- € 2,572 thousand, corresponding to the costs associated with the issuance and repurchase of Additional Tier1 instruments carried out during 2024;

and increased by the portion of dividends not distributed in respect of treasury shares held by the Bank at the record date, amounting to € 56 thousand.

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13.5 Equity instruments: breakdown and annual changes

As described in the consolidated interim report on operations, on March 4th, 2024 FinecoBank placed on the market an Additional Tier 1 instrument intended for institutional investors with a nominal value of € 500 million.

On March 11th, 2024, the offer to purchase the Additional Tier 1 instrument issued in July 2019 with a nominal value of € 300 million was concluded and the total nominal amount of capital instruments validly tendered in the offer was € 168 million.

On June 3rd, 2024, the Additional Tier1 private placement issued in January 2018 with a nominal value of € 200 million, fully subscribed by UniCredit S.p.A., was called.

Finally, on December 3rd, 2024, the full redemption option of the Additional Tier 1 instrument issued in July 2019 was exercised for the portion not repurchased in the offer concluded on March 11th 2024, amounting to € 132 million.

Consolidated book shareholders' equity as at 31 December 2024 therefore only includes the Additional Tier 1 capital instrument issued by FinecoBank on March 4th, 2024 with a nominal value of € 500 million. The capital instrument is a public placement, perpetual, traded on the regulated market managed by Euronext Dublin, rated BB- (S&P Global Ratings). The coupon for the first 5.5 years was set at 7.5%.

13.6 Other information

No data to report.

Section 14 – Minority interests – Item 190

14.1 Breakdown of Item 190 "Minority interests"

No data to report.

14.2 Equity instruments: breakdown and annual changes

No data to report.

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OTHER INFORMATION

Table “1. Commitments and financial guarantees issued” shows the commitments and guarantees subject to valuation in accordance with IFRS 9. Table “2. Other commitments and other guarantees given” shows the commitments and guarantees that are not subject to measurement according to this standard.

1. Commitments and financial guarantees issued

(Amounts in € thousand)

	Nominal value of commitments and financial guarantees given				Total 12/31/2024	Total 12/31/2023
	Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired financial assets		
1. Commitment to supply funds	**44,428**	**1,540**	**19**	**-**	**45,987**	**286,547**
a) Central Banks	-	-	-	-	-	-
b) Public Administration	-	-	-	-	-	-
c) Banks	-	-	-	-	-	-
d) Other financial companies	32,550	1	-	-	32,551	262,427
e) Non-financial companies	-	-	-	-	-	-
f) Families	11,878	1,539	19	-	13,436	24,120
2. Financial guarantees issued	**27,238**	**-**	**-**	**-**	**27,238**	**28,318**
a) Central Banks	-	-	-	-	-	-
b) Public Administration	-	-	-	-	-	-
c) Banks	17,170	-	-	-	17,170	17,170
d) Other financial companies	750	-	-	-	750	-
e) Non-financial companies	1,368	-	-	-	1,368	85
f) Families	7,950	-	-	-	7,950	11,063

Commitments to supply funds to Families mainly include the securities lending transactions guaranteed by sums of money that are within the lender’s full economic availability to be settled, while commitments to disburse funds to Other financial companies mainly include the undrawn portion of the loan granted to Cronos Vita Assicurazioni S.p.A..

Financial guarantees given to banks include banks include the guarantees issued in 2012 to the Italian Revenue Agency on request of UniCredit S.p.A., with indefinite duration, for a total amount of € 17,166 thousand (€ 17,166 thousand as at December 31st, 2023).

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2. Other commitments and other guarantees given

(Amounts in € thousand)

	Nominal amount Total 12/31/2024	Nominal amount Total 12/31/2023
1. Other guarantees given		
of which: impaired credit exposures	-	-
a) Central Banks	-	-
b) Governments	-	-
c) Banks	-	-
d) Other financial companies	-	-
e) Non-financial companies	-	-
f) Households	-	-
2. Other commitments	**2,279,263**	**2,354,551**
of which: impaired credit exposures	68	130
a) Central Banks	-	-
b) Governments	-	-
c) Banks	-	3,096
d) Other financial companies	16,040	21,459
e) Non-financial companies	3,395	2,191
f) Households	2,259,828	2,327,805

Other commitments refer to the margins available on revocable credit lines granted to customers and spot sales of securities to be settled in times established by market practices (“regular way”).

3. Assets given as collateral for own liabilities and commitments

(Amounts in € thousand)

Portfolios	Amounts 12/31/2024	Amounts 12/31/2023
1. Financial assets at fair value through profit and loss	-	-
2. Financial assets at fair value through other comprehensive income	-	-
3. Financial assets at amortized cost	3,378,468	2,987,910
4. Property, plant and equipment	-	-
of which: Property, plant and equipment material assets that constitute inventories	-	-

Assets given as collateral for own liabilities and commitments shown in the above table refer to:

- debt securities, in particular Sovereing bonds, pledged as collateral of repos with the obligation for the buyer to resell the assets covered by the transaction upon expiration of said transaction. The securities are given as collateral for the entire duration of the transaction;
- debt securities, in particular Sovereing bonds, pledged as collateral for bankers' drafts, as guarantee for transactions with the Cassa di Compensazione e Garanzia, to guarantee the operation in foreign markets and/or as guarantee for transactions in derivatives. Securities are used as collateral until the Group decides to stop the transactions for which the collateral or guarantees are granted;
- variation margins, initial margins and guarantee deposits, including the default fund, against transactions in derivative contracts and financial instruments;
- debt securities, mainly issued by Supranational institutions, given as collateral in securities lending transactions carried out with customers. The securities are given as collateral for the entire duration of the transaction.

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4. Breakdown of investments for unit-linked and index-linked policies

No data to report.

5. Asset management and trading on behalf of others

(Amounts in € thousand)

Type of service	Total 12/31/2024
1. Execution of orders for customers	**515,830,755**
Securities	**151,793,998**
a) purchases	82,756,856
1. settled	82,420,765
2. unsettled	336,091
b) sales	69,037,142
1. settled	68,766,099
2. unsettled	271,043
Derivative contracts	**364,036,757**
a) purchases	182,098,612
1. settled	181,926,396
2. unsettled	172,216
b) sales	181,938,145
1. settled	181,760,365
2. unsettled	177,780
2. Segregated accounts	**36,719,010**
a) individuals	-
b) collectives	36,719,010
3. Custody and administration of securities	
a) third party securities on deposits: relating to custodian bank activities (excluding segregated accounts)	-
1. securities issued by the bank preparing the accounts	-
2. other securities	-
b) third party securities held in deposits (excluding segregated accounts): other	41,113,599
1. securities issued by the bank preparing the accounts	7,120
2. other securities	41,106,479
c) third-party securities deposited with third parties	41,113,599
d) own securities deposited with third parties	23,664,187
4. Other transactions	**43,335,807**
Order receipt and transmission	43,335,807
a) purchases	21,830,276
b) sales	21,505,531

6. Financial assets subject to accounting offsetting or master netting agreements or similar agreements

(Amounts in € thousand)

Type		Gross amount of financial assets (a)	Amount of financial liabilities offset in the financial statements (B)	Net amount of financial assets shown in the financial statements (c=a-b)	Related amounts not recognised in balance sheet		Net amounts (f=c-d-e)	Net amount
					Financial instruments (d)	Cash deposit received as guarantee (e)	12/31/2024	12/31/2023
1. Derivatives		677,547	-	677,547	48,485	629,062	-	25,794
2. Reverse repos		2,667,899	2,662,798	5,101	5,101	-	-	-
3. Securities lending		292	-	292	292	-	-	-
4. Others		-	-	-	-	-	-	-
Total	**12/31/2024**	**3,345,738**	**2,662,798**	**682,940**	**53,878**	**629,062**	**-**	**X**
Total	**12/31/2023**	**3,214,079**	**2,313,830**	**900,249**	**63,660**	**810,795**	**X**	**25,794**

7. Financial liabilities subject to accounting offsetting or master netting agreements or similar agreements

(Amounts in € thousand)

Type		Gross amount of financial liabilities (a)	Amount of financial assets offset in the financial statements (b)	Net amount of financial liabilities shown in the financial statements (c=a-b)	Related amounts not subject to accounting offsetting		Net amount (f=c-d-e)	Net amount
					Financial instruments (d)	Cash deposit received as guarantee (e)	12/31/2024	12/31/2023
1. Derivatives		48,485	-	48,485	48,485	-	-	-
2. Reverse repos		2,662,798	2,662,798	-	-	-	-	-
3. Securities lending		237,581	-	237,581	225,982	-	11,599	1,989
4. Others		-	-	-	-	-	-	-
Total	**12/31/2024**	**2,948,864**	**2,662,798**	**286,066**	**274,467**	**-**	**11,599**	**X**
Total	**12/31/2023**	**2,452,032**	**2,313,830**	**138,202**	**133,206**	**3,007**	**X**	**1,989**

IFRS 7 requires specific disclosures to be made about financial instruments that have been offset in the balance sheet in accordance with IAS 32 or that are potentially eligible for offsetting, if certain conditions are met, but are disclosed in the balance sheet without offsetting because they are governed by master netting or similar agreements that do not meet all of the criteria set out in IAS 32, paragraph 42.

In this regard, it should be noted that FinecoBank enters into repurchase agreements on the Repo MTS market, governed by an agreement with Cassa Compensazione e Garanzia and the related Regulation for the centralised clearing of transactions, which meet the requirements of IAS 32, paragraph 42 for offsetting in the balance sheet. The effects of netting are reported under item 2. Reverse Repos.

With regard to instruments that can be potentially offset, upon the occurrence of certain events, FinecoBank uses bilateral netting agreements that allow, in the event of counterparty default, the offsetting of credit and debit positions relating to financial derivatives and SFT (Securities Financing

Part B - Consolidated Balance Sheet

Transactions). In particular, there are ISDA Master Agreements (promoted by the International Swaps and Derivatives Association for derivative transactions), GMRA (Global Master Repurchase Agreement for repurchase agreements) and GMSLA (Global Master Securities Lending Agreement for securities lending transactions). It should also be noted that the derivative contracts included in item 1. Derivatives are subject to clearing with a Central Counterparty and cash collateral is exchanged.

8. Securities lending transactions

The Group, in particular the Parent Company, conducts securities lending transactions on a continuous and systematic basis, with the objective of satisfying the requests of its customers, of institutional counterparties and obtaining a profit. The Bank operates either as a borrower, borrowing securities from its customers, or as a lender, using the borrowed securities for cash-secured securities lending transactions with retail and institutional customers interested in temporary ownership of securities or lending proprietary securities, without collateral or with collateral represented by other securities, to institutional customers interested in temporary ownership.

Against securities lending transactions guaranteed by other securities carried out by the Bank as a borrower with retail customers (“remunerated Portfolio”), the Bank issued as collateral debt securities, recorded in “Financial asset at amortised cost”, held in a dedicated dossier at the custodian bank for an amount higher than that of the securities borrowed by the customers, with the aim of providing a collective guarantee. The nominal value of the underlying securities received on a loan and not recognised as assets in the accounts totalled € 103,524 thousand, for a fair value of € 292,475 thousand, as detailed in the table below. Securities borrowed under securities lending transactions secured by sums of money at the lender's full disposal, which are equivalent to repurchase agreements on securities, whose sums of money are recognised in Financial assets measured at amortised cost, are excluded.

With reference to the securities lending activity carried out by the Bank as lender, the carrying amount of own securities recognised in Financial assets at amortised cost and delivered in securities lending transactions without collateral or with collateral represented by other securities is € 1,834,510 thousand.

(Amounts in € thousand)

Securities received on loan from:	Type of securities - Nominal value as at 31 December 2024		
	Sold	Sold in repos	Other purposes
Banks			
Financial companies		329	
Insurance companies			
Non-financial companies		1,158	
Other entities	625	92,434	8,978
Total nominal value	**625**	**93,921**	**8,978**

(Amounts in € thousand)

Securities received on loan from:	Type of securities - Fair value as at 31 December 2024		
	Sold	Sold in repos	Other purposes
Banks			
Financial companies	2	1,795	125
Insurance companies			
Non-financial companies		5,781	58
Other entities	1,020	262,447	21,247
Total fair value	**1,022**	**270,023**	**21,430**

9. Disclosure on joint control activities

No data to report

Part C - Consolidated Income Statement

Section 1 - Interest - Items 10 and 20

1.1 Interest income and similar revenues: breakdown

(Amounts in € thousand)

Items/Technical forms	Debt securities	Loans	Other operations	Total 2024	Total 2023
1. Financial assets at fair value though profit and loss:	**3**	**-**	**-**	**3**	**5**
1.1 Financial assets held for trading	-	-	-	-	-
1.2 Financial assets designated at fair value	-	-	-	-	-
1.3 Other financial assets mandatorily at fair value	3	-	-	3	5
2. Financial assets at fair value through other comprehensive income	**4,796**	**-**	**X**	**4,796**	**252**
3. Financial assets at amortised cost:	**256,355**	**206,757**	**X**	**463,112**	**484,201**
3.1 Loans and receivables to banks	18,973	4,561	X	23,534	70,905
3.2 Loans and receivables to customers	237,382	202,196	X	439,578	413,296
4. Hedging derivatives	**X**	**X**	**226,048**	**226,048**	**211,861**
5. Other assets	**X**	**X**	**136,004**	**136,004**	**81,912**
6. Financial liabilities	**X**	**X**	**X**	**86**	**170**
Total	**261,154**	**206,757**	**362,052**	**830,049**	**778,401**
of which: income interests on impaired financial assets	-	294	-	294	235
of which: interest income on financial lease	X	-	X	-	-

1.2 Interest income and similar revenues: other information

1.2.1 Interest income from financial assets denominated in currency

(Amounts in € thousand)

Items/Type	Total 2024	Total 2023
Interest income on foreign currency financial assets	43,867	37,273

Part C - Consolidated Income Statement

1.3 Interest expenses and similar charges: breakdown

(Amounts in € thousand)

Items/Technical forms	Debts	Securities	Other operations	Total 2024	Total 2023
1. Financial liabilities at amortized cost	(102,944)	(17,338)	X	(120,282)	(93,386)
1.1 Deposits from central banks	-	X	X	-	-
1.2 Deposits from banks	(37,689)	X	X	(37,689)	(42,742)
1.3 Deposits from customers	(65,255)	X	X	(65,255)	(35,456)
1.4 Debt securities in issue	X	(17,338)	X	(17,338)	(15,188)
2. Financial liabilities held for trading	-	-	-	-	-
3. Financial liabilities designated at fair value	-	-	-	-	-
4. Other liabilities and provisions	X	X	(1)	(1)	-
5. Hedging derivatives	X	X	-	-	-
6. Financial assets	X	X	X	(1,048)	(1,227)
Total	**(102,944)**	**(17,338)**	**(1)**	**(121,331)**	**(94,613)**
of which: interest expenses on lease liabilities	(1,621)	X	X	(1,621)	(1,401)

1.4 Interest expenses and similar charges: other information

1.4.1 Interest expenses on liabilities denominated in currency

(Amounts in € thousand)

Items/Type	Total 2024	Total 2023
Interest expense on liabilities denominated in currency	(20,063)	(17,168)

1.5 Hedging differential

(Amounts in € thousand)

Items	Total 2024	Total 2023
A. Positive hedging differentials	440,876	441,935
B. Negative hedging differentials	(214,828)	(230,074)
C. Balance (A-B)	**226,048**	**211,861**

Part C - Consolidated Income Statement

Section 2 – Fee and commission income and expense - Items 40 and 50

2.1 Fee and commission income: breakdown

(Amounts in € thousand)

Type of service/Values	Total 2024	Total 2023
a) Financial instruments	151,089	131,115
1. Securities placement	18,018	13,952
1.1 Under firm assumption and/or on the basis of an irrevocable commitment	-	-
1.2 Without firm commitment	18,018	13,952
2. Receipt and transmission of orders and execution for customers	100,939	90,081
2.1 Receipt and transmission of orders for one or more financial instruments	20,584	24,391
2.2 Execution of orders on behalf of customers	80,355	65,690
3. Other fees connected with activities related to financial instruments	32,132	27,082
of which: trading on own account	32,132	27,082
of which: management of individual portfolios	-	-
b) Corporate Finance	-	-
1. Merger and Acquisition Advice	-	-
2. Treasury services	-	-
3. Other fees associated with corporate finance services	-	-
c) Investment advisory activities	90,911	75,054
d) Clearing and settlement	-	-
e) Collective Portfolio Management	389,732	346,143
f) Custody and administration	1,263	1,391
1. Custodian bank	-	-
2. Other fees related to custody and administration	1,263	1,391
g) Central administrative services for collective portfolio management	-	-
h) Trust business	1	-
i) Payment services	84,248	84,193
1. Current accounts	13,586	17,703
2. Credit cards	37,578	37,243
3. Debit and other payment cards	19,597	17,536
4. Wire transfers and other payment orders	13,487	11,711
5. Other fees related to payment services	-	-
j) Distribution of third party services	301,700	291,338
1. Collective portfolio management	185,257	172,739
2. Insurance products	109,905	112,394
3. Other products	6,538	6,205
of which: individual portfolio management	4,247	3,745
k) Structured Finance	-	-
l) Servicing for securitization transactions	-	-
m) Commitments to disburse funds	-	-
n) Financial guarantees issued	64	103
of which: credit derivatives	-	-
o) Financing operations	352	342
of which: for factoring transactions	-	-
p) Currency trading	-	-
q) Goods	-	-
r) Other commission income	1,074	1,130
of which: for management activities of multilateral trading systems	-	-
of which: for management activities of organized trading systems	-	-
s) Securities lending transactions	9,104	9,538
Total	**1,029,538**	**940,347**

Part C - Consolidated Income Statement

The amount of fees and commissions recognized in 2024 that was included in the contract liability balance at the beginning of the year is equal to € 1,562 thousand (€ 1,516 thousand in 2023).

Lastly, it should be noted that item j) "Distribution of third-party services 1. Collective portfolio management" also includes the maintenance commissions for UCIT units equal to € 172,483 thousand (€ 162,896 thousand in 2023).

2.2 Fee and commission expenses: breakdown

(Amounts in € thousand)

Services/Amounts	Total 2024	Total 2023
a) Financial instruments	(13,294)	(10,853)
of which: trading of financial instruments	(13,294)	(10,853)
of which: placement of financial instruments	-	-
of which: management of individual portfolios	-	-
- Own	-	-
- Delegated to third parties	-	-
b) Clearing and settlement	(6,679)	(5,619)
c) Management of collective portfolios	(33,417)	(31,860)
1. Own	-	-
2. Delegated to third parties	(33,417)	(31,860)
d) Custody and administration	(5,474)	(4,594)
e) Payment and collection services	(31,330)	(27,431)
of which: credit cards, debit cards and other payment cards	(22,516)	(19,443)
f) Servicing activities for securitization transactions	-	-
g) Commitments to receive funds	-	-
h) Financial guarantees received	-	-
of which: credit derivatives	-	-
i) Off-site offering of financial instruments, products and services	(402,234)	(367,210)
j) Currency trading	-	-
k) Other commission expenses	(9,735)	(1,991)
l) Securities lending transactions	(2,047)	(1,173)
Total	**(504,210)**	**(450,731)**

Item "i) Off-site offering of financial instruments, products and services", includes costs incurred in relation to Equity Settled plans assigned to personal financial advisors, that are recorded against the item 150. "Reserves" of the net equity for an amount of € 799 thousand (€ 553 thousand in 2023).

Part C - Consolidated Income Statement

Section 3 – Dividend income and similar revenue – Item 70

3.1 Dividend income and similar revenues: breakdown

(Amounts in € thousand)

Items/Income	Total 2024		Total 2023	
	Dividends	Similar revenues	Dividends	Similar revenues
A. Financial assets held for trading	144	1	176	2
B. Other financial assets mandatorily at fair value	35	-	48	-
C. Financial assets at fair value through other comprehensive income	-	-	-	-
D. Equity investments	-	-	-	-
Total	**179**	**1**	**224**	**2**

Section 4 – Gains (losses) on financial assets and liabilities held for trading – Item 80

4.1 Gains (losses) on financial assets and liabilities held for trading: breakdown

2024

(Amounts in € thousand)

Transactions/Income items	Unrealised gain (A)	Realized gains (B)	Unrealized losses (C)	Realized losses (D)	Net profit (loss) [(A+B) - (C+D)]
1. Financial assets held for trading	**155**	**51,428**	**(602)**	**(36,651)**	**14,330**
1.1 Debt securities	-	3,325	-	(3,347)	(22)
1.2 Equity instruments	155	47,372	(602)	(32,710)	14,215
1.3 UCITS units	-	731	-	(594)	137
1.4 Loans	-	-	-	-	-
1.5 Others	-	-	-	-	-
2. Financial liabilities held for trading	**25**	**1,420**	**(11)**	**(2,103)**	**(669)**
2.1 Debt securities	-	-	-	-	-
2.2 Payables	-	-	-	-	-
2.3 Others	25	1,420	(11)	(2,103)	(669)
3. Financial assets and liabilities: exchange differences	**X**	**X**	**X**	**X**	**25,821**
4. Derivatives	**8,432**	**224,235**	**(7,178)**	**(189,713)**	**40,127**
4.1 Financial derivatives:	8,432	224,235	(7,178)	(189,713)	40,127
- On debt securities and interest rates	274	2,000	(232)	(2,016)	26
- On equity securities and share indices	7,600	194,077	(6,836)	(164,831)	30,010
- On currency and gold	**X**	**X**	**X**	**X**	4,351
- Others	558	28,158	(110)	(22,866)	5,740
4.2 Credit derivatives	-	-	-	-	-
of which: natural hedges related to the fair value option	**X**	**X**	**X**	**X**	-
Total	**8,612**	**277,083**	**(7,791)**	**(228,467)**	**79,609**

Part C - Consolidated Income Statement

2023

(Amounts in € thousand)

Transactions/Income items	Unrealised gain (A)	Realized gains (B)	Unrealized losses (C)	Realized losses (D)	Net profit (loss) [(A+B) - (C+D)]
1. Financial assets held for trading	**202**	**38,939**	**(100)**	**(25,287)**	**13,754**
1.1 Debt securities	-	2,322	-	(1,984)	338
1.2 Equity instruments	202	36,017	(100)	(22,790)	13,329
1.3 UCITS units	-	600	-	(513)	87
1.4 Loans	-	-	-	-	-
1.5 Others	-	-	-	-	-
2. Financial liabilities held for trading	**8**	**874**	**(40)**	**(1,125)**	**(283)**
2.1 Debt securities	-	-	-	-	-
2.2 Payables	-	-	-	-	-
2.3 Others	8	874	(40)	(1,125)	(283)
3. Financial assets and liabilities: exchange differences	**X**	**X**	**X**	**X**	**18,449**
4. Derivatives	**7,446**	**187,296**	**(8,235)**	**(157,872)**	**34,353**
4.1 Financial derivatives:	7,446	187,296	(8,235)	(157,872)	34,353
- On debt securities and interest rates	144	2,190	(171)	(2,009)	154
- On equity securities and share indices	7,198	162,597	(7,977)	(138,480)	23,338
- On currency and gold	**X**	**X**	**X**	**X**	5,718
- Others	104	22,509	(87)	(17,383)	5,143
4.2 Credit derivatives	-	-	-	-	-
of which: natural hedges related to the fair value option	**X**	**X**	**X**	**X**	-
Total	**7,656**	**227,109**	**(8,375)**	**(184,284)**	**66,273**

Part C - Consolidated Income Statement

Section 5 – Fair value adjustments in hedge accounting – Item 90

5.1 Fair value adjustments in hedge accounting: breakdown

(Amounts in € thousand)

Income items/Amounts	Total 2024	Total 2023
A. Gains on:		
A.1 Fair value hedging instruments	31,078	35,933
A.2 Hedged asset items (in fair value hedge relationship)	202,942	500,998
A.3 Hedged liability items (in fair value hedge relationship)	68	141
A.4 Cash-flow hedging derivatives	-	-
A.5 Assets and liabilities denominated in currency	-	-
Total gains on hedging activities (A)	**234,088**	**537,072**
B. Losses on:		
B.1 Fair value hedging instruments	(205,173)	(508,426)
B.2 Financial assets items (in fair value hedge relationship)	(2,917)	-
B.3 Hedged liability items (in fair value hedge relationship)	(28,180)	(35,797)
B.4 Cash-flow hedging derivatives	-	-
B.5 Assets and liabilities denominated in currency	-	-
Total losses on hedging activities (B)	**(236,270)**	**(544,223)**
C. Fair value adjustments in hedge accounting (A-B)	**(2,182)**	**(7,151)**
of which: net profit (loss) on net position	-	-

Section 6 – Gains (Losses) on disposals/repurchases – Item 100

6.1 Gains (Losses) on disposals/repurchases: breakdown

(Amounts in € thousand)

Items/Income items	Total 2024			Total 2023		
	Gain	Losses	Net profit (loss)	Gain	Losses	Net profit (loss)
Financial assets						
1. Financial assets at amortized cost	7,896	(7,188)	708	33,204	(32,996)	208
1.1 Loans and receivables to banks	-	(4,571)	(4,571)	-	(287)	(287)
1.2 Loans and receivables to customers	7,896	(2,617)	5,279	33,204	(32,709)	495
2. Financial assets at fair value through other comprehensive income	-	-	-	-	-	-
2.1 Debt securities	-	-	-	-	-	-
2.2 Loans	-	-	-	-	-	-
Total assets (A)	**7,896**	**(7,188)**	**708**	**33,204**	**(32,996)**	**208**
Financial liabilities valued at amortized cost	-	-	-	-	-	-
1. Deposits from banks	-	-	-	-	-	-
2. Deposits from customers	-	-	-	-	-	-
3. Debt securities in issue	-	-	-	-	-	-
Total liabilities (B)	**-**	**-**	**-**	**-**	**-**	**-**

It should be noted that the economic effects arising from sales of financial assets at amortised costs, recognised in item 100. “Gains (losses) on disposals/repurchases of: a) financial assets at amortised cost”, took place in accordance with IFRS 9 and in application of the rules defined for the HTC business model.

Part C - Consolidated Income Statement

Section 7 – Gains (losses) on financial assets and liabilities measured at fair value through profit and loss – Item 110

7.1 Gain (losses) on financial assets and liabilities measured at fair value through profit and loss: breakdown of financial assets and liabilities designated at fair value

No data to report.

7.2 Gain (losses) on financial assets and liabilities measured at fair value through profit and loss: breakdown of other financial assets mandatorily at fair value

2024

(Amounts in € thousand)

Transactions/Income items	Unrealized gain (A)	Realized gain (B)	Unrealized losses (C)	Realized losses (D)	Net Profit (loss) (A+B)-(C+D)
1. Financial assets	**2,266**	**407**	**(1,472)**	**-**	**1,201**
1.1 Debt securities	-	1	(1)	-	-
1.2 Equity securities	2,136	367	(1,447)	-	1,056
1.3 UCITS units	130	39	(24)	-	145
1.4 Loans	-	-	-	-	-
2. Financial assets: exchange differences	**X**	**X**	**X**	**X**	**237**
Total	**2,266**	**407**	**(1,472)**	**-**	**1,438**

2023

(Amounts in € thousand)

Transactions/Income items	Unrealized gain (A)	Realized gain (B)	Unrealized losses (C)	Realized losses (D)	Net Profit (loss) (A+B)-(C+D)
1. Financial assets	**1,274**	**2**	**(40)**	**(8)**	**1,228**
1.1 Debt securities	1	1	-	(2)	-
1.2 Equity securities	1,187	-	(7)	(2)	1,178
1.3 UCITS units	86	1	(33)	(4)	50
1.4 Loans	-	-	-	-	-
2. Financial assets: exchange differences	**X**	**X**	**X**	**X**	**(174)**
Total	**1,274**	**2**	**(40)**	**(8)**	**1,054**

Part C - Consolidated Income Statement

Section 8 – Impairment losses/writebacks - Item 130

8.1 Net impairment for credit risk related to financial assets at amortized cost: breakdown

(Amounts in € thousand)

Transactions/Income	Adjustments (1)						Write-backs (2)				Total 2024	Total 2023
	Stage 1	Stage 2	Stage 3		Purchased or originated credit-impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired		
			Write-off	Others	Write-off	Others						
A. Loans and receivables to banks	**(160)**	**-**	**-**	**-**	**-**	**-**	**206**		**-**	**-**	**46**	**10**
- Loans	(107)	-	-	-	-	-	124	-	-	-	17	(24)
- Debt securities	(53)	-	-	-	-	-	82	-	-	-	29	34
B. Loans and receivables to customers	**(1,944)**	**(925)**	**(138)**	**(6,336)**	**-**	**-**	**5,955**	**1,228**	**1,575**	**-**	**(585)**	**(3,108)**
- Loans	(1,236)	(925)	(138)	(6,336)	-	-	3,480	1,228	1,575	-	(2,352)	(3,345)
- Debt securities	(708)	-	-	-	-	-	2,475	-	-	-	1,767	237
Total	**(2,104)**	**(925)**	**(138)**	**(6,336)**	**-**	**-**	**6,161**	**1,228**	**1,575**	**-**	**(539)**	**(3,098)**

The table above conventionally shows the net impairment for credit risk in respect of on-demand deposits to banks and central banks recognised in the item “Cash and cash balances”, as stated in Circular 262 “Bank financial statements: formats and compilation rules”.

8.2 Net impairment for credit risk related to financial assets at fair value through other comprehensive income

(Amounts in € thousand)

Transactions/Income	Adjustments (1)						Write - backs (2)				Total 2024	Total 2023
	Stage 1	Stage 2	Stage 3		Purchased or originated credit-impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired		
			Write-off	Others	Write-off	Other						
A. Debt Securities	(28)	-	-	-	-	-	-	-	-	-	(28)	-
B. Loans	-	-	-	-	-	-	-	-	-	-	-	-
- To clients	-	-	-	-	-	-	-	-	-	-	-	-
- To banks	-	-	-	-	-	-	-	-	-	-	-	-
Total	**(28)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(28)**	**-**

Part C - Consolidated Income Statement

Section 9 – Profit/loss from contract changes without cancellation – Item 140

9.1 Profit (loss) from contract changes: breakdown

(Amounts in € thousand)

Items/Income items	Total 2024			Total 2023		
	Gain	Losses	Net profit (loss)	Gain	Losses	Net profit (loss)
1. Financial assets valued at amortized cost	1	(2)	(1)	3	(1)	2
1.1 Receivables from banks	-	-	-	-	-	-
1.2 Receivables from customers	1	(2)	(1)	3	(1)	2
2. Financial assets valued at fair value through other comprehensive income	-	-	-	-	-	-
Total	**1**	**(2)**	**(1)**	**3**	**(1)**	**2**

Section 10 – Insurance services result – Item 160

No data to report.

Section 11 – Insurance finance income and expenses – Item 170

No data to report.

Part C - Consolidated Income Statement

Section 12 – Administrative expenses – Item 190

12.1 Staff expenses: breakdown

(Amounts in € thousand)

Type of expenses/Sectors	Total 2024	Total 2023
1) Employees	(135,251)	(124,348)
a) wages and salaries	(91,863)	(84,810)
b) social security contributions	(20,785)	(20,556)
c) pension costs	(886)	(785)
d) severance pay	-	-
e) allocation to employee severance pay provision	(164)	(179)
f) provision for retirements and similar provisions:	-	-
- defined contribution	-	-
- defined benefit	-	-
g) payments to external pension funds:	(6,972)	(6,046)
- defined contribution	(6,972)	(6,046)
- defined benefit	-	-
h) costs related to share-based payments	(5,770)	(4,780)
i) other employee benefits	(8,824)	(7,206)
j) recovery of expenses for employees seconded	13	14
2) Other staffs	-	-
3) Directors and statutory auditors	(2,596)	(2,519)
4) Early retirement costs	-	-
Total	**(137,847)**	**(126,867)**

Item "1 h) Employees: costs related to share-based payments" includes costs incurred by the Group in relation to payment agreements based on financial instruments issued by the Bank, that are recorded against the item 150. "Reserves" of the net equity for an amount of € 5,770 thousand (€ 4,780 thousand in 2023).

Part C - Consolidated Income Statement

12.2 Average number of employees by category

	Data as at	
	2024	2023
Employees	**1,427**	**1,306**
(a) executives	46	44
(b) managers	513	480
(c) remaining employees	868	782
Other personnel	**16**	**16**

12.3 Pensions and other post-retirement defined-benefit obligations costs and revenues

No data to report.

12.4 Other employee benefits

(Amounts in € thousand)

Type of expense/Amounts	Total 2024	Total 2023
Leaving incentives	(100)	720
Medical plan	(1,709)	(1,657)
Luncheon vouchers	(1,781)	(1,550)
Training expenses	(675)	(571)
Other	(4,559)	(4,147)
Total	**(8,824)**	**(7,205)**

The item “Other” mainly includes the cash component of benefits relating to employee incentive plans, for a total amount of € 3,514 thousands.

Part C - Consolidated Income Statement

12.5 Other administrative expenses: breakdown

(Amounts in € thousand)

Type of expense/Amounts	Total 2024	Total 2023
1) INDIRECT TAXES AND DUTIES	**(209,709)**	**(171,026)**
2) MISCELLANEOUS COSTS AND EXPENSES		
A) Advertising expenses - Marketing and communication	**(42,969)**	**(29,780)**
Mass media communications	(28,368)	(20,931)
Marketing and promotions	(8,325)	(7,186)
Sponsorships	(1,931)	(427)
Conventions and internal communications	(4,345)	(1,236)
B) Expenses related to credit risk	**(1,491)**	**(1,612)**
Credit recovery expenses	(201)	(419)
Commercial information and company searches	(1,290)	(1,193)
C) Expenses related to personnel and to personal financial advisors	**(5,925)**	**(4,665)**
Other staff expenses	(1,856)	(1,582)
Personal financial advisor expenses	(4,069)	(3,083)
D) ICT expenses	**(61,916)**	**(57,556)**
Lease of ICT equipment and software	(1,856)	(1,794)
Software expenses: lease and maintenance	(16,433)	(15,249)
ICT communication systems, messaging and phone expenses	(7,137)	(6,285)
Consultancy and ICT services provided by third parties	(19,114)	(16,447)
Financial information providers	(17,376)	(17,781)
E) Consultancies and professional services	**(6,972)**	**(5,390)**
Consultancies and professional services	(5,067)	(4,280)
Legal expenses and disputes	(1,112)	(515)
Auditing company expenses	(793)	(595)
F) Furniture, machinery and equipment expenses and Real estate expenses	**(6,268)**	**(5,954)**
Repair and maintenance of furniture, machinery, and equipment	(494)	(537)
Maintenance and cleaning of premises	(1,925)	(1,618)
Premises rentals	(738)	(761)
Utilities and condominium expenses	(3,111)	(3,038)
G) Other functioning costs	**(33,498)**	**(30,341)**
Postage and transport of documents	(3,811)	(3,546)
Administrative, logistic and call center services	(18,810)	(16,258)
Insurance	(4,240)	(3,990)
Association dues and fees	(4,599)	(4,145)
Other administrative expenses	(2,038)	(2,402)
H) Contributions to Resolution Funds, Deposit Guarantee Schemes (DGS) and Life Insurance Guarantee Fund	**(36,592)**	**(41,610)**
Total	**(405,340)**	**(347,934)**

Item “H) Contributions to Resolution Funds, Deposit Guarantee Schemes (DGS) and Life Insurance Guarantee Fund” includes the contributions due for the year 2024 referring to the Italian Deposit Guarantee Scheme (Fondo Interbancario di Tutela dei Depositi), in the amount of € 35,343 thousand and to Life Insurance Fund in the amount of € 1,249 thousand. Also recognised in 2023 was the ordinary contribution paid to the Single Resolution Fund, in the amount of € 6,581 thousand, which was not required for the financial year 2024.

Part C - Consolidated Income Statement

Contributions to the Deposit Guarantee Fund, the Resolution Fund and the Life Insurance Guarantee Fund

Directive 2014/49/EU of April 16th, 2014 on Deposit Guarantee Schemes (DGS) aims to enhance the protection of depositors by harmonising national legislation. It calls for a mandatory national contribution mechanism that will allow a target level of 0.8% of the amount of its members' covered depositsto be collected by July 3rd, 2024. Where the financing capacity falls short of the target level, the payment of contributions shall resume at least until the target level is reached again. If, after the target level has been reached for the first time, the available financial means have been reduced to less than two-thirds of the target level, the regular contribution shall be set at a level allowing the target level to be reached within six years. The contribution mechanism involves ordinary annual contribution instalments, with the aim of distributing the costs evenly over time for the contributing banks, in addition to extraordinary contributions, if the available financial resources of a DGS are insufficient to repay depositors; the extraordinary contributions cannot exceed 0.5% of covered deposits per calendar year, but in exceptional cases and with the consent of the competent authority, the DGS may demand even higher contributions

With European Directive 2014/59/EU, the Regulation on the Single Resolution Mechanism ("BRRD Directive" Regulation (EU) No. 806/2014 of the European Parliament and of the Council dated July 15th, 2014) established a framework for the recovery and resolution of crises in credit institutions, by setting up a single resolution committee and resolution fund for banks (Single Resolution Fund or SRF). The Directive entails a compulsory contribution mechanism allowing the collection by December 31st, 2023 of the target level of resources, corresponding to 1% of the covered deposits of all authorised institutions in the European territory. The accumulation period can be extended by a further four years if the cumulative disbursements from the contribution schemes have exceeded 0.5% of protected deposits. If, after the accumulation period, the available funds fall below the target level, the collection of contributions resumes until said level is reinstated. Additionally, having reached the target level for the first time and, in the event that the available funds fall to less than two thirds of the target level, these contributions are set at the level which allows the target level to be reached within six years. The contribution mechanism provides for ordinary annual contributions, with the aim of distributing the costs evenly over time for the contributing banks, and extraordinary additional contributions of up to three times the standard annual amount when the available funds are not sufficient to cover the losses and costs of interventions.

Both Directives No. 49 and No. 59 allow for the possibility of introducing irrevocable payment commitments as an alternative form of collection to nonreimbursable cash contributions, up to a maximum of 30% of the total target resources, an option that the Bank has not used.

By Law No 213 of 30 December 2023, Article 1, paragraph 113, in Title XVI of the Private Insurance Code, pursuant to Legislative Decree No 209 of 7 September 2005, 'Chapter VI-bis' was inserted, establishing the 'Life Insurance Guarantee Fund'. The General Meeting establishing the Life Insurance Guarantee Fund was held on 13 December 2024. Article 274-quater, paragraph 1, of the aforementioned decree provides that the Life Insurance Guarantee Fund shall have a financial endowment proportionate to its liabilities and in any case equal to at least 0.4 per cent of the amount of the technical reserves of the life classes (i.e. Class C and Class D life insurance policies) - calculated in accordance with the Solvency II prudential rules (sum of best estimate and risk margin), or in accordance with a solvency regime deemed equivalent under European Union law - held by the member undertakings as at 31 December of the previous year. Paragraph 2 of the same article stipulates, inter alia, that in the first phase of application, the above-mentioned target level shall be reached, in a gradual manner, as of 1 January 2024 and by 31 December 2035. The deadline may be further extended, up to a maximum of two years, by decree of the Ministry of Economy and Finance. Article 274-quinquies(1) of the Decree provides that the aforementioned financial endowment is established by ordinary contributions paid at least annually in the amount determined by the Life Insurance Guarantee Fund and communicated to the members from year to year. The members (cf. Article 274-bis) consist of the member insurance undertakings and the member intermediaries, which include (cf. Article 109 paragraph 2 letter d) of the aforementioned decree) the banks authorised under Article 14 of the Consolidated Banking Act. Upon first application, the contributions due by the intermediaries referred to in Article 109 paragraph 2 letter d) are equal to 0.1 per thousand of the amount of the intermediated life technical provisions. If the financial endowment of the Life Insurance Guarantee Fund is insufficient to meet the payment of protected benefits, it shall ask members to supplement it by extraordinary contributions not exceeding 0.5 per cent of the technical provisions for life classes for member undertakings and not exceeding 0.5 per thousand of the same technical provisions for member intermediaries.

Contributions may take the form of irrevocable commitments to pay and be due in the cases envisaged by the by-laws of the Life Insurance Guarantee Fund if so authorised by the Fund and in the amount determined by the Fund, but not exceeding

- 50 per cent of the total amount of the Fund's endowment until the endowment is less than 75 per cent of the target level referred to in Article 274-quater (1);
- 60 per cent once an endowment equal to 75 per cent of the target level referred to in Article 274-quater, paragraph 1 has been reached.

All contributions to the aforementioned funds are accounted for in accordance with IFRIC21 "Levies" Accordingly, they are recognised in the income statement at the point in time when the obligating event occurs that generates the obligation, which is identified by legislation and from which the payment of the contribution arises.

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Part C - Consolidated Income Statement

Below is the information required by IFRS 16 regarding the costs recognized in Other administrative expenses relating to short-term leasing, the costs relating to low value assets leasing and the costs for variable payments due for the leasing not included in the valuation of the leasing liabilities.

(Amounts in € thousand)

Type of expense/Amounts	Total 2024
Expenses relating to short-term leases ("Short term lease")	(561)
Expenses relating to leases of low-value assets ("Low value assets")	(5)
Expenses relating to variable lease payments not included in the measurement of lease liabilities	-
Total	**(566)**

It should also be noted that the VAT on rental related to the contracts included in the scope of IFRS 16 was also included in the Other administrative expenses, as it is not included in the assessment of the leasing liability.

Section 13 – Net provisions for risks and charges – Item 200

13.1 Net provisions for risks and charges relating to commitments and financial guarantees given: breakdown

(Amounts in € thousand)

Transactions/Income items	Impairment		Write-backs		Total	Total
	Stage 1 and Stage 2	Stage 3	Stage 1 and Stage 2	Stage 3	2024	2023
1. Commitments	(38)	(6)	176	35	167	(191)
2. Financial guarantees given	-	-	3	-	3	2
Total	**(38)**	**(6)**	**179**	**35**	**170**	**(189)**

13.2 Net provisions for risks and charges relating to other commitments and other guarantees given: breakdown

(Amounts in € thousand)

Transactions/Income items	2024			2023		
	Provisions	Reallocations	Total	Provisions	Reallocations	Total
1. Other commitments	-	78	78	(77)	37	(40)
2. Other guarantees given	-	-	-	-	-	-
Total	**-**	**78**	**78**	**(77)**	**37**	**(40)**

Part C - Consolidated Income Statement

13.3 Net provisions to other provisions for risks and charges: breakdown

(Amounts in € thousand)

Items/Income items	Total 2024			Total 2023		
	Provisions	Reallocations	Total	Provisions	Reallocations	Total
Legal and fiscal disputes	(8,413)	8,290	(123)	(5,977)	3,479	(2,498)
Supplementary customer indemnity provision	(8,205)	-	(8,205)	(8,028)	-	(8,028)
Other provisions for risks and charges	(1,104)	1,151	47	(11,658)	207	(11,451)
Total	**(17,722)**	**9,441**	**(8,281)**	**(25,663)**	**3,686**	**(21,977)**

The “Provisions” column also includes changes due to the passing of time and changes in the discount rate.

Section 14 – Net impairment/write-backs on property, plant and equipment – Item 210

14.1 Impairment on property, plant and equipment: breakdown

(Amounts in € thousand)

Assets/Income items	Depreciation (a)	Write-downs (b)	Write-backs (c)	Net profit (loss) 2024 (a + b - c)	Net profit (loss) 2023 (a + b - c)
A. Property, plant and equipment	(21,137)	(6)	-	(21,143)	(21,144)
1. Used in the business	(21,137)	(6)	-	(21,143)	(21,144)
- Owned	(9,947)	(6)	-	(9,953)	(9,609)
- Rights of use acquired through leasing	(11,190)	-	-	(11,190)	(11,535)
2. Held for investment	-	-	-	-	-
- Owned	-	-	-	-	-
- Rights of use acquired through leasing	-	-	-	-	-
3. Inventories	X	-	-	-	-
Total	**(21,137)**	**(6)**	**-**	**(21,143)**	**(21,144)**

Write-downs were recognised in the period for insignificant amounts and mainly in relation to office furniture and fittings for which a zero value in use was determined.

A description of the methods used to calculate depreciation is provided in Part A – Accounting Policies of the notes to the consolidated accounts.

Part C - Consolidated Income Statement

Section 15 – Net impairment/write-backs on intangible assets – Item 220

15.1 Impairment on intangible assets: breakdown

(Amounts in € thousand)

Assets/Income items	Depriciation (a)	Write-downs (b)	Write-backs (c)	Net profit (loss) 2024 (a + b - c)	Net profit (loss) 2023 (a + b - c)
A. Intangible assets	(4,648)	-	-	(4,648)	(5,995)
of which: software	-	-	-	-	(5,963)
A.1 Owned	(4,648)	-	-	(4,648)	(5,995)
- Generated internally by the company	-	-	-	-	-
- Others	(4,648)	-	-	(4,648)	(5,995)
A.2 Rights of use acquired through leasing	-	-	-	-	-
Total	**(4,648)**	**-**	**-**	**(4,648)**	**(5,995)**

A description of the methods used to calculate depreciation is provided in Part A – Accounting Policies of the notes to the consolidated accounts.

For the disclosures required by IAS 36 paragraph 134, d), e), f) and 135, c), d), e), see Part B paragraph 13.3 Other information.

Section 16 – Other net operating income – Item 230

16.1 Other operating expenses: breakdown

(Amounts in € thousand)

Type of expense/Amounts	Total 2024	Total 2023
Refunds and allowances	(194)	(170)
Penalties, fines and unfavourable rulings	(1,093)	(1,301)
Improvements and incremental expenses incurred on leasehold properties	(1,270)	(1,594)
Exceptional write-downs of assets	(57)	(311)
Other operating expenses	(2,338)	(1,080)
Total	**(4,952)**	**(4,456)**

16.2 Other operating income: breakdown

(Amounts in € thousand)

Type of expense/Amounts	Total 2024	Total 2023
Recovery of expenses:	201,658	163,603
- recovery of ancillary expenses - other	540	607
- recovery of taxes	201,118	162,996
Rental income from properties	713	808
Other income from current year	5,597	5,739
Total	**207,968**	**170,150**

Part C - Consolidated Income Statement

The item “Other income for the current year” includes income related to the asset manager activity carried out by the subsidiary Fineco AM, related to the application of the “Fixed Operating Expenses” model, amounting to € 4,250 thousand (€ 4,566 thousand in 2023), and public grants for the year amounting to € 63 thousand accounted for by the Parent Company (€ 63 thousand in 2023).

The Group has not carried out sub-leasing transactions. The Group has no financial leases. As far as operating leases are concerned, the Group, as lessor, has outstanding operations represented by leasing contracts for a part of the property owned by FinecoBank, located in Milan Piazza Durante, 11, the proceeds of which are recognized in the item "Rental income from properties" and may include income for ISTAT revaluations.

Section 17 – Profit (loss) of associates – Item 250

17.1 Profit (Loss) of associates: breakdown

(Amounts in € thousand)

Income/Value	Total 2024	Total 2023
1) Joint ventures		
A. Income	-	-
1. Revaluations	-	-
2. Gains on disposal	-	-
3. Writebacks	-	-
4. Other gains	-	-
B. Expenses	-	-
1. Write-down	-	-
2. Impairment losses	-	-
3. Losses on disposal	-	-
4. Other expenses	-	-
Net profit	**-**	**-**
2) Companies subject to significant influence		
A. Income	17	-
1. Revaluations	17	-
2. Gains on disposal	-	-
3. Writebacks	-	-
4. Other gains	-	-
B. Expenses	-	(263)
1. Write-down	-	(68)
2. Impairment losses	-	(195)
3. Losses on disposal	-	-
4. Other expenses	-	-
Net profit	**17**	**(263)**
Total	**17**	**(263)**

Revaluations on companies subject to significant influence, in the amount of € 17 thousand, refer to the valuation of Vorvel Sim S.p.A. using the equity method.

Section 18 – Gains (losses) on tangible and intangible assets measured at fair value – Item 260

No data to report.

Part C - Consolidated Income Statement

Section 19 – Impairment of goodwill – Item 270

No data to report.

Section 20 – Gains (losses) on disposal of investments – Item 280

20.1 Gains (losses) on disposal of investments

(Amounts in € thousand)

Items income/Sectors	Total 2024	Total 2023
A. Properties	-	-
- Gains on disposal	-	-
- Losses on disposal	-	-
B. Other assets	-	35
- Gains on disposal	-	35
- Losses on disposal	-	-
Net profit (loss)	**-**	**35**

The Group has not carried out sales and leasing transactions for tangible assets.

Section 21 – Tax expense (income) related to profit or loss from continuing operations – Item 300

21.1 Tax expense (income) related to profit or loss from continuing operations: breakdown

(Amounts in € thousand)

Items income/Sectors	Total 2024	Total 2023
1. Current tax (-)	(292,984)	(268,946)
2. Adjustment to current tax of prior years (+/-)	2,791	-
3. Reduction in current tax for the year (+)	-	-
3.bis Reduction of current tax for the year due to tax receivables pursuant to Law 214/2011 (+)	-	-
4. Changes in deferred tax assets (+/-)	4,040	6,673
5. Changes in deferred tax liabilities (+/-)	(846)	(864)
6. Tax expense for the year (-) (-1+/-2+3+ 3 bis +/-4+/-5)	(286,999)	(263,137)

Part C - Consolidated Income Statement

21.2 Reconciliation of theoretical tax charge to actual tax charge

(Amounts in € thousand)

	Total 12/31/2024
Profit before tax	939,284

(Amounts in € thousand)

Items income/Sectors	Taxes			
	IRES Italian Tax	IRAP Italian Tax	Taxes Overseas	Total 2024
Amount corresponding to theoretical tax rate	**(251,219)**	**(50,884)**	**(22,238)**	**(324,341)**
- Tax effects of charges not relevant to the calculation of taxable income	(4,467)	(3,247)	-	(7,714)
- Tax effects of income not relevant to the calculation of taxable income	39,242	5,814	-	45,056
- Tax effects deriving from the use of tax losses from previous years	-	-	-	-
- Tax effects deriving from the application of substitute taxes	-	-	-	-
Amount corresponding to actual tax rate	**(216,444)**	**(48,317)**	**(22,238)**	**(286,999)**

Section 22 – Profit (Loss) after tax from discontinued operations – Item 320

No data to report.

Section 23 – Minority interests – Item 340

No data to report.

Section 24 – Other information

No data to report.

1.1 Fees for annual audits and related services as prescribed by Art.149-duodecies of the Consob Issuers Regulation

The table below reports a detail of the fees (net of VAT and expenses) paid to the independent auditing company KPMG S.p.A. and to the entities of the network to which the auditing company belongs.

(Amounts in €)

Type of service	Service provider	Fees
Accounting Audit	KPMG S.p.A.	202,091
Accounting Audit	KPMG (Ireland)	31,429
Certification services	KPMG S.p.A.	313,364
Certification services	KPMG (Ireland)	48,571
Other services	KPMG S.p.A.	55,640
Total		**651,095**

Part C - Consolidated Income Statement

1.2 Disclosure regarding the transparency of public funding required by article 1, paragraph 125 of the Italian law 124/2017

For the purposes of fulfilling the requirements of art. 1, paragraph 125 of Law no. 124/2017 - Annual market and competition law, modified by art. 35 of the law decree n. 34/2019, and in accordance with Assonime circular no. 5 of February 22nd, 2019 and also kept the indications provided by the in-depth document issued by Assonime on May 6th, 2019, the Group excluded from the disclosure the attributions that are justified in the performance of the company and in any case typical of the recipient's activity, as well as those aimed at the generality of the companies, such as tax and social security measures, thus limiting the information on the contributions to be presented and detailed in the National Register of State Aid "Transparency" section publicly available on the relevant website.

Pursuant to article 1, paragraph 125 of Italian law 124/2017, in 2023 FinecoBank did not receive public contributions from Italian entities. It should be noted that during 2020, a communication had been submitted for access to the tax credit for advertising investments Art. 57-bis of Decree Law No. 50 of April 24, 2017, converted with amendments by Law No. 96 of June 21, 2017; Prime Minister's Decree No. 90 of May 16, 2018.

For more information, please refer to the National Register of State Aid "Transparency" section.

Part C - Consolidated Income Statement

Section 25 - Earnings per share

25.1 Average number of diluted ordinary shares

Basic earnings per share are calculated by dividing the net profit by the average number of ordinary shares outstanding during the year.

	2024	2023
Net profit for the year (€ thousands)	652,285	609,101
Average number of outstanding shares	610,829,690	610,410,519
Average number of outstanding shares (including potential ordinary shares with dilution effect)	612,317,706	611,794,654
Basic earnings per share	1.07	1.00
Diluted Earnings per Share	1.07	1.00

25.2 Other information

No data to report.

Part D – Consolidated comprehensive income

Analytical Statement of consolidated comprehensive income

(Amounts in € thousand)

Item		Total 2024	Total 2023
10.	Net Profit (Loss) for the year	652,285	609,101
	Other comprehensive income after tax not to be recycled to income statement	**(14,796)**	**(10,146)**
20.	Equity securities designated at fair value with an impact on total income:	-	-
	a) changes in fair value	-	-
	b) transfers to other components of equity	-	-
30.	Financial liabilities designated at fair value with impact on the income statement (changes in creditworthiness):	-	-
	a) changes in fair value	-	-
	b) transfers to other components of equity	-	-
40.	Hedges of equity securities designated at fair value with an impact on total profitability:	-	-
	a) change in fair value (hedged instrument)	-	-
	b) change in fair value (hedging instrument)	-	-
50.	Tangible assets	-	-
60.	Intangible assets	-	-
70.	Defined benefit plans	(22,102)	(15,174)
80.	Non current assets classified as held for sale	-	-
90.	Valuation reserves from investments accounted for using the equity method	(3)	10
100.	Net finance income (expence) from insurance contracts issued	-	-
110.	Income taxes relating to other income components without reversal to the income statement	7,309	5,018
	Other comprehensive income after tax to be recycled to income statement	**2,477**	**1,295**
120.	Hedge of foreign investments:	-	-
	a) changes in fair value	-	-
	b) transfer to the income statement	-	-
	c) other changes	-	-
130.	Exchange differences:	-	-
	a) value changes	-	-
	b) transfer to the income statement	-	-
	c) other changes	-	-
140.	Cash flow hedges:	-	-
	a) changes in fair value	-	-
	b) transfer to the income statement	-	-
	c) other changes	-	-
	of which: result of net positions	-	-
150.	Hedging instruments:	-	-
	a) value changes	-	-
	b) transfer to the income statement	-	-
	c) other changes	-	-
160.	Financial assets (no equity securities) measured at fair value with an impact on total profitability:	3,689	1,946
	a) changes in fair value	3,689	1,946
	b) transfer to the income statement	-	-
	1. adjustments to credit risk	-	-
	2. gains / losses from realization	-	-
	c) other changes	-	-
170.	Non current assets classified as held for sale:	-	-
	a) changes in fair value	-	-
	b) transfer to the income statement	-	-
	c) other changes	-	-
180.	Valutation reserves from investments accounted for using the equity method;	7	(8)
	a) changes in fair value	7	(8)
	b) transfer to the income statement	-	-
	1. impairment adjustments	-	-
	2. gains / losses from realization	-	-
	c) other changes	-	-
190.	Net finance income (expence) from insurance contracts issued:	-	-
	a) changes in fair value	-	-
	b) transfer to the income statement	-	-
	c) other changes	-	-
200.	Net finance income (expence) from reinsurance contracts held:	-	-
	a) changes in fair value	-	-
	b) transfer to the income statement	-	-
	c) other changes	-	-
210.	Income taxes relating to other income components with reversal to the income statement	(1,219)	(643)
220.	**Total of other comprehensive income after tax**	**(12,319)**	**(8,851)**
230.	**Comprehensive income (Items 10 + 220)**	**639,966**	**600,250**
240.	Consolidated comprehensive income attributable to minorities	-	-
250.	**Consolidated comprehensive income attributable to Parent Company**	**639,966**	**600,250**

Part E - Information on Risks and relating hedging policies

Introduction

In order to ensure efficient and effective management of risks, the risk management process is structured consistently with the supervisory provisions for Banks pertaining to the internal control framework.

Risk oversight and control is performed by the Group's Chief Risk Officer Department (CRO), which, as the risk management function, is independent from risk taking units, and is responsible for credit risk, market risk, operational risk and reputational risk.

The Parent Company is responsible for first and second-level monitoring, especially for verifying that individual risk taking is consistent with the guidelines set by the Board of Directors, capital, and prudential supervisory rules.

Organisational framework

The Group's internal control system of the Group provides for the involvement of the following control bodies and functions, each for their respective area of competence:

- the Board of Directors;
- the Chief Executive Officer and General Manager;
- the Board of Statutory Auditors;
- the Risk and Related Parties Committee;
- the Remuneration Committee;
- the Appointments Committee;
- the Corporate Governance and Environmental and Social Sustainability Committee;
- the Supervisory Body set up pursuant to Legislative Decree 231/01;
- the Manager in charge of drafting the company's accounting documents;
- the corporate control functions (CRO, Compliance, Internal Audit) as well as other company functions with specific internal control tasks[86].

Corporate bodies and control functions collaborate and coordinate with each other through both specific information flows formalized in internal regulations, and the establishment of managerial committees dedicated to control issues.

The Board of Directors of the Parent Company is tasked with setting strategies and guidelines for the organizational framework, overseeing and monitoring their timely execution within the assigned risk profiles. The Board of Directors is also responsible for establishing and approving risk acknowledgment and evaluation techniques as well as risk management strategic direction and policies. Eventually, the Board of Directors verifies that the internal control framework is consistent with the established risk appetite and approves risk management policies.

The Chief Executive Officer and General Manager has been assigned specific powers by the Board of Directors in all the Group's business areas. These powers shall be exercised in accordance with applicable regulations and within the internal limits established by the strategies, the guidelines, the thresholds, the risk taking procedures and the operational instructions disciplined by the applicable information notices. The Chief Executive Officer and General Manager puts in place the necessary measures to ensure the establishment and maintenance of an efficient and effective internal control system.

As far as risk management is concerned, the Board of Statutory Auditors is responsible for overseeing the completeness, adequacy, functionality and reliability of the Internal Control System and the Risk Appetite Framework. In addition, the Board of Statutory Auditors has been assigned the tasks and responsibilities of the internal control committee and accounting review, pursuant to art. 19 of Legislative Decree No. 39/2010 (as amended by Legislative Decree 135/2016).

The Risks and Related Parties Committee is made up of five non-executive and independent Directors, and has the task of supporting, with an adequate preliminary investigations, the assessments and decisions of the Board of Directors concerning risks and the Internal Control and Risk System, as well as those relating to the approval of periodic financial reports.

The Remuneration Committee is composed of three non-executive and independent Directors and has the task of supporting, with adequate preliminary activities, the assessments and decisions of the Board of Directors in the following main activities: in defining the general remuneration policy for the Chief Executive Officer, the General Manager, the other Executives with strategic responsibilities and the other identified Staff. The Remuneration Committee is also involved in examining stock or monetary incentive plans for employees and the personal financial advisors of the Group and in strategic development policies of human resources.

The Appointments Committee is composed by three non-executive and independent Directors and has the task of supporting the Board of Directors in the process of appointing and co-opting of Directors, the Chief Executive Officer, the General Manager and other members of the top management having strategic responsibilities.

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[86] Other functions that perform specific control activities include, for relevance, the ICT and Security Risk Control Function (whose tasks are divided by competence between the CRO Department and the Compliance Department), the Anti-Money Laundering and Anti-Terrorism Function and the Validation Function.

Part E - Information on Risks and relating hedging policies

The Corporate Governance and Environmental and Social Sustainability Committee is composed of three non-executive and independent Directors and has the task of supporting the Board of Directors in the following main activities: in defining FinecoBank Corporate Governance Framework, the corporate structure and the Group's corporate governance models and guidelines. Eventually, the committee is involved in every sustainability issue relevant to the FinecoBank business model and interaction dynamics with stakeholders.

The Manager in charge of preparing the corporate accounting documents, in his capacity as responsible for the correct and timely preparation of the Company's financial statements, the consolidated financial statements, the consolidated half-yearly financial report and the interim accounting situations, guarantees the adequacy of the internal control system provided for by Circular 262 of 2005 of the Bank of Italy in relation to the financial reporting of the Group and the Parent Company, in compliance with the accounting principles.

The Compliance function is in charge of the management of the risk of non-compliance, i.e. the risk of incurring judicial or administrative sanctions, significant financial losses or reputation damages resulting in violations of mandatory rules or self-regulation.

The Anti-Money Laundering and Anti-Corruption function is responsible for continuously monitoring and identifying the external regulations applicable to the Group in this area and for measuring/evaluating their impact on corporate processes and procedures in the areas of anti-money laundering, combating terrorist financing, financial sanctions and anti-corruption.

The internal validation function, placed within the Chief Risk Officer Department, is in charge of validating the internal models developed by the competent Group's functions, and it is fully independent from them.

The CRO Department, as the risk management function, oversees the proper performance of the Group's risk framework by defining the appropriate methodologies for identifying and measuring the overall current and future risks. Such activity is carried out according to regulatory provisions, following the management decisions envisaged in the Group's Risk Appetite (RAF) and the principles and policies defined by the CRO, through a monitoring activity and ensuring compliance with the established limits.

The CRO, with the support of the Chief Financial Officer (CFO), for the area of responsibilities, is responsible for proposing the Group Risk Appetite Framework and setting risk management strategies and policies, in line with the Bank's strategies and objectives, coordinating and monitoring their implementation by competent units also pertaining to different company areas.

The CRO Department, in the context of second-level controls, is responsible for the management and control of credit, market, operational /, reputational risks including ICT and Cyber risk, interest rate risk, liquidity and sustainability risk in collaboration with the CFO, the CLO and the CIO for their respective areas of competence. As far as communication to Corporate Bodies is concerned (Chief Executive Officer and General Manager, Board of Directors, Risks Committee and Related Parties), the CRO provides a quarterly disclosure on the activity carried out, as well as on the results emerging from the controls performed. The disclosure also incorporate suggestions on the necessary action to address any identified weaknesses, in order to ensure informed management decisions and risk mitigation.

In particular, the Parent Company CRO Department:

- is involved in the definition of the RAF, risk governance policies and the various phases that make up the risk management process, as well as in setting operating limits for the assumption of various risk types. In this context, it has, inter alia, the task of proposing quantitative and qualitative parameters necessary for the definition of the RAF, which also refer to stress scenarios and, in the event of changes to the Group's internal and external operational environment, the adjustment of parameters thereof;
- verifies the adequacy of the RAF and carries out the related monitoring on a quarterly basis;
- assesses the risks resulting from relevant transactions, ensuring their consistency with the RAF;
- ensures, together with the CFO Department, the monitoring of the ICAAP (Internal Capital Adequacy Assessment Processes) and the ILAAP (Internal Liquidity Adequacy Assessment Process) in compliance with regulatory provisions, ensuring effective monitoring of liquidity risks and consistency between the available capital and the risk inherent in the Group's activities and positions in relation to both the current and forward-looking situation;
- provides for the development and maintenance of risk management managerial models, including internal calculation models used for the purposes of determining the ICAAP Economic Capital;
- defines and applies stress testing scenarios within its areas of competence and verifies the adequacy of Internal Capital;
- continuously checks the adequacy of risk management processes and operating limits;
- ensures the effective implementation of the IT risk assessment methodology, supporting and coordinating the individual functions involved during the ICT risk assessment process, each for their competence area;
- contributes to the definition of the information security policy for the area of competence, collaborating with the ICT function;
- defines common operational risk assessment metrics consistent with the RAF, coordinating with the compliance function, the ICT function and the business continuity function;
- monitors and carries out sensitivity analysis of the banking portfolio in the context of interest rate risk measurement (IRRBB), in line with current legislation and market best practices;
- systematically verifies compliance with the operational limits relating to systematic internalisation and proprietary trading activities;
- assesses the quality of the credit portfolio and defines the methodology for calculating the expected credit losses;
- carries out second line controls aimed at verifying the correct execution of the credit process both at individual and portfolio level;
- attend the SRB Permanent Work Group to ensure the sharing and contributions of its own competence necessary from time to time;

- defines methods of assessment and control of risks arising from environmental, social and governance factors (ESG), as well as reputational risks, coordinating with the compliance function, the sustainability function and any other function which may be involved;
- assists corporate bodies in assessing strategic risk by monitoring significant variables;
- develops and applies indicators highlighting irregularities and shortfall in the risk measurement and control framework;
- evaluates the risks arising from new products and services. In particular, the identification of risks relating to new products and services is guaranteed by the permanent participation of the CRO in the products committee;
- continuously monitors the actual risk assumed by the Group and its consistency with risk objectives as well as compliance with the limits assigned to operating units in relation to the assumption of the various types of risk.

The function carries out monitoring and reporting activities to the corporate bodies (Chief Executive Officer and General Manager, Board of Directors and Board of Statutory Auditors) and to the Risk and Related Parties Committee. Disclosure is provided to the corporate bodies through the Quarterly Report on the Group's risk exposures.

Lastly, the participation by the Chief Risk Officer and the Head of the Compliance function in the Products Committee ensures the oversight of the operational risk associated with new business activities, as well as creating and spreading a risk culture in among the Group’s functional areas.

Risk Appetite

The Group gives great importance to risk management and control, as conditions for guaranteeing a reliable and sustainable growth in a controlled risk environment. The risk management strategy aims at a complete and coherent vision of risks, considering both the macroeconomic scenario and the Group’s risk profile, stimulating the spreading of the risk culture and strengthening a transparent and accurate representation of risks embedded in the Group's portfolios. Risk-taking strategies are summarized in the Group's Risk Appetite Framework (RAF) are subsequently approved by the Board of Directors. The Risk Appetite Framework is an integral part of the Internal Control System and represents the reference framework that defines – in line with the business model, the strategic guidelines of the Group and the maximum risk taking – the risk appetite, the tolerance thresholds, the risk limits, the risk governance policies and the reference processes necessary to define and implement them.

The main objectives of the risk appetite are:

- explicitly assess the risks, and their interconnections at local and Group level, that the Group is willing to assume (or avoid) in a long-term perspective;
- specifying the types of risk that the Group is willing to assume, establishing limits for Risk Appetite, Risk Tolerance and Risk Capacity both under normal operating conditions and under stress;
- set “ex-ante” the risk/return objectives that the Bank is committed to achieve and the related operating limits; such risk objectives are consistent with the maximum risk capacity, the business model and the Group’s strategic guidelines
- ensure that the business develops within the risk tolerance limits established by the Board of Directors;
- support the evaluations on future strategic choices concerning the risk profile;
- guide the vision of internal and external stakeholders towards a risk profile consistent with the Group’s strategic positioning;
- provide qualitative information concerning risks hardly quantifiable (e.g. strategic, reputational, compliance) to strategically guide the review of processes and the internal control system.

The Risk Appetite is fully integrated with the Internal Capital Adequacy Assessment Process and the Internal Liquidity Adequacy Assessment Process (ICAAP and ILAAP) and is linked to the budget and the multi-year plan, as well as the crisis management process of the Recovery Plan, the remuneration and incentive policies, the process for identifying and managing Relevant Transactions and the RAF operational limit framework.

The Risk Appetite structure for 2025 includes a Statement, which qualitatively defines the Group's positioning in terms of strategic objectives and related risk profiles, and a dashboard, which translates the strategic objectives set out in the Statement into a set of limits and quantitative risk/performance metrics appropriately calibrated to represent the significant risks to which the Group is exposed.

The architecture of the metrics included in the Risk Appetite Dashboard is structured according to a "level" approach. In general, the indicators are divided between strategic indicators, considered essential for the solidity, direction and control of the Group's activity, and managerial indicators, whose objective is to decline the risk appetite defined by the higher-ranking indicators. The strategic indicators, in turn, are divided into primary indicators, subject to limits defined within prudential regulations and subject to public disclosure or considered fundamental to represent and drive the Group's business model, and secondary indicators, considered important as well to drive the business and risk management, but of lesser relevance than the primary ones.

For strategic indicators, the related risk appetite, risk tolerance and risk limit threshold are identified. In particular:

The Risk Appetite represent the amount of risk (overall and by type) that the Group is willing to take in pursuit of its strategic objectives.

The Risk Tolerance set the maximum deviation from the Risk Appetite; Tolerance thresholds are set in order to ensure sufficient margins for the Group to operate, even under stress conditions, within the allowed maximum risk taking.

Part E - Information on Risks and relating hedging policies

The Risk Capacity stand for the maximum level of risk that the Group is technically able to assume without violating regulatory requirements or other constraints imposed by shareholders or supervisory Authorities.

Thresholds setting is evaluated on a case-by-case basis, also through managerial decisions taken by the Board of Directors, and considering stakeholder's expectations as well as the Group's strategic position compared to its competitors.

The thresholds described above are defined, where possible, also for managerial indicators.

The escalation process, which guarantees a timely reaction in the event of breach and the related disclosure to the competent Bodies, is differentiated according to the type of indicators involved. For indicators included in the Recovery Plan, in particular primary indicators concerning capital and liquidity, is adopted a more stringent escalation process.

Metrics are the subject to a regular monitoring and reporting, at least quarterly. Monitoring activities are carried out by the CRO Department and the CFO Department according to their competence area.

ICAAP - Internal Capital Adequacy Assessment Process

The internal capital adequacy assessment process (ICAAP) represents the process by which Entities carries out an autonomous evaluation, current and forward looking, of capital adequacy in relation to their risk exposure and corporate strategies.

The Group capital adequacy is assessed from a regulatory perspective and an economic perspective. As suggested by the "ECB Guide on the Internal Capital Adequacy Assessment Process (ICAAP)", the two perspectives complement each other. In particular:

- the **regulatory perspective** represents a multi-year assessment of the institution's ability to meet all regulatory requirements and supervisory expectations, as well as to cope with other external financial constraints, on an ongoing basis over the medium term. The goal is to ensure, also in a forward-looking perspective, that the allocation of Own Funds is sufficient to comply with the overall capital requirement (including P2R) and the Pillar 2 Guidance (P2G). To this end, the levels of indicators, such as the CET1 Ratio, Tier1 Ratio, Total Capital Ratio and the Leverage Ratio shall be higher than regulatory limits and the thresholds set in the Group Risk Appetite;
- the **economic perspective** requires to measure the institution's ability to cope with its relevant risks (both those covered by Pillar I and II) and to check the coverage adequacy with respect to the available financial resources. In FinecoBank, the risk absorption is represented by the Overall Internal Capital, i.e. the capital requirement relating to a specific risk category which the Bank deems necessary to cover unexpected (those which exceed a given expected level). The ratio between Internal Capital and Available Financial Resources is called Risk Taking Capacity indicator, which represents the Pillar II capital adequacy metric.

The objective of the dual perspective is to take into account the mutual integration of information between Pillar I and II; in particular, the Guidelines suggest including in the regulatory perspective not only the typical regulatory risks (credit, market and operational) but also those nevertheless relevant to the Group in Pillar II (for example business risk or interest rate risk).

Preparatory to the ICAAP is the annual risk identification and mapping process as part of the Group's overall RAF setting process. The activity involves the identification by the CRO Department of the Parent Company of all the risks - both quantitative and qualitative - to which the Group is or could be exposed, having regard to its operations and reference markets. In this context, the Group defines the risks (other than credit, counterparty, market and operational risks) that shall be measured with quantitative methods and covered by the Internal Capital, and those for which control or mitigation measures (in combination or alternatively) would be more appropriate.

With reference to the regulatory perspective, the calculation of the RWAs for pillar I risks (credit, market and operational), aimed at determining the regulatory requirement, takes place through the standardized methods identified by regulation 575/2013 (CRR).

With reference to the economic perspective, for the calculation of the internal capital the Group has adopted its own methodology based on the estimate of the unexpected loss with a given time horizon (1 year) and with a certain probability. In particular:

- for **credit risks**, the internal capital is estimated by calculating the distribution of losses, i.e. the curve that expresses in an aggregate form the ratio between the probability of occurrence of the events of default of the counterparties and the overall potential loss for the Group associated. The category also considers default risk, i.e. the risk of counterparty insolvency, concentration risk and migration risk, i.e. the risk of deterioration of the creditworthiness of a counterparty (downgrade);
- for **market risks**, the estimate of Internal Capital is based on the estimate of the VaR of market risks using the historical simulation method. The simulation of the P&L series is carried out considering all risk factors (credit spread, interest rate, exchange rate, ...), reflecting not only historical volatility and correlation levels, but the entire historical distribution of risk factors (for example asymmetry and kurtosis);
- for **operational risks**, the internal capital is estimated based on the historical series of internal loss data, recorded and classified in accordance with the 7 event types envisaged by art. 324 of the CRR regulation. The model simulates, using a Monte Carlo approach (which contemplates 1 million scenarios), the number of operational events and the associated impacts for each Event Type. Subsequently, the overall distribution of the Bank's annual operating losses is reconstructed for each Event Type;
- for **business risk**, the estimate of internal capital is based on the analysis of the quarterly historical series of the company's gross operating profit. The goal is to isolate the unpredictable profit trend as the volatility of this share represents the actual exposure to business risk;

Part E - Information on Risks and relating hedging policies

Stress test scenarios are conducted for both the Economic and the Regulatory perspectives, used to provide Corporate Bodies with a better risk exposure assessment and the related mitigation and control systems; stress tests outcomes are used for strategic management purposes within the Group, but do not affect the level of capital adequacy.

There are two ICAAP scenarios applied, of increasing intensity, Moderate and Adverse; both are based on a consistent macroeconomic and financial framework, applied uniformly to the variables considered.

Eventually, considering the growing attention to environmental issues by the main prudential and regulatory authorities at a global level and the recent regulatory developments on financial risks linked to environmental, social and governance (ESG) factors, the stress test program was enriched with further scenario analysis focused on this particular area, including a qualitative reverse stress test.

For the economic perspective, the reference metric is the Risk Taking Capacity, equal to the ratio between the available capital (Available Financial Resources - AFR) and the total Internal Capital; this metric is being monitored on a quarterly basis and illustrated to the Corporate Bodies within the report on the Group's Risk Exposure.

With reference to the 2023 ICAAP process, concerning the data as at 31 December 2023, the Group confirmed its capital adequacy. All the indicators relating to the Economic and Regulatory perspective are above the minimum regulatory levels and the objectives defined in the Risk Appetite. The stress tests, on the other hand, confirmed the solidity of the Group, which remains at very high levels of capitalization.

Risk culture

As indicated in the Risk Appetite Framework, the Group confirms its strategic approach towards the adoption of a robust business model characterized by a low risk appetite aimed at creating sustainable profit and returns on the cost of capital, guaranteeing continuity in generating revenues. The Group's ambition is to achieve such result with the support of an optimal Internal Control System and effective and efficient procedures aimed at managing every risk.

In order to embody these principles and values, and apply the risk culture in day-to-day activities, numerous initiatives have been adopted, and in particular:

- it has been adopted a Global Policy "Charter of Integrity and Code of Conduct of the FinecoBank Group" which defines the principles and values with which the Group wishes to conform its operations, as well as the set of rights, duties and responsibilities it assumes towards of all stakeholders, whom it undertakes to respect, and who represent a decisive guide in corporate decisions and conduct;
- the methods and mechanisms for safeguarding the various operating and regulatory limits that the Group must comply with in carrying out its business activities are shared with the business functions. In particular, circular documents help line functions in understanding and execution of their tasks related to risk management;
- several reports prepared by corporate control functions, relating to risk management and monitoring activities, are shared also with the line functions affected. Among these reports, the following may be mentioned as examples: the report on the Group's risk exposures and the summary report on ICT and security risk situation, both prepared by the CRO Department; the Compliance Activities Report prepared by the Compliance Department; the AML and self-assessment report prepared by the Anti-Money Laundering and Anti-Corruption Department. The aim is to improve the awareness of all staff on the Group's overall exposure to the different types of risk;
- Managerial Committees were set up in order to ensure a widespread level of risk awareness at all organizational levels, with the involvement of both business and control structures (so-called "tone from the top");
- incentive mechanisms were implemented that consider a weighting for the risks associated with the annual performance of a subset of the RAF indicators (so-called "CRO Dashboard");
- ongoing relationships are maintained with the Chief Risk Officers of the Parent Company and the one of Fineco Asset Management, to share information on the risk profile and development plans to improve their evolution and risk management;
- periodic induction activities are carried out with the Board of Directors and in-depth analysis of risk topics with the Risks and Related Parties Committee;
- specific training courses are offered to employees in order to develop a common risk understanding and knowledge (for example concerning operational and reputational risks);
- a shadowing activity is planned between the staff belonging to different corporate control functions, aimed at ensuring the formation of cross skills and acquiring a comprehensive and integrated vision of the internal control system.

Part E - Information on Risks and relating hedging policies

Section 1 – Consolidated financial statements risks

This section provides information referring to FinecoBank and Fineco AM, companies included in the consolidated financial statements risks.

As far as Fineco AM is concerned, risk management and control are ensured by the Risk Management function of the company, entrusted to the Chief Risk Officer, hierarchically dependent on the CEO and functionally dependent on the CRO of FinecoBank S.p.A.. FinecoBank's internal control system is structured according to the regulatory indications provided by the current legislation. Control, monitoring and reporting methodologies already in place in FinecoBank have been extended to Fineco AM adjusting, where necessary, the methods of analysis and controls adapting them to the size, nature and complexity of the business.

Specifically, there are two main risk management activities carried out: the traditional activity of controlling the adherence of the risk/return profile of each fund (Fund Risk Management) and the activity of overseeing operational risks (Operational Risk Management); however provided for in Irish legislation.

Quantitative information

A. Credit quality

As provided for in Circular No. 262 "The banks' Financial Statements: layouts and preparations", on-demand loans to banks and central banks, which are recognised in the balance sheet item "Cash and cash balances", are included in the definition of cash credit exposures but are conventionally excluded from the quantitative credit quality disclosure tables in this Section 1 "Consolidated financial statements risks".

A.1 Impaired and unimpaired exposure: amounts, impairment, changes, distribution by business activity

A.1.1 Breakdown of financial assets by portfolio and credit quality (carrying value)

(Amounts in € thousand)

Portfolio/quality	Bad exposures	Unlikely to pay	Past due impaired exposures	Past due unimpaired exposures	Other unimpaired exposures	Total
1. Financial assets at amortised cost	793	1,989	1,334	35,611	29,688,392	29,728,119
2. Financial assets at fair value through other comprehensive income	-	-	-	-	296,356	296,356
3. Financial assets designated at fair value	-	-	-	-	-	-
4. Other financial assets mandatorily at fair value	-	-	-	-	57	57
5. Financial instruments classified as held for sale	-	-	-	-	-	-
Total 12/31/2024	**793**	**1,989**	**1,334**	**35,611**	**29,984,805**	**30,024,532**
Total 12/31/2023	**1,110**	**1,815**	**1,040**	**36,735**	**27,928,619**	**27,969,319**

There are no impaired purchased loans.

Part E - Information on Risks and relating hedging policies

A.1.2 Breakdown of financial assets by portfolio and credit quality (gross and net values)

(Amounts in € thousand)

Portfolio/quality	Impaired				Unimpaired			Total (net exposure)
	Gross exposure	Total impairment provision	Net exposure	Total partial write-off	Gross exposure	Total impairment provision	Net exposure	
1. Financial assets at amortized cost	27,719	(23,603)	4,116	-	29,737,371	(13,368)	29,724,003	29,728,119
2. Financial assets at fair value through other comprehensive income	-	-	-	-	296,387	(31)	296,356	296,356
3. Financial assets designated at fair value	-	-	-	-	X	X	-	-
4. Other financial assets mandatorily at fair value	-	-	-	-	X	X	57	57
5. Financial instruments classified as held for sale	-	-	-	-	-	-	-	-
Total 12/31/2024	**27,719**	**(23,603)**	**4,116**	**-**	**30,033,758**	**(13,399)**	**30,020,416**	**30,024,532**
Total 12/31/2023	**24,094**	**(20,129)**	**3,965**	**-**	**27,983,312**	**(18,006)**	**27,965,354**	**27,969,319**

(Amounts in € thousand)

Portfolio/quality	Assets with of clearly poor credit quality		Other assets
	Accumulated unrealised losses	Net exposure	Net exposure
1. Financial assets held for trading	-	3	6,412
2. Hedging derivatives	-	-	677,547
Total 12/31/2024	**-**	**3**	**683,959**
Total 12/31/2023	**-**	**7**	**901,891**

Part E - Information on Risks and relating hedging policies

B. Disclosure on structured entities (other than securitization companies)

B.1 Consolidated structured entities

No data to report.

B.2 Non-consolidated structured entities

B.2.1 Consolidated structured entities for supervisory purposes

No data to report.

B.2.2 Other structured entities

Qualitative information

The Group has exposures towards unconsolidated structured entities as a result of investments in units issued by investment funds (UCITS) and interests in ICAVs that qualify as structured entities according to IFRS 12.

Quantitative information

The table below shows the assets, liabilities and off-balance sheet exposure to structured entities represented by unconsolidated UCITS units.

(Amounts in € thousand)

Balance sheet items/type of structured entity	Accounting portfolios of assets	Total assets (a)	Accounting portfolios of liabilities	Total liabilities (b)	Net carrying amount (c=a-b)	Maximum exposure to loss (d)	Difference between exposure to the risk of loss and the carrying amount (e=d-c)
1. Vehicle company	-	-	-	-	-	-	-
2. U.C.I.T.S.	MFV	1,538		-	1,538	1,538	-
	AC	45,558	AC	1,927	43,631	45,558	1,927
	HFT	-		-	-	-	-
Total		**47,096**		**1,927**	**45,169**	**47,096**	**1,927**

Key
MFV = Financial assets mandatorily at fair value AC = Financial assets at amortised cost HFT = Assets Held for trading

It should be noted that in the table above, the exposure in “Financial assets mandatorily at fair value“ is represented by U.C.I.T.S. held by the subsidiary Fineco AM, while the assets and liabilities at amortised cost represent, respectively, receivables and payables that the company has towards the ICAV that issued the investment fund.

Part E - Information on Risks and relating hedging policies

Section 2 – Risk of the prudential consolidated perimeter
1.1 Credit risk

Qualitative information

1. General Matters
The Group's objective is to provide an adequate range of products able to satisfy and secure customer loyalty, through a competitive and complete offer. The products offered and under development are consistent with the objective of preserving the portfolio quality and with profitability monitoring processes as well.

Factors generating credit risk are acknowledged according to a specific acceptance and creditworthiness polices, which are always adequately correlated to the risk/return ratio and in line with the Risk Appetite defined by the Board of Directors.

The quality of the loan portfolio, which is constantly monitored and supported by risk mitigation instruments, is overseen by scoring models that contribute to the evaluation during the approval process, ensuring the latter be neat and duly checked. In addition to the risk level assessment, monitoring of the portfolio and its segmentation by product and seniority allow a better understanding of the best loan originating strategies. The identification of any high-risk areas allow intervention on the automated measurement systems as well as on origination policies, with the chance to take measures to limit credit risk in advance.

The credit product offer has evolved over the years, especially through the offer of mortgages loans and the granting of current account credit facilities guaranteed by a pledge on securities and investment funds with the rotational clause (Credit Lombard). Credit Lombard is the solution of FinecoBank to clients holding considerable investments who wish to obtain additional liquidity.

The mortgage offering mainly involves mortgage loans originated for the purchase of first and second homes (including subrogation), as well as those demanded for liquidity purposes. Non-residential mortgages are originated only to a limited extent.

The Group, moreover, has continued to improve already existing by issuing regular credit cards to current account holders and granting personal loans. The latter can also be assessed using the "Instant approval" mode, a service allowing credit applications to be assessed in a few moments and to provide the loan in real time to eligible customers.

Choices concerning the investment of the Bank's liquidity are governed by a prudential approach aimed at containing credit risk. Such approach mainly involves the subscription of Eurozone government bonds. For more details on government bonds, see the Information on securities issued by sovereign States.

As at December 31st, 2024 there are no sign of deterioration in the Group's loans receivable with ordinary customers portfolio arising from Russian-Ukraine conflict. This one indeed is composed by retail loans granted with conservative and careful origination policies, and mostly assisted by real estate or financial collateral. In the case of mortgage loans, the average Loan to Value is indeed equal to around 46% whereas relevant overdraft facilities requires the funding of financial collateral, using conservative margins.

2. Credit Risk Management Policy
2.1 Organisational aspects
In order to ensure an adequate credit risk supervision, the FinecoBank Group has adopted an effective internal governance framework, organized on distinct and articulated levels of responsibility.

At the first level, the credit process relating to trade receivables and the process of granting and allocating credit limits (plafond) for institutional counterparties is a responsibility of the Chief Lending Officer (CLO). In this context, the CLO Department carries out both the creditworthiness assessment of clients and counterparties with which the Group carries out credit business and the performance monitoring of individual credit exposures, in order to promptly detect any irregularities and carry out the necessary prudential classifications.

In addition the performance monitoring, the CLO Department also calculates customer default rates by type of product, aimed at intercepting increases in the riskiness of the products offered by the Group to its customers, and at estimating the risk parameters (PD and LGD) used to calculate expected credit losses under IFRS 9.

At the second line of defence, the direction and control of credit and counterparty risk are a responsibility of the Chief Risk Officer. Within the CRO Department, the Credit Risk & Internal Capital Team is responsible for:

- monitoring lending to customers through second-level controls focusing more generally on the overall quality of the Bank's loan portfolio, promptly detecting any irregularities;
- supporting the CLO Department in the development and maintenance of the scoring models used by the Bank for the creditworthiness assessment of its retail customers;

- verifying, through second-level controls, the correct execution of the performance monitoring on individual exposures, assessing the consistency of prudential classifications and the adequacy of provisions;
- monitoring, through second-level controls, the degree of concentration towards individual issuers of securities funded as collateral, and real estate guarantees in areas with high climatic and environmental risk;
- carrying out a systematic monitoring of the riskiness of FIBS and Corporate counterparties with significant exposure, also through specific indicators that highlight their vulnerability in terms of climate and environmental risks;
- analyzing the risk level of of individual products, periodically verifying the consistency of the retail customers default rates calculated by the CLO Department;
- defining a reporting model for the Group by specifying the rules for identifying stocks and flows;
- defining the credit parameters (PD and LGD) useful for defining product pricing, as part of the launch of a new credit product;
- develop and maintain expected credit losses methodologies in accordance with the IFRS9 accounting standard, and carry out data quality checks on provisions;
- carrying out consistency checks on the macroeconomic parameters used by the external supplier to determine the forward-looking component of the risk parameters applicable in the calculation of expected credit losses according to the IFRS9 accounting principle;
- developing and maintain Credit Risk Internal Capital models and apply the related stress scenarios;
- carrying out checks on the risk parameters of FIBS and corporate counterparties, used both for the calculation of expected losses on credit and for the calculation of internal capital, provided by the external data provider, in order to verify their consistency with the actual performance and with market data;
- monitoring credit risk and country risk deriving from the Group's strategic investments, taking into adequate consideration the counterparties' exposure to environmental, social and governance (ESG) risks, and their ability to deal with them;
- verifying compliance with operating limits relating to margin trading and developing scenario analyses (stress tests) for assessing the sustainability of operations from an economic and capital point of view;
- supporting the CFO Department in budgeting and forecasting activities related to credit provisioning.

2.1.1 Credit Risk generating factors

In carrying out its credit business the Group is exposed to the risk that loans may not be repaid at maturity, due to the deterioration of the debtor's financial condition, thus resulting in a partial or full write-down. This risk is always inherent in traditional lending operations regardless of the type of credit facility. The main reasons for default lie in the borrower's lack of autonomous ability to ensure the repayment of the debt.

The main causes of default are attributable to the loss of the borrower's autonomous capacity to ensure the repayment of the debt, as well as the onset of macro-economic and political circumstances affecting the financial conditions of the debtor.

In addition to the risk associated with credit granting and originating, the Group is also exposed to counterparty risk. Counterparty risk is defined as the risk that a counterparty to a transaction eventually fails to settle the transaction itself.

Other banking activities, in addition to traditional loans and deposits, may expose the Group to additional credit risks. Counterparty risk may, for example, arise from:

- entering into derivative contracts;
- purchasing and selling securities, futures, or currencies;
- holding third-party securities.

Counterparties to these transactions or the issuers of securities held by the Group companies may fail to meet their obligations due to insolvency, political and economic events, lack of liquidity, operational weakness or other reasons. Failure to comply with a large number of transactions or one or more transactions of a significant amount would have a materially negative impact on the Group's activity, financial condition and operating results.

In addition, "Non-Traditional Credit Risk" is generated by leverage/short transactions conducted through securities lending. Such transactions, despite automatic stop losses being set within the margins, may generate credit risk if the security lacks liquidity (for example, in the case of market turmoil) and/or the margin is insufficient. In order to prevent such events, scenario analyses are conducted periodically to assess the impacts and implement appropriate mitigation policies.

The Group therefore controls and manages the specific risk of each counterparty as well as the overall risk arising from the loan portfolio through processes, structures and rules aimed at directing, controlling and standardizing the assessment and management of this risk, in line with the Group's best practice and principles.

2.2 Management, measurement and control system

Credit risk associated with potential losses arising from customer/issuer default or from a decrease in the market value of a financial security due to the deterioration of its credit rating, is measured at the level of each counterparty/transaction and for the entire portfolio.

Part E - Information on Risks and relating hedging policies

As already mentioned, credit risk measurement for trade receivables at origination is carried out by the CLO Department, and it is supported by automated assessment systems (so-called credit scoring systems). These systems also incorporate all available information and facts: public data and private data from Credit Bureaus, flows from the Central Credit register or requests for initial information to the Bank of Italy and other information on customer performance recorded by the Group. During the loan application process, attention shall be focused on taking advantage of every customer related information provided by the Bank and the System.

The collection of any guarantees, their assessment and the margins between the fair value of the guarantee and the granted amount shall be regarded as a supporting tool aimed at mitigating credit risk. There is no relevant positive correlation indeed between the value of the financial collateral and the applicant's creditworthiness. The eligibility, evaluation, monitoring and management rules for any acceptable guarantees within the Fineco Group are disciplined in a specific Collateral Management Policy.

The CRO Department, as the risk management function, carries out second-level controls on all the phases that characterize the credit process relating to trade receivables. The controls, which are mainly based on the development of event-based indicators, focuses on verifying compliance with internal regulations and the delegated powers conferred by the Board of Directors to decision-making structures and on the identification of irregularities at portfolio or at more granular level, also in relation to funded collateral. In addition to the controls described above, a quality and performance assessment of the loan portfolio is also periodically carried out.

The creditworthiness assessment of the counterparties with which the Group carries out credit business is carried out by the CLO Department as part of the credit limits granting and allocation process (plafond) to the Counterparty’s Economic Group, i.e. considering the Group's exposure to all the subjects legally or economically connected to the counterparty. The Plafonds are “risk ceilings” and stand for the highest limits in terms of credit risk that the Group is willing to accept vis-à-vis a specific counterparty.

The Board of Directors annually approves the Risk Appetite and the “Investment Plan”; the first one defines the propensity and limits for the Group's strategic investments, the second one provides an indication of the composition of the Group's strategic investments. According to the guidelines of the Board of Directors, the Group defines specific risk limits ceilings (plafond) towards each FIBS counterparty (“Financial Institutions, Banks and Sovereigns”) with which the Group will have a credit exposure, always in compliance with the large exposure regulatory limits, where applicable. The Plafond mechanism allows the Group to limit and monitor concentration risk towards single counterparties (single name concentration) and the relevant economic group.

The activity is regulated by the Global Policy “Credit business with financial institutions, banks, sovereign and corporate counterparties” which defines the principles and rules for an efficient and complete assessment, control and limitation of credit and counterparty risk linked to the credit business carried out with the aforementioned counterparties. Issuers of bonds kept in the banking book as investments are also in scope. As established in the Global Policy, the CLO Department, in addition to the counterparty’s creditworthiness assessment and the risk limits approval required by the various Group functions in accordance with the delegated powers in force from time to time, carries out an operational monitoring. The latter is aimed at ensuring that all Group functions comply at all times with the assigned limits, Large Exposures and Related Parties limits, and that the Group's counterparties maintain a sufficiently high credit rating.

The CRO Department, on the other hand, carries out systematic monitoring at a centralized and single counterparty level with significant exposure, focusing on the analysis of a series of Early Warning indicators. The Department also carries out second-level controls on the compliance with the Large Exposures limit and on exposures to Related Parties.

Basically, the second level monitoring process carried out by the CRO Department aims to analyze credit quality and risk exposure dynamics by calculating summary risk indicators and representing their evolution over time. Outcomes may be used for preparing action plans aimed at mitigating or avoiding credit risk factors. In particular, the CRO Department prepares the quarterly report on the Group’s risk exposures, addressed to the Board of Directors; in this context are highlighted the trend of the loan portfolio and the outcomes of the second level controls carried out in the reference period. With particular reference to the retail portfolio, the report shows the analysis of flows between classifications, the stock of impaired loans and the positions that benefit from payment holidays and the related expected losses. The report also highlights the results of the second level controls carried out in the reference period on the concentration of financial collateral acquired by the Group as credit protection for overdraft facilities. With reference to exposures to financial, banks and sovereign counterparties, the report highlights the results of issuer risk, counterparty risk and country risk monitoring.

Within country risk oversight are monitored several indicators (Worldwide Governance Indicator), developed by a team of researchers in collaboration with the World Bank with the aim of summarizing the effectiveness of the policies implemented by the governmental authorities of different nations, and a specific environmental risk indicator, called ND-Gain, developed by a team of researchers from the US University of Notre Dame. Such indicator considers two fundamental variables: the level of vulnerability of a country to climate change (“vulnerability”) and the positioning of the respective nation in terms of economic, social and governance capacity to cope with it (“readiness”). The two indicators are compared in order to determine that country's exposure to climate and environmental risks.

As envisaged by the IFRS 9 accounting standard, the accounting impairment model adopted for credit exposures based on (i) an “expected losses” approach instead of the “incurred losses” approach provided by the previous one and (ii) on the concept of the expected lifetime loss. For more details, see section 2.3. Expected losses measurement methods.

2.3 Expected losses measurement methods

In accordance with IFRS 9 accounting principle, financial assets at amortized cost, financial assets at fair value through other comprehensive income and relevant off-balance sheet exposures are subject to impairment.

These instruments shall be classified in stage 1, stage 2 or stage 3 depending on their absolute or relative credit rating, compared to the initial recognition. In particular:

- Stage 1: this includes newly originated or acquired credit exposures and exposures that have not suffered a significant deterioration in credit risk compared to the date of first recognition;
- Stage 2: this includes performing credit exposures having nevertheless suffered a significant deterioration in credit risk compared to the date of first recognition;
- Stage 3: this includes impaired credit exposures.

For Stage 1 exposures, the impairment is equal to the expected loss calculated on a time frame of up to one year.

For Stage 2 and 3 exposures, the impairment is equal to the expected loss calculated on a timeframe equivalent to the residual duration of the related exposure.

In order to meet the required standard, the Group applies specific expected loss models. Such models draw on the PD and LGD estimated in conservatively manner, to which specific adjustments have been made in order to ensure full cohesion with the accounting standard.

The expected loss is calculated for institutional counterparties, leveraging on risk parameters provided by the external supplier Moody’s Analytics.

For retail counterparties, not having internal rating systems available, PD and LGD parameters are estimated with a different methodology depending on the type of product.

For unsecured loans, the PD is estimated by a model developed internally by the CRO Department which, based on the portfolio performance of the last seven years (in line with the maximum maturity of the product), calculates a PD curve to which each individual position is associated. LGD is calculated as a function of the average expected loss recorded on bad loans, determined analytically on the basis of the information provided by the structure responsible for credit collection and on the basis of the loan features.

For mortgage loans, given the limited availability of historical portfolio data (Fineco has been granting mortgages since 2016), and the small number of default events recorded so far, up to November 2024, a PD curve estimated with conservative criteria compared to the default rates currently recorded was used. During 2024, the CRO Department developed a new model based on the default rates recorded on the Italian banking system[87], appropriately calibrated on the historical default data observed in the Fineco mortgage portfolio. The model developed is based on a weighted logistic regression, which relates the historical default rates on a quarterly basis (dependent variable) with a set of macroeconomic variables. The macroeconomic data used come from the baseline scenarios made available by the external provider Moody's Analytics. The PD model, which translates the effect of expected economic conditions on default rates into an estimate of the overall default risk of the mortgage product, will be used to calculate the expected credit losses starting from December 31, 2024.

Also for mortgages, the LGD is estimated through a model that takes into account the average coverage applied to non-performing exposures, determined and updated on an analytical basis by the debt collection function based on the information available to the Bank, the legal costs for recovery, the amount of the residual debt, and the ratio between the latter and the value of the property used as collateral (Exposure to Value - ETV). It should also be noted that a minimum Loss Given Loss (LGL) floor of 60% is prudentially applied in determining the LGD of mortgages.

For the other exposures, the PD is replaced by the average default rate observed by the transition matrices that record the transition to non-performing, while the LGD is calculated based on the average expected loss of the related bad loans, determined analytically on the basis of the information provided by the credit collection structure, the loan features and any collateral availability.

In calculating the LGD applied to performing positions in the retail portfolio, the Cure Rate is taken into account, which represents the probability that a credit exposure classified as defaulted (Stage 3) is subsequently restored to a performing status (Stage 1 or Stage 2), following recovery or improvement interventions in the debtor's financial situation.

Finally, in order to implement the provisions of IFRS 9, parameter proxies are adjusted by means of prospective analyses called Forward Looking Information.

A key aspect of the IFRS 9 principle is the Stage Allocation model, whose purpose is to transfer exposures between Stage 1 and Stage 2 (as Stage 3 is equivalent to that of impaired exposures), where Stage 1 mainly includes newly originated exposures and those which have not suffered a significant increase in credit risk compared to the initial recognition.

The Stage Allocation assessment model always apply at transaction level, and it is based on a combination of relative and absolute elements: The main elements are:

[87] The data, regularly available from the Bank of Italy database, were filtered considering the credits granted to consumer families for amounts exceeding €125,000, assuming that, for such high amounts, credit facilities other than mortgages is marginal.

Part E - Information on Risks and relating hedging policies

- the comparison between the counterparty's rating at the reference date and that recorded at the date of origination / first recognition. The methodology provides that the position goes to stage 2 when a certain threshold is exceeded, set in terms of notches from the rating detected at the date of first recognition;
- absolute elements such as the backstops provided for by the regulation (e.g. 30 day Expired);
- other internal and external evidences.

With reference to the institutional counterparties issuers of securities purchased by the Group as investment, or with which the Group carries out credit business, the approach employed is based on the external rating assigned by the Moody's agency. As anticipated, the methodology provides that the position goes to stage 2 when a certain threshold is exceeded, set in terms of notches from the rating recognised at the date of the report was first opened.

With reference to retail counterparties, in the absence of internal ratings, the Group monitors a set of early warning indicators (e.g. interruption of wage crediting, classification of the position as Forborne, etc.) and thresholds (e.g. worsening of the instalment/income ratio, overdraft of the position for a certain number of days, etc.) highlighting a potential deterioration in the creditworthiness of the counterparty, according to the different types of credit facilities. For retail exposures classified as stage 2, unlike exposures classified as stage 3, there is no a cure period for returning to the previous risk class. Consequently, when the conditions for classification to stage 2 cease to exist (for example the 30 days past due), provided that there is no further evidence that suggests a deterioration in the creditworthiness of the counterparty, the exposures are automatically reclassified into stage 1.

The criteria for determining write-downs for loans and receivables are based on the discounting of expected cash flows of principal and interest, which, according to the portfolio management model, may also refer to market operations. In order to determine the present value of cash flows, the basic requirement is the identification of estimated proceeds, the timing of payments and the discounting rate used.

The loss amount on impaired exposures classified as bad loans, unlikely to pay and past due according to the categories specified below, is calculated as the difference between the value at first recognition and the present value of estimated cash flows discounted at the original interest rate of the financial asset.

For all fixed-rate positions, the interest rate determined in this manner is also held constant in future accounting years, while for floating rate positions the interest rate is updated according to contractual terms.

If the original interest rate is not directly available, or where its detection is judged as excessively expensive, the interest rate best approximating the original one is applied, including through practical expedients not affecting the substance and ensure consistency with international accounting standards.

Recovery timings are estimated according to business plans or forecasts based on the experience of historical recovery timings observed for similar classes of loans, taking into account the customer segment, type of loan, type of guarantee and any other factors deemed relevant or, if the conditions exist, of expected market transactions.

Parameters and risk level definitions used in the calculation of provisions

As mentioned above, ECL models leverage on PD, LGD and EAD parameters, as well as the effective interest rate. Models are used for the calculation of provisions for all institutional counterparties, most of which are Financial Institutions, Banks and Sovereigns (FIBS counterparties).

Specifically:

- PD (Probability of Default) expresses the percentage probability that the credit exposure will incur in a default event, within a defined timeline (e.g. 1 year);
- LGD (Loss Given Default) expresses the percentage of estimated loss (1-recovery rate) shall the default event actually occur;
- EAD (Exposure at Default) expresses the measurement of the exposure at the time of the credit position default event;
- Effective Interest Rate is the discount rate expressing the time value of the money.

Such parameters are calculated starting from long period ones, also used for the internal capital calculation, adjusted in order to ensure compliance with the IFRS 9 accounting principle.

The main adjustments are made in order to:

- introduce point-in-time adjustments required by the accounting principle;
- include forward-looking information;
- extend the credit risk parameters to a multi-year perspective.

In order to get lifetime PD, the through-the-cycle PD curves, obtained from cumulative default rates, were adapted to reflect point-in-time and forward-looking provisions of portfolio default rates.

Recovery rates incorporated in the through-the-cycle LGD have been adapted in order to remove the prudential margin and to reflect the latest trends in recovery rates, as well as expectations on future trends discounted to the actual interest rate or its best approximation.

With reference to Stage 3, it should be noted that it includes impaired exposures to debtors that fall, in accordance with Bank of Italy rules, defined in Circular no. 272 of 30 July 2008 and subsequent updates, into the “Non-performing” category pursuant to Regulation 630/2019 amending Regulation (EU) no. 575/2013 and Commission Implementing Regulation (EU) no. 451/2021, as amended and supplemented (Implementing Technical Standards). Financial instruments included in the portfolio “Financial assets held for trading” and derivative contracts are excluded.

For the purposes of identifying and classifying impaired credit exposures, account must also be taken of the provisions of the EBA Guidelines on the application of the definition of default pursuant to Article 178 of Regulation (EU) No 575/2013 of the European Parliament and of the Council (EBA/GL/2016/07) and EU Regulation 2018/171. Impaired credit exposures must, during the 3-month “cure period” provided for in paragraph 71(a) of EBA/GL/2016/07, continue to be recognised in the relevant categories in which they were located.

In particular, reference is made to the EBA definition of Non-Performing exposures and to the definition of impaired assets established by the Bank of Italy, as reported in the section Part A - Accounting Policies – Impairment of the notes to the consolidated accounts as at December 31, 2024.

Forward-looking information used in calculating write-downs

The expected credit loss deriving from the parameters described in the forgoing paragraph considers macroeconomic forecasts through the application of multiple scenarios to the forward-looking components.

Specifically, the forward-looking component is determined by three macroeconomic scenarios, a basic scenario ("Baseline"), a positive scenario and an adverse scenario. The basic scenario is the main reference one, as it is the one considered most likely; the positive and adverse scenarios stand for alternative events, respectively better and worse.

The macroeconomic parameters provided by Moody's Analytics in the context of the baseline scenario, used together with the stressed scenarios to determine the prospective component required by the IFRS 9 accounting principle, are subject to a control activity, aimed at verifying their reliability. The activity includes a comparison with official forecasts released by authoritative sources such as supervisory authorities or international/European institutions and the verification of the consistency of the main macroeconomic variables in the stressed scenarios with respect to the confidence interval used in the development of the scenario.

Assessment of the Significant Increase in Credit Risk (SICR)

As of December 31st, 2024, no significant increase in stage 2 positions was detected.

Part E - Information on Risks and relating hedging policies

Measurement of Expected Credit Losses

As at December 31st, 2024, for the calculation of Expected Credit losses on performing exposures, the Group has used risk parameters (PD and LGD) adjusted with macroeconomic scenarios provided by the external supplier Moody's Analytics. Such scenarios incorporate forward-looking information which consider the different possible evolutions, in geopolitical and economic terms, of the major ongoing military conflicts, including the one between Russia and Ukraine as well as the one between Israel and Hamas.

As anticipated in the Expected Credit Losses calculation methodology section, the forward-looking component is made of three macroeconomic scenarios; a baseline scenario, a positive scenario and an adverse scenario. The baseline scenario is weighted 40% as it is the one more likely to come true, whereas the positive and adverse scenario are weighted 30% each, and they stand for alternative outcomes, respectively better and worse.

The baseline scenario used to calculate the ECL as of December 31st, 2024 considers a modest growth in the second half of 2024, driven by the timid increase in consumption, and a more incisive improvement starting from 2025. The scenario assumes that the military conflict between Russia and Ukraine continues without involving other countries, and that Israel's declaration of war on Hamas does not result in a regional conflict. It is also assumed that raw material prices remain stable and that, in the coming months, inflation continues to oscillate above the target value until reaching it towards the end of 2025. This translates into a modest growth forecast of the Eurozone's Gross Domestic Product (GDP) at 0.75%.

In Italy, the country in which the Group holds almost all of its exposure to retail customers, the GDP growth forecast for 2024 is estimated to recover slightly to 0.76% thanks to the recovery in consumption. A gradual acceleration is expected in the following years in view of the reduction in inflation. The debt/GDP ratio is estimated at 138%, negatively affected by the budget deficits, expected for both 2024 and 2025 following the implementation of the government's tax relief program on labor. The unemployment rate is estimated to remain stable at 6.71% for 2024, and then settle in the following years at its long-term historical level, around 7.5%.

Other macroeconomic variables, such as the yeld on 10-year government bonds, are considered in the scenarios depending on the credit product and the demographic characteristics of the counterparty to which the Group holds exposure.

The favorable scenario used to calculate the ECL at December 31, 2024 assumes a faster recovery in aggregate demand thanks to an easing of geopolitical tensions caused by the military conflict in Ukraine. In Italy, the recovery in economic activity translates into a forecast of growth in the Gross Domestic Product at 0.94% in 2024. The Debt/GDP ratio forecast for the end of 2024 remains at 138%. Finally, the unemployment rate is estimated to decrease to 6.67%, and then stabilize in the following years.

By contrast, the adverse scenario used for the calculation of the ECL as at 31 December 2024 assumes an escalation of the military conflict beyond Ukraine's borders with an increase in geopolitical tensions and the rapid deterioration of market confidence in the European economy. The forecasts in this scenario result in a recession with GDP growth falling to 0.48% in 2024, a further worsening in 2025 (-3.95%) and a gradual recovery in the following years. The debt/GDP ratio is estimated to rise to 157% in 2026. Finally, the Italian unemployment rate is estimated to rise sharply to a peak of 9.56% in 2026 and then decline slightly in the following years

As of December 31st, 2024, assuming to apply only the positive scenario on the overall Group's exposures we would have credit risk recoveries for around € 1.4 million, whereas assuming to apply only the adverse scenario, credit risk adjustments would be equal to € 4.2 million. Considering all the scenarios mentioned above the Group's estimated credit risk adjustments are equal to € 0.3 million. It should be noted that, in estimating the amounts reported above, the write-backs arising from the sale of securities were not considered. As of December 31st, 2024, such write-backs amount to around € 0.3 million.

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Details about the forecasts of the main macroeconomic data used in the scenarios are detailed in the following table:

Scenarios	Variables	2024	2025	2026	2027	2028
Baseline (40%)	Eurozone-GDP (Δ%)	0.75%	1.31%	1.68%	1.55%	1.38%
	ITA-GDP (Δ%)	0.76%	0.91%	1.34%	1.57%	1.42%
	ITA-Debt/GDP ratio	138%	142%	142%	142%	140%
	ITA-Unemployment rate	6.71%	6.50%	6.74%	6.94%	7.10%
	ITA-Inflation	1.08%	1.77%	1.62%	1.83%	1.95%
Favorable (30%)	Eurozona-GDP (Δ%)	0.95%	3.12%	1.80%	1.44%	1.40%
	ITA-GDP (Δ%)	0.94%	2.53%	1.34%	1.40%	1.41%
	ITA-Debt/GDP ratio	138%	138%	138%	137%	134%
	ITA-Unemployment rate	6.67%	6.24%	6.40%	6.65%	6.88%
	ITA-Inflation	1.12%	2.04%	1.64%	1.75%	2.00%
Unfavorable (30%)	Eurozona-GDP (Δ%)	0.48%	-3.45%	1.08%	2.91%	1.73%
	ITA-GDP (Δ%)	0.48%	-3.95%	0.77%	2.89%	1.70%
	ITA-Debt/GDP ratio	138%	152%	157%	156%	155%
	ITA-Unemployment rate	6.87%	8.46%	9.56%	9.00%	8.56%
	ITA-Inflation	0.99%	0.67%	0.86%	1.66%	1.67%

2.4 Credit risk mitigation techniques

In order to mitigate the risk in the different forms of credit granting, the Group acquires several types of collateral. For mortgage loans, the Group mainly acquires residential properties as collateral through mortgages, while various types of securities are accepted as pledges on overdraft facilities, including shares, bonds, investment funds, insurance and government securities.

Even when there is a collateral, the Group carries out an overall credit risk assessment, mainly focusing on the customer's earning capacity regardless of the ancillary guarantee provided. The valuation of the pledged guarantees is based on the real value, understood as the market value for securities listed on a regulated market. Percentage haircuts (margins) are applied to the value thus determined, differentiated according to the securities used as collateral and the concentration of the instrument in the customer's portfolio provided as collateral.

For real estate guarantees, the principles and rules are described in the "Normativa erogazione crediti commerciali" policy. In particular, the Group grants its customers loans for a maximum amount equal to 80% of the value of the mortgaged assets. The ratio between the amount of the loan granted and the value of the real estate property, certified as described above, is called Loan To Value (LTV), and is calculated on the entire property covered by the guarantee. Depending on the purpose of the loan (purchase, subrogation, refinancing and liquidity), more stringent LTV limits may be required. At December 31st, 2024, the average LTV of the mortgage portfolio was approximately 45%.

The real estate evaluation is carried out by external technicians included in the Register of Engineers, Architects, Surveyors or industrial experts and is therefore not subject to conflicts of interest. The value of the real estate properties is monitored on an annual basis through market revaluation indices, estimated by an external supplier specialized in real estate market valuations. This activity is aimed at identifying any properties that need revaluation and may also be carried out more frequently if market conditions are subject to significant changes.

For financial collateral, on the other hand, the principles and rules are described in the "Collateral Management" policy. The evaluation of securities takes place by taking into consideration several parameters, including the issue rating, the liquidity class, the capitalization and the inclusion in a recognized index. Such parameters, depending on the type of instrument being valued, may affect not only the eligibility of the instrument itself, but also the margin considered in order to determine the amount of the loan.

The monitoring of the financial collateral value is carried out on a daily basis by automatic procedures that perform the Mark to Market of each individual security booked in the collateral deposits, and compare the resulting value with the amount entrusted during the origination phase. In the event of losses exceeding the threshold value, the resolution methods are assessed on a case-by-case basis in agreement with the customer.

3. Impaired credit exposures

3.1 Management strategies and policies

Impaired exposures correspond, in accordance with Bank of Italy rules, defined in Circular No. 272 of 30 July 2008 and subsequent updates, to the Non-Performing Exposures aggregate set forth in Regulation 630/2019, amending Regulation 575/2013 (CRR) and Commission Implementing Regulation (EU) No. 451/2021, as amended and supplemented. Financial instruments falling under the portfolio 'Financial assets held for trading' and derivative contracts are excluded.

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For the purposes of identifying and classifying impaired credit exposures, the Group also considers the provisions of EBA Guidelines 2016/07 of 18/01/2017 on the application of the Definition of Default contained in Article 178 of Regulation 575/2013 (CRR), supplemented by EU Regulation 2018/171.

This definition of impaired loans converges with the definition of 'impaired' financial assets contained in IFRS 9, resulting in the recognition of all impaired loans within Stage 3.

In identifying impaired exposures, the Group adopts a 'per debtor' approach, therefore, it is the entire counterparty of the credit relationship that is classified and not individual credit lines granted to the same counterparty.

The classification as non-performing, linked to the customer's insolvency, is always analytical and defined on the basis of the progress of credit recovery actions. The loss forecast for positions classified as probable default and impaired past due is also analytical.

Receivables derecognition and, therefore, the passage from one status to another towards lower classifications are only permitted in the event of complete payment of the overdue amount considered with respect to the original amortisation plan or in the event of substantial agreed payments that lead to the belief that the repayment of the debt exposure is very probable.

The procedures for the management of abnormally performing receivables envisage, based on the seniority of the overdue amount, specific actions for the recovery of the receivable.

3.2 Write-off

The Group records a write-off of a financial asset whenever there are no reasonable expectations of recovering capital and interests.

The evaluations on possible write-offs are implemented based on different criteria, listed below (by way of example and not exhaustive), such as:

- untraceable of borrower and/or guarantor, if present;
- lack of enforceable assets (i.e. lack of salary, real estate);
- unprofitable and expensive judicial actions in relation to the receivable;
- decease of the debtor and possible no living heirs and / or renunciation of the inheritance.

In any case, the Group policy is to not continue recovery activities after a write-off has been recorded.

3.3 Purchased or originated impaired financial assets

The Group's current business model and company policies approved by the Board of Directors do not expect any purchase of impaired loans or origination of new credit facilities in any form (personal loans, mortgages, current account credit facilities, etc.) to already non-performing customers.

4. Commercial renegotiations and forbearance measures

Renegotiations of financial instruments determining a change in the contractual terms are recognized, as described above, according to the materiality of variations in the contractual terms. The evaluation of the materiality of changes shall be carried out considering both qualitative and quantitative terms, in particular whenever liabilities are concerned. For more details reference is made to the paragraph "Renegotiations" on part A – Accounting policies of the Notes to the consolidated accounts.

As of December 31st, 2024, no relevant increase in forbearance measures have been detected.

Part E - Information on Risks and relating hedging policies

Quantitative information

A. Credit quality

As provided for in Circular No. 262 “The banks’ financial statements: layouts and preparations”, on-demand loans to banks and central banks, recognised in the balance sheet item "Cash and cash balances", are included in the definition of cash credit exposures but are conventionally excluded from the tables on quantitative credit quality disclosures in Section 2 "Risks of the prudential consolidation", with the exception of tables A.1.2, A.1.4, A.1.6, A.1.6bis and A.1.8 and B.3.

A.1 Impaired and unimpaired credit exposures: amounts, impairment, changes, distribution by business activity

A.1.1 Prudential consolidation: distribution of financial assets by maturity bands (balance sheet values)

(Amounts in € thousand)

Portfolios / stages of risk		Stage 1			Stage 2			Stage 3			Purchased or originated credit-impaired		
		From 1 day to 30 days	Over 30 days until 90 days	Over 90 days	From 1 day to 30 days	Over 30 days until 90 days	Over 90 days	From 1 day to 30 days	Over 30 days until 90 days	Over 90 days	From 1 day to 30 days	Over 30 days until 90 days	Over 90 days
1. Financial assets at amortised cost		28,102	54	225	1,195	4,925	1,110	88	216	3,065	-	-	-
2. Financial assets at fair value through other comprehensive income		-	-	-	-	-	-	-	-	-	-	-	-
3. Financial instruments classified held for sale		-	-	-	-	-	-	-	-	-	-	-	-
Total	**12/31/2024**	**28,102**	**54**	**225**	**1,195**	**4,925**	**1,110**	**88**	**216**	**3,065**	**-**	**-**	**-**
Total	**12/31/2023**	**26,240**	**4,768**	**255**	**108**	**4,661**	**703**	**23**	**29**	**3,288**	**-**	**-**	**-**

Part E - Information on Risks and relating hedging policies

A.1.2 Prudential Consolidation - Financial assets, commitments to disburse funds and financial guarantees issued: changes in total value adjustments and total provisions

(Amounts in € thousand)

Causal / risk stages	Total value adjustments																	
	Stage 1 financial assets						Stage 2 financial assets						Stage 3 financial assets					
	Loans and receivables on-demand to banks and Central Banks	Financial assets at amortised cost	Financial assets at fair through other comprehensive income	Financial assets held for sale	of which: individual writedowns	of which: collective writedowns	Loans and receivables on-demand to banks and Central Banks	Financial assets at amortised cost	Financial assets at fair through other comprehensive income	Financial assets held for sale	of which: individual writedowns	of which: collective writedowns	Loans and receivables on-demand to banks and Central Banks	Financial assets at amortised cost	Financial assets at fair through other comprehensive income	Financial assets held for sale	of which: individual writedowns	of which: collective writedowns
Total opening adjustments	**(129)**	**(12,662)**	**(2)**	**-**	**-**	**(12,791)**	**-**	**(5,342)**	**-**	**-**	**-**	**(5,342)**	**-**	**(20,129)**	**-**	**-**	**(14,860)**	**(5,269)**
Changes in increase from financial assets acquired or originated	(91)	(1,555)	(28)	-	-	(1,674)	-	(713)	-	-	-	(713)	-	(1,578)	-	-	(68)	(1,510)
Cancellations other than write-offs	69	1,312	-	-	-	1,381	-	598	-	-	-	598	-	615	-	-	234	380
Net value adjustments / write-backs for credit risk	35	4,558	(1)	-	-	4,592	-	428	-	-	-	428	-	(4,110)	-	-	(1,209)	(2,902)
Contractual changes without cancellations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in the estimation methodology	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs non recorded directly in the income statement	-	2	-	-	-	2	-	5	-	-	-	5	-	1,599	-	-	1,548	51
Other variations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,952)	1,952
Total closing adjustments	**(116)**	**(8,345)**	**(31)**	**-**	**-**	**(8,490)**	**-**	**(5,024)**	**-**	**-**	**-**	**(5,024)**	**-**	**(23,603)**	**-**	**-**	**(16,307)**	**(7,298)**
Recoveries from financial assets subject to write-off	-	-	-	-	-	-	-	-	-	-	-	-	-	3	-	-	3	-
Write-offs recorded directly in the income statement	-	-	-	-	-	-	-	(10)	-	-	-	(10)	-	(127)	-	-	(91)	(36)

Part E - Information on Risks and relating hedging policies

A.1.2 Prudential Consolidation - Financial assets, commitments to disburse funds and financial guarantees issued: changes in total value adjustments and total provisions

(continued)

(Amounts in € thousand)

Causal / risk stages	Total value adjustments - Purchased or originated impaired financial assets					Total provisions on commitments to disburse funds and financial guarantees issued				Tot.
	Financial assets at amortised cost	Financial assets at fair through other comprehensive income	Financial assets held for sale	of which: individual writedowns	of which: collective writedowns	Stage 1	Stage 2	Third stage	Commitments to provide funds and financial guarantees issued impaired acquired or originated	
Total opening adjustments	**-**	**-**	**-**	**-**	**-**	**(189)**	**-**	**(37)**	**-**	**(38,490)**
Changes in increase from financial assets acquired or originated	X	X	X	X	X	(8)	(3)	(4)	-	**(3,980)**
Cancellations other than write-offs	-	-	-	-	-	28	-	-	-	**2,622**
Net value adjustments / write-backs for credit risk	-	-	-	-	-	122	-	35	-	**1,067**
Contractual changes without cancellations	-	-	-	-	-	-	-	-	-	**-**
Changes in the estimation methodology	-	-	-	-	-	-	-	-	-	**-**
Write-offs non recorded directly in the income statement	-	-	-	-	-	-	-	-	-	**1,606**
Other variations	-	-	-	-	-	-	-	-	-	**-**
Total closing adjustments	**-**	**-**	**-**	**-**	**-**	**(47)**	**(3)**	**(6)**	**-**	**(37,175)**
Recoveries from financial assets subject to write-off	-	-	-	-	-	-	-	-	-	**3**
Write-offs recorded directly in the income statement	-	-	-	-	-	-	-	-	-	**(137)**

Part E - Information on Risks and relating hedging policies

A.1.3 Regulatory consolidation - Financial assets, commitments and financial guarantees: transfers between the different stages (gross amount and nominal)

(Amounts in € thousand)

Portfolios/stages	Gross exposure/nominal value					
	Transfer between stage 1 and stage 2		Transfer between stage 2 and stage 3		Transfer between stage 1 and stage 3	
	To stage 2 from stage 1	To stage 1 from stage 2	To stage 3 from stage 2	To stage 2 from stage 3	To stage 3 from stage 1	To stage 1 from stage 3
1. Financial assets at amortized cost	11,123	4,490	1,235	79	5,932	201
2. Financial assets at fair value through other comprehensive income	-	-	-	-	-	-
3. Financial assets held for sale	-	-	-	-	-	-
4. Commitments and financial guarantees given	61	-	-	-	13	25
12/31/2024	**11,184**	**4,490**	**1,235**	**79**	**5,945**	**226**
12/31/2023	**9,969**	**2,949**	**769**	**111**	**4,881**	**161**

Part E - Information on Risks and relating hedging policies

A.1.4 Prudential Consolidated - Cash and off-balance sheet credit exposures to banks: gross and net values

(Amounts in € thousand)

Type of exposure/amounts	Gross exposures					Total value adjustments and total credit risk provisions					Net Exposure	Total Write-off*
		Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired		
A. ON-BALANCE SHEET CREDITS EXPOSURES												
A.1 ON DEMAND	**1,962,987**	**1,962,987**	**-**	**-**	**-**	**(116)**	**(116)**	**-**	**-**	**-**	**1,962,871**	**-**
a) Non performing	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	1,962,987	1,962,987	-	X	-	(116)	(116)	-	X	-	1,962,871	-
A.2 OTHERS	**2,508,719**	**2,508,717**	**-**	**-**	**-**	**(204)**	**(204)**	**-**	**-**	**-**	**2,508,515**	**-**
a) Bad exposures	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
b) Unlikely to pay	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
c) Non performing past due	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
d) Performing past due exposures	-	-	-	X	-	-	-	-	X	-	-	-
- of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
e) Other performing exposures	2,508,719	2,508,717	-	X	-	(204)	(204)	-	X	-	2,508,515	-
- of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
TOTAL (A)	**4,471,706**	**4,471,704**	**-**	**-**	**-**	**(320)**	**(320)**	**-**	**-**	**-**	**4,471,386**	**-**
B. OFF-BALANCE SHEET CREDITS EXPOSURES												
a) Non performing	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	912,015	17,170	-	X	-	-	-	-	X	-	912,015	-
TOTAL (B)	**912,015**	**17,170**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**912,015**	**-**
TOTAL (A+B)	**5,383,721**	**4,488,874**	**-**	**-**	**-**	**(320)**	**(320)**	**-**	**-**	**-**	**5,383,401**	**-**

It should be noted that financial assets held for trading, derivative contracts and off-balance sheet transactions other than those subject to the impairment rules under IFRS 9 have been classified, by convention, as non-impaired exposures, but have not been included in the columns providing a breakdown by risk stage.

In the above table, item B. "Off-balance sheet exposures" includes the counterparty risk related to repos that can be classified as "Securities Financing Transactions" (SFT) defined in prudential regulations, amounting to € 217,133 thousand.

Part E - Information on Risks and relating hedging policies

A.1.5 Prudential consolidation - Cash and off-balance-sheet exposures to customers: gross and net values

(Amounts in € thousand)

Type of exposure/Amounts	Gross exposures					Total value adjustments and total credit risk provisions					Net Exposure	Total Write-off*
		Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired		
A. ON-BALANCE SHEET CREDITS EXPOSURES												
a) Bad exposures	**17,128**	**X**	**-**	**17,128**	**-**	**(16,335)**	**X**	**-**	**(16,335)**	**-**	**793**	**-**
- of which: forborne exposures	319	X	-	319	-	(311)	X	-	(311)	-	8	-
b) Unlikely to pay	**7,199**	**X**	**-**	**7,199**	**-**	**(5,210)**	**X**	**-**	**(5,210)**	**-**	**1,989**	**-**
- of which: forborne exposures	980	X	-	980	-	(514)	X	-	(514)	-	466	-
c) Non performing past due	**3,392**	**X**	**-**	**3,392**	**-**	**(2,058)**	**X**	**-**	**(2,058)**	**-**	**1,334**	**-**
- of which: forborne exposures	15	X	-	15	-	(10)	X	-	(10)	-	5	-
d) Performing past due exposures	**36,074**	**28,533**	**7,540**	**X**	**-**	**(463)**	**(153)**	**(310)**	**X**	**-**	**35,611**	**-**
- of which: forborne exposures	20	-	20	X	-	-	-	-	X	-	20	-
e) Other performing exposures	**27,489,033**	**27,450,377**	**38,589**	**X**	**-**	**(12,731)**	**(8,018)**	**(4,713)**	**X**	**-**	**27,476,302**	**-**
- of which: forborne exposures	1,719	-	1,719	X	-	(9)	-	(9)	X	-	1,710	-
TOTAL (A)	**27,552,826**	**27,478,910**	**46,129**	**27,719**	**-**	**(36,797)**	**(8,171)**	**(5,023)**	**(23,603)**	**-**	**27,516,029**	**-**
B. OFF-BALANCE SHEET CREDITS EXPOSURES												
a) Non performing	87	X	-	19	-	(6)	X	-	(6)	-	81	-
b) Performing	2,237,253	54,497	1,539	X	-	(50)	(46)	(3)	X	-	2,237,203	-
TOTAL (B)	**2,237,340**	**54,497**	**1,539**	**19**	**-**	**(56)**	**(46)**	**(3)**	**(6)**	**-**	**2,237,284**	**-**
TOTAL (A+B)	**29,790,166**	**27,533,407**	**47,668**	**27,738**	**-**	**(36,853)**	**(8,217)**	**(5,026)**	**(23,609)**	**-**	**29,753,313**	**-**

It should be noted that financial assets held for trading, derivative contracts and off-balance sheet transactions other than those subject to the impairment rules under IFRS 9 have been classified, by convention, as non-impaired exposures, but have not been included in the columns providing a breakdown by risk stage.

In addition, in the above table, item B. “Off-balance sheet exposures” includes the counterparty risk related to securities lending transactions and to repos that can be classified as “Securities Financing Transactions” (SFT) defined in prudential regulations, amounting to € 14,472 thousand.

A.1.6 Prudential consolidated perimeter - On-balance sheet credit exposures to banks: gross changes in non-performing exposures

No data to report.

Part E - Information on Risks and relating hedging policies

A.1.6bis Prudential consolidated perimeter - On-balance sheet credit exposures to banks: gross changes in forborne non-performing exposures breakdown by credit quality

No data to report.

A.1.7 Prudential Consolidation – On-balance sheet credit exposures per case to customers: the dynamics of gross deteriorated exposures

(Amounts in € thousand)

Causals/ category	Bad Exposures	Unlikely to pay	Impaired past due exposures
A. Opening balance (gross amount)	**16,018**	**5,664**	**2,410**
- of which: sold non-cancelled exposures	-	-	-
B. Increases	**3,546**	**5,564**	**3,450**
B.1 transfers from performing loans	625	3,892	3,026
B.2 entry from impaired financial assets acquired or originated	-	-	-
B.3 transfers from other impaired exposures	2,878	497	-
B.4 contractual changes without cancellations	-	-	-
B.5 other increases	43	1,175	424
C. Decreases	**(2,436)**	**(4,029)**	**(2,468)**
C.1 transfers to perfomorming loans	-	(78)	(304)
C.2 write-offs	(1,638)	(17)	(70)
C.3 recoveries	(797)	(1,124)	(1,094)
C.4 sales proceeds	-	-	-
C.5 losses on disposals	-	-	-
C.6 transfers to other impaired exposures	-	(2,503)	(872)
C.7 contractual changes without cancellations	-	-	-
C.8 other decreases	(1)	(307)	(128)
D. Closing balance (gross amounts)	**17,128**	**7,199**	**3,392**
- of which: sold but not derecognised	-	-	-

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A.1.7bis Prudential Consolidation - Cash credit exposure to customers: trends in gross exposures subject to separate credit ratings

(Amounts in € thousand)

Description/Quality	Forborne exposures impaired	Forborne exposures not impaired
A. Opening balance (gross amount)	**855**	**2,225**
- Sold but not derecognised	-	-
B. Increases	**869**	**791**
B.1 Transfers from performing not forborne exposures	-	583
B.2. Transfers from performing forborne exposures	455	X
B.3. Transfers from impaired forborne exposures	X	43
B.4 Transfers from impaired not forborne exposure	-	-
B.5 other increases	414	165
C. Decreases	**(410)**	**(1,277)**
C.1 Transfers to performing not forborne exposures	X	(340)
C.2 Transfers to performing forborne exposures	(43)	X
C.3 transfers to impaired exposures not forborne	X	(455)
C.4 write-offs	(31)	-
C.5 recoveries	(211)	(426)
C.6 sales proceeds	-	-
C.7 losses on disposals	-	-
C.8 other decreases	(125)	(56)
D. Closing balance (gross amounts)	**1,314**	**1,739**
- Sold but not derecognised	-	-

A.1.8 Prudential consolidated perimeter - On-balance sheet credit exposures to banks: changes in overall impairment

No data to report.

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A.1.9 Prudential Consolidated - Credit exposures for non-performing loans to customers: changes in total value adjustments

(Amounts in € thousand)

Description/Category	Bad Exposures		Unlikely to pay		Impaired Past due exposures	
	Total	of which: forborne exposures	Total	of which: forborne exposures	Total	of which: forborne exposures
A. Opening balance overall amount of writedowns	**(14,908)**	**(246)**	**(3,849)**	**(336)**	**(1,370)**	**(14)**
- Sold but not derecognised	-	-	-	-	-	-
B. Increases	**(3,681)**	**(108)**	**(3,720)**	**(363)**	**(1,767)**	**(27)**
B.1 impairment losses on acquired or originated assets	-	X	-	X	-	X
B. 2 other value adjustments	(1,727)	(38)	(3,401)	(307)	(1,740)	(6)
B.3 losses on disposal	-	-	-	-	-	-
B.4 transfer from other impaired exposure	(1,952)	(70)	(268)	(9)	-	-
B. 5 contractual changes without cancellations	-	-	-	-	-	-
B.6 other increases	(2)	-	(51)	(47)	(27)	(21)
C. Reductions	**2,254**	**43**	**2,359**	**185**	**1,079**	**31**
C.1 write-backs from assessments	108	3	197	43	201	12
C.2 write-backs from recoveries	508	10	376	76	280	5
C.3 gains on disposal	-	-	-	-	-	-
C.4 write-offs	1,638	30	17	-	70	1
C.5 transfers to other impaired exposures	-	-	1,718	66	503	13
C. 6 contractual changes without cancellations	-	-	-	-	-	-
C.7 other decreases	-	-	51	-	25	-
D. Closing overall amount of writedowns	**(16,335)**	**(311)**	**(5,210)**	**(514)**	**(2,058)**	**(10)**
- Sold but not derecognised	-	-	-	-	-	-

Part E - Information on Risks and relating hedging policies

A.2 Breakdown of financial assets, commitments and financial guarantees given by internal and external ratings

A.2.1 Prudential Consolidation - Distribution of financial assets, commitments to disburse funds and financial guarantees issued: by external rating classes (gross values)

(Amounts in € thousand)

Exposures	External rating classes						Without rating	Total
	Class 1	class 2	class 3	class 4	class 5	class 6		
A. Financial assets valued at amortized cost	**11,584,388**	**6,087,598**	**5,536,695**	**148**	**-**	**-**	**6,556,263**	**29,765,092**
- Stage 1	11,584,388	6,087,598	5,536,695	148	-	-	6,482,413	29,691,242
- Stage 2	-	-	-	-	-	-	46,129	46,129
- Stage 3	-	-	-	-	-	-	27,721	27,721
- Purchased or originated impaired	-	-	-	-	-	-	-	-
B. Financial assets valued at fair value with impact on overall profitability	**296,386**	**-**	**-**	**-**	**-**	**-**	**-**	**296,386**
- Stage 1	296,386	-	-	-	-	-	-	296,386
- Stage 2	-	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-	-
- Purchased or originated impaired	-	-	-	-	-	-	-	-
C. Financial assets held for sale	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- Stage 1	-	-	-	-	-	-	-	-
- Stage 2	-	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-	-
- Purchased or originated impaired	-	-	-	-	-	-	-	-
Total (A+B+C)	**11,880,774**	**6,087,598**	**5,536,695**	**148**	**-**	**-**	**6,556,263**	**30,061,478**
D. Commitments and financial guarantees given	**-**	**-**	**17,170**	**-**	**-**	**-**	**56,055**	**73,225**
- Stage 1	-	-	17,170	-	-	-	54,496	71,666
- Stage 2	-	-	-	-	-	-	1,540	1,540
- Stage 3	-	-	-	-	-	-	19	19
- Purchased or originated impaired	-	-	-	-	-	-	-	-
Total (D)	**-**	**-**	**17,170**	**-**	**-**	**-**	**56,055**	**73,225**
Total (A+B+C+D)	**11,880,774**	**6,087,598**	**5,553,865**	**148**	**-**	**-**	**6,612,318**	**30,134,703**

The table shows the breakdown of on-balance sheet and off-balance-sheet exposures to counterparties with an external rating. Rating agencies provide a summary assessment on the creditworthiness of different type of counterparties: countries, banks, public bodies, insurance companies and businesses, usually large-scale.

The table refers to the classification set forth in the Bank of Italy Circular no. 262/2005 regarding external ratings, which envisages 6 classes of creditworthiness.

The above representation refers to the Standard and Poor's ratings, which were also associated to the ratings of the other two main Agencies, Moody's and Fitch. When there were two credit ratings for an individual exposure provided by two rating agencies the worst rating was recognised; if there were three different ratings the two best ratings were identified and, if they were different, the worst rating from these was recognised.

As part of the calculation of statutory requirements, by using the standard risk calculation method, the Group relies on the rankings of rating agencies in order to determine the weighting coefficients for exposures to Central governments, with the exception of exposures to which specific risk weights are applied as specified in Articles 113 to 134 of the CRR, including, for example, exposures to Central governments and Central banks of Member States denominated and funded in the national currency of those Central governments and Central banks, which are risk-weighted at 0%, and Covered bank bonds. In general, a weighting factor of 100% is applied to the remaining credit exposures, subject to the exceptions established by CRR 575/2013.

As of December 31st, 2024, retail credit exposures mainly consist of personal loans, mortgages credit cards spending - both installment or revolving - unsecured and secured overdraft facilities and securities lending not externally rated. Rated exposures to non-retail entities derive mainly from securities issued by Sovereign states and supranational issuers and from credit exposures to leading banks with high credit ratings.

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A.2.2 Prudential consolidated perimeter - Breakdown of on-balance sheet and off-balance-sheet financial assets, commitments and financial guarantees given: breakdown by internal rating class (gross amount)

This table has not been included because internal ratings are not used to managed credit risk.

A.3 Breakdown of secured exposures by type of collateral

A.3.1 Regulatory consolidation - Secured on-balance sheet and off-balance-sheet exposures to banks

(Amounts in € thousand)

			Real guarantees (1)				Personal guarantees (2)	
							Credit derivatives	
								Other derivatives
	Gross exposure	Net exposures	Property - mortgages	Property - Financial leases	Securities	Other real guarantees	CLN	Central counterparties
1. Secured on-balance sheet exposures:	**291**	**291**	**-**	**-**	**281**	**-**	**-**	**-**
1.1 totally secured	291	291	-	-	281	-	-	-
- of which impaired	-	-	-	-	-	-	-	-
1.2 partially secured	-	-	-	-	-	-	-	-
- of which impaired	-	-	-	-	-	-	-	-
2. Secured off-balance sheet credit exposures:	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 totally secured	-	-	-	-	-	-	-	-
- of which impaired	-	-	-	-	-	-	-	-
2.2 partially secured	-	-	-	-	-	-	-	-
- of which impaired	-	-	-	-	-	-	-	-

Part E - Information on Risks and relating hedging policies

A.3.1 Regulatory consolidation - Secured on-balance sheet and off-balance-sheet exposures to banks

(continued)

(Amounts in € thousand)

	Personal guarantees (2)							Total (1)+(2)
	Credit derivatives			Signature credits				
	Other derivatives							
	Banks	Other financial entities	Other entities	Public entities	Banks	Other financial entities	Other entities	
1. Secured on-balance sheet exposures:	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**281**
1.1 totally secured	-	-	-	-	-	-	-	281
- of which impaired	-	-	-	-	-	-	-	-
1.2 partially secured	-	-	-	-	-	-	-	-
- of which impaired	-	-	-	-	-	-	-	-
2. Secured off-balance sheet credit exposures:	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 totally secured	-	-	-	-	-	-	-	-
- of which impaired	-	-	-	-	-	-	-	-
2.2 partially secured	-	-	-	-	-	-	-	-
- of which impaired	-	-	-	-	-	-	-	-

A.3.2 Regulatory consolidation - Secured on-balance sheet and off-balance-sheet exposures to customers

(Amounts in € thousand)

	Gross exposure	Net exposures	Real guarantees (1)				Personal guarantees (2)	
							Credit derivatives	
								Other derivatives
			Property - Mortgages	Property - Financial leases	Securities	Other real assets	CLN	Central counterparties
1. Secured on-balance sheet:	**4,986,946**	**4,983,362**	**2,311,527**	**-**	**2,545,078**	**58,664**	**-**	**-**
1.1 totally secured	4,985,762	4,982,180	2,310,582	-	2,545,019	58,655	-	-
- of which: impaired	3,080	1,910	1,676	-	171	64	-	-
1.2 partially secured	1,184	1,182	945	-	59	9	-	-
- of which: impaired	-	-	-	-	-	-	-	-
2. Secured off-balance sheet credit exposures:	**1,921,732**	**1,921,695**	**-**	**-**	**1,855,688**	**21,816**	**-**	**-**
2.1 totally secured	1,820,869	1,820,832	-	-	1,791,451	21,195	-	-
- of which: impaired	9	9	-	-	9	-	-	-
2.2. partially secured	100,863	100,863	-	-	64,237	621	-	-
- of which: impaired	-	-	-	-	-	-	-	-

Part E - Information on Risks and relating hedging policies

A.3.2 Regulatory consolidation - Secured on-balance sheet and off-balance-sheet exposures to customers

(continued)

(Amounts in € thousand)

	Personal guarantees (2)							Total (1)+(2)
	Credit derivatives			Signature credits				
	Other derivatives							
	Banks	Other financial entities	Other entities	Public entities	Banks	Other financial entities	Other entities	
1. Secured on-balance sheet:	**-**	**-**	**-**	**-**	**-**	**67,883**	**1**	**4,983,153**
1.1 totally secured	-	-	-	-	-	67,883	1	4,982,140
- of which: impaired	-	-	-	-	-	-	-	1,911
1.2 partially secured	-	-	-	-	-	-	-	1,013
- of which: impaired	-	-	-	-	-	-	-	-
2. Secured off-balance sheet credit exposures:	**-**	**-**	**6**	**-**	**-**	**8,210**	**-**	**1,885,720**
2.1 totally secured	-	-	1	-	-	8,210	-	1,820,857
- of which: impaired	-	-	-	-	-	-	-	9
2.2. partially secured	-	-	5	-	-	-	-	64,863
- of which: impaired	-	-	-	-	-	-	-	-

A.4 Prudential consolidated perimeter - Financial and non-financial assets obtained through the enforcement of guarantees received

No data to report.

Part E - Information on Risks and relating hedging policies

B. Distribution and concentration of credit exposures

B.1 Regulatory consolidation - Breakdown of on-balance sheet and off-balance-sheet credit exposures to customers by sector

(Amounts in € thousand)

Exposures/Counterparty		Public entities		Financial entities		Financial companies (of which: insurance companies)	
		Net exposure	Total impairments	Net exposure	Total impairments	Net exposure	Total impairments
A. On-balance sheet credit exposures							
A.1 Bad loans		-	-	-	-	-	-
- of wich: forborne exposures		-	-	-	-	-	-
A.2 Unlikely to pay		-	-	5	(19)	-	-
- of wich: forborne exposures		-	-	-	-	-	-
A.3 Past-due impaired loans		-	-	-	-	-	-
- of wich: forborne exposures		-	-	-	-	-	-
A.4 Performing exposures		21,265,281	(3,522)	841,153	(345)	550,431	(118)
- of wich: forborne exposures		-	-	-	-	-	-
Total (A)		**21,265,281**	**(3,522)**	**841,158**	**(364)**	**550,431**	**(118)**
B. Off-balance sheet exposures							
B.1 Impaired		-	-	-	-	-	-
B.2 Unimpaired		-	-	39,107	(6)	-	-
Total (B)		**-**	**-**	**39,107**	**(6)**	**-**	**-**
Total (A+B)	**12/31/2024**	**21,265,281**	**(3,522)**	**880,265**	**(370)**	**550,431**	**(118)**
Total (A+B)	**12/31/2023**	**18,777,263**	**(5,514)**	**792,047**	**(626)**	**315,715**	**(180)**

Part E - Information on Risks and relating hedging policies

B.1 Regulatory consolidation - Breakdown of on-balance sheet and off-balance-sheet credit exposures to customers by sector

(continued)

(Amounts in € thousand)

Exposures/Counterparty		Non-financial entities		Households	
		Net exposure	Total impairments	Net exposure	Total impairments
A. On-balance sheet credit exposures					
A.1 Bad loans		-	(4)	793	(16,331)
- of wich: forborne exposures		-	-	8	(311)
A.2 Unlikely to pay		3	(112)	1,981	(5,079)
- of wich: forborne exposures		-	-	466	(514)
A.3 Past-due impaired loans		7	(24)	1,327	(2,034)
- of wich: forborne exposures		-	-	5	(10)
A.4 Performing exposures		2,132	(11)	5,403,348	(9,316)
- of wich: forborne exposures		-	-	1,730	(9)
Total (A)		**2,142**	**(151)**	**5,407,449**	**(32,760)**
B. Off-balance sheet exposures					
B.1 Impaired		-	-	81	(6)
B.2 Unimpaired		4,107	-	2,179,517	(44)
Total (B)		**4,107**	**-**	**2,179,598**	**(50)**
Total (A+B)	**12/31/2024**	**6,249**	**(151)**	**7,587,047**	**(32,810)**
Total (A+B)	**12/31/2023**	**3,844**	**(110)**	**7,855,474**	**(31,935)**

Exposures connected to the counterparty risk related to securities lending or borrowing transactions are not included.

B.2 Regulatory consolidation - Breakdown of on-balance sheet and off-balance-sheet credit exposures to customers by geography

(Amounts in € thousand)

Exposures/Geographical area	Italy		Other european countries		America
	Net exposures	Total impairments	Net exposures	Total impairments	Net exposures
A. On-balance sheet exposures					
A.1 Bad loans	789	(16,276)	-	(20)	-
A.2 Unlikely to pay	1,989	(5,206)	-	(1)	-
A.3 Impaired past-due exposures	1,334	(2,054)	-	(3)	-
A.4 Unimpaired exposures	11,610,273	(11,578)	12,791,166	(1,143)	884,911
Total (A)	**11,614,385**	**(35,114)**	**12,791,166**	**(1,167)**	**884,911**
B. Off-balance sheet credit exposures					
B.1 Impaired exposures	81	(6)	-	-	-
B.2 Unimpaired exposures	2,210,818	(49)	10,433	-	403
Total (B)	**2,210,899**	**(55)**	**10,433**	**-**	**403**
Total (A+B) 12/31/2024	**13,825,284**	**(35,169)**	**12,801,599**	**(1,167)**	**885,314**
Total (A+B) 12/31/2023	**13,689,307**	**(36,248)**	**11,984,124**	**(1,644)**	**768,799**

Part E - Information on Risks and relating hedging policies

B.2 Regulatory consolidation - Breakdown of on-balance sheet and off-balance-sheet credit exposures to customers by geography

(continued)

(Amounts in € thousand)

Exposures/Geographical area	America	Asia		Rest of the world	
	Total impairments	Net exposures	Total impairments	Net exposures	Total impairments
A. On-balance sheet exposures					
A.1 Bad loans	(15)	4	(20)	-	(4)
A.2 Unlikely to pay	-	-	(2)	-	(1)
A.3 Impaired past-due exposures	-	-	(1)	-	-
A.4 Unimpaired exposures	(87)	258,380	(177)	1,967,184	(209)
Total (A)	**(102)**	**258,384**	**(200)**	**1,967,184**	**(214)**
B. Off-balance sheet credit exposures					
B.1 Impaired exposures	-	-	-	-	-
B.2 Unimpaired exposures	-	1,076	-	1	(1)
Total (B)	-	**1,076**	**-**	**1**	**(1)**
Total (A+B) 12/31/2024	**(102)**	**259,460**	**(200)**	**1,967,185**	**(215)**
Total (A+B) 12/31/2023	**(123)**	**259,039**	**(116)**	**727,359**	**(54)**

Exposures connected with the counterparty risk relating to the granting or borrowing of securities on loan are excluded.

Part E - Information on Risks and relating hedging policies

B.3 Regulatory consolidation - Breakdown of on-balance sheet and off-balance-sheet credit exposures to banks by geography

(Amounts in € thousand)

Exposures/Geographical Area	Italy		Other european countries		America
	Net exposures	Total impairments	Net exposures	Total impairments	Net exposures
A. On-balance sheet exposures					
A.1 Bad loans	-	-	-	-	-
A.2 Unlikely to pay	-	-	-	-	-
A.3 Impaired past-due exposures	-	-	-	-	-
A.4 Not impaired exposures	2,234,341	(131)	1,116,852	(73)	124,284
Total (A)	**2,234,341**	**(131)**	**1,116,852**	**(73)**	**124,284**
B. Off-balance sheet credit exposures					
B.1 Impaired exposure	-	-	-	-	-
B.2 Unimpaired exposure	17,170	-	677,712	-	-
Total (B)	**17,170**	**-**	**677,712**	**-**	**-**
Total (A+B) 12/31/2024	**2,251,511**	**(131)**	**1,794,564**	**(73)**	**124,284**
Total (A+B) 12/31/2023	**3,137,102**	**(161)**	**2,054,046**	**(144)**	**161,587**

B.3 Regulatory consolidation - Breakdown of on-balance sheet and off-balance-sheet credit exposures to banks by geography

(continued)

(Amounts in € thousand)

Exposures/Geographical Area	America	Asia		Rest of the world	
	Total impairments	Net exposures	Total impairments	Net exposures	Total impairments
A. On-balance sheet exposures					
A.1 Bad loans	-	-	-	-	-
A.2 Unlikely to pay	-	-	-	-	-
A.3 Impaired past-due exposures	-	-	-	-	-
A.4 Not impaired exposures	(12)	-	-	995,909	(104)
Total (A)	**(12)**	**-**	**-**	**995,909**	**(104)**
B. Off-balance sheet credit exposures					
B.1 Impaired exposure	-	-	-	-	-
B.2 Unimpaired exposure	-	-	-	(1)	-
Total (B)	**-**	**-**	**-**	**(1)**	**-**
Total (A+B) 12/31/2024	**(12)**	**-**	**-**	**995,908**	**(104)**
Total (A+B) 12/31/2023	**(20)**	**-**	**-**	**821,469**	**(56)**

Exposures connected with the counterparty risk relating to the granting or borrowing of securities on loan are excluded.

Part E - Information on Risks and relating hedging policies

B.4 Large exposures

As at December 31st, 2024, the “risk positions” constituting a “large exposure” pursuant to the Commission Implementing Regulation (EU) No 451/2021 of December 17th, 2020 which establishes technical implementation rules with regard to the reporting of entities for supervisory purposes in accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council, and subsequent Regulations that modify the content (CRR), are the following:

- book value: € 26,036,943 thousand, excluding the reverse repo transactions and indirect exposures as defined below;
- non-weighted value: € 31,014,821 thousand, including repurchase agreements and indirect exposures;
- weighted value: € 1,248,145 thousand, including repurchase agreements and indirect exposures;
- number of “risk positions”: 31.

It should be noted that, in accordance with the EBA Guidelines on connected customers pursuant to Article 4, paragraph 1, point 39) of CRR, the large exposures also include counterparties with links to central governments that, although they do not individually exceed the 10% threshold of the eligible capital for large exposures, exceed this limit when the exposure to the sovereign to which they are linked by a control relationship is also considered.

It should be also noted that CRR introduced the requirement to apply the “Substitution Approach”, whereby an Institution, when reducing its exposure to a client using a credit risk mitigation technique eligible under Article 399, paragraph 1, treats, in the manner set out in Article 403, the portion of the exposure corresponding to the reduction as an exposure to the protection provider rather than to the client. This implies compliance with the limits set by Article 395 CRR on the sum of direct exposures to clients and exposures represented by collateral received (“indirect exposures”). In addition, the Regulation requires institutions to add to the total exposures toward a client the exposures arising from derivative contracts where the contract has not been directly concluded with that client but the underlying debt or equity instrument has been issued by that client (“indirect exposures”).

Finally, please note that deferred tax assets within the exposure towards the Italian Central Government have been exempted and, therefore, their weighted value is null.

Part E - Information on Risks and relating hedging policies

C. Securitisation transactions

Qualitative information

No data to report.

Quantitative information

No data to report.

D. Sales Transactions

A. Financial assets sold and partially derecognised

Qualitative information

The Group, specifically the Parent Company, carries out repurchase and reverse repurchase agreements and securities lending transactions secured by cash, which are, in substance, equivalent to repurchase agreements, using own securities and securities not recognised as assets, received through reverse repurchase and securities lending transactions. Owned securities engaged in repurchase agreements have not been eliminated from the balance sheet as the Group enters into repurchase agreements with the obligation for the transferee to resell at maturity the assets involved in the transaction on a forward basis and retains all risks associated with ownership of the securities.

The Parent Company also carries out securities lending transactions with collateral represented by other securities, as lender, against its own securities. In this case, too, the proprietary securities have not been eliminated from the balance sheet, as the transactions entail an obligation to repay and the Group retains all risks associated with ownership of the securities.

Part E - Information on Risks and relating hedging policies

Quantitative information

D.1 Regulatory consolidation - Financial assets sold but not derecognised and associated financial liabilities: carrying value

(Amounts in € thousand)

	Financial assets sold but not derecognised				Associated financial liabilities		
	Carrying amount	of which: securisation	of which: repurchase agreement	of which: impaired	Carrying amount	of which: securisation	of which: repurchase agreement
A. Financial assets held for trading	**-**	**-**	**-**	**X**	**-**	**-**	**-**
1. Debt securities	-	-	-	X	-	-	-
2. Equity instruments	-	-	-	X	-	-	-
3. Loans	-	-	-	X	-	-	-
4. Derivative instruments	-	-	-	X	-	-	-
B. Other financial assets mandatorily at fair value	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-	-	-	-
2. Equity instruments	-	-	-	X	-	-	-
3. Loans	-	-	-	-	-	-	-
C. Financial assets designated at fair value	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-	-	-	-
2. Loans	-	-	-	-	-	-	-
D. Financial assets at fair value through other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-	-	-	-
2. Equity instruments	-	-	-	X	-	-	-
3. Loans	-	-	-	-	-	-	-
E. Financial assets at amortised cost	**2,683,170**	**-**	**2,683,170**	**-**	**2,662,798**	**-**	**2,662,798**
1. Debt securities	2,683,170	-	2,683,170	-	2,662,798	-	2,662,798
2. Loans	-	-	-	-	-	-	-
Total 12/31/2024	**2,683,170**	**-**	**2,683,170**	**-**	**2,662,798**	**-**	**2,662,798**
Total 12/31/2023	**2,270,336**	**-**	**2,270,336**	**-**	**2,313,880**	**-**	**2,313,880**

Please note that the amount of financial liabilities in the table above has been shown gross of the accounting off-setting made according to IAS 32.

The above table excludes financial assets sold under securities lending transactions without collateral or with collateral represented by other securities, with which no liability is associated.

D.2 Prudential consolidated perimeter - Financial assets sold partially recognized and associated financial liabilities: carrying value

No data to report.

D.3 Prudential consolidated perimeter - Sales transactions relating to financial liabilities with repayment exclusively based on assets sold and not derecognised: fair value

No data to report.

Part E - Information on Risks and relating hedging policies

B. Assets sold and fully derecognised with recognition of continuing involvement

Qualitative information

No data to report.

Qualitative information

No data to report.

C. Financial assets sold and fully derecognised

Qualitative information

No data to report.

Qualitative information

No data to report.

D. Prudential consolidated - Covered bond transactions

No data to report.

E. Prudential consolidated - Credit Risk Measurement Models

Credit Risk Measurement – Trading Book

The monitoring of credit risk as part of the management of the trading book is conducted through the daily measurement of VaR and Credit Spread VaR. Such measurements directly affect the calculation of the Group's Internal Capital. It should be noted though that the trading book credit risk exposure remains extremely limited.

Credit Risk Measurement – Banking Book

The banking book of the Group consists mainly of securities, current accounts with credit institution and deposits with Bank of Italy. Institutional counterparties are assigned with the rating class. Retail customer activities are limited to the granting of personal loans, mortgages, credit cards and credit lines.

Disclosure of exposures in securities issued by Sovereigns

The Group is exposed to the sovereign debt of some countries, having invested a portion of its assets in debt securities issued by governments and recognised in the caption “Financial assets designated at fair value through other comprehensive income” and in “Financial assets at amortised cost”. The following table shows the nominal value, the book value and the fair value of these exposures as at December 31st, 2024. The Group is exposed to securities issued by Sovereigns which are classified under the caption “Other financial assets mandatorily at fair value” accounts for € 57 thousand.

In addition, the Group hold investments in debt securities issued by Supranational institutions and Agencies accounted for in "Financial assets at amortised cost”.

(Amounts in € thousand)

	Nominal value as at	Carrying amount as at	Fair value as at	% Financial statements item
	12/31/2024	12/31/2024	12/31/2024	12/31/2024
Italy	**5,519,253**	**5,496,450**	**5,340,948**	**15.8%**
Financial assets at amortised cost	5,519,253	5,496,450	5,340,948	18.5%
Spain	**4,232,000**	**4,039,740**	**3,991,647**	**11.6%**
Financial assets at amortised cost	4,232,000	4,039,740	3,991,647	13.6%
Germany	**175,000**	**172,079**	**163,213**	**0.5%**
Financial assets at amortised cost	175,000	172,079	163,213	0.6%
France	**1,681,500**	**1,667,759**	**1,538,550**	**4.8%**
Financial assets at fair value through other comprehensive income	58,000	51,995	51,995	17.5%
Financial assets at amortised cost	1,623,500	1,615,764	1,486,555	5.4%
U.S.A.	**670,902**	**671,191**	**669,176**	**1.9%**
Financial assets at amortised cost	670,902	671,191	669,176	2.3%
Austria	**976,000**	**971,890**	**915,014**	**2.8%**
Financial assets at amortised cost	976,000	971,890	915,014	3.3%
Ireland	**899,500**	**877,421**	**863,193**	**2.5%**
Financial assets at amortised cost	899,500	877,421	863,193	3.0%
Belgium	**965,000**	**1,003,483**	**947,113**	**2.9%**
Financial assets at amortised cost	965,000	1,003,483	947,113	3.4%
Portugal	**330,000**	**364,064**	**339,286**	**1.1%**
Financial assets at amortised cost	330,000	364,064	339,286	1.2%
Switzerland	**21,249**	**21,437**	**21,539**	**0.1%**
Financial assets at amortised cost	21,249	21,437	21,539	0.1%
Saudi Arabia	**90,000**	**90,366**	**80,157**	**0.3%**
Financial assets at amortised cost	90,000	90,366	80,157	0.3%
Chile	**203,100**	**211,687**	**179,633**	**0.6%**
Financial assets at amortised cost	203,100	211,687	179,633	0.7%
China	**165,832**	**165,256**	**142,433**	**0.5%**
Financial assets at amortised cost	165,832	165,256	142,433	0.6%
Latvia	**30,000**	**29,803**	**24,793**	**0.1%**
Financial assets at amortised cost	30,000	29,803	24,793	0.1%
Iceland	**15,000**	**14,979**	**13,772**	**0.0%**
Financial assets at amortised cost	15,000	14,979	13,772	0.1%
Netherlands	**50,000**	**57,564**	**57,462**	**0.2%**
Financial assets at amortised cost	50,000	57,564	57,462	0.2%
Total sovereign exposures	**16,024,336**	**15,855,169**	**15,287,929**	**45.7%**

The % reported in line with Sovereign counterparties and in the item “Total Sovereign exposures” have been determined on the Group’s total assets, whereas those reported in line with the balance sheet items have been determined on the total of the individual items of the financial statements indicated.

It should be noted that securities denominated in currencies other than euro have been converted into euro according to the spot exchange rate at the reference date of the financial statements.

As at December 31st, 2024, investments in debt securities issued by Sovereign States accounted for 45.7% of the Group’s total assets and none of them were structured debt securities.

Part E - Information on Risks and relating hedging policies

The following table shows the sovereign ratings as at December 31st, 2024 for countries to which the Group is exposed, provided by Fitch Ratings, Moody's and Standard & Poor's.

	Moody's	Fitch Ratings	Standard & Poor's
Italy	Baa3	BBB	BBB
Spain	Baa1	A-	A
Germany	Aaa	AAA	AAA
France	Aa3	AA-	AA-
USA	Aaa	AA+	AA+
Austria	Aa1	AA+	AA+
Ireland	Aa3	AA	AA
Belgium	Aa3	AA-	AA
Portugal	A3	A-	A-
Switzerland	Aaa	AAA	AAA
Saudi Arabia	Aa3	A+	A
Chile	A2	A-	A+
China	A1	A+	A+
Latvia	A3	A-	A
Iceland	A1	A	A+
Netherlands	AAA	AAA	AAA

Part E - Information on Risks and relating hedging policies

1.2 - Market risk

Market risk derives from changes in market variables (interest rates, securities prices, exchange rates, etc.) affecting the economic value of the Group's portfolio. The latter includes assets held in the trading book (assets held for trading) as well as those in the banking book, i.e. the transactions connected to strategic investment choices.

During 2024, no impacts on the market risk profile resulting from the the Russia-Ukraine military conflict were recorded. Furthermore, no impacts on the market risk profile resulting from the aforementioned events were recorded during 2024, neither with regard to the banking book nor with regard to the trading book.

Risk Management Strategies and Processes

The Board of Directors of FinecoBank sets strategic guidelines for market risks taking, approves the market risk general framework and any significant changes, relating to the organisational structure, strategies, and methodologies and defines maximum risk appetite level.

The strategic approach of the Group is to maintain the minimum level of market risk compatibly with business needs and the limits established by the Risk Appetite Framework approved by the Board of Directors.

Market risk in FinecoBank is defined through two sets of limits:

- Overall measures of market risk (e.g. VaR): which are meant to establish a boundary to the internal capital absorption and to the economic loss accepted in trading activities; these limits must be consistent with assigned revenue targets and the defined risk taking capacity;
- Granular measures of market risk (Sensitivity limits, Stress scenario limits and Nominal limits): which exist independently of, but act in concert with the overall limits; in order to control more effectively and more specifically different risk types, portfolios and products, these limits are generally granular sensitivity or stress-related limits. The levels set for granular limits aim at limiting the concentration in individual risk factors and the excessive exposure in risk factors which are not sufficiently covered under VaR.

Structure and Organisation

The Market & Liquidity Risk function, within the CRO Department, in full compliance with local legal and regulatory obligations is tasked primarily – but not exclusively – with:

- defining, implementing and refining adequate metrics at a global level to measure the exposure to market and liquidity risk;
- proposing, based on the defined metrics, risk limits consistent with the risk appetite approved by the Board of Directors;
- calculating risk metrics for the global and granular measures for the Group's portfolios;
- checking that the measurements are consistent with the approved limits;
- initiating the escalation process when limits are exceeded, engaging the Group's Top Management;
- discussing and approving new products with innovative and complex market risk profiles;
- developing and maintaining the internal capital calculation model for market risk;
- defining and enforcing the liquidity class allocation methodology for financial instruments;
- monitoring and executing sensitivity analysis on the banking book within interest rate risk measurement, in consistency with the applicable legislation and the best market practices.
- defining and revisioning the pricing limits on financial instruments and ensuring the related periodic monitoring;
- systematically verifying compliance with the operational limits applicable to the internalization and dealing on own account business.

Risk measurement and reporting framework

Trading Book

The main tool used by the Group to measure the market risk of trading positions is Value at Risk (VaR), calculated using the historic simulation approach.

The historic simulation method involves the daily revaluation of positions on the basis of market price trends over an appropriate observation period. The resulting distribution of profits and losses is analysed to determine the effect of extreme market fluctuations on portfolios. The percentile value of the distribution corresponding to the set confidence level represents the VaR. The following parameters are used to calculate the VaR: confidence level 99%; time horizon of 1 day; daily update of the time series; observation period of 250 days.

Part E - Information on Risks and relating hedging policies

Banking Book

The primary responsibility for monitoring and controlling Market Risk management in the banking book lies with the Group's competent Bodies. The Parent Company CRO Department is responsible for monitoring market risk on the banking book by defining the structure, the relevant data and the frequency for adequate reporting.

Market risk in the banking book mainly consists of credit spread risk, interest rate risk and exchange rate risk. The first one mainly arises from investments in debt securities held for liquidity purposes. Market risk associated with the bond portfolio is monitored and restrained by limits on the notional amount, Economic Value sensitivity and the Value at Risk.

The second one, interest rate risk is managed for stabilization purposes. The banking book interest rate risk measure covers the dual aspect of the value and the net interest income/expense of the Group. More precisely, the different, and complementary, perspectives involve:

- Economic value perspective: variation in interest rates can affect the economic value of assets and liabilities. The economic value of the Group may be viewed as the present value of the expected net cash flows, defined as the expected cash flows on assets minus the expected cash flows on liabilities. A relevant risk measure from this perspective is the economic value sensitivity per time bucket for a 1 basis point rate shock. Such measure is considered relevant to assess the economic value impact of various changes in the yield curve. The economic value sensitivity is also calculated according to the scenarios envisaged by EBA. A monitoring variable from this perspective is the value at risk resulting from interest rate risk component only;
- Income perspective: the focus of analysis is the impact of changes of interest rates on accrued or reported Net Interest Income that is the difference between revenues generated by interest sensitive assets and the cost related to interest sensitive liabilities. An example of a risk measure used is the Net Interest Income sensitivity for a 200 bp parallel shock in rates. Such measure provides an indication of the impact that such a shock would have on the net interest margin over the next 12 months.

The third one is exchange rate risk. This exposure mainly derives from a mismatching of assets and liabilities in USD. Exchange rate risk is hedged through the matching of assets and liabilities denominated in currency or through spot transactions in foreign currencies.

Procedures and methodologies for valuation of Trading Book positions

The Group ensures that the value applied to each trading book position appropriately reflects the current fair (market) value, i.e. the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of each financial instrument is based on, or derived from, observable market prices or inputs. The availability of observable prices or other market variables differs by product and market, and might change over time.

If observable prices or parameters are readily and regularly available (i.e. satisfying adequate liquidity requirements), they are directly employed in the determination of fair value (mark-to-market).

In non-active markets or for certain instruments, for which observable prices or inputs are not available, fair value is calculated using valuation techniques that are appropriate for the specific instrument (mark-to-model). This approach involves estimation and judgement, therefore, it might require valuation adjustments in order to take into account bid-ask spreads, liquidity and counterparty risk, besides the employed pricing model. In addition, each pricing model used for *fair value* calculation is validated by a dedicated function independent from business units.

In order to ensure an adequate separation between developing functions and validating functions, all valuation models developed shall be centrally tested and validated by functions fully independent from those that have developed the model thereof. Model validation is also centrally carried out for any new system or analysis tool whose outcome has a potential impact on the Group's economic results.

In addition to daily marking to market or marking to model, the CRO Department carries out an Independent Price Verification (IPV). This is the process through which market prices or model inputs are regularly verified for accuracy and independence. Whereas marking to market or marking to model may be performed daily by front-office dealers, the verification of market prices and model inputs is performed on a monthly basis.

Risk measures

VaR

The VaR calculated within market risk measurement for both the banking and trading book is based on the historical simulation approach. The selected model has several advantages:

- it is easy to understand and communicate;
- it does not require any specific assumptions about the functional form of the distribution of yields of the risk factors;
- it does not require an estimation of the variance-covariance matrix of the market factors that may affect the value of the portfolio.

Part E - Information on Risks and relating hedging policies

- it captures the correlation structure reflected in the simultaneous changes in market factors, implicitly assuming that it will remain constant in the future.

On the other hand VaR models based on historical simulations do not provide any information on the amount of the loss exceeding the VaR. This why the Group's framework uses additional instruments such as stress tests.

1.2.1 Interest rate risk and price risk – regulatory trading book

Qualitative information

A. General Matters

The trading book is used to hold debt securities (ordinary and subordinated, structured and plain vanilla), equity instruments, and certificates – listed and non-listed – related to brokerage activities with retail customers.

The Group does not perform proprietary trading and does not assume directional speculative positions in its books. Accounting movements in the Group's trading book are recorded against brokerage activities with retail customers, in particular with regard to trading activity for the dealing on own account, according to which the FinecoBank becomes a direct counterparty to its customers. Such activities, which also includes the systematic internalization for a set of predefined securities and market making on the certificates issued by the Bank, is performed as a result of the options introduced by the MiFID which allow the execution of orders for financial instruments in a number of execution venues including internal execution.

B. Processes for managing and methods for measuring interest rate risk and price risk

For a characterisation of both internal risk monitoring, managing processes and risk assessment methodologies, please refer to the introduction.

Part E - Information on Risks and relating hedging policies

Quantitative information

1. Regulatory trading book: distribution by maturity (repricing date) of on-balance sheet financial assets and liabilities and financial derivatives – Currency: Euro

(Amounts in € thousand)

Type/Residual maturity	On demand	Up to 3 months	Between 3 and 6 months	Between 6 months and 1 year	Between 1 year and 5 years	Between 5 and 10 years	Over 10 years	Indefinite maturity
1. On-balance sheet assets	**-**	**-**	**-**	**-**	**13**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	13	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	13	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Repos	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial derivatives								
3.1 With underlying security								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	72	-	-	-	-	-	-
- Others								
+ Long positions	237	79,721	-	-	279	-	5,288	-
+ Short positions	278	78,807	-	-	182	-	4,925	-
3.2 Without underlying security								
- Options								
+ Long positions	52	166	-	-	-	-	-	-
+ Short positions	52	80	-	-	-	-	-	-
- Others derivatives								
+ Long positions	-	78,567	20	7,550	-	-	-	-
+ Short positions	-	41,982	610	43,370	-	-	-	-

Item 3.1 “Financial Derivatives with underlying securities - Other Derivatives” includes spot contracts for the purchase and sale of securities, other than shares and UCITS units, to be settled in times established by market practices ("regular way").

Item 3.2 “Financial Derivatives without underlying securities - Other Derivatives” includes spot contracts for the purchase and sale of foreign currencies, to be settled in times established by market practices ("regular way").

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Currency: Other currencies

(Amounts in € thousand)

Type/Residual maturity	On demand	Up to 3 months	Between 3 and 6 months	Between 6 months and 1 year	Between 1 year and 5 years	Between 5 and 10 years	Over 10 years	Indefinite maturity
1. On-balance sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**14**	**-**
2.1 Repos	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	14	-
3. Financial derivatives								
3.1 With underlying security								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Others								
+ Long positions	-	44,375	-	-	197	-	-	-
+ Short positions	-	45,134	88	-	197	-	-	-
3.2 Without underlying security								
- Options								
+ Long positions	-	209	-	-	-	-	1,220	-
+ Short positions	-	306	-	-	-	-	1,220	-
- Others derivatives								
+ Long positions	-	70,369	916	62,949	-	-	-	-
+ Short positions	-	106,795	316	26,540	-	-	-	-

Item 3.1 “Financial Derivatives with underlying securities - Other Derivatives” includes spot contracts for the purchase and sale of securities, other than shares and UCITS units, to be settled in times established by market practices ("regular way").

Item 3.2 “Financial Derivatives without underlying securities - Other Derivatives” includes spot contracts for the purchase and sale of foreign currencies, to be settled in times established by market practices ("regular way").

The effects of changes in the yield curve on net interest margin arising from instruments in the trading book are negligible. For similar considerations regarding the banking book, see paragraph 2. “Banking book: internal models and other methods of sensitivity analysis”.

Part E - Information on Risks and relating hedging policies

2. Regulatory trading book: distribution of exposures in equity instruments and share indices for the main stock market countries

(Amounts in € thousand)

Type of transaction/listing index	Listed						Unlisted
	#REF!						
	ITALY	U.S.A.	LUXEMBOURG	SPAIN	GERMANY	OTHER COUNTRY	
A. Equity instruments							
- long positions	1,259	9,759	4,017	354	3,540	3,171	-
- short positions	99	647	47	-	38	144	-
B. Unsettled equity instrument trades							
- long positions	31,072	21,815	16,719	12,492	21,227	11,756	-
- short positions	31,667	21,933	16,699	12,287	21,455	12,020	-
C. Other equity instruments derivatives							
- long positions	372	1,605	401	60	603	331	-
- short positions	1,404	11,051	4,237	438	3,957	3,261	-
D. Share index derivatives							
- long positions	12,005	79,579	-	441	7,706	1,767	-
- short positions	10,946	79,677	-	419	7,921	2,833	-

In consistency with the market risk appetite and the Market Risk Policy approved by the Board of Directors of the Parent Company, Fineco does not take directional speculative positions on its portfolios. The trading portfolio is moved exclusively for the brokerage business with customers (dealing on own account); the positions linked to this activity are therefore subject to a series of limits established by the policies which lead to a substantial closure of the market risk deriving from the positions at the end of the day.

Such policies lead to a high daily turnover of instruments in the trading book. Considering this context, it is not significant to report evidence regarding the impact of the change in prices of equity securities and stock indices on the intermediation margin, on the operating result and on net equity, as well as the results of the scenario analyses.

3. Regulatory trading book: internal models and other methods of sensitivity analysis

The Group monitors the VaR of the Trading Book on a daily basis.

As at December 31st, 2024, the daily VaR of the trading book amounted to € 252 thousand. The average for 2024 is € 193 thousand, with a maximum peak of € 548 thousand and a minimum of € 41 thousand.

The volatility in the price of instruments determines direct impacts on the income statement.

1.2.2 Interest rate risk and price risk – banking book

Qualitative information

A. General aspects, management processes and measurement methods for interest rate risk and price risk

Interest rate risk consists of changes in interest rates affecting:

- the net interest margin, thus, the Group's earnings;
- the net present value of assets and liabilities, as well as the present value of future cash flows.

The Group measures and monitors interest rate risk daily, within the methodological framework and the corresponding limits or thresholds approved by the Board of Director. Such limits concern to the sensitivity of the net interest margin and the economic value.

Interest rate risk has an impact on every position resulting from strategic investment decisions (banking book).

Part E - Information on Risks and relating hedging policies

The main sources of interest rate risk may be classified as follows:

- gap risk: this derives from the term structure of the banking book and describes the risk arising from the instrument's timing of interest rate update. The gap risk also includes the repricing risk, arising from time mismatches in terms of the repricing of the Group's assets and liabilities. These mismatches result in a risk associated with the yield curve. This risk relates to the Group's exposure to changes in the slope and shape of the yield curve.
- basis risk: this can be divided into two types of risk:
  - tenor risk, arising from the mismatch between instrument expiry and the change in interest rates;
  - currency risk, defined as the risk of a potential offsetting between interest rate sensitivities arising from exposure to the interest rate risk in various currencies;
- option risk – risk resulting from implicit or explicit options in the Group's banking book positions.

Within the organisational framework described above, the Board of Directors approves the risk appetite and the risk limits on interest rates. These limits are set in terms of Economic Value Sensitivity and Net Interest Income Sensitivity.

With reference to the Economic Value Sensitivity, in order to evaluate the effects of changes in the interest rate curve in the banking book, scenario analysis envisaging multiple changes in the interest rate curve, both parallel (+/- 200 bps) and not parallel, are carried out on a weekly basis. Among these, the six standardized scenarios - Supervisory Outlier Test (see paragraph 2 "Banking book: internal models and other methodos for sensitivity analysis") - defined by the EBA guidelines in force from time to time take on particular relevance. The sensitivity analysis of the economic value of the worst SOT scenario is monitored within the Risk Appetite; compliance with the specific risk thresholds is subject to quarterly reporting to the Corporate Bodies.

The NII Sensitivity indicator is calculated by applying two parallel shock scenarios envisaged by the SOT which reflect the assumptions underlying the valuations of the EV sensitivity scenarios and are calculated as follows:

- application of a post-shock floor increasing from -100 to 0 (from O / N to 20 years, an increase of 5 bps per year) for single currency and single curve;
- 50% weighting for the positive contributions of NII (per single currency).

The sensitivity analysis on the net interest income is monitored within the Risk Appetite as well by applying the parallel worst case scenario.

The market risk framework also includes a plurality of metrics which might be classified as global, for example Interest Rate VaR, and granular, for example BP01 (Basis Point 01) sensitivity; such metrics are monitored on a daily basis.

Lastly, the Risk Appetite Framework envisages risk limits in terms of VaR of the banking book and the trading book in which interest rate risk is a component (calculated using the method described above). Within the banking book, VaR is a measure of the Credit Spread Risk in the Banking Book (CSRBB).

For more details reference is made to section *2. Banking book: internal models and other methods of sensitivity analysis.*

Focus on the bond portfolio

With specific reference to FinecoBank's HTC portfolio, which as at December 31st, 2024 is mainly made by government bonds and supranational bonds (securities issued by Sovereign, Supranational institutions and International Government Organisations), changes in interest rates could lead to positive or negative changes in fair value, which are not recognised in the income statement, as required by accounting standards with reference to instruments classified in the HTC portfolio. It should also be noted that, as of December 31st, 2024, a significant part of the securities portfolio, equal to € 6,665.1 million, is covered by derivative financial instruments, which by nature have a sensitivity opposite to that of the hedged asset. The interest rate risk sensitivity at +100 bps of the securities hedged by derivatives amounts to € - 299 million, while the sensitivity of the related hedging derivatives amounts to € 288.6 million.

Focus on real estate investments

As at December 31st, 2024, the Group does not have significant investments in the real estate sector. The only exception is represented by the building located in Milan, where the Parent Company FinecoBank has its registered office. For this real estate property, the market value was determined by an external appraiser and is made up of the sum of the discounted expected cash flows and the discounted value of the asset at the end of the hypothesized time frame. The discount rate, better known as WACC (from the English acronym Weighted Average Cost of Capital), applied for the valuation of the property, represents the expected return that the property investment must generate to remunerate the creditors, any shareholders and the other capital providers. The fair value amounts to € 79.3 million, the sensitivity to the discount rate (WACC) amounts respectively to € - 6 million in the +100 bps scenario, and to € 13.8 million in the -200 bps scenario.

Part E - Information on Risks and relating hedging policies

Quantitative information

1. Banking book: distribution by maturity (by repricing date) of financial assets and liabilities - Currency: Euro

(Amounts in € thousand)

Type/maturity	On demand	Up to 3 months	Between 3 and 6 months	Between 6 months to 1 year	Between 1 year and 5 years	Between 5 and 10 years	Over 10 years	Indefinite maturity
1. On-balance sheet assets	**3,986,605**	**1,365,194**	**1,026,824**	**790,347**	**14,009,868**	**9,281,589**	**913,654**	**-**
1.1 Debt securities	-	367,861	926,797	632,212	13,113,677	8,079,174	1	-
- with early redemption option	-	-	-	-	-	-	-	-
- others	-	367,861	926,797	632,212	13,113,677	8,079,174	1	-
1.2 Loans to banks	1,772,310	288,485	15,211	-	-	-	-	-
1.3 Loans to customers	2,214,295	708,848	84,816	158,135	896,191	1,202,415	913,653	-
- current accounts	2,051,821	14	35	78	363	-	-	-
- others loans	162,474	708,834	84,781	158,057	895,828	1,202,415	913,653	-
- with early redemption option	3,301	83,495	83,191	156,139	891,954	1,202,406	913,638	-
- others	159,173	625,339	1,590	1,918	3,874	9	15	-
2. On-balance sheet liabilities	**28,271,521**	**527,716**	**441,414**	**435,846**	**843,109**	**12,676**	**1,593**	**-**
2.1 Deposits from customers	27,608,648	351,809	441,283	435,581	30,913	11,920	1,593	-
- current accounts	27,469,443	-	-	-	-	-	-	-
- other payables	139,205	351,809	441,283	435,581	30,913	11,920	1,593	-
- with early redemption option	-	-	-	-	-	-	-	-
- others	139,205	351,809	441,283	435,581	30,913	11,920	1,593	-
2.2 Deposits from banks	662,873	175,907	131	265	1,968	756	-	-
- current accounts	1,884	-	-	-	-	-	-	-
- other payables	660,989	175,907	131	265	1,968	756	-	-
2.3 Debt securities	-	-	-	-	810,228	-	-	-
- with early redemption option	-	-	-	-	810,228	-	-	-
- others	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- others	-	-	-	-	-	-	-	-
3. Financial derivatives	**-**	**7,194,629**	**153,985**	**560,545**	**(3,612,665)**	**(3,845,199)**	**(451,297)**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- other derivatives	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	7,194,629	153,985	560,545	(3,612,665)	(3,845,199)	(451,297)	-
- Options	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Others derivatives	-	7,194,629	153,985	560,545	(3,612,665)	(3,845,199)	(451,297)	-
+ Long positions	-	8,876,647	450,000	615,000	190,000	-	-	-
+ Short positions	-	1,682,018	296,015	54,455	3,802,665	3,845,199	451,297	-
4. Other off-balance sheet transactions	**(36,882)**	**(564)**	**2,404**	**1,859**	**628**	**32,550**	**5**	**-**
+ Long positions	40	5,920	6,134	1,859	628	32,550	5	-
+ Short positions	36,922	6,484	3,730	-	-	-	-	-

Loans to customers on current accounts at an indexed rate granted by the Bank have been represented in the “on demand” column. In general, the repricing of the rate takes place at the beginning of the month on the basis of the average of the previous month's daily observations.

Part E - Information on Risks and relating hedging policies

Currency: Other currencies

(Amounts in € thousand)

Type/maturity	On demand	Up to 3 months	Between 3 and 6 months	Between 6 months to 1 year	Between 1 year and 5 years	Between 5 and 10 years	Over 10 years	Indefinite maturity
1. On-balance sheet assets	**216,548**	**149,931**	**195,128**	**318,063**	**193,379**	**-**	**-**	**-**
1.1 Debt securities	-	103,139	143,633	318,063	193,327	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- others	-	103,139	143,633	318,063	193,327	-	-	-
1.2 Loans to banks	208,941	245	48,413	-	-	-	-	-
1.3 Loans to customers	7,607	46,547	3,082	-	52	-	-	-
- current accounts	654	-	-	-	1	-	-	-
- others loans	6,953	46,547	3,082	-	51	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- others	6,953	46,547	3,082	-	51	-	-	-
2. On-balance sheet liabilities	**1,062,539**	**28,743**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Deposits from customers	1,062,463	20,119	-	-	-	-	-	-
- current accounts	1,048,479	-	-	-	-	-	-	-
- other payables	13,984	20,119	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- others	13,984	20,119	-	-	-	-	-	-
2.2 Deposits from banks	76	8,624	-	-	-	-	-	-
- current accounts	63	-	-	-	-	-	-	-
- other payables	13	8,624	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- others	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- others	-	-	-	-	-	-	-	-
3. Financial derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- other derivatives	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Others derivatives	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
4. Other off-balance sheet transactions	**-**	**(1,734)**	**1,734**	**-**	**-**	**-**	**-**	**-**
+ Long positions	-	846	2,580	-	-	-	-	-
+ Short positions	-	2,580	846	-	-	-	-	-

For a description of the effects of a change in interest rates on net interest margin, profit (loss) for the year, shareholders' equity and the results of scenario analysis, see paragraph 2. Banking book: internal models and other methods of sensitivity analysis.

Part E - Information on Risks and relating hedging policies

2. Banking book: internal models and other methods of sensitivity analysis

In order to measure interest rate risk in the Group's financial statements it is necessary to measure the sensitivity of loans and deposits to changes in the yield curve. FinecoBank has developed specific behavioural models aimed at estimating the maturity profile of asset and liability items that do not have a contractual maturity; indeed even though some assets and liabilities may be payable on demand, they could actually show some stickiness.

EU IRRBB Template

The assessments contained in the EU IRRBB Template report the exposures of the interest rate risk metrics as at December 31st, 2024 and June 30th, 2024. For the description of the scenarios, please refer to the section Qualitative information - Interest rate risk.

(Amounts in € thousand)

Supervisory shock scenarios		a	b	c	d
		Changes of the economic value of equity		Changes of the net interest income	
		Current period	Last period	Current period	Last period
1	Parallel Up	(55,518)	(65,811)	110,277	114,501
2	Parallel Down	21,860	32,934	(225,974)	(232,772)
3	Steepener shock	69,351	33,823	-	-
4	Flattener shock	(149,847)	(79,500)	-	-
5	Short rates Up	(155,754)	(94,344)	-	-
6	Long rates Down	81,766	49,221	-	-

The table shows the results and the so-called Supervisory Outlier Test scenarios, as described in the previous paragraph, conducted on the economic value and the interest margin. With reference to the Economic Value, the results show a negative sensitivity in the event of an increase in interest rates (parallel up or short rates up), while a positive sensitivity in the event of an increase in interest rates (parallel down or long rates down scenarios). The sensitivity analysis on the interest margin shows a positive impact in the upward shift on the interest rate curve, while a negative impact in the downward one.

In addition to the SOT scenarios described above, the Parent Company conducts regulatory sensitivity analysis on the Economic Value with parallel scenarios of +/- 200 bps. Assuming a shift of +200 basis points on the euro interest rate curve, the analysis shows a negative impact of € -55,518 thousand. A shift of -200 basis points highlights a positive impact of € 21,860 thousand.

With reference to the remaining interest rate risk measures, it should be noted that the sensitivity analysis on the value of equity assuming a shift of + 1 basis point (BP01) highlights a negative impact which stands overall at € -230.7 thousand.

As at December 31st, 2024, the Group's Interest Rate VaR (*Holding period 1 day, 99% confidence interval) stood at around € 6,723 thousand. The average for 2024 is equal to € 5,541 thousand with a maximum peak of € 10,641 thousand and a minimum of € 3,405 thousand.

The total VaR, including the Credit Spread Risk component deriving mainly from sovereign securities held for the use of liquidity, is equal to € 20,874 thousand. The average for 2024 is equal to € 26,013 thousand with a maximum peak of € 31,964 thousand and a minimum of € 19,261 thousand.

Part E - Information on Risks and relating hedging policies

1.2.3 Exchange Rate Risk

Qualitative information

A. General aspects, management processes and measurement methods for exchange rate risk

As part of its treasury activities, the Group collects funds in foreign currencies, mainly US dollars, through customer deposits, subsequently investing these funds mainly in bank deposits and bonds with leading credit institutions, denominated in the same currency. The impact on balance sheet items is estimated through the Forex VaR indicator.

The VaR of the Group's positions is not used for the calculation of Pillar 1 capital requirement, as it is not required by the selected traditional standardised approach. The metric described is therefore only used for managerial and risk monitoring purposes.

B. Exchange rate risk hedging

Exchange rate risk is hedged through the matching of assets and liabilities denominated in currency or through spot transactions in foreign currencies.

The component of exchange rate risk that contributes to the formation of the overall VaR is usually tied to the temporal mismatch between assets and liabilities in US dollars.

Quantitative information

1. Breakdown by currency of assets, liabilities and derivatives

(Amounts in € thousand)

Items	Currency					
	USD	GBP	CHF	JPY	CAD	OTHER CURRENCIES
A. Financial assets	**933,275**	**66,831**	**61,270**	**9,263**	**4,406**	**17,797**
A.1 Debt securities	729,145	-	29,017	-	-	-
A.2 Equity securities	19,428	141	5	-	112	105
A.3 Loans to banks	128,494	65,854	32,199	9,263	4,202	17,589
A.4 Loans to customers	56,208	836	49	-	92	103
A.5 Other financial assets	-	-	-	-	-	-
B. Other assets	**2,127**	**7**	**1**	**-**	**32**	**45**
C. Financial liabilities	**934,574**	**67,573**	**61,203**	**8,956**	**4,474**	**15,054**
C.1 Deposits from banks	8,630	-	7	-	-	63
C.2 Deposits from customers	925,944	67,573	61,196	8,956	4,474	14,991
C.3 Debt securities in issue	-	-	-	-	-	-
C.4 Other financial liabilities	-	-	-	-	-	-
D. Other liabilities	**6,807**	**579**	**1**	**240**	**28**	**633**
E. Financial derivatives	**-**	**-**	**-**	**-**	**-**	**-**
- Options	-	-	-	-	-	-
+ Long positions	2,977	4	-	-	-	-
+ Short positions	2,406	-	-	167	-	-
- Other derivatives	-	-	-	-	-	-
+ Long positions	95,619	9,159	5,085	13,174	4,638	10,862
+ Short positions	94,885	10,367	4,868	11,570	4,359	11,617
Total assets	**1,033,998**	**76,001**	**66,356**	**22,437**	**9,076**	**28,704**
Total liabilities	**1,038,672**	**78,519**	**66,072**	**20,933**	**8,861**	**27,304**
Balance (+/-)	**(4,674)**	**(2,518)**	**284**	**1,504**	**215**	**1,400**

The impact of changes in exchange rates are quantified by the daily Forex VaR of the overall portfolio, as described in the following paragraph.

2. Internal models and other methods of sensitivity analysis

As at December 31st, 2024, the daily Forex VaR of the overall portfolio (banking and trading books) was approximately € 59 thousand. The average for 2024 is equal to € 72 thousand with a maximum peak of € 191 thousand and a minimum of € 12 thousand.

1.3 - Derivative instruments and hedging policies

1.3.1 Trading book financial derivatives

A. Financial derivatives

A.1 Hedging financial derivatives: end of period notional amounts

(Amounts in € thousand)

Underlying assets / Type of derivatives	Total 12/31/2024				Total 12/31/2023			
	Over the counter			Organized markets	Over the counter			Organized markets
	Central Counterparts	without central counterparties			Central Counterparts	without central counterparties		
		with netting agreement	without netting agreement			with netting agreement	without netting agreement	
1. Debt securities and interest rate indexes	**-**	**-**	**683**	**495**	**-**	**-**	**1,088**	**144**
a) Options	-	-	59	-	-	-	28	-
b) Swap	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	495	-	-	-	144
e) Others	-	-	624	-	-	-	1,060	-
2. Equities instruments and share indices	**-**	**-**	**155,565**	**75,518**	**-**	**-**	**112,977**	**37,793**
a) Options	-	-	28,252	-	-	-	15,390	-
b) Swap	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	75,518	-	-	-	37,793
e) Others	-	-	127,313	-	-	-	97,587	-
3. Currencies and gold	**-**	**-**	**160,543**	**2,025**	**-**	**-**	**216,376**	**188**
a) Options	-	-	1,655	-	-	-	667	-
b) Swap	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	2,025	-	-	-	188
e) Others	-	-	158,888	-	-	-	215,709	-
4. Commodities	**-**	**-**	**7,693**	**4,408**	**-**	**-**	**4,541**	**2,653**
5. Others	**-**	**-**	**-**	**936**	**-**	**-**	**-**	**286**
Total	**-**	**-**	**324,484**	**83,382**	**-**	**-**	**334,982**	**41,064**

Letter e) Other in the “Over the counter – Without central counter-parties – not included in netting agreement” column consists of CFD derivatives.

Letter a) Options under the column "Over the counter - Without central counterparties - Without netting arrangements" includes KO Options issued by FinecoBank, as well as certificates issued by FinecoBank, traded on the Vorvel segment and not settled with central counterparties.

A.2 Hedging financial derivatives: gross positive and negative fair value – breakdown by product

(Amounts in € thousand)

Underlying assets/type of derivatives	Total 12/31/2024				Total 12/31/2023			
	Over the counter			Organized markets	Over the counter			Organized markets
	Central Counterparts	Without central counterparties			Central Counterparts	Without central counterparties		
		With netting agreement	Without netting agreement			With netting agreement	Without netting agreement	
1. Positive fair value								
a) Options	-	-	-	-	-	-	3	-
b) Interest rate swap	-	-	-	-	-	-	-	-
c) Cross currency swap	-	-	-	-	-	-	-	-
d) Equity swap	-	-	-	-	-	-	-	-
e) Forward	-	-	-	-	-	-	-	-
f) Futures	-	-	-	21	-	-	-	32
g) Others	-	-	5,178	-	-	-	3,617	-
Total	**-**	**-**	**5,178**	**21**	**-**	**-**	**3,620**	**32**
2. Negative Fair value								
a) Options	-	-	4,225	-	-	-	1,880	-
b) Interest rate swap	-	-	-	-	-	-	-	-
c) Cross currency swap	-	-	-	-	-	-	-	-
d) Equity swap	-	-	-	-	-	-	-	-
e) Forward	-	-	-	-	-	-	-	-
f) Futures	-	-	-	641	-	-	-	54
g) Others	-	-	1,277	-	-	-	1,413	-
Total	**-**	**-**	**5,502**	**641**	**-**	**-**	**3,293**	**54**

Letter g) Others under the column “Over the counter - Without central counterparties - Without netting agreements” includes CFD derivative contracts.

Letter a) Options under the column “Over the counter - Without central counterparties - Without netting arrangements” includes KO Options issued by FinecoBank, as well as certificates issued by FinecoBank, traded on the Vorvel segment and not settled with central counterparties.

Part E - Information on Risks and relating hedging policies

A.3 OTC trading book financial derivatives: notional amounts, gross positive and negative fair value by counterparty

(Amounts in € thousand)

Underlying assets	Central counterparties	Banks	Other financial entities	Other entities
Contracts not included in netting agreement				
1) Debt securities and interest rate indexes				
- notional amount	X	-	-	683
- positive fair value	X	-	-	7
- negative fair value	X	-	-	-
2) Equity instruments and share indices				
- notional amount	X	-	164	155,401
- positive fair value	X	-	4	4,176
- negative fair value	X	-	-	4,693
3) Currencies and gold				
- notional amount	X	86,505	31	74,007
- positive fair value	X	96	1	847
- negative fair value	X	96	-	280
4) Commodities				
- notional amount	X	-	-	7,693
- positive fair value	X	-	-	47
- negative fair value	X	-	-	433
5) Others				
- notional amount	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
Contracts included in netting agreement				
1) Debt securities and interest rate indexes				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
2) Equity instruments and share indices				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
3) Currencies and gold				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
4) Commodities				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
5) Others				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-

Part E - Information on Risks and relating hedging policies

A.4 OTC financial derivatives - residual maturity: notional values

(Amounts in € thousand)

Underlying/maturity	Up to 1 year	Between 1 and 5 years	Over 5 years	Total
A.1 Financial derivative contracts on debt securities and interest rates	624	-	59	683
A.2 Financial derivative contracts on equity instruments and share indices	33,837	9	121,719	155,565
A.3 Financial derivatives on exchange rates and gold	159,324	-	1,219	160,543
A.4 Financial derivatives on commodities	5,340	-	2,353	7,693
A.5 Financial derivatives on other instruments	-	-	-	-
Total 12/31/2024	**199,125**	**9**	**125,350**	**324,484**
Total 12/31/2023	**246,754**	**93**	**88,135**	**334,982**

B. Credit derivatives

No data to report.

1.3.2 Hedge account

Qualitative information

In should be noted that the Group has only fair value hedges in place which respond to an interest rate risk hedging logic and provide for the exchange of the fixed rate against Euribor and whose valuation, as collateralised, is carried out by discounting future flows with the € STR curve.

A. Fair value hedging

The fair value hedging strategies, aimed at ensuring compliance with the interest rate risk limits for the banking book, are implemented using OTC derivative contracts. The latter, typically asset swaps and interest rate swaps, represent the type of instruments mainly used. Depending on the underlying financial operation, it is possible to distinguish three types of coverage currently in place:

- **Government bond hedging**: a portion of the Bank's liquidity is currently invested in fixed rate government bonds. The choice to purchase fixed rate securities was made taking into account the high liquidity of these instruments compared to floating rate securities available on the market. The Asset Swap provides for the payment of the coupon of the security (fixed rate) and the receipt of the floating rate plus spread, without upfront to be paid/collected on the trading date of the derivative. Derivatives subscribed for the purpose of hedging exactly replicate the hedged security in terms of notional amount, maturity and interest payment dates;
- **Coverage of the sight deposits core component (fixed rate)**: FinecoBank uses an economic-statistical model for the modelling of sight deposit which allows the quantification of a component that is insensitive to changes in interest rates. It is therefore possible to define the hedges to be implemented, in compliance with the sensitivity limits approved by Fineco within the Risk Appetite Framework;
- **Hedging of fixed rate mortgages**: the Bank covers part of the interest rate risk deriving from the fixed rate mortgage portfolio through swap contracts in which it pays a fixed rate and receives a floating rate without a spread. The hedges focus on the fixed rate component beyond 10 years as the lower component can be managed through natural hedges compared to fixed rate liability items of the same maturity.

Finally, it should be noted that during 2024, there were no terminations of hedging relationships, but only closures of hedging derivative contracts at the same time as the sale of hedged assets.

B. Cash flow hedging

Currently there are no cash flow hedging operations generated as part of the Group's operations.

Part E - Information on Risks and relating hedging policies

C. Hedging a net investment in a foreign entity

Currently there are no “hedging a net investment in a foreign entity” operations generated as part of the Group's operations.

D. Hedge instrument

Hedge instruments in the Group's balance sheet are of a generic type (Macro Fair Value Hedge) for hedging mortgages and for replicating a specific portfolio of fixed-rate securities (Micro Fair Value Hedge).

A generic hedging relationship of an asset / liability portfolio pursues the objective of offsetting the deviations in value of the hedged item contained in a generic portfolio of fixed-rate assets / liabilities. In this context, the ineffectiveness of the hedge is represented by the difference between the change in the fair value of the hedging instruments and the change in the fair value of the hedged amount. The Group uses a test method based on sensitivity analisys. To this end, the exposures of the total sensitivity of the hedged item and that relating to the hedging derivative are correlated. The sensitivity expresses the elasticity with respect to each of the rates that make up the risk-free curve and is calculated as a change in the fair value in relation to an increase in the rate equal to a basis point. The test verifies the effectiveness by analysing the "reduction" of the sensitivity of the overall position after hedging and comparing it with respect to the same measure referred to the item being hedged.

The effectiveness test is carried out separately for interest rate swaps to hedge assets (mortgages) and for interest rate swaps to hedge liabilities (core insensitive component of on sight items).

In a specific hedging relationship, the derivatives negotiated for hedging purposes replicate exactly the hedged instrument in terms of notional amount, maturity and interest payment dates. In this context, the ineffectiveness of a hedging relationship is measured based on the changes in fair value of the hedged instrument and the hedging instrument, comparing the changes in their values. The measurement of the value of the hedged instrument shall take into account the time value of money, therefore, it must be carried out at the net present value. To measure the changes in the value of the hedged instrument, the Group uses, as a practical expedient, a "hypothetical" derivative that has the same terms as the instrument (without however including other elements - present in the hedging derivative - that the hedged instrument does not have).

All financial hedging derivatives outstanding as at December 31st, 2024 are cleared by a direct Participant to a Central Counterparty.

E. Hedge item

Hedged assets are represented by fixed-rate securities and fixed-rate mortgages granted to customers, accounted for in “Financial assets at amortised cost”, hedged for the interest rate risk component with asset swap and interest rate swaps that exchange the fixed-rate coupon of securities or the fixed-rate of mortgages for a variable rate.

The hedged assets also include fixed rate securities, accounted for in the “Financial assets at amortized cost”, also covered for the interest rate risk component with Interest Rate swaps which exchange the fixed rate coupon with a variable rate.

Part E - Information on Risks and relating hedging policies

Quantitative information

A. Hedging financial derivatives

A.1 Hedging financial derivatives: end of period notional amounts

(Amounts in € thousand)

Underlying assets/type of derivatives	Total 12/31/2024				Total 12/31/2023			
	Over the counter			Organized markets	Over the counter			Organized markets
	Central Counterparts	without central counterparties: with netting agreement	without central counterparties: without netting agreement		Central Counterparts	without central counterparties: with netting agreement	without central counterparties: without netting agreement	
1. Debt securities and interest rate indexes	**10,131,648**	**-**	**-**	**-**	**11,927,461**	**-**	**-**	**-**
a) Options	-	-	-	-	-	-	-	-
b) Swap	10,131,648	-	-	-	11,927,461	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-
2. Equity instruments and share indices	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) Options	-	-	-	-	-	-	-	-
b) Swap	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-
3. Currencies and gold	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) Options	-	-	-	-	-	-	-	-
b) Swap	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-
4. Commodities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
5. Others	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**10,131,648**	**-**	**-**	**-**	**11,927,461**	**-**	**-**	**-**

Part E - Information on Risks and relating hedging policies

A.2 Hedging financial derivatives: gross positive and negative fair value – breakdown by product

(Amounts in € thousand)

Underlying assets/Types of derivatives	Positive and negative fair value								Change in the value used to calculate hedge ineffectiveness	
	Total 12/31/2024				Total 12/31/2023				Total 12/31/2024	Total 12/31/2023
	Over the counter			Organized markets	Over the counter			Organized markets		
	Central counterparts	Without central counterparties: With netting arrangements	Without central counterparties: Without netting arrangements		Central counterparts	Without central counterparties: With netting arrangements	Without central counterparties: Without netting arrangements			
Positive fair value										
a) Options	-	-	-	-	-	-	-	-	-	-
b) Interest rate swap	677,547	-	-	-	896,577	-	-	-	-	-
c) Cross currency swap	-	-	-	-	-	-	-	-	-	-
d) Equity swap	-	-	-	-	-	-	-	-	-	-
e) Forward	-	-	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Others	-	-	-	-	-	-	-	-	-	-
Total	**677,547**	**-**	**-**	**-**	**896,577**	**-**	**-**	**-**	**-**	**-**
Negative fair value										
a) Options	-	-	-	-	-	-	-	-	-	-
b) Interest rate swap	48,485	-	-	-	59,988	-	-	-	-	-
c) Cross currency swap	-	-	-	-	-	-	-	-	-	-
d) Equity swap	-	-	-	-	-	-	-	-	-	-
e) Forward	-	-	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Others	-	-	-	-	-	-	-	-	-	-
Total	**48,485**	**-**	**-**	**-**	**59,988**	**-**	**-**	**-**	**-**	**-**

Part E - Information on Risks and relating hedging policies

A.3 OTC hedging financial derivative: notional amounts, gross positive and negative fair value by counterparty

(Amounts in € thousand)

Underlyings assets	Central Counterparts	Banks	Other financial entities	Other entities
Contracts not included in netting agreement				
1) Debt securities and interest rate indexes				
- notional amount	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
2) Equity instruments and share indices				
- notional amount	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
3) Currencies and gold				
- notional amount	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
4) Commodities				
- notional amount	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
5) Others				
- notional amount	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
Contracts included in netting agreement				
1) Debt securities and interest rate indexes				
- notional amount	10,131,648	-	-	-
- positive fair value	677,547	-	-	-
- negative fair value	48,485	-	-	-
2) Equity instruments and share indices				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
3) Currencies and gold				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
4) Commodities				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
5) Others	-	-	-	-
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-

Part E - Information on Risks and relating hedging policies

A.4 OTC hedging financial derivative - residual maturity: notional values

(Amounts in € thousand)

Underlying/maturity	Up to 1 year	Between 1 and 5 years	Over 5 years	Total
A.1 Financial derivatives on debt securities and interest rates	1,842,487	3,992,665	4,296,495	10,131,647
A.2 Financial derivatives on equity instruments and share indices	-	-	-	-
A.3 Financial derivatives on exchange rates and gold	-	-	-	-
A.3 Financial derivatives on commodities	-	-	-	-
A.5 Financial derivatives on other instruments	-	-	-	-
Total 12/31/2024	**1,842,487**	**3,992,665**	**4,296,495**	**10,131,647**
Total 12/31/2023	**1,657,514**	**4,616,248**	**5,653,699**	**11,927,461**

B. Hedging credit derivatives

No data to report.

C. Hedging non derivative instruments

No data to report.

Part E - Information on Risks and relating hedging policies

D. Hedge item

D.1 Fair value *hedging*

As already stated in Part A of these notes to the consolidated accounts, the Group applies the hedge accounting rules envisaged by IFRS 9 for specific hedging transactions ("MicroHedging"), while it has availed itself of the option to continue to use IAS 39 for fair value hedging transactions of the exposure to the interest rate of a portfolio of financial assets or liabilities (generic hedging or "Macrohedging").

The table below shows the specific hedging transactions ("MicroHedging") in place, for which the Group applies the provisions of IFRS 9.

For the sake of completeness, it should be noted that the general hedging transactions in place at December 31st, 2024, for which the Group applies the provisions of IAS 39, refer to:

- the monetary amount of "Financial assets at amortised cost", for a monetary amount of € 1,342,647 thousand, referring exclusively to mortgages;
- the amount of "Financial liabilities at amortised cost", for a monetary amount of € 1,655,000 thousand, referring exclusively to the core deposits.

(Amounts in € thousand)

	Specific hedges: book value	Specific hedges - net positions: balance sheet value of assets or liabilities (before offsetting)	Specific hedges			Generic hedges: book value
			Accumulated changes in fair value of hedging instrument	Ending of hedge: residual accumulated valute of residual changes in fair value	Change in value used to relieve hedging ineffectiveness	
A. Assets						
1. Financial assets measured at fair value with an impact on total profitability - hedges of:	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities and interest rate	-	-	-	-	-	X
1.2 Equity securities and stock price indices	-	-	-	-	-	X
1.3 Currencies and gold	-	-	-	-	-	X
1.4 Loans	-	-	-	-	-	X
1.5 Other	-	-	-	-	-	X
2. Financial assets measured at amortized cost - hedges of:	**6,813,725**	**6,813,725**	**(459,730)**	**-**	**160,997**	**-**
2.1 Debt securities and interest rate	6,813,725	6,813,725	(459,730)	-	160,997	X
2.2 Equity securities and stock price indices	-	-	-	-	-	X
2.3 Currencies and gold	-	-	-	-	-	X
2.4 Loans	-	-	-	-	-	X
2.5 Other	-	-	-	-	-	X
Total 12/31/2024	**6,813,725**	**6,813,725**	**(459,730)**	**-**	**160,997**	**-**
Total 12/31/2023	**6,877,563**	**6,877,563**	**(640,767)**	**-**	**423,363**	**-**
B. Liabilities						
1, Financial liabilities measured at amortized cost - hedges of:	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities and interest rate	-	-	-	-	-	X
1.2 Currencies and gold	-	-	-	-	-	X
1.3 Other	-	-	-	-	-	X
Total 12/31/2024	**-**	**-**	**-**	**-**	**-**	**-**
Total 12/31/2023	**-**	**-**	**-**	**-**	**-**	**-**

Part E - Information on Risks and relating hedging policies

D.2 Cash flow hedging and hedging a net investment in a foreign entity

No data to report.

E. Effects of hedging transactions at shareholders' equity

No data to report.

1.3.3 Other information on trading book and hedging derivative instruments

A. Financial and credit derivatives

A.1 OTC financial and credit derivatives: net fair values by counterparty

No data to report, as there are no trading and hedging derivatives subject to offsetting in the balance sheet pursuant to IAS 32, paragraph 42.

1.4 - Liquidity Risk

Qualitative information

A. General aspects, management processes and measurement methods for liquidity risk

Liquidity risk can be briefly defined as the risk that the Group, also due to unexpected future events, may be unable to meet its payment obligations or to efficiently match expected cash inflows and outflows.

The different types of liquidity risk managed by the Group are as follows:

- short-term liquidity risk refers to the risk of non-compliance between the amount and / or deadlines of incoming and outgoing cash flows in the short term (less than one year);
- market liquidity risk is the risk that the Group may face significant and adverse price change, generated by exogenous and endogenous factors resulting in losses, through the sale of assets considered liquid. In the worst case, the Group may not be able to liquidate the positions thereof;
- structural liquidity risk is defined as the Group's inability to procure, in a stable and sustainable manner, the necessary funds to maintain an adequate ratio between medium / long-term assets and liabilities (over one year) at reasonable price without impacting the daily operations or the financial situation of the Group;
- stress or contingency risk is linked to future and unexpected obligations (for example withdrawals from deposits) and may require the bank to have a greater amount of liquidity than the one considered necessary to manage the ordinary business;
- financing risk, is the risk that the Group may not be able to deal effectively with any planned cash outflows.

In order to deal with its exposure to liquidity risk, the Group invests the part of its liquidity estimated by internal models as persistent and stable (so-called core liquidity) into medium/long-term investments, while the amount of liquidity characterised by a lower persistence profile (so-called non-core liquidity) is employed in liquid or easily liquidable assets (HQLA), such as, for example, demand deposits, short-term loans or government securities that can be used as a short-term source of funding at the Central Bank.

At the reporting date, there were no “Contingent liquidity and funding needs”, such as, for example, accelerated repayment clauses or the issue of additional guarantees relating to a downgrade of the Group.

The key principles

The Group’s purpose is to maintain liquidity at a level that allows to conduct the main operations safely, finance its activities at the best rate conditions in normal operating circumstances and always remain in a position to meet payment commitments. In particular, the investment policy consider as a priority, among all prudential criteria, the liquidability of the instruments; the outcome of this policy translates into liquidity indicators exceeding by far minimum regulatory requirements.

The Group has a “Group Liquidity Policy”, directly applicable to the Parent Company and its Legal Entities, which defines the set of principles and rules that oversee the management of liquidity and related risks in the Group. In particular, the Policy describes the management of liquidity and its risks in standard and crisis conditions, first and second level control activities and the Group's related governance, defining roles and responsibilities of corporate Bodies and functions, both for the Parent Company and its Legal Entities, ensuring consistency between the liquidity risk contingency plan, the capital contingency plan, the Group Risk Appetite Framework and the Group Recovery Plan.

Roles and responsibilities

The “Group Liquidity Policy” establishes the principles adopted in terms of internal governance, which envisage the involvement of the Treasury and Risk Management functions.

The operational management of liquidity is carried out by the Treasury department, which ensures effective and efficient management of liquidity in the short and medium/long term, monitoring of liquidity exposure and first-level controls on the management process.

The Risk management function is responsible for monitoring compliance with limits and implementing the rules on liquidity risk, the implementation of selected risk metrics and the assessment of selected methods.

To this end the “Group Liquidity Policy” explicitly refers to the first and second level monitoring, both from a regulatory and management standpoint:

- Short-term liquidity risk management (operational liquidity), which considers the events that may impact upon the Group's liquidity position from one day up to one year. The primary objective is to maintain the Group's capacity to fulfil its ordinary and extraordinary payment obligations while minimising the relevant costs;
- Structural liquidity risk management (structural risk), which considers the events that may impact upon the Group's liquidity position over one year. The primary objective is to maintain an adequate ratio between medium/long term liabilities and medium to long-term assets, with a view to avoiding pressures on short-term funding sources (both current and future);
- Stress tests: Liquidity risk is a low probability, high impact event. Therefore stress testing is a tool able to reveal potential vulnerabilities. The Group uses several scenarios ranging from general market crisis to idiosyncratic crisis, and combinations thereof.

In this context, the Group takes into account all of the assets, liabilities, off-balance sheet positions and present and future events that generate certain or potential cash flows, thereby protecting the Group from risks related to the transformation of maturity.

Short term liquidity management

Short-term liquidity management aims at ensuring that the Group remains in a position to fulfil its cash payment obligations always, whether expected or unexpected, focusing on the exposure for the first twelve months.

On a daily basis, the Group calculates the Operative Maturity Ladder, which measures the cash inflows and outflows affecting the monetary base, with details of the main temporal buckets.

The Group’s objective is to provide sufficient short-term liquidity to deal with a particularly adverse liquidity crises for at least three months.

Structural liquidity management

The objective of the Group's structural liquidity management is to maintain an adequate ratio between medium/long term assets and liabilities (generally over one year), with a view to avoiding pressures on short-term funding sources, both current and future. To this end, the Group adopts a prudent approach to its investments of liquidity, taking into account funding maturities. The indicator used and monitored as part of the wider Risk Appetite Framework (NSFR) ensures that assets and liabilities have a sustainable maturity structure. The regulatory indicator is also complemented by a managerial indicator called "Structural Ratio", which shares its objectives and most of its logic. Such indicator was developed by the CRO Department of the Parent Company with the purpose of managing the risk of maturity transformation, considering the specificities of Fineco's funding represented in the Bank's sight items model.

Liquidity Stress Test

Liquidity Stress Tests evaluate the impact of macro or micro-economic scenarios on Fineco’s liquidity position, with the aim of testing the Bank’s ability to continue its business in situations of liquidity distress.

Stress tests are carried out by simulating scenarios of idiosyncratic stress (decline in customer confidence) and situations of general market shock; a combination of the two shall also be considered in the stress test program. Within the stress test simulations, sensitivity analyzes are also provided to evaluate the impact produced by the movement of a particular single risk factor.

Additional scenarios are also defined (so-called reverse stress testing) aimed at identifying the risk factors and the circumstances that would lead to the Group’s point of non-viability.

Part E - Information on Risks and relating hedging policies

Behavioural modelling of Liabilities

FinecoBank has developed specific behavioural modl aimed at estimating the maturity profile of liability items not having a contractual maturity; indeed, even though some assets and liabilities may be payable on demand, they could actually show some stickiness.

More specifically, liabilities modelling aims to build a profile reflecting at that best the behavioural characteristics of the items. An example is on sight deposit: estimates of the maturity profile reflect the perceived stickiness. The model, developed by the Parent Company CRO Department and validated by the Internal Validation function, is regularly subjected to back-testing and updates in case of changes in the business or market context capable to reduce its reliability.

Group's Contingency Liquidity Management

The objective of the Group "Contingency Plan on liquidity risk", defined in the Group Liquidity Policy, is to ensure timely implementation of effective interventions also during the initial stage of a liquidity crisis, through a clear identification of individuals, powers, responsibilities, communication, and reporting criteria, with the aim of significantly increasing the probability of successfully overcoming the state of emergency. This is achieved through:

- activation of extraordinary liquidity governance and operating model;
- consistent communication both internal and external;
- a set of available mitigating liquidity actions;
- a set of early warning indicators, also included within the Group Recovery Plan, showing any possible evidence of a developing liquidity crisis.

Internal Liquidity Adequacy Assessment Process (ILAAP)

In accordance with prudential provisions, the Group annually assesses the adequacy of the liquidity governance and management framework (ILAAP process) and gives appropriate disclosure to the Competent National Authority according to the terms established by the relevant legislation.

The stress tests conducted within the ILAAP, carried out on the basis of scenarios that consider idiosyncratic, systemic risk factors and a combination thereof, did not show any criticality or relevant impacts for the Group.

Quantitative information

The time distribution of financial assets and liabilities is represented in the tables below in accordance with the rules set forth in the financial statements regulations (Bank of Italy Circular 262), using accounting information shown by contractual residual duration. Therefore, data of a managerial nature have not been used, involving, for example, the modelling of on-demand liability items.

Current account overdraft facilities with an open-ended credit agreement until revoked granted by the Bank, initial margins, variation margins and the default fund have conventionally been represented in the on-demand column. To this end, it should be noted that, in general, the Bank has the right to withdraw, at any time, from current account overdraft facilities with an open-ended credit agreement until revoked, and to reduce the amount of the credit facility or to suspend its use with immediate effect, upon the occurrence of legitimate cause or for a justified reason, or with a contractually agreed period of notice. Initial margins, variation margins and default funds, on the other hand, are cash assets without a defined contractual maturity, the amount of which may vary on a daily basis.

Part E - Information on Risks and relating hedging policies

1. Time breakdown by contractual residual maturity of financial assets and liabilities – Currency: Euro

(Amounts in € thousand)

Items/time buckets	On demand	Between 1 and 7 days	Between 7 and 15 days	Between 15 days and 1 month	Between 1 and 3 month	Between 3 and 6 month	Between 6 and 1 year	Between 1 and 5 year	Over 5 years	Unspecified maturity
On-balance sheet assets	**3,917,598**	**18,669**	**587,025**	**137,427**	**437,021**	**845,287**	**1,011,799**	**14,148,917**	**10,179,089**	**283,370**
A.1 Government securities	-	-	190,612	3,240	107,159	614,505	738,781	9,683,344	6,196,142	-
A.2 Debt securities	-	406	1,769	993	34,169	109,034	72,800	3,571,985	1,884,450	-
A.3 Units in investment funds	1,539	-	-	-	-	-	-	-	-	-
A.4 Loans	3,916,059	18,263	394,644	133,194	295,693	121,748	200,218	893,588	2,098,497	283,370
- Banks	1,772,407	1,788	-	3,623	-	15,211	-	-	-	283,370
- Customers	2,143,652	16,475	394,644	129,571	295,693	106,537	200,218	893,588	2,098,497	-
On-balance sheet liabilities	**28,304,227**	**285,384**	**35,303**	**55,584**	**166,636**	**446,539**	**448,570**	**832,881**	**14,388**	**-**
B.1 Deposits and current accounts	27,480,057	16,449	23,683	55,584	150,694	443,514	439,974	-	-	-
- Banks	1,884	-	-	-	-	-	-	-	-	-
- Customers	27,478,173	16,449	23,683	55,584	150,694	443,514	439,974	-	-	-
B.2 Debt securities	-	-	-	-	13,875	-	2,500	800,000	-	-
B.3 Other liabilities	824,170	268,935	11,620	-	2,067	3,025	6,096	32,881	14,388	-
Off-balance sheet transactions										
C.1 Financial derivatives with exchange of capital										
- Long positions	-	101,085	-	-	-	-	-	27	681	251
- Short positions	-	115,261	29	-	567	-	-	5	187	251
C.2 Financial derivatives without exchange of capital										
- Long positions	909	-	4,824	34,110	47,594	59,777	88,514	-	-	-
- Short positions	2,316	-	1,625	1,416	28,675	16,729	25,798	-	-	-
C.3 Deposits and loans to be collected										
- Long positions	-	4,865	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	4,865	-	-	-	-
C.4 Irrevocable commitments to disburse funds										
- Long positions	40	1	65	1,520	606	6,134	1,859	628	32,555	-
- Short positions	36,922	5,314	-	1,170	-	-	-	-	-	-
C.5 Financial guarantees given	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-

Currency: Other currencies

(Amounts in € thousand)

Items/time buckets	On demand	Between 1 and 7 days	Between 7 and 15 days	Between 15 days and 1 month	Between 1 and 3 month	Between 3 and 6 month	Between 6 and 1 year	Between 1 and 5 year	Over 5 years	Unspecified maturity
On-balance sheet assets	**216,633**	**8,733**	**3,213**	**2,289**	**140,690**	**201,087**	**325,058**	**192,593**	**19**	**242**
A.1 Government securities	-	-	1,841	-	105,885	149,556	317,435	192,512	-	-
A.2 Debt securities	-	-	-	-	-	-	7,623	-	-	-
A.3 Units in investment funds	23	-	-	-	-	-	-	-	-	-
A.4 Loans	216,610	8,733	1,372	2,289	34,805	51,531	-	81	19	242
- Banks	208,721	441	-	-	374	48,450	-	-	-	242
- Customers	7,889	8,292	1,372	2,289	34,431	3,081	-	81	19	-
On-balance sheet liabilities	**1,063,093**	**28,496**	**283**	**-**	**-**	**-**	**-**	**-**	**363**	**-**
B.1 Deposits and current accounts	1,048,643	-	-	-	-	-	-	-	-	-
- Banks	63	-	-	-	-	-	-	-	-	-
- Customers	1,048,580	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	14,450	28,496	283	-	-	-	-	-	363	-
Off-balance sheet transactions										
C.1 Financial derivatives with exchange of capital										
- Long positions	-	79,612	29	1,923	2,025	-	-	202	-	-
- Short positions	-	64,157	-	1,366	3,056	88	-	202	-	-
C.2 Financial derivatives without exchange of capital										
- Long positions	4,281	-	-	-	-	-	-	-	-	-
- Short positions	3,790	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to be collected										
- Long positions	-	1,591	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	1,591	-	-	-	-
C.4 Irrevocable commitments to disburse funds										
- Long positions	-	-	-	-	-	2,580	-	-	-	-
- Short positions	-	2,580	-	-	-	-	-	-	-	-
C.5 Financial guarantees given	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-

Part E - Information on Risks and relating hedging policies

1.5 - Operational risk

Qualitative information

A. General aspects, operational processes and methods for measuring operational risk

Operational risk definition

Operational risk is defined as the risk of losses due to errors, violations, interruptions, or damage caused by internal processes, personnel, financial advisors, systems or by external events. This definition includes legal and compliance risks, but excludes strategic and reputational risk.

For example, losses arising from the following can be defined as operational: internal or external fraud, employment practices and workplace safety, customer claims, product distribution, fines and penalties for regulatory breaches, damage to the Company's physical assets, business disruption and system failures, and management of processes.

Operational risk framework

The Group has a Global Policy for the monitoring and control of operational and reputational risks, approved by the Board of Directors of the Parent Company FinecoBank which defines the roles of corporate bodies and of the risk management function as well as any interactions with other functions involved in the process. Besides setting roles and responsibilities, the policy describes the risk measuring and monitoring process and the activities carried out for mitigation and prevention purposes.

The Group has also a Global Policy which defines the governance and control system for ICT and Cyber risks within the Group.

Organisational structure

The Board of Directors is responsible for approving all aspects relating to the operational risk framework and verifying the adequacy of the measurement and control system and shall be regularly updated on changes to the risk profile and operational risk exposure.

The reports produced by the CRO Department for the Board of Directors ensure that management and control bodies are constantly updated on operational risk trend within the Group and they are able to actively intervene in risk management and mitigation. The Chief Risk Officer participation in the Products Committee and the subsequent involvement of the specialised structures of the CRO Department (e.g. Operational, reputational, ICT & Cyber Risk), ensures oversight of the operational risk associated with the Group's new business activities.

The Operational, Reputational, ICT & Cyber Risk (ORM) function is part of the CRO Department, which reports to the Chief Risk Officer of FinecoBank who in turn reports directly to the Chief Executive Officer and General Manager.

The main activities carried out by the Team in terms of operational risk are:

- definition of the system mitigating and controlling operational, ICT and Cyber risks in compliance with external regulations and, in accordance with the guidelines provided by the Board of Directors, and the Group's operational evolution;
- regularly prepare reports on exposure to operational and reputational risks aimed at informing and supporting management in management activities;
- prepare a Risk Indicators framework aimed at preventing operational and reputational risks, also originating from environmental, social and governance factors (ESG);
- verify that operating loss data identified by the various areas of the Group are regularly and promptly recorded;
- carry out, in collaboration with the other corporate functions, scenario analyses aimed at identifying and preventing potentially high impact losses, albeit unlikely;
- propose operational risk mitigation strategies to the Chief Risk Officer;
- carry out training and support on the control of operational risks to the Group's structures;
- guarantee a reputational risk oversight within the perimeter defined by the Group;
- carry out systematic remote controls, through Risk Indicators, on the entire sale Network, in order to mitigate the internal fraud arising from PFA operations;
- carry out ex-post controls on the verifications carried out by the Network Controls, Monitoring and Network Services Department in relation to internal frauds implemented by Personal Financial Advisors to the detriment of customers, in order to identify areas for improvement;
- implement and update the anomaly indicator management system framework, also according to new company activities and regulations;
- evaluate the effectiveness of PFA disloyalty insurance coverage, considering renewals, franchise and excess;
- evaluate operational and/or reputational risks resulting from the most significant transactions (e.g. significant outsourcing), ensuring their consistency with the RAF;
- support the Board of Directors in the definition of the operational, ICT and Cyber risk appetite, and ensure the implementation through specific measures, metrics and indicators aimed at monitoring the risks.
- ensure the effective implementation of the ICT risk assessment methodology, supporting and coordinating the individual functions involved during the process, each according to their responsibilities.

Part E - Information on Risks and relating hedging policies

Operational risk management and mitigation

Operational risk management consists in the review of processes meant to reduce the identified risks, the management of the related insurance policies, as well as the identification of the suitable franchise and excess values thereof.

As part of operational risk prevention and controls on the sales network, the CRO Department function concetrates its activities on fraud prevention. The development of remote monitoring aimed at preventing frauds has led to the creation of a system called System of Fraud Identification and Analysis (SoFIA). Such system can process a larger amount of data and information than individual indicators. The system works though an alert mechanism detecting any irregularity on a daily basis. In this way, all of the names highlighted to be checked are assessed at the same time with regard to all remote indicators.

On the basis of qualitative and quantitative assessments of these indicators, the assigned staff select any cases that need to be reported to the Network Controls, Monitoring and Network Services Department – reporting directly to the Chief Executive Officer – for subsequent examination.

Moreover, the Operational & Reputational Risk team is updated annually on the results of the tests conducted in accordance with the Business Continuity and Disaster Recovery plans.

In parallel with the direct controls on the sales network carried out through SoFIA, ex-post controls were also implemented on the verifications carried out by the Network Controls, Monitoring and Network Services Department in relation to internal frauds carried out by financial consultants to the detriment of customers, aimed at identifying any areas for improvement.

In addition to the aforementioned controls, reputational risks are monitored through the risk assessment carried out by the risk management function throughout the definition, development and approval phase of the Group's products. Participation in the Product Committee of the Chief Risk Officer is in fact expressly envisaged by the "New Product Process" Global Policy.

Risk measurement system

To calculate the regulatory requirement for operational risk, FinecoBank uses the Standardized Method envisaged by art. 317 of Regulation 575/2013 (CRR). According to this approach, the requirement is calculated as a three-year average of the Relevant Indicator[88] divided by business lines and weighted by a coefficient set by the Supervisory Authority. Starting from 1 January 2025, the Group will apply the calculation approach envisaged by the new regulatory requirement for operational risks, provided for by the CRR III regulatory package. According to the latter, the capital requirement for operational risk must be equal to the Business Indicator Component (BIC), which represents the weighted value of the size of the institution's business. In this first version, the Internal Loss Multiplier component, which determines the risk adjustment determined through the collection of internal loss data, is not envisaged yet.

For the purposes of calculating Pillar II Internal Capital, however, the Group uses an internally developed model which leverages the historical series of internal loss data, recorded and classified in accordance with the criteria established by the CRR. In particular, the art. 324 of the CRR envisages the classification of loss data into the 7 Event Types (ET) described below:

- internal fraud: losses due to unauthorised activities, fraud, embezzlement or infringement of laws, regulations or company directives that involve at least one internal staff member of the Group or a resource hired under an agency contract (PFA);
- external fraud: losses owing to fraud, embezzlement or violation of laws by subjects external to the Group;
- employment practices and workplace safety: losses due to actions not compliant with the law or to agreements regarding employment, health and safety, to the payment of compensation for bodily harm, or to cases of discrimination or non-application of equality conditions;
- customers, products and professional practices: losses arising from non-fulfilment of professional obligations towards customers or from the nature or characteristics of the products or services provided;
- damage from external events: losses arising from external events, including natural disasters, acts of terrorism and vandalism;
- business disruption and system failures: losses owing to business disruption and system failures or interruptions;
- process management, execution and delivery: losses due to deficiencies in the completion of transactions or management of processes, as well as losses due to relations with commercial counterparties, vendors and suppliers.

The analysis of operational losses also allows the CRO Department to assess the Group's exposure to operational risks and to identify any critical areas.

As far as second line controls are concerned, the CRO Department uses several key risk indicators divided into control areas (Credit Cards, Compliance, HR, Legal, Operations securities, Payment Systems, Claims, Risk Management, Reputation, Transparency, AML/CFT, IT systems, Security, Administration and Audit), with which the Group mean to measure its exposure to operational risk. Should indicators show irregular values, this might be related to changes in the exposure to operational risk. Within the overall set of KRI, several ESG relevant indicators have been identified. Any irregular value of such risk indicators may signal risks related to customer relationship (e.g. client claims, unavailability or security issues in the ICT system), with employees (e.g. high turnover) or with regulators, which may affect business sustainability.

[88] The Relevant Indicator is given by the sum of various items in the Income Statement, and mostly coincides with the Group's Mediation Margin.

Part E - Information on Risks and relating hedging policies

Scenario analyses allow the assessment of the Group's exposure to operational risk characterised by low frequency but high potential impact. Scenarios are set by analysing internal losses, external events, risk indicator trends, critical processes, products and risk classes.

B. Risks arising from significant legal disputes

The Group, only referred to FinecoBank, is involved in individually insignificant legal proceedings over which there is considerable uncertainty regarding the outcome and the amount of possible charges, which the Bank could be forced to pay. Where it is possible to reliably estimate the amount of possible charges and the charges are considered likely, provisions have been made in an appropriate amount based on the circumstances and consistent with applicable international accounting standards, by making the best possible estimate of the amount that the Group will reasonably be expected to incur in discharging its obligations. Specifically, as a precaution against these obligations and customer claims that have not yet resulted in legal proceedings, as at December 31st, 2024 FinecoBank had a provision in place for risks and charges of € 24,727 thousand. This provision includes the legal costs borne by the Group in the event of an adverse conclusion of the dispute plus the estimated expenses to be paid to legal advisors and/or any experts who assist the Group in ongoing disputes to the extent that it is believed that they will not be reimbursed by the counterparties. This estimate was determined by the Group, in relation to the current dispute, mainly based on the analysis of Forensic official tariffs provided for by current legislation.

C. Risks arising from tax disputes and audits

At December 31st ,2024 the disputes situation was largely reduced compared to December 31st, 2023. More specifically, a number of low-value disputes remain outstanding, with reference to which accruals have been made to the extent deemed appropriate, given the specific circumstances and consistent with international accounting standards, in the provision for taxes and duties, for higher taxes, totalling € 0.2 million, and in the provision for risks and charges, for penalties and interest, totalling € 0.5 million.

The assessment of ICT and Cyber risk

Consistent with Bank of Italy Circular 285/2013, the tasks and responsibilities envisaged for the ICT and security risk control function were divided among the existing control functions. Specifically:

- - The CRO Department, with the support of the Operational, Reputational, ICT & Cyber Risk structure, supports the Board of Directors in defining the ICT and Cyber risk appetite, formulating a short or medium-term strategic policy and defining specific measures, metrics and indicators to measure ICT and security risk. In this context, the Management defines the ICT and security risk assessment and control methodology and provides for its monitoring through appropriate supervisory tools. The CRO Department is also informed of any activity or event that significantly affects the bank's risk profile (e.g. significant operational or security incidents) and is actively involved in projects involving substantial changes to the information system;
- - the Compliance Department, with the support of the DPO, Outsourcing, ICT & Security Compliance structure, ensures the compliance of ICT systems and projects, as well as of all activities carried out within the information system, with legal, regulatory or statutory provisions and internal regulations and codes applicable to the bank, and draws up, in cooperation with the CPO AND CIO Department, the ICT risk and security training and information security awareness plan.

The Group periodically carries out specific scenario analyses, aimed at evaluating the impact of events characterized by low frequency but high severity, and on an annual basis a comprehensive analysis of the ICT risk situation. In particular, the outcome of this latest activity, was approved by the CEO and General Manager of the Parent Company in December 2024. The analysis showed that, with respect to the business volumes processed and the complexity of the processes involved, the residual IT risk of FinecoBank is on average low. The residual risk exposure has been formally accepted by Fineco's Process Owners without the need to identify additional mitigation measures.

The Group's goal is also to protect customers and the business by ensuring data security, declined in its characteristics of availability, confidentiality and integrity. Particular attention is in fact paid to the issues of Cyber Security & Fraud Management from the system design phase, as enabling elements for the correct definition of solutions and services offered, also taking advantage of the opportunities offered by the evolving regulatory context, in order to create full security for the customer while maintaining ease of use.

During 2024, the Group started the activities necessary to update the ICT and Cyber risk management and monitoring framework following the publication of the definitive Regulation on the Digital Operational Resilience Act (DORA), applicable from 17 January 2025. In this context, the Group adopted the Global Policy "Framework for the management and control of risks arising from third-party suppliers", which aims to ensure that risks arising from third-party and intra-group suppliers are identified, mitigated, managed and monitored consistently across all Group companies. The document is generally applicable to all contractual agreements concluded with service providers, both contractors and outsourcers, with a focus on ICT services, in particular those supporting essential or important functions.

It should be noted that on February 24th, 2022, with the start of the military conflict between Russia and Ukraine, the CSIRT (the National Cybersecurity Agency's response team) called for heightened attention and the adoption of all measures to protect ICT assets, an alert addressed to Italian companies that have relations with Ukrainian operators. On 28 February 2022, the Agency produced a new alert, this time addressed to all national digital infrastructure operators, urging them to adopt "a posture of maximum cyber defence": the offensive could in fact be directed against the coalition

Part E - Information on Risks and relating hedging policies

that has mobilised to support the attacked country. As far as Italy is concerned, the targets are generally ministries, government agencies, and companies that are strategic for the national interest, including financial institutions. The Group's objective is to ensure the protection of customers by guaranteeing data security, declined in its characteristics of availability, confidentiality and integrity: in the light of the Russian-Ukrainian crisis on the EU financial markets, particular attention has been paid to the assessment of related risks. In compliance with the measures provided for by current legislation, Fineco has undertaken a series of initiatives aimed at verifying its security posture and operational readiness, also making use of the indications and recommendations suggested by the various national and international bodies. Without prejudice to the adoption, as always, of best practices in the field of security, in terms of both technical and organizational/procedural measures, further mechanisms have been introduced to deal with any impacts deriving from the contingent situation ensuring, at the same time, the constant and continuous monitoring of the evolution of the context.

Analysis of operational and security risks related to payment services

In accordance with the 28th update of Bank of Italy Circular 285, the Group carries out an assessment of operational and security risks related to payment services provided by the Group. The adequacy of mitigation measures and control mechanisms in place are also in scope. The resulting report for the year 2023 did not show any criticalities or weaknesses, and it was sent to the Bank of Italy within April 30th, 2024, according to the rule thereof.

Quantitative information

Operational loss analyses enable the Operational & Reputational Risk team to make assessments on the Group’s exposure to operational risk and to identify any critical areas.

As of December 31, 2024, the total operating losses benefits from significant write-backs of provisions previously made for ongoing disputes closed in favour of the Bank. Net of these extraordinary events, it should be noted that approximately 50% of the Group's operating losses are related to conduct risk, which includes the two event types "Internal fraud" and "Customers, products and professional practices". In particular, the "internal fraud" event type mainly manifests itself through fraud perpetrated against customers by financial advisors belonging to the sales network. In recent years, this risk has significantly reduced due to the implementation of several mitigation actions, including remote controls on the sales network by different structures of the Bank (Network Controls Department, Internal Audit, Compliance and CRO Department). It should also be noted that there is an insurance policy on the disloyalty of financial advisors. The event type “Customers, products and professional practices” instead manifests itself mainly through the misselling of financial products to customers.

The remaining losses are distributed among the other event types described above.

The data reported are consistent with FinecoBank's business model which focuses on offering financial advisory services to retail customers and has one of the largest sales networks in Europe.

No relevant impacts arising from Russia – Ukraine conflict have been detected so far on the Group operational risk profile. Available KRI are not showing any risk profile change, and it has not been detected any operational loss strictly connected with Russia – Ukraine conflict so far.

As far as operational risk is concerned, it should be noted that FinecoBank has not changed its strategies and objectives as well as its management, measurement and control policies.

Part E - Information on Risks and relating hedging policies

1.6 - Other risks and information

Although the risk types described above represent the main categories, there are others the Group considers nevertheless important. According to Pillar 2 regulatory requirements, the Group annually carries out a risk assessment identification process aimed at identifying all relevant risks different from Pillar One risks (credit, market and operational), to which the Group is, or may be exposed to. Along with traditional financial risks, potential significant non-financial risks are also identified, including for example reputational risks and those deriving from environmental, social and governance (ESG) factors.

After the identification of all relevant risks, the best method for analyzing them shall be identified, whether quantitative or qualitative. The quantitative measurement may be carried out through several tools, such as scenario analysis (this is the choice in particular for hard quantifiable risk such as the reputational risk and the compliance risk), VaR or the Internal Capital calculation. The latter stands for the capital needed to cope with potential losses arising from the Group's activities, and takes into consideration all risks defined by the Group itself quantifiable in terms of capital, consistently with Pillar two requirements.

The main risks considered in the overall Group Internal Capital as of December 2024 are default risk, concentration risk, migration risk, market risk, interest rate risk, credit spread risk, operational risk and business risk. The overall Internal Capital is periodically exposed to stress test exercises. Such tools allow to assess the Group's vulnerabilities to exceptional but plausible events, providing additional information with respect to monitoring activities.

Environmental, social and governance risks (ESG)

The acronym ESG stands for Environmental, Social, Governance and indicates the environmental, social and governance factors that can significantly influence a company's performance in the long term. In other words, they are all those factors that, if not managed correctly, can generate risks for a company, an industry or an entire economic system. Specifically, ESG risks can generate consequences in terms of:

- impacts on investments: investors, increasingly aware of the social and environmental impact of their choices, take ESG factors into account to evaluate the sustainability and long-term profitability of an investment;
- impacts on corporate reputation: effective management of ESG risks is essential to preserve a company's reputation, avoiding involvement in environmental or social scandals;
- regulatory compliance: sustainability regulations are constantly evolving and companies must adapt to comply and avoid sanctions and economic losses;
- corporate resilience: a company that manages ESG risks well is more resilient in the face of external shocks, such as climate change or social crises.

The Climate and Environmental risks, the Social risks and the Governance risks to which the FinecoBank Group is exposed are analysed individually in detail in the following paragraphs.

Climate and environmental risks

Climate change and environmental degradation give rise to structural changes capable to affect economic activity and, consequently, the financial system. In particular, the transition to a low-carbon and more circular economy brings both risks and opportunities for the entire economic system and for financial institutions, while the physical damage caused by climate change and environmental degradation might have a significant impact on the real economy and the financial sector.

Climate change commonly gives rise to two risk factors:

- physical risk, which refers to the financial impact of climate change, including more frequent extreme weather events and gradual changes in climate, as well as environmental degradation, such as air, water and soil pollution, water stress, biodiversity loss and deforestation. Physical risk is therefore classified as "acute" if caused by extreme events such as droughts, floods and storms, and "chronic" if caused by progressive changes such as rising temperatures, rising sea levels, water stress, biodiversity loss, land use change, habitat destruction and resource scarcity. This risk could directly lead to material damage, a decline in productivity, or indirectly to subsequent events such as the disruption of production chains;
- transition risk, which refers to the financial loss that an institution may incur, directly or indirectly, as a result of the adjustment process towards a low-carbon and more environmentally sustainable economy. This could be caused, for example, by the relatively sudden adoption of climate and environmental policies, technological progress or changes in market confidence and preferences.

Physical and transition risks represent risk factors that impact traditional risk categories already identified and managed by financial institutions, such as pillar one risks i.e. credit, operational, market and liquidity risks, but also pillar two risks, such as reputational risk. These risks can also affect the resilience of the institution's business model in the medium and long term, especially whenever the business area is based on sectors and markets that are particularly vulnerable to climate and environmental risks.

In November 2020, the European Central Bank published a “Guide on climate-related and environmental risks” that incorporates the supervisory authority’s expectations on risk management and disclosure of climate-related and environmental risks. According to the latter, institutions are required to assess the impact of climate-related and environmental risks on their business model and operational environment in the short, medium and long term, and to integrate them into their risk management system, so that they are managed, monitored and mitigated along with other risk categories.

Since the first consultation of the ECB on its guide on climate and environmental risks[89], the Fineco Group has started a process of progressive integration of climate and environmental risks within its risk management framework, based on the most recent guidelines published by the supervisory authorities and European and international standard setters[90]. The first changes made concerned the *Risk Appetite Framework (RAF)*, which represents the tool for monitoring the risk profile that the Group is willing to assume in implementing its corporate strategies and in achieving sustainable profitability at the same time as solid business growth.

The RAF formalizes, through a set of limits and risk metrics, the risk objectives, any tolerance thresholds and operational limits that the Group commits to comply with in the pursuit of its strategic lines, and is made by the *Risk Appetite Statement*, which qualitatively defines the positioning of FinecoBank in terms of strategic objectives and related risk profiles, and the *Risk Dashboard*, which is made by a set of quantitative indicators.

The RAF 2025 *statement*, in continuity with the RAF 2024, includes a series of commitments and objectives also in the field of climate and environmental risks. In this context, the Group's goal is to:

- keep a marginal exposure to physical climate and environmental risks, both acute and chronic, by limiting direct investments in the Real Estate segment to properties intended for the unrolling of office and consultancy activities, and ensuring that the real estate collateral portfolio deriving from mortgages loans does is not concentrated towards single climate and environmental risk factors;
- limit the exposure to transition climate and environmental risks by avoiding financing high-risk sectors and ensuring flexibility with respect to regulatory changes and market trends;
- achieve net zero emissions, both operational and financed, by 2050;
- by 2030, have 95% of strategic investments in countries and institutions with a “Net Zero” objective[91];

The *Risk Dashboard* 2025, in continuity with the RAF 2024, incorporates several indicators to monitor ESG risks. One indicator is designed to ensure, through quantitative thresholds, that a share of investments is made in ESG bonds, instruments intended to support projects or activities aimed at promoting social and environmental sustainability.

In continuity with the RAF 2024, a specific indicator is aimed at measuring the percentage of ESG Funds offered by Fineco AM on the total fund offering, and to guarantee a minimum share.

Another relevant indicator concerns more closely climate and environmental risks (physical risk) and allows the monitoring of the concentration of the real estate guarantees covering mortgages loans towards climate and environmental risks. Starting from January 2025, with the aim of directing the credit origination towards stable or lower physical risk profiles, the indicator has been modified as to measure the concentration on new originated loans instead of on the entire stock.

Another new feature introduced in RAF 2025 is the indicator relating to the energy class of real estate collateral covering mortgages loans. Also in this case, the aim is to stream credit origination towards stable or lower physical risk profiles.

As previously mentioned, RAF metrics are regularly monitored and reported , at least quarterly. A threshold breach of the indicators included in the Risk Dashboard triggers the activation of an escalation process towards the top management and ultimately the competent Corporate Bodies.

In addition to the objectives set out in the Risk Appetite Statement and the indicators integrated into the Risk Appetite Dashboard, the Group's “Sustainability Policy” describes the process of identifying, managing and integrating ESG risks into the Group's risk management framework.

This process, which is fully integrated within the Risk Inventory process, includes i) the analysis of best practices and regulations, ii) the identification and mapping of ESG risks, iii) their integration into the RAF and the Internal Control System iv) stress tests execution v) reporting activities.

In order to identify the risk factors to which the Group is exposed and carry out the relevant assessments in terms of management, monitoring and mitigation, the Group carries out, on an annual basis or more frequently in the event of significant changes, the process of identifying all the risks to which it is, or could be exposed, with regard to its operations and reference markets. This process, which represents a preparatory activity both for the definition of the Risk Appetite Framework and for the internal capital and liquidity assessment processes (ICAAP & ILAAP), mainly consists of the following phases:

[89] The first consultation version of the “Guide on climate and environmental risks” dates back to May 2020.
[90] Examples include the “EBA report on ESG Risk Management and Supervision ”, the report “ role of environmental and social risks in the prudential framework” and the documents released by the BCBS “ *Climate-related risk drivers and their transmission channels* ” and “ *Climate-related financial risks – measurement methodologies*”.
[91] The *Net Zero goal* must be formalized in a national/international policy document. Countries and institutions are understood to mean *Sovereign*, *Supranational* and *Agency counterparts* .

Part E - Information on Risks and relating hedging policies

- identification of potential risks;
- selection of risks applicable to the Group's business context;
- identification of relevant risks and formalisation of the “Group Risk Map”;
- sharing and approval of the Group Risk Map ;
- follow-up of the risk materiality assessment to consider any relevant events subsequent to the ordinary annual review.

On this occasion, a focus on ESG risks is prepared, which during 2024 has been expanded to reflect the requirements of the Corporate Sustainability Disclosure Directive (CSRD).

In the specific case of physical and transition Climate and Environmental risks (as well as Social and Governance risks), as this is a horizontal risk category, the impacts on the balance sheet, operations or reputational context of the Group are recorded through financial risks (for example credit risks), operational risks and reputational risks. For this reason, the identification and analysis of these risk categories occurs in parallel with the traditional categories of financial, operational and reputational risks, in a specific section of the Risk Inventory called “ESG Risk Deep Dive”. The separate assessment, in addition to allowing a more in-depth analysis of the ESG risk factors, ensures that the double counting of the related risk factors is avoided, as they are already included in the financial, operational and reputational risks that operate as transmission channels.

Within the “ESG Risk Deep Dive” all ESG risk factors potentially capable of negatively affecting the business model and more generally the operations along the Group's value chain, both upstream (e.g. third-party suppliers) and downstream (e.g. customers), are identified. For each risk factor, the transmission channels towards financial risks (e.g. credit and business risk), operational and reputational risks are identified (if present), as well as the related vulnerabilities and mitigation factors determined by the peculiarities of the Group. The main financial metrics that could be impacted in the event that the risk factor were to occur are identified as well.

In general, the companies of the FinecoBank Group, thanks to the intrinsic feature of their business model, are little exposed to climate and environmental risks. Specifically:

- no Group company has significant investments in the Real Estate segment, which could suffer damage following the occurrence of acute physical risk factors (e.g. floods) or decrease in value due to the intensification of chronic physical risk factors (e.g. sea level rise). The value of properties could also be affected by transition risk factors, for example if more restrictive regulations on pollution or carbon dioxide emissions were introduced (e.g. regulations requiring properties to reach a minimum energy class in order to be sold), by new climate policies by governments, or by new market trends. The only real estate investment is represented by the building in which the parent company FinecoBank has its registered office, located in Milan;
- the parent company, FinecoBank, has always favoured digital channels in its relations with customers, without the use of branches, which could be damaged or made unusable by physical risk events;
- no Group company has credit exposures to non-financial counterparties/clients, whose credit risk profile may be affected by an increase in the intensity and frequency of physical or transition risk factors. Counterparties could also be affected by transition risk factors, such as the introduction of more restrictive regulations on pollution or carbon dioxide emissions, new climate policies by governments or new market trends;
- the loans, granted exclusively by the Parent Company, are mainly addressed to retail customers. They are therefore highly diversified exposures, of individually small amounts and not directly influenced by climate and environmental risk factors. Furthermore, a significant portion of the loan portfolio to ordinary customers consists of products backed by financial or real estate collateral;
- the mortgages issued by the parent company FinecoBank do not represent the Bank's core business and constitute a marginal share of consolidated assets (the introduction of new regulations relating to the introduction of a minimum energy class for the purchase and sale of real estate could have significant impacts in terms of business volumes on Banks whose core business is mortgage origination);
- only the parent company FinecoBank is exposed to market risk, which is however limited to the brokerage activity with customers and subject to conservative risk limits. Fineco, in fact, does not assume open directional positions, and the trading book is moved exclusively for the purposes of unrolling the brokerage activity with customers, with an intra-day hedging/closing mandate. The containment of market risks protects the Group from volatility, regardless of the causes that generate it. In the case of physical risks, chronic physical risks, such as soil degradation and scarcity of resources, could send entire economic sectors into crisis, affecting the stability of financial markets. In the case of transition risks, the introduction of new technologies or regulations in the transition to a low-emission economy could cause substantial changes in the market, causing the bankruptcy of companies that are not flexible enough to deal with the changing environment;
- exposures to financial counterparties are made to industry leaders, with a high credit rating, and mainly backed by financial collateral, the value of which is subject to frequent monitoring and exchange of cash margins;
- The Group's strategic investments are mainly made in sovereign counterparties (governments and international governmental organizations) belonging to Western countries, whose economy does not depend on the export of fossil fuels, and are relatively little exposed to climate change or economically able to cope with it.
- Fineco adopts an open platform, which allows customers to purchase and receive financial advice on several financial instruments and investment products, even those not produced or issued by companies belonging to the Group. This allows customers to purchase financial products from third-party producer without changing intermediary.

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Considering the context outlined above, the identification of climate and environmental risks starts from the risk factors identified within the guidelines and technical documentation issued by the Supervisory Authority (European Central Bank) and by category standard setters (European Banking Authority). In this perspective, the Group has adopted a gross approach, identifying the risk factors in a forward looking manner, regardless of the historical evidence recorded at the reference date, and evaluating them in the short, medium and long term.

Once the Climate and Environmental risk factors applicable to the Group have been identified, vulnerabilities of the Group companies are identified and reported at a consolidated level, taking into account the exposures, the operational, geographical and business context thereof.

Physical risk factors, particularly those belonging to acute physical risks, could cause damage both to the assets owned by the Group companies and to the assets acquired as collateral by the Parent Company FinecoBank. They could also lead to a worsening of the creditworthiness of the counterparties to which the Group is exposed.

The owned assets include the building in which the parent company FinecoBank has its registered office and the hardware infrastructures held within the Data Processing Centers used by the Group companies.

The building in which FinecoBank has its registered office, geographically located in Italy in the city of Milan, is not particularly exposed to acute physical risk factors, also due to the absence of mountain ranges and waterways nearby. However, from a forward looking perspective, the property could be damaged by extreme weather events that are intensifying in the area, especially in the summer months, such as downbursts, tornadoes and heat waves. It should be noted, however, that an all -risk insurance is active on the property, and that the value of the real estate asset constitutes an insignificant share of the consolidated assets. Furthermore, in the event of unavailability of the headquarter, the Business Continuity plan envisage an extensive use of remote working.

The Data Processing Centers (DPCs) used by Group companies play a key role in storing data and regularly providing services. The latter, being physical structures, may be exposed to climatic and environmental risk factors, both acute and chronic, which could, following damage to the hardware infrastructure, lead to data loss or interruption of services for a extended period of time. Given the strategic nature of these assets, Group companies use DPCs located at a geographical distance, for which a technical report on seismic and environmental risk is periodically commissioned to external companies specialized in such assessments, and mitigation measures are identified (e.g. emergency generators and pumps in the event of flooding). Finally, it should be noted that the Parent Company has an additional DPC used exclusively for backup purposes.

A specific reverse stress test was developed on the physical risk associated with the CEDs as part of the ICAAP 2023 process, the objective of which was to determine the “non- viability” of the business model. Considering the low exposure of Fineco's business model to climate change, to reach the “non- viability” the climate reverse stress test assumes the occurrence of a series of extreme events, the probability of occurrence of which is currently considered very remote. In particular, in line with the climate forecasts of the CMCC (Euro-Mediterranean Center on Climate Change), the stress test assumed a flood sufficiently violent and extensive to inundate all the Bank's Data Processing Centers (CEDs) for a significant period of time, also assuming the total failure of the existing security measures.

The assets acquired as collateral include the properties used as collateral for mortgage loans issued by the Parent Company, which could be damaged as a result of acute physical risk factors (e.g. landslides or floods), or experience a decrease in price on the real estate market as a result of the worsening of chronic physical risk factors (e.g. in the case of water restrictions in areas affected by water stress) or the occurrence of transition factors (e.g. laws relating to a minimum energy class). The effects of this vulnerability could show up in the short term due to acute physical risk factors (e.g. floods or landslides), and get worse in the long term due to rising temperature, through a greater frequency and intensity of acute physical risk events, with a more clear manifestation of chronic physical risks.

With regard to risks relating to real estate guarantees, it should be noted that the mortgage portfolio constitutes a relatively small portion of consolidated assets. Furthermore, the average Loan To Value of the portfolio is approximately 45%. This reduces the probability of loss for the Bank in the event of default, also following a reduction in the value of real estate collateral. In any case, when granting mortgages, the Chief Lending Officer (CLO) considers physical risk indicators in the assessment of real estate guarantees. Specifically, during the investigation phase, if the indicators show a high level of physical risk, the deliberative bodies will assess the comprehensive risk of the loan through a holistic assessment of the customer, and more restrictive in terms of Loan to Value and duration, deferring the decision, if situations of proven/substantial risk are detected, to the higher deliberative body identified by the delegated powers in force.

An indicator for real estate guarantees is active within the RAF for 2025, aimed at measuring the share of collateral properties exposed to high climate and environmental risks. The indicator, which covers both acute physical risks (landslide, seismic and hydrogeological risk) and chronic physical risks (water stress, soil erosion, sea level rise), is based on an analytical approach to identifying properties at risk, made possible by information made available by a specialized external provider. In addition to the geographical distribution, a set of qualitative information relating to individual housing units is taken into consideration, capable of mitigating physical and transition risks, including, for example, the construction quality of the property (seismic and energy class) and some intrinsic characteristics (e.g. the floor of the property). Until December 2024, the indicator included in the RAF was calculated on the entire stock of the mortgage portfolio. As already anticipated in the RAF section, starting from 2025 the indicator will be calculated only on the new loans, with the aim of streaming credit origination towards stable or lower physical risk profiles.

Climate and environmental risk factors, and in particular acute and chronic physical risks, are integrated into the Loss Given Default (LGD) estimation model for mortgages. Specifically, mortgages loans on properties that are more exposed to climate and environmental risks will have a higher LGD. Consequently, in the context of the calculation of expected credit losses, the Bank will calculate higher provisions on these positions, while in the context of the calculation of the credit risk internal capital, these positions will have a higher capital absorption.

Also on real estate guarantees, a specific ICAAP stress test exercise is regularly carried out which envisage a reduction in the value of the real estate collateral underlying mortgage loans and located in areas with high climate and environmental risk, with a consequent increase in the value of the LGD, credi provisions, and of credit risk internal capital.

Assets acquired as collateral also include financial collateral pledged against the opening of secured overdraft facilities originated by the Parent Company. The securities acquired as collateral could in fact be affected by market volatility following the worsening of chronic physical risk factors, shall they cause stress to the entire economic sector. It should be noted, however, that the value of the collateral is monitored on a daily basis, and in the event that it falls below certain limits, the Bank has the right, ensured by the contractual provision of the mandate to sell, to sell the financial instruments and repay the debt.

Finally, physical risk factors, particularly chronic ones, could lead to the default or downgrade of financial and sovereign counterparties exposed to high climate and environmental risks. Looking ahead, considering the efforts of category standard setters to direct rating agencies towards incorporating climate and environmental assessments into their summary judgments on the solvency of counterparties, the latter could suffer a worsening of their creditworthiness. This eventuality would lead to greater write-downs on loans and a greater absorption of economic capital for the Group companies exposed to such counterparties. In the worst cases, the risk could lead to a default of the most exposed counterparties. It should be noted, however, that, as a general rule, the Group requires its counterparties to have a credit rating at least equal to investment grade, which identifies an intrinsically low credit risk. Furthermore, for assessment purposes, the Group uses a specific indicator developed by a group of researchers from the US University of Notre Dame, called ND Gain [92].

Finally, it should be noted that a specific ICAAP stress test exercise is regularly carried out on the risk of default or downgrade of financial and sovereign counterparties exposed to high climate and environmental risks. The latter involves the downgrade of the countries mostly exposed to climate and environmental risks. In the ICAAP 2023 stress test, in line with the exposures held by the Group, the counterparties considered were China and the United Arab Emirates. The downgrade determines a higher PD of the aforementioned institutional counterparties, and consequently higher credit provisions and internal capital for credit risks.

Transition risks, in particular those related to **changes in customer needs and preferences**, could impact FinecoBank's business model as well. In particular, customers could move towards asset management products from third-party Asset Managers, with better ESG features than those manufactured by FAM, or towards intermediaries that offer products with better ESG features than those of FinecoBank, or more active in environmental sustainability initiatives. This type of risk is more concentrated in the short term, as it should decrease in the medium/long term following the refinement by the Group companies of their offer of sustainable products.

The orientation of customers towards asset management products of third-party Asset Managers with better ESG characteristics than those of FAM, essentially depends on the ability of the subsidiary Fineco Asset Management to adapt its offer of investment products to the new needs/preferences of investors, determined by the transition phase towards a more environmentally sustainable economy. The vulnerability, which is also the subject of periodic stress tests in the ICAAP context, has been mitigated with the introduction of a specific indicator within the Group's Risk Appetite Framework, aimed at ensuring that a portion of the funds offered by FAM have ESG characteristics (MSCI Rating >= A). The indicator thresholds, which are reviewed at least on an annual basis, are calibrated on the basis of a benchmarking activity with the market.

The orientation of customers towards intermediaries that offer products with better ESG characteristics than those of FinecoBank depends essentially on the ability of FinecoBank to adapt its product offering, for example credit or investment, to the new needs of customers, determined by the transition phase towards a more environmentally sustainable economy. To this end, the sustainability function carries out benchmarking activities with the market, aimed at ensuring that the Group's sustainability profile is at least in line with that of its main competitors. Any sustainability risks associated with the release of new products are assessed by the Product Committee, which is attended by corporate control functions as well.

The orientation of customers towards intermediaries perceived as more active in environmental sustainability initiatives than FinecoBank leverages the reputation of the FinecoBank banking group, which could experience the migration of a portion of its customers to other intermediaries if it were not perceived as sufficiently active in the area of environmental sustainability. From this perspective, it is necessary to highlight that the Group, not financing non-financial companies, and relying on third-party suppliers mainly in the ICT sector, would be unlikely to be involved in environmental scandals. Furthermore, the Group has been involved in various voluntary environmental sustainability initiatives for some time.

Transition risks arising from **regulatory changes could** also have an impact on the business model of the Group's companies. In particular, the transition to a low-carbon economy could lead to more restrictive regulations from a climate and environmental perspective in the area of credit origination and customer’s creditworthiness assessment, but also regulations aimed at directing customer capital towards more sustainable activities from a climate and environmental perspective.

New regulations in the area of credit origination and customer’s creditworthiness assessment could lead to greater burden and bureaucracy in the activity of granting loans and assessing customer creditworthiness. In the case of FinecoBank, which grants credit mainly to retail counterparties,

[92] This indicator considers two fundamental quantities: the level of vulnerability of a country to climate change (“ *vulnerability* ”) and the readiness of the respective country in terms of economic, social and governance capacity to cope with climate change (“ *readiness* ”). The two indicators are compared in order to determine the exposure of that country to climate and environmental risks.

mortgage loans may be affected, for example if a regulatory change were to introduce a minimum energy class for the purchase and sale of real estate assets. As anticipated, mortgage origination does not represent the Bank's core business and constitutes a marginal share of consolidated assets.

New regulations aimed at directing customer capital towards more sustainable activities in terms of climate and environment could lead to greater burden and bureaucracy in brokerage and consultancy activities. In this respect, the FinecoBank Group ensures monitoring of legal and regulatory developments through the Compliance functions and the various specialist functions.

In order to improve monitoring and disclosure in the area of climate and environmental risks, the Fineco Group collects certain information from customers, including, for example, data on the energy class of properties used as collateral for mortgages loans. For useful information in the area of climate and environmental risks that are more difficult to obtain, including that regarding institutional counterparties, the Group relies on a specialized external supplier.

For further information on climate and environmental risks, please refer to the relevant section of the sustainability disclosure integrated into the consolidated annual financial report as of December 31s, 2024.

Social risks

According to the EBA report on the management and supervision of ESG risks for credit institutions and investment firms, published in June 2021, social risk is defined as the risk of a negative financial impact resulting from social factors affecting the credit institution, its counterparties or its assets. Social factors are related to the rights, well-being and interests of people and communities, which include factors such as equality, health, inclusiveness, employment relations, workplace health and safety, human capital and communities.

Like all ESG risks, social risk also has a dual perspective, according to which credit institutions could both have an impact (inside-out perspective) on the community (stakeholder), and be impacted in turn by social risk factors (outside -in perspective). Both these perspectives assume relevance in the risk identification process, which will be briefly described below.

Social risks are integrated into the Group's Risk Appetite Framework, which represents the tool for monitoring the risk profile that the Group is willing to assume in the implementation of its corporate strategies and in the pursuit of sustainable profitability in conjunction with solid business growth.

Among the strategic objectives set out in the Risk Appetite Statement, in continuity with 2024, in the area of social risks, the Group's commitments are:

- to support customers in their responsible approach to their financial lives in order to create the conditions for a more prosperous and fairer society";
- contain social risks by identifying risk factors arising from socio-political dynamics (e.g. demographic and labor market trends), technological and market dynamics, directing the business towards risk mitigation and orientation towards opportunities;
- take on a social role by promoting financial education to strengthen customer skills, improving understanding of financial products and promoting more informed investment and financial planning decisions;
- maintain and, if possible, increase customer satisfaction to the highest levels, particularly in terms of transparency, quality and completeness of the offering;
- provide customers, within the product offering (investment and brokerage), and other stakeholders, within the sustainability reporting, with increasing, detailed and transparent information on ESG issues, avoiding involvement in greenwashing practices;
- conduct the Group's activities while maintaining an adequate ethical profile and protecting the Institute's reputation in line with strategic objectives;
- have an optimal Internal Control System with effective and efficient procedures in managing each risk aligned with the needs and expectations of stakeholders.

The Risk Dashboard 2025, in continuity with that of 2024, incorporates several indicators to monitor social risks. Among these, the Gross Litigation Ratio is worth mentioning. Such indicator aims to measure potential customer disservices, comparing the number of complaints received with the total number of customers.

RAF metrics are regularly monitored and reported, at least quarterly. The breach of the thresholds defined for the indicators included in the Risk Dashboard determines the activation of an escalation process towards the top management and ultimately the competent corporate bodies.

Just like Governance, Climate and Environmental risks, social risks represent an horizontal risks category, as they can produce impacts on the balance sheet, operations or reputational context of the Group exclusively through transmission channels, which are made up of financial risks (e.g. credit risks), operational risks and reputational risks. For this reason, the identification and analysis of these risk categories occurs in parallel with the traditional categories of financial, operational and reputational risks, in a specific section of the Risk Inventory called “ESG Risk Deep Dive”.

The “ESG Risk Deep Dive” identifies all ESG risk factors that could potentially negatively impact the business model and, more generally, the operations along the Group's value chain, both upstream (e.g. third-party suppliers) and downstream (e.g. customers). For each risk factor, the transmission channels towards financial risks (e.g. credit and business risk), operational and reputational risks are identified (if present), as well as the related vulnerabilities and mitigation factors determined by the Group's peculiarities. The main financial metrics that could be impacted if the risk factor were to occur are also identified. For more information on the risk identification process, please refer to the section on climate and environmental risks.

With the exception of Greenwashing risk, which involves different categories of stakeholders, social risks are divided according to the different groups of stakeholders of the company. Specifically, the social risk factors identified in the risk inventory can be traced back to the following categories:

- Risk of Greenwashing;
- Risks related to employees;
- Risks related customers;
- Risks related to third-party suppliers;
- Risks related to financial markets.

Greenwashing risk represents the risk of providing customers or the market (stakeholders) with untrue or misleading information, through statements, press releases or disclosure that does not adequately reflect the sustainability profile of the entity or of a financial product/service. The associated risk factors are therefore inherent to the publication of press releases or reports containing untrue or misleading information about the sustainability profile of FinecoBank, and the placement of products to customers whose information does not adequately reflect the sustainability profile of the underlying activities. In the event that the Bank's communications were labelled by the market as Greenwashing, the Group could suffer reputational damage with the consequent flight of a portion of customers towards third-party intermediaries. From a forward looking perspective, the risk could increase in the medium term (from 2 to 5 years) in view of greater regulation of Greenwashing from a regulatory point of view (e.g. sanctioning profiles). In the event of placement of investment products to customers, including those of third-party companies, which were subsequently found to be subject to Greenwashing, FinecoBank could experience operating losses due to complaints and lawsuits filed by customers and consumer associations. Furthermore, in the event that the Group's involvement in a Greenwashing scandal were to have media coverage, the Group could suffer reputational damage with the consequent flight of a portion of customers towards third-party intermediaries.

It should be noted that the process of creating, approving and publishing the contents of communications to customers and the market, including marketing communications, follows a strict internal approval process that includes first-level controls, carried out directly by the structure responsible for producing the information, and subsequent checks by compliance and legal structures and all the offices concerned. All communications made to customers are generated and published by Fineco's internal staff, without the involvement of external third parties, to further guarantee privacy and control over the publication flow. Finally, specific controls concerning Greenwashing asset management products are in place. Such controls, which are carried out both by FinecoBank and Fineco Asset Management, are aimed at verifying the consistency of the classification of these products with the underlying assets.

With regard to **employees**, it should be noted that the FinecoBank Group is committed to creating a culture of inclusion aimed at avoiding any type of discrimination. To this end, an integrity charter has been adopted that guarantees, among other things, the protection of human rights and a Global Policy that guarantees gender equality, both directly applicable to personnel belonging to the FinecoBank Group (financial advisors and employees). Among the risks inherent to employees, the Risk Inventory process has identified the risk of not being able to attract or retain a workforce with adequate skills and experience and the risk of not being able to guarantee health and safety within the workplace.

The risk of not being able to attract or retain a workforce with adequate skills and experience has been identified on a forward looking basis, and could be determined specifically by social, structural and technological changes that require the recruitment of professionals with new skills compared to those already employed. The risk could be mitigated both by ensuring adequate training for employees already hired and by improving the company's attractiveness for current and potential employees through appropriate remuneration policies, as well as welfare and work-life balance policies. In any case, the Group's corporate functions are frequently subject to right-staffing activities aimed at verifying the adequacy of resources dedicated to carrying out the various activities. In the case of financial advisors belonging to the sales network, on a forward looking basis, the risk could be increased by the entry into the market of new competitors who implement particularly aggressive commercial strategies. In this case, the transmission channel is represented by business risk, since following the resignation of individual consultants or groups of consultants who hold significant shares of Asset Under Management (AUM), the clients loyal to the consultant could decide to follow him to the competitor.

The risk of not being able to guarantee health and safety in the workplace is a very remote possibility, but it certainly has a social impact. In this case, the Group companies could suffer financial losses due to compensation and legal costs relating to disputes with employees, and lose attractiveness from a reputational point of view towards other current or potential employees. From this perspective, it should be noted that the Group companies scrupulously apply the rules and measures required in terms of health and safety protection in the workplace (respectively by Italian regulations, for the parent company FinecoBank, and Irish regulations, for the subsidiary Fineco Asset Management).

Part E - Information on Risks and relating hedging policies

With reference to **customers**, the Group promotes a relationship based on criteria of trust, accessibility of products and services and strict compliance with professional ethics, based on an excellent offer and fair pricing, within the three integrated business areas of banking, investing and brokerage. The Bank has also established a strict communication process with the primary objective of ensuring maximum protection of customers and their personal data and maximum transparency of communication. The most significant risks identified in this area are conduct risk, the risk of not being able to guarantee the privacy of customers' personal data and the risk of not being able to guarantee customers access to financial services.

Conduct risk is intrinsic to the business model of the parent company FinecoBank, which focuses on brokerage and consultancy activities for retail customers, and is the current or forward looking risk of incurring losses following an inappropriate offer of financial services, whether voluntary or negligent, and the resulting legal costs. This type of risk includes both internal fraud, committed by internal personnel (employees and financial advisors) to the detriment of customers, and misselling events . The latter are configured as a sale, by consultants belonging to the network, of financial products that are inconsistent or incongruent with the needs, preferences or risk profile of customers. In both cases, the Group could incur in costs for the compensation of the customers involved and legal costs, in the event that customers take action through the judicial authorities.

In order to mitigate conduct risk, the Group has implemented an extensive system of controls on its sales network, which involves all three levels of the lines of defense. These controls are aimed at identifying anomalies in the work of Financial Advisors or their associated customers, and to allow the relevant structures to promptly intervene. Early identification of conduct risk allows losses to be limited and any reputational consequences to be contained. The results of the controls carried out by all structures are centralized in a single specialized structure within the Network Controls, Monitoring and Network Services Department.

Since the Group mainly uses digital channels, the risk of not being able to guarantee the privacy of customers' personal data and the risk of not being able to guarantee customers access to financial services are factors closely linked to ICT and security risk. The second could occur through the theft, publication or dissemination of customers' personal data to unauthorized third parties. The first instead derives from losses suffered by customers caused by the inability to dispose of their assets and access financial markets. In both cases, the Group could suffer both direct losses due to reimbursements for complaints or lawsuits with customers, and experience a decline in business volumes due to the loss of trust in the company.

In order to mitigate ICT and Security risk, the Group maintains a management and monitoring framework that involves all three levels of the lines of defense. As of December 31st, 2024, a reassessment of the latter is underway in view of the application of the EU Regulation on the Digital Operational Resilience Act (DORA), applicable from January 17, 2025. In addition, the Group companies have adopted their own Business Continuity Management process and their own Business Continuity Plan , which is tested, verified and updated periodically.

Other social risk factors relating to customers are the risk of change in customer preferences, already examined in the context of transition risks in the section on climate and environmental risks, and the risk of withdrawal of deposits by customers following social events (e.g. wars) or environmental events (extreme weather events). In fact, customer demand deposits constitute the Bank's main source of financing, and a reduction in these would result in less liquidity available to the Bank. However, from this perspective, it should be noted that most of the securities that constitute FinecoBank's assets are HQLA eligible with Central Banks to obtain liquidity. Furthermore, analyses on liquidity in situations of social or environmental stress, to date, do not suggest that in such situations customer liquidity tends to decrease.

As far as **third-party suppliers** are concerned, the risk inventory process has identified the risk that the latter are not compliant with the regulations applicable to them or with the company's ethical standards, with a possible involvement of the Group in scandals of social relevance. In this respect, it should be noted that the Group mainly uses industry-leading companies, subject to the laws and regulations of countries belonging to the European Union or third countries with equivalent legislative standards. Furthermore, in December 2024, the Board of Directors of the Parent Company approved the Global Policy "Management and control framework for risk arising from third-party suppliers", which aims to ensure that risks arising from third-party and intra-group suppliers are identified, mitigated, managed and monitored consistently across all companies belonging to the Group. Among the minimum requirements of the supplier to be assessed in the context of due diligence, the Global Policy requires that suppliers act in an ethical and socially responsible manner, ensuring respect for human rights, minors (e.g. prohibition of child labor) and workers (health and safety), as well as compliance with applicable rules and standards in the field of environmental protection. Third-party suppliers are also contractually obliged to comply with the code of ethics and conduct.

With regard to **financial markets**, the risk inventory process has identified a series of risks connected to market risks. In this respect, it should be noted that only the Parent Company FinecoBank has exposures to market risk, which are however limited and limited to activities functional to brokerage activity with customers (there are no open directional positions). In this context, the risk inventory process has identified as risk factors the adverse price variations, due to the occurrence of social or environmental risk factors, of the financial instruments measured at Fair Value within the Balance Sheet and those held by the Group as collateral to guarantee current account credit facilities. The instruments measured at Fair Value coincide with the exposures functional to brokerage activity with customers, and are subject to the stringent risk limits defined by the Dealing on Own Account Policy and to stop- loss mechanisms. Furthermore, the market risk of these positions is closed at the end of the day. The financial instruments acquired as collateral for secured overdrafts are instead subject to a daily Mark to market activity, and in the event of a significant reduction in value, in any case greater than the amount entrusted, they are sold, after notification to the customer, directly by the Bank through the mandate to sell.

Part E - Information on Risks and relating hedging policies

In order to remain up to date in the field of management and monitoring of social risks, the Parent Company carries out careful monitoring of regulatory innovations and market best practices through the specialist supervision of the Risk Management function and the Compliance.

For further information on social risks, please refer to the relevant section of the sustainability disclosure integrated into the consolidated annual financial report as of December 31st, 2024.

Part E - Information on Risks and relating hedging policies

Governance risks

According to the EBA report on the management and supervision of ESG risks for credit institutions and investment firms, published in June 2021, governance risk is defined as the risk of a negative financial impact resulting from governance factors affecting the credit institution, its counterparties or its assets. Governance factors concern governance practices, including leadership, executive remuneration, audits, internal controls, anti-tax avoidance, board independence, shareholder rights, anti-corruption and anti-bribery, as well as how companies or entities include environmental and social factors in their policies and procedures.

Governance risks, like Social, Climate and Environmental risks, represent an horizontal risk category, as they produce impacts on the balance sheet, operations or reputational context of the Group exclusively through transmission channels, which are made up of financial risks (e.g. credit risks), operational risks and reputational risks.

In the case of Governance risks, the Risk Inventory process carried out by the Parent Company identified as the main risk factors, non-compliance with internal governance, non-compliance with ethical standards and the risk of the Group's involvement, even involuntary, in money laundering or terrorist financing activities.

Non-compliance with internal governance and non-compliance with ethical standards are risk factors that fall within the scope of Compliance risk. The latter represents the risk of incurring judicial or administrative sanctions, significant financial losses or reputational damage as a result of violations of laws, regulations, or self-regulatory rules or codes of conduct.

Carrying out operations, whether ordinary or extraordinary, in violation of internal procedures, or without the involvement of the competent Bodies or functions, could result in operational losses for the Group, for example in the case of errors committed by personnel without the necessary controls having been carried out. Financial losses could also occur, for example if certain projects do not involve all the functions capable of identifying the related risks and identifying adequate mitigation measures.

Failure by personnel to comply with ethical standards could also result in direct economic damage for Group companies, for example if the supply of certain goods or services were entrusted to third-party suppliers following acts of corruption. An example of indirect economic damage, on the other hand, is represented by sanctions imposed by the Supervisory Authority following acts of corruption, in the event that anti-corruption measures were deemed insufficient. Furthermore, in the event of acts of corruption, the Group's image with stakeholders could be compromised, with consequent reputational damage.

The Group's involvement, even involuntary, in money laundering or terrorist financing activities could result in the application of sanctions or the imposition of restrictions by the Supervisory Authority (for example a restriction on the acquisition of new customers), if for example the control framework is not deemed sufficiently robust.

The risk factors identified above must be contextualized within the organizational model of the FinecoBank Group, which is based on the three lines of defense model, and complies with the internal governance standards developed by the European Banking Authority and the Bank of Italy. The latter envisage the establishment of control functions independent from those subjects they are tasked to control, with direct access to the Board of Directors. Specifically:

- the Risk Control function oversees the correct functioning of the Group's risk framework by defining the appropriate methodologies for identifying and measuring the complex of current and forward looking risks, in compliance with regulatory requirements and the Bank's management choices identified in the Group's risk appetite (RAF), carrying out the relevant controls;
- the Compliance function oversees the management of the risk of non-compliance with internal and external regulations, and carries out the related controls within its jurisdiction;
- the Anti-Money Laundering and Anti-Corruption function oversees the risk of money laundering, terrorist financing and corruption, continuously identifying the external regulations applicable to the Bank and measuring/evaluating their impact on corporate processes and procedures in the area of anti-money laundering, countering terrorist financing, financial sanctions and anti-corruption;
- The Internal Audit function carries out an independent audit activity aimed at evaluating and improving the internal control system.

The group is also equipped with:

- a framework for relevant transactions, which envisage the release by the risk control function of a non-binding opinion, aimed at verifying the consistency of the transaction with the Risk Appetite Framework;
- a strategy for spreading the Risk Culture and Compliance Culture at every level of the organization through a series of activities, including mandatory training for all staff;
- an integrity charter and code of conduct that incorporates the Group's values and defines a "zero tolerance" policy for acts of corruption;
- a control framework for related party transactions;
- a reporting framework for misconduct by employees and third parties and protecting whistleblowers .

For further information on governance risks, please refer to the relevant section of the sustainability disclosure integrated into the consolidated annual financial report as of December 31st, 2024.

Part E - Information on Risks and relating hedging policies

Section 3 – Insurance companies risk

No information to report.

Section 4 – Other companies' risk

No information to report.

Part F - Consolidated shareholders' equity

Section 1 - Consolidated Shareholders' equity

A. Qualitative information

Group capital management is aimed at ensuring that prudential ratios are consistent with the risk profile assumed and comply with regulatory requirements.

The monitoring of capital adequacy control is ensured by the capital management activity where the size and optimal combination among the various capitalisation instruments are defined, in compliance with regulatory constraints and in line with the risk profile assumed by the Group.

The Group assigns a priority role to the activities aimed at the management and allocation of capital according to the risks assumed, for the purpose of developing its operations with a view to creating value. The activities are articulated in the different phases of the planning and control process and, in particular, in the plan and budget processes and in the monitoring processes. In the dynamic management of capital, therefore, the Parent Company draws up the capital plan and monitors the regulatory capital requirements, anticipating the necessary actions to achieve the objectives.

Capital and its allocation are therefore extremely important in defining long-term strategies, since, on the one hand, it represents the shareholders' investment in the Group, which must be adequately remunerated, and, on the other hand, it is a scarce resource on which there are exogenous limits, defined by supervisory regulations. In this regard, it should be noted that, at the end of the Supervisory Review and Evaluation Process (SREP), on November 30th, 2023 the European Central Bank communicated the Pillar 2 Requirement (P2R) applicable to the FinecoBank Group as of January 1st, 2024: 2.00% in terms of Total Capital Ratio, of which 1.13% in terms of Common Equity Tier 1 ratio and 1.50% in terms of Tier 1 Ratio. In this context, it should be noted that the Pillar 2 Capital Requirements (Pillar 2 Requirement) required of the FinecoBank Group as of January 1st 2025 remain unchanged from those required for 2024.

In addition to these requirements, Fineco Group must comply with the Combined Buffer Requirement consisting of the following reserves:

- Capital Conservation Buffer (CCB) consistent with Article 129 of CRD IV equal to 2.5% of the Group's total risk exposure;
- Institution specific countercyclical capital buffer (CCyB) to be applied during periods of excessive credit growth consistent with Article 160 of CRD IV (paragraphs 1 to 4), which for the Group is 0.13% as of December 31st, 2024. This reserve is calculated according to the geographic distribution of the Group's material credit exposures and the decisions of individual national competent authorities defining the specific coefficients applicable in each country.
- Systemic Risk Buffer (SyRB) defined by the Bank of Italy for all banks authorised in Italy in relation to credit and counterparty risk-weighted exposures to Italian residents, which for the Group is 0.26% as at December 31st, 2024 It should be noted that the target rate of 1% is to be achieved gradually by setting aside a reserve of 0.5% of material exposures by 31 December 31st, 2024 and the remaining 0.5% by 30 June 30th, 2025.

With regard to the leverage ratio the minimum requirement is 3%.

Part F - Consolidated shareholders' equity

B. Quantitative information

B.1 Consolidated Shareholders' equity: breakdown by company type

(Amounts in € thousand)

Net equity items	Prudential consolidated	Insurance companies	Other companies	Consolidation adjustments and eliminations	Total
1. Share capital	201,630	-	-	-	201,630
2. Share premium reserve	1,934	-	-	-	1,934
3. Reserves	1,053,594	-	-	-	1,053,594
4. Equity instruments	500,000	-	-	-	500,000
5. (Treasury shares)	(1,082)	-	-	-	(1,082)
6. Revaluation reserves:	(19,049)	-	-	-	(19,049)
- Financial assets (other equity securities) designated at fair value through other comprehensive income	(127)	-	-	-	(127)
- Actuarial gains (losses) on defined benefit plans	(18,929)	-	-	-	(18,929)
- Provisions for valuation reserves related to equity investments valued at shareholders' equity	7	-	-	-	7
7. Net profit (loss) for the year	652,285	-	-	-	652,285
Total	**2,389,312**	**-**	**-**	**-**	**2,389,312**

B.2 Revaluation reserves for financial assets at fair value through comprehensive income: breakdown

(Amounts in € thousand)

Assets/values	Prudential consolidation		Insurance companies		Other companies		Consolidation adjustments and eliminations		Total	
	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1. Debt securities	2,829	(2,956)	-	-	-	-	-	-	2,829	(2,956)
2. Equity securities	-	-	-	-	-	-	-	-	-	-
3. Loans	-	-	-	-	-	-	-	-	-	-
Total 12/31/2024	**2,829**	**(2,956)**	**-**	**-**	**-**	**-**	**-**	**-**	**2,829**	**(2,956)**
Total 12/31/2023	**-**	**(2,595)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,595)**

Part F - Consolidated shareholders' equity

B.3 Revaluation reserves for financial assets at fair value through comprehensive income: annual changes

(Amounts in € thousand)

	Debt securities	Equity securities	Loans
1. Opening balance	**(2,595)**	**-**	**-**
2. Increases	**2,830**	**-**	**-**
2.1 Fair value increases	2,810	-	-
2.2 Adjustments for credit risk	20	X	-
2.3 Reclassification through profit or loss of realised negative reserves	-	X	-
2.4 Transfer from other shareholder's equity item (equity securities)	-	-	-
2.5 Other changes	-	-	-
3. Decreases	**(362)**	**-**	**-**
3.1 Fair value reductions	(362)	-	-
3.2 Recoveries for credit risk	-	-	-
3.3 Reclassification through profit or loss of realised positive reserves	-	X	-
3.4 Transfer to other shareholder's equity item (equity securities)	-	-	-
3.5 Other changes	-	-	-
4. Closing balance	**(127)**	**-**	**-**

B.4 Revaluation reserves on defined benefit obligations: annual changes

(Amounts in € thousand)

	Actuarial gains (losses) on defined benefits plans
1. Opening balance	**(4,136)**
2. Increases	**26**
2.1 Fair value increases	26
2.2 Other changes	-
3. Decreases	**(14,819)**
3.1 Fair value reductions	**(14,819)**
3.2 Other changes	**-**
4. Closing balance	**(18,929)**

Section 2 - Own funds and banking regulatory ratios

Please refer to the information on own funds and the capital adequacy contained in the document "FinecoBank Group public disclosure – Pillar III as at December 31st, 2024", published on the Company's website (https://about.finecobank.com), as required by Regulation (EU) 575/2013 and subsequent Regulations amending the contents thereof.

Part G - Business combination

Section 1 – Business combinations completed during the year
No information to report.

Section 2 – Business combinations completed after year-end
No information to report.

Section 3 – Retrospective adjustments
No information to report.

Part H - Related-party transactions

Information on the fees paid to key management personnel and on related-party transactions, pursuant to IAS 24 is shown below.

1. Details of compensation for key management personnel

Key management personnel are persons having authority and responsibility, within the Parent Company, for planning, directing, and controlling the Companies' activities, directly or indirectly. This category includes Board members and members of the Board of Statutory Auditors of FinecoBank, pursuant to requirements of the Bank of Italy Circular no. 262 of December 22nd, 2005 as amended and updated, as well as the Chief Executive Officer and General Manager, the Deputy General Manager/GBS Manager, the Chief Financial Officer, the Deputy General Manager/PFA Network Commercial and Private Banking Manager, the Deputy General Manager/Global business Manager. This category includes key management personnel (by which is meant, members of the management and control bodies, the latter where present) of Fineco AM, the only Group company in addition to the Parent Company FinecoBank.

(Amounts in € thousand)

Items/sectors	Total 2024	Total 2023
Remuneration paid to "Key Management Personnel", Directors and the Board of Statutory Auditors		
a) short-term benefits	10,375	9,095
b) post-employment benefits	387	302
of which under defined benefit plans	-	-
of which under defined contribution plans	*387*	*302*
c) other long-term employee benefits	509	534
d) termination benefits	-	-
e) share-based payments	3,357	2,898
Total	**14,628**	**12,829**

2. Related-party transactions

At its meeting of September 17th, 2024 and with the prior favourable opinion of the Risk and Related Parties Committee and the Board of Statutory Auditors, the Board of Directors, to ensure continued compliance with applicable legal and regulatory provisions on the corporate disclosure of transactions with related parties and persons in conflict of interest, approved the new version of the Global Policy "Procedure for the management of transactions with persons in potential conflict of interest of the FinecoBank Group" (the "Global Policy").

The aforementioned Global Policy includes the provisions to be complied with when managing:

- related parties transactions pursuant to the Consob Regulation adopted by resolution on March 12th, 2010, no. 17221 as amended and updated from time to time (most recently by Consob Resolution No. 21624 of December 10th, 2020);
- transactions with associated persons pursuant to the regulations on "*Risk activities and conflicts of interest with Associated Persons*", laid down by Chapter 11 of Bank of Italy Circular No. 285 of December 17th, 2013 (setting out the "Supervisory Provisions for Banks"), as supplemented following Update No. 33 of June 23rd, 2020;
- obligations of bank officers pursuant to Article 136 of Legislative Decree 385 on September 1st, 1993, showing the "*Consolidated Law on Banking*";
- transactions with other relevant persons in potential conflict of interest as defined by the Bank on a self-regulatory basis, taking into account the applicable legal and regulatory provisions;
- loans granted to Directors (i.e. members of the administrative, management and control bodies) and their related parties, pursuant to art. 88 of the CRD.

Considering the above, during 2024, intercompany transactions and transactions with other Italian and foreign related parties, smaller transactions, were conducted within the ordinary course of the Group's business and related financial activities, and were carried out under standard conditions or conditions similar to those applied to transactions with unrelated third parties; in the same period, no other transactions were undertaken with related parties that could significantly affect the Bank's and the FinecoBank Group's asset situation and results, or atypical and/or unusual transactions, including intercompany and related party transactions.

Part H - Related-party transactions

The following statement shows the outstanding assets, liabilities, guarantees and commitments as at December 31st, 2024 for each group of related parties pursuant to IAS 24:

(Amounts in € thousand)

	Amounts as at 12/31/2024							
	Non consolidated subsidiaries	Associates	Directors, board of statutory auditors and key management personnel	Other related parties	Total	% of carrying amount	Shareholders	% of carrying amount
Financial assets at amortised cost b) loans and receivable to customers	-	-	2,485	481	2,966	0.01%	5,263	0.02%
Total assets	**-**	**-**	**2,485**	**481**	**2,966**	**0.01%**	**5,263**	**0.02%**
Financial liabilities at amortised cost b) deposits from customers	-	-	1,531	2,892	4,423	0.02%	1,925	0.01%
Other liabilities	-	267	238	-	505	0.12%	-	0.00%
Total liabilities	**-**	**267**	**1,769**	**2,892**	**4,928**	**0.01%**	**1,925**	**0.01%**
Commitments and financial guarantees given	**-**	**-**	**762**	**87**	**849**	**1.16%**	**-**	**0.00%**

It should be noted that the table above does not include the balance sheet value of the equity investments held in associated companies recognised in the balance sheet item 70 Equity investments.

With regard to the above transactions, broken down by type of related party, we also propose details of the impact on the main items of the consolidated income statement:

(Amounts in € thousand)

	Income Statement year 2024							
	Non consolidated subsidiaries	Associates	Directors, board of statutory auditors and key management personnel	Other related parties	Total	% of carrying amount	Shareholders	% of carrying amount
Interest income and similar revenues	-	-	16	19	35	0.00%	-	0.00%
Interest expenses and similar charges	-	-	(8)	(5)	(13)	0.01%	-	0.00%
Fee and commission income	-	-	3	8	11	0.00%	22,617	2.20%
Fee and commission expenses	-	(966)	-	-	(966)	0.19%	(7,211)	1.43%
Gains (losses) on financial assets and liabilities held for trading	-	-	-	1	1	0.00%	-	0.00%
Impairment losses/writebacks	-	-	-	-	-	0.00%	1	-0.18%
Other net operating income	-	-	92	22	114	0.06%	-	0.00%
Total income statement	**-**	**(966)**	**103**	**45**	**(818)**		**15,407**	

It should be noted that a legal subjects, falling under the category of "Shareholders" as at December 31st, 2024, appears to have been one of the first borrowers of a portion of the senior preferred bond issued by FinecoBank during 2021 (the Shareholders were not such at the date of placement) and the senior preferred bond issued by FinecoBank in the first half of 2023, but nothing has been reported in the tables above as the instrument is a listed public placement and no information is available on the holders of the security at the balance sheet date.

The "Associates" category includes transactions with Vorvel SIM S.p.A., a company under significant influence, in which FinecoBank holds a 20% stake for a balance sheet amount of € 1,674 thousand. The above income statement and balance sheet transactions originate from the agreement entered into by the Bank with Vorvel SIM S.p.A. for the trading, on Vorvel segment, of certificates issued by Fineco. With reference to the transactions with Vorvel SIM S.p.A., it should be noted that the above table does not include the valuation at equity of the Company, which resulted in the recognition of a write-back of € 17 thousand in the 2024 income statement.

With regard to the "Directors, Board of Statutory Auditors and Key Management Personnel" category, in application of the special regulations laid down in Article 136 of Legislative Decree 385/93 (Consolidated Law on Banking), the obligations established for persons that perform administrative,

Part H - Related-party transactions

management and control functions pursuant to those regulations were unanimously approved by a resolution of the Board of Directors with the favourable vote of all members of the Board of Statutory Auditors, in accordance with Article 136 of said Consolidated Law on Banking.

The category “Directors, Board of Statutory Auditors and Key Management Personnel” includes the Directors, Board of Statutory Auditors and Key Management Personnel of the Parent Company dealings (excluding their remuneration, which are discussed in point 1. *Details of compensation for key management personnel*), Key Management Personnel of the Subsidiary Fineco AM (meaning the members of the administrative and supervisory bodies, where present, with the exclusion of the relevant remuneration referred to in point 1 above) and dealings with the Head of Internal Audit of FinecoBank, mainly concerning assets for mortgages, overdraft facilities, credit card use and liabilities for liquidity deposited by them with the Bank. The income statement for 2024 mainly refers to the costs and revenues generated from the aforesaid assets and liabilities and the recovery of stamp duty.

The “Other related parties” category, if any, includes:

- close family members of key management personnel (i.e., relatives who could be expected to influence, or be influenced by the party involved);
- companies controlled (or jointly controlled) by, or associated with, “key management personnel” or their close family members.

Transactions with “Other related parties” mainly refer to assets for the granting of mortages, credit card use and liabilities for liquidity deposited by them with the Bank. The income statement for 2024 mainly refers to the costs and revenues generated from the aforesaid assets and liabilities and the recovery of stamp duty.

The “Shareholders” category includes the shareholders and their subsidiaries holding which at December 31st, 2024 held an investment in FinecoBank higher than 3% of the share capital represented by shares with voting rights. The balance sheet amounts include for current receivables and debts associated with the provision of financial services referring to the commissions to be cashed for the placement and management of asset management products. The income statement includes the same fees and commissions accrued for 2024.

Part I - Share-based payments

A. Qualitative information

1. Description of share-based payments

1.1 Outstanding instruments

The Medium & Long Term Incentive Plans for employees and personal financial advisors of the Bank include Equity-Settled Share Based Payments that involve payments settled with shares of FinecoBank;

The above categories refer to the allocation of the following plans:

- **Incentive Systems (Bonus Pool),** offering to “Identified Staff”, classified on the basis of regulatory requirements, a bonus structure consisting of immediate payments (following performance evaluation) and deferred payments in cash and ordinary FinecoBank shares, over a maximum period of 6 years. This payment structure ensures that bonuses are aligned to shareholders’ interests and is subject to malus clauses (which apply in the event that specific profitability, liquidity and capital thresholds are not met) and clawback clauses (to the extent they are legally applicable) in accordance with the plan rules (both represent vesting conditions other than market conditions);
- **2018-2020 Long Term Incentive Plan for Employees** entirely based on free FinecoBank shares, granted to selected Bank’s Employees. The Plan provides goals linked to 2020 FinecoBank targets in terms of value creation, sustainability and risk, with entry condition and clawback and malus conditions. The Plan provides a payout structure in a multi-year period defined on the basis of the beneficiaries categories, in line with the regulatory provisions;
- **2021-2023 Long Term Incentive Plan for employees** entirely based on free FinecoBank shares to be granted to selected employees of the FinecoBank Group. The Plan sets goals linked to FinecoBank Group 2021-2023 targets in terms of value creation, industrial sustainability, risk e stakeholder value, with entry condition and clawback and malus conditions. The Plan provides for a multi-year period, payment structure, defined according to the beneficiary categories and in line with the regulatory provisions;
- **2024-2026 Long Term Incentive Plan for employees** entirely based on free FinecoBank shares to be granted to selected employees of the FinecoBank Group. The Plan sets goals linked to FinecoBank Group 2024-2026 targets with entry condition and clawback and malus conditions. The Plan provides for a multi-year period, payment structure, defined according to the beneficiary categories and in line with the regulatory provisions;
- **PFA Incentive Systems,** offering selected personal financial advisors, classified as “Identified Staff” in accordance with regulatory requirements, incentive systems consisting of immediate cash payments (following performance evaluation) and deferred payments, in cash and FinecoBank ordinary shares, over a period of 5 years. This payment structure ensures that bonuses are aligned to shareholders’ interests and is subject to malus clauses (which apply in the event that specific profitability, liquidity and capital thresholds are not met) and clawback clauses (to the extent they are legally applicable) in accordance with the plan rules (both vesting conditions other than market conditions);
- **2018-2020 Long Term Incentive Plan for Financial Advisors Identified Staff** that provides a bonus in cash and FinecoBank ordinary shares for the financial advisors classified as Identified Staff in 2020 towards the achievement of commercial performance goal in 2018-2020. The plan provides entry conditions and malus and clawback conditions. The plan also provides a multi-year payout structure.

Shares for employee’s incentive plans envisaging the allocation of FinecoBank shares will be issued through free capital increases in accordance with Article 2349 of the Italian Civil Code.

The financial instruments for incentive plans for the financial advisors involving the allocation of FinecoBank shares will be obtained through market purchases in implementation of the authorisation of the Bank Shareholders’ Meeting pursuant to Article 2357 of the Italian Civil Code and of the Supervisory Authority.

1.2 Measurement model

1.2.1 Incentive System (Bonus Pool)

The economic value of the shares granted is measured considering the share market price at the grant date less the present value of future dividends during the vesting period.

The plans are divided into clusters, each of which may include several deferred share-based payment instalments according to the period defined by the plan rules. The Plans have been allocated starting from 2014 and the income statement and balance sheet effects will be recognised during the vesting period of the instruments.

Part I - Share-based payments

1.2.1.1 2023 Incentive System (Bonus Pool)

The 2023 Incentive System is based on a bonus pool approach, in line with regulatory requirements and market practices; this approach sets out:

- the system's sustainability, by linking it directly to business results and aligning it to relevant risk categories through specific indicators that reflect the Risk Appetite Framework;
- the allocation of bonuses to beneficiaries classified as "Identified Staff" on the basis of the current applicable regulatory framework;
- a structure of payments spread over a period of up to 6 years and consisting of a mix of cash and shares, as required by the applicable regulatory framework.

The plan was assigned in 2023 and the income statement and balance sheet effects will be recognised during the vesting period of the instruments.

	FinecoBank shares granted			
	2023 incentive system (bonus pool) – Beneficiaries in 4 instalments			
	2025 instalment	2027 instalment	2028 instalment	2029 instalment
Bonus Opportunity Economic Value Grant Date	17-Jan-23	17-Jan-23	17-Jan-23	17-Jan-23
Number of Shares - Date of Board resolution	06-Feb-24	06-Feb-24	06-Feb-24	06-Feb-24
Vesting Period Start Date	01-Jan-23	01-Jan-23	01-Jan-23	01-Jan-23
Vesting Period End Date	31-Dec-23	31-Dec-25	31-Dec-26	31-Dec-27
FinecoBank Share Market Price [€]	13,650	13,650	13,650	13,650
Average Economic Value of Vesting conditions [€]	-0,682	-2,144	-2,899	-3,656
Performance Shares value per share at Grant Date [€]	12,968	11,506	10,751	9,994

	FinecoBank shares granted		
	2023 incentive system (bonus pool) - Beneficiaries in 3 instalments		
	2025 instalment	2026 instalment	2027 instalment
Bonus Opportunity Economic Value Grant Date	17-Jan-23	17-Jan-23	17-Jan-23
Number of Shares - Date of Board resolution	06-Feb-24	06-Feb-24	06-Feb-24
Vesting Period Start Date	01-Jan-23	01-Jan-23	01-Jan-23
Vesting Period End Date	31-Dec-23	31-Dec-24	31-Dec-25
FinecoBank Share Market Price [€]	13,650	13,650	13,650
Average Economic Value of Vesting conditions [€]	-0,682	-1,402	-2,144
Performance Shares value per share at Grant Date [€]	12,968	12,248	11,506

1.2.1.2 2024 Incentive System (Bonus Pool)

The 2024 Incentive System is based on a bonus pool approach, in line with regulatory requirements and market practices; this approach sets out:

- the system's sustainability, by linking it directly to business results and aligning it to relevant risk categories through specific indicators that reflect the Risk Appetite Framework;
- the allocation of bonuses to beneficiaries classified as "Identified Staff" on the basis of the current applicable regulatory framework;
- a structure of payments spread over a period of up to 6 years and consisting of a mix of cash and shares, as required by the applicable regulatory framework.

The plan was assigned in 2024 and the income statement and balance sheet effects will be recognised during the vesting period of the instruments. The number of shares was determined by the Board of Directors on February 5th, 2025.

Part I - Share-based payments

1.2.2 2018-2020 Long Term Incentive Plan for Employees

The Plan established FinecoBank targets set at 2020 in terms of value creation, sustainability and risk. The Plan Beneficiaries were selected among the “key” Bank resources, including the Mangers with Strategic Responsibilities.

The Plan, which is in line with regulatory requirements and market practices, includes:

- performance targets such as EVA, Cost/Income and Cost of Risk on commercial loans;
- Access andmalus conditions based on profitability, capital and liquidity parameters;
- individual compliance and clawback conditions;
- a risk adjustment based on the yearly results of the CRO Dashboard.

The plan provides for a multi-year payment structure consisting of a mix of cash and shares, as required by the applicable regulatory framework.

The plan was allocated in 2018 and the income statement and balance sheet effects were recognised during the vesting period of the instruments. The Board of Directors of February 5th, 2025 approved the execution of the plan with the allocation of the last share tranche.

1.2.3 2021-2023 Long Term Incentive Plan for employees

The Plan set goals linked to FinecoBank Group 2021-2023 targets in terms of value creation, industrial sustainability, risk e stakeholder value. Beneficiaries were selected key resources of FinecoBank Group, included the Managers with Strategic Responsibility.

The Plan, which is in line with regulatory requirements and market practices, includes:

- performance targets (such as ROAC, Net Sales of AUM, Cost Income Ratio, e Cost of Risk on commercial loans), stakeholder value (customer satisfaction, people engagement and rating ESG for all new funds);
- entry and malus conditions of capital, liquidity and profitability as well as individual compliance conditions, a claw-back clause and a continuous employment clause;
- a risk adjustment based on the yearly results of the CRO Dashboard.

The Plan provides for a multi-year period, payment structure, defined according to the beneficiary categories and in line with the regulatory provisions.

The plan was allocated in 2021 and the income statement and balance sheet effects were recognised during the vesting period of the instruments.

1.2.4 2024-2026 Long Term Incentive Plan for employees

The Plan sets goals linked to FinecoBank Group 2024-2026 targets. Beneficiaries are selected key resources of FinecoBank Group, included the Managers with Strategic Responsibility.

The Plan, which is in line with regulatory requirements and market practices, includes:

- financial performance targets (such as ROAC, Net Sales of AUM, Total Net Sales, Cost Income Ratio and Operational Losses on Revenues) and sustainability performance targets (such as Scope 1 and Scope 2 emission reduction, Achievement of Diversity, Equity & Inclusion goals and % new funds ex artt. 8 and 9 SFDR)
- entry and malus conditions of capital, liquidity and profitability as well as individual compliance conditions, a claw-back clause and a continuous employment clause;
- a risk adjustment based on the yearly results of the CRO Dashboard.

The Plan provides for a multi-year period, payment structure, defined according to the beneficiary categories and in line with the regulatory provisions.

Part I - Share-based payments

The plan was granted during the financial year 2024 and the economic and equity effects are accounted for during the vesting period of the instruments.

	FinecoBank shares granted					
	2024-2026 Long Term Incentive Plan for "Identified Staff Apical"					
	2028 instalment	2029 instalment	2030 instalment	2031 instalment	2032 instalment	2033 instalment
Bonus Opportunity Economic Value Grant Date	16-Jan-24	16-Jan-24	16-Jan-24	16-Jan-24	16-Jan-24	16 Jan-24
Number of Shares - Date of Board resolution	07-May-24	07-May 24	07-May 24	07-May-24	07-May-24	07 May 24
Vesting Period Start Date	01-Jan-24	01-Jan-24	01-Jan-24	01-Jan-24	01-Jan-24	01-Jan-24
Vesting Period End Date	31-Dec-26	31-Dec-27	31-Dec-28	31-Dec-29	31-Dec-30	31-Dec-31
FinecoBank Share Market Price [€]	14.191	14.191	14.191	14.191	14.191	14.191
Average Economic Value of Vesting conditions [€]	-2.907	-3.661	-4.412	-5.160	-5.906	-6.647
Performance Shares value per share at Grant Date [€]	11.284	10.530	9.779	9.030	8.285	7.543

	FinecoBank shares granted				
	2024-2026 Long Term Incentive Plan for Other "Identified Staff"				
	2028 instalment	2029 instalment	2030 instalment	2031 instalment	2032 instalment
Bonus Opportunity Economic Value Grant Date	16-Jan-24	16-Jan-24	16-Jan-24	16-Jan-24	16-Jan-24
Number of Shares - Date of Board resolution	07-May-24	07-May-24	07-May-24	07-May-24	07-May-24
Vesting Period Start Date	01-Jan-24	01-Jan-24	01-Jan-24	01-Jan-24	01-Jan-24
Vesting Period End Date	31-Dec-26	31-Dec-27	31-Dec-28	31-Dec-29	31-Dec-30
FinecoBank Share Market Price [€]	14.191	14.191	14.191	14.191	14.191
Average Economic Value of Vesting conditions [€]	-2.907	-3.661	-4.412	-5.160	-5.906
Performance Shares value per share at Grant Date [€]	11.284	10.530	9.779	9.030	8.285

	FinecoBank shares granted		
	2024-2026 Long Term Incentive Plan for "Non Identified Staff"		
	2027 instalment	2028 instalment	2029 instalment
Bonus Opportunity Economic Value Grant Date	16 Jan-24	16 Jan-24	16 Jan-24
Number of Shares - Date of Board resolution	07-May-24	07-May-24	07-May-24
Vesting Period Start Date	01 Jan-24	01 Jan-24	01-Jan-24
Vesting Period End Date	31-Dec-26	31-Dec-27	31-Dec-28
FinecoBank Share Market Price [€]	14.191	14.191	14.191
Average Economic Value of Vesting conditions [€]	-2.155	-2.907	-3.661
Performance Shares value per share at Grant Date [€]	12.036	11.284	10.530

1.2.5 Incentive System for Personal Financial Advisors

The economic value of the shares granted is measured considering the share market price at the grant date less the present value of future dividends during the vesting period.

The plans are divided into clusters, each of which may include several deferred share-based payment instalments according to the period defined by the plan rules. The Plans have been allocated starting from 2016 and the income statement and balance sheet effects will be recognised during the vesting period of the instruments.

Part I - Share-based payments

1.2.5.1 2023 PFA Incentive System

The 2023 PFA Incentive System is based on a bonus pool approach, in line with regulatory requirements and market practices; this approach sets out:

- the system's sustainability, by linking it directly to business results and aligning it to relevant risk categories through specific indicators that reflect the Risk Appetite Framework;
- the allocation of bonuses to beneficiaries classified as "Identified Staff" on the basis of the current applicable regulatory framework;
- a payment structure spread over a period of up to 5 years and consisting of a mix of cash and shares, as required by the applicable regulatory framework.

The Plan was assigned in 2023 and the income statement and balance sheet effects will be recognized during the vesting period of the instruments.

	FinecoBank shares granted		
	2023 PFA incentive system		
	2025 instalment	2026 instalment	2027 instalment
Bonus Opportunity Economic Value Grant Date	17-Jan-23	17-Jan-23	17-Jan-23
Number of Shares - Date of Board resolution	06-Feb-24	06-Feb-24	06-Feb-24
Vesting Period Start Date	01-Jan-23	01-Jan-23	01-Jan-23
Vesting Period End Date	31-Dec-23	31-Dec-23	31-Dec-23
FinecoBank Share Market Price [€]	13.013	13.013	13.013
Average Economic Value of Vesting conditions [€]	-0.656	-1.354	-2.077
Performance Shares value per share at Grant Date [€]	12.357	11.659	10.936

1.2.5.2 2024 PFA Incentive System

The 2024 PFA Incentive System is based on a bonus pool approach, in line with regulatory requirements and market practices; this approach sets out:

- the system's sustainability, by linking it directly to business results and aligning it to relevant risk categories through specific indicators that reflect the Risk Appetite Framework;
- the allocation of bonuses to beneficiaries classified as "Identified Staff" on the basis of the current applicable regulatory framework;
- a payment structure spread over a period of up to 5 years and consisting of a mix of cash and shares, as required by the applicable regulatory framework.

The Plan was assigned in 2024 and the income statement and balance sheet effects will be recognized during the vesting period of the instruments. The amount of the bonus to be paid in shares was determined by the Board of Directors on February 5th, 2025.

1.2.6 2018-2020 Long Term Incentive Plan for Personal Financial Advisors Identified Staff

The Plan is dedicated to the Financial Advisors that were Bank's Identified Staff in 2020 and provided three-years (2018-2020) commercial performance goals. Moreover the Plan includes:

- entry conditions based on individual and Group performance;
- capital, liquidity and profitability malus conditions;
- specific individual compliance and *clawback* conditions;
- a risk adjustment based on the yearly results of the CRO Dashboard;
- a balanced payment structure with upfront and deferred payments in cash and/or FinecoBank shares.

The Plan was approved in 2018; the income statement and balance sheet effects are recognized during the vesting period of the instruments. The Board of Directors of February 5th, 2025 approved the execution of the plan with the allocation of the last share tranche.

Part I - Share-based payments

B. Quantitative information

1. Annual changes

(Amounts in € thousand)

Items / Number of options and exercise price	Prudential consolidation			Insurance companies			Other companies			Total 12/31/2024			Total 12/31/2023		
	Number of options	Average prices	Average maturity	Number of options	Average prices	Average maturity	Number of options	Average prices	Average maturity	Number of options	Average prices	Average maturity	Number of options	Average prices	Average maturity
A. Opening balance	**1,591,364**	**-**	**Jul-25**	**-**	**-**	**-**	**-**	**-**	**-**	**1,591,364**	**-**	**Jul-25**	**2,013,326**	**-**	**Oct-24**
B. Increases	**1,089,092**	**-**	**X**	**-**	**-**	**X**	**-**	**-**	**X**	**1,089,092**	**-**	**X**	**171,119**	**-**	**X**
B.1 New issues	1,089,092	-	Jul-28	-	-	-	-	-	-	1,089,092	-	Jul-28	171,119	-	Jul-25
B.2 Other increases	-	-	X	-	-	X	-	-	X	-	-	X	-	-	X
C. Decreases	**(439,792)**	**-**	X	**-**	**-**	X	**-**	**-**	X	**(439,792)**	**-**	X	**(593,081)**	**-**	X
C.1 Cancelled	(17,541)	-	X	-	-	X	-	-	X	(17,541)	-	X	(5,286)	-	X
C.2 Exercised	(422,251)	-	X	-	-	X	-	-	X	(422,251)	-	X	(587,795)	-	X
C.3 Expired	-	-	X	-	-	X	-	-	X	-	-	X	-	-	X
C.4 Other changes	-	-	X	-	-	X	-	-	X	-	-	X	-	-	X
D. Closing balances	**2,240,664**	**-**	Apr-27	**-**	**-**	**-**	**-**	**-**	**-**	**2,240,664**	**-**	**Apr-27**	**1,591,364**	**-**	**Jul-25**
E. Vesting options at the end of the year	**629,092**	**-**	X	**-**	**-**	X	**-**	**-**	X	**629,092**	**-**	X	**422,251**	**-**	X

The number of shares specified in the above table only refers to plans for which the number of shares allotted to individual beneficiaries has already been defined. The average prices for the year have not been stated because only freely allocated shares were involved.

2. Other information

Effects on Profit and Loss

The economic and balance-sheet effects associated with the FinecoBank share-based incentive plans are shown below, with the exception of the balance of the Reserve associated with the Equity Settled plans. The consolidated income statement impact is determined each year based on the vesting period of the instruments.

Financial statement presentation related to payments based on shares

(Amounts in € thousand)

	Total 12/31/2024		Total 12/31/2023	
	Total	Vested plans	Total	Vested plans
Costs	6,570		5,333	
Costs connected to Equity Settled Plans	*6,488*		*5,333*	
Costs connected to Cash Settled Plans	*82*			
Sums collected by UniCredit S.p.A. for vested plans				46
Credit accrued towards Unicredit S.p.A.	23		23	

Please note that the charges relating to Equity Settled Plans were recognised as Administrative expenses– Staff expenses with respect to the plans granted to employees and as Fee and commission expenses with regard to plans granted to personal financial advisors.

Finally, it should be noted that the Bank, although it has no cash settled plans in place, has decided to settle a position relating to equity settled plans in cash (a transaction that is represented in the table above under the item ‘Cost connected to Cash Settled Plans’).

Part L – Segment reporting

Segment reporting information is not provided as the Fineco's particular business model provides for a high level of integration among its different activities including the activity carried-out by the Irish subsidiary Fineco AM thanks to the vertically integrated business model; thus it is not significant to identify distinct operating sectors.

The banking and investment services are offered by FinecoBank through a network of personal financial advisors and online and mobile channels, that operate in a coordinated and integrated manner. The fully-comprehensive nature of the services offered allows to act as a one-stop solution for customers' banking and investment requirements. This strategy, which is strongly anchored to the customer, means that revenues and margins relative to various products/services (investing, banking and brokerage) are highly interdependent on each other. This integration approach has also inspired top management in setting company targets and identifying the means to achieve them.

As regards information on revenues from customers by product/service, in view of the above, reference should be made to information in Part C - Information on the consolidated income statement of these notes to the consolidated accounts.

It is note worthing that FinecoBank mainly targets retail customers in Italy. The subsidiary Fineco AM carries out asset management activities in Ireland, towards the Italian retail customers and towards institutional customers, mainly resident in Luxembourg and in Ireland.

Information concerning the degree of dependency on main customers is therefore considered by top management as not relevant and is not therefore disclosed.

Part M – Leasing

Section 1 - Lessee

Qualitative information

The leasing contracts that fall within the scope of application of the standard IFRS 16 are represented by the lease contracts of the properties used by the Group and by the financial shops used by financial advisors and managed directly by the Bank, in addition to lease contracts for machinery and cars.

The Group is potentially exposed to outgoing financial flows, for variable payments due for leasing (in particular referring to the ISTAT revaluation), not included in the initial valuation of the lease liability.

The Group has determined the duration of the lease, for each individual contract, considering the "non-cancellable" period during which it has the right to use the underlying asset and taking into account all the contractual aspects that can change this duration, including, in particular, the possible presence of:

- periods covered by a right of resolution (with related penalties) or an option to extend the lease to the lessee, the lessor alone, or to both, even at different periods over the duration of the contract;
- periods covered by an option to purchase the underlying asset.

In general, with regard to contracts that provide the option right for the Bank or the subsidiary to automatically renew the lease at the end of an initial contractual period, the duration of lease has determined based on historical experience (in particular for the Bank) and the information available at the date, considering in addition to the non-cancellable period also the period subject to the extension option (first contract renewal period), except for the existence of business plans to dispose of the leased asset as well as clear and documented assessments by the competent Group structures that lead to consider reasonable the failure to exercise the option to renew or exercise the termination option, also taking into account, with particular regard to the financial shops in use by the financial advisors of the Bank, the commercial strategies of recruitment and territorial organization of the network.

The Group has not provided guarantees on the residual value of the leased asset and has no commitments for the stipulation of lease contracts not included in the value of the lease liability recognized in the financial statements.

In accordance with the rules set by the standard, which grants exemptions in this regard, contracts underlying the so-called "Low-value assets" (for which the threshold was set at € 5 thousand) mainly consisting of mobile phone rental contracts, all leasing contracts with a contractual duration of 12 months or less (so-called "short term lease") it was decided not to apply the principle to the leasing of intangible assets (mainly represented by software leasing). For these contracts, the related fees are recognized in the income statement on accrual basis for the corresponding duration.

Quantitative information

With regard to the information on the rights of use acquired with the lease, please refer to Part B - Assets - Section 9 - Tangible assets - Item 90 of these notes to the consolidated accounts.

With regard to the information on the lease liabilities, please refer to Part B - Liabilities - Section 1 - Financial liabilities at amortized cost - Item 10 of these notes to the consolidated accounts.

Furthermore, with regard to the information on:

- interest expenses on leasing liabilities, please refer to Part C - Section 1 - Item 20;
- the other charges connected with the rights of use acquired with the lease, please refer to Part C - Section 14 - Net impairments / write-backs on property, plant and equipment - Item 210.

It should be noted that no gains and losses deriving from sale and leaseback transactions have been recorded, as well as income deriving from sub-lease transactions.

Part M – Leasing

The depreciation recognized for the year for right-of-use assets by class of underlying asset is shown below:

(Amounts in € thousand)

Assets	Depreciation 2024	Depreciation 2023
Right of use		
1. Property, plant and equipment	**(11,191)**	**(11,477)**
1.1 land	(85)	(85)
1.2 buildings	(10,849)	(11,147)
1.3 office furniture and fittings		
1.4 electronic systems	(4)	(7)
1.5 other	(253)	(238)

As of December 31st, 2024, there are no short-term leasing commitments for which the cost has not already been recognized in the income statement for the year 2024.

Section 2 - Lessor

Qualitative information

The Group has leasing operations, in its capacity as lessor, represented exclusively by lease contracts of the surface of a part of the property owned by FinecoBank, located in Milan Piazza Durante, 11, classified as operating leases in the financial statements.

With reference to the ways in which the lessor manages the risk associated with the rights it maintain on the underlying assets, it should be noted that the contracts include clauses that prohibit the tenant from transferring the contract to third parties without the written consent of the lessor, periodic updates of the rent according to the ascertained variation of the ISTAT index for consumer prices for the families of workers and employees and a contractual expiry at the end of which, in the event of non-renewal where required, the lease contract ceases and the premises fall within the availability of the lessor.

Quantitative information

Payments due for operating leases have been recognized in the consolidated income statement as income. For more details, please refer to Part C - Section 16 - Other operating income and charges - Item 230 of these notes to the consolidated accounts.

1. Balance sheet and income statement information

The Group has not recognized leasing loans. As regards the activities granted under operating leasing, as previously described, the Group has leasing transactions in place as lessor represented by leasing contracts for a part of the property owned by FinecoBank, located in Milan Piazza Durante, 11.

The payments due for the operating lease have been recognized, on an accrual basis, in the consolidated income statement as income. For more details, please refer to that illustrated in Part C - Section 16 - Other operating expenses and income - Item 230 of these notes to the consolidated accounts.

2. Financial lease

2.1 Classification by time bands of the payments to be received and reconciliation with the loans for leasing entered in the assets

No information to report.

2.2 Other information

No information to report.

Part M – Leasing

3. Operating lease

3.1 Classification by time bands of the payments to be received

A maturity analysis of the undiscounted lease payments to be received is shown below. It should be noted that the payments refer to the contractual rents provided for in the lease contracts of part of the property owned by FinecoBank, which allow tenants to withdraw early in compliance with the notice provided in the contract.

(Amounts in € thousand)

Maturity ranges	Total 12/31/2024 Lease payments receivables	Total 12/31/2023 Lease payments receivables
Up to one year	179	815
Over one year up to 2 years	45	179
Over 2 years up to 3 years	-	45
Over 3 years up to 4 years	-	-
Over 4 years up to 5 years	-	-
For over 5 years	-	-
Total	**224**	**1,039**

3.2 Other information

As indicated above, the Group has leasing transactions in place as a lessor represented by leasing contracts for a part of the property owned by FinecoBank, located in Milan Piazza Durante, 11. For information on the methods with the which the Group manages the risk associated with the rights it retains on the underlying assets, please refer to the paragraph "Qualitative information" included in this section.

Reconciliation of condensed consolidated accounts to mandatory reporting schedule

(Amounts in € thousand)

ASSETS	Amounts as at	
	12/31/2024	12/31/2023
Cash and cash balances = item 10	1,962,876	2,266,550
Financial assets held for trading	28,539	14,109
20. Financial assets at fair value through profit or loss a) financial assets held for trading	*28,539*	*14,109*
Loans and receivables to banks	370,733	376,373
40. Financial assets at amortised cost a) loans and receivables to banks	*2,508,514*	*2,993,595*
less: Financial assets at amortised cost a) loans and receivables to banks - Debt securities	*(2,137,781)*	*(2,617,222)*
Loans and receivables to customers	6,235,643	6,198,541
40. Financial assets at amortised cost b) loans and receivables to customers	*27,219,605*	*24,946,614*
less: Financial assets at amortised cost b) loans and receivables to customers - Debt securities	*(20,983,962)*	*(18,748,073)*
Financial investments	23,425,447	21,403,026
20. Financial assets at fair value through profit or loss c) other financial assets mandatorily at fair value	*5,620*	*7,010*
30. Financial asset at fair value through other comprehensive income	*296,410*	*29,069*
70. Equity investments	*1,674*	*1,652*
Financial assets at amortised cost a) loans and receivables to banks - Debt securities	*2,137,781*	*2,617,222*
Financial assets at amortised cost b) loans and receivables to customers - Debt securities	*20,983,962*	*18,748,073*
Hedging instruments	527,272	707,274
50. Hedging derivatives	*677,547*	*896,577*
60. Changes in fair value of portfolio hedged financial assets (+/-)	*(150,275)*	*(189,303)*
Property, plant and equipment = item 90	146,296	146,497
Goodwill = item 100. Intangible assets of which: goodwill	89,602	89,602
Other intangible assets = item 90 net of goodwill	35,242	34,465
Tax assets = item 110	53,250	49,997
Non-current assets and disposal groups held for sale = item 120	-	-
Tax credits acquired	1,259,059	1,618,030
Other assets	554,858	411,236
130. Other assets	*1,813,917*	*2,029,266*
less: Tax credit acquired	*(1,259,059)*	*(1,618,030)*
Total assets	**34,688,817**	**33,315,700**

(Amounts in € thousand)

LIABILITIES AND SHAREHOLDERS' EQUITY	Amounts as at	
	12/31/2024	12/31/2023
Deposits from banks	850,600	866,978
10. Financial liabilities at amortised cost a) deposits from banks	*850,600*	*866,978*
Deposits from customers	29,988,914	28,757,589
10. Passività finanziarie valutate al costo ammortizzato c) titoli in circolazione	*29,988,914*	*28,757,589*
Debt securities in issue	810,228	809,264
10. Financial liabilities at amortised cost c) debt securities in issue	*810,228*	*809,264*
Financial liabilities held for trading = item 20	8,130	6,997
Financial liabilities at fair value = item 30	-	-
Hedging instruments	45,321	28,712
40. Hedging derivatives	*48,485*	*59,988*
50. Changes in fair value of portfolio hedged financial liabilities (+/-)	*(3,164)*	*(31,276)*
Tax liabilities = item 60	19,519	86,706
Liabilities included in disposal groups classified as held for sale = item 70	-	-
Other liabilities	576,793	564,778
80. Other liabilities	*406,358*	*421,234*
90. Provisions for employee severance pay	*4,364*	*4,378*
100. Provisions for risks and charges	*166,071*	*139,166*
Shareholders' equity	2,389,312	2,194,676
- capital and reserves	1,756,076	1,592,305
140. Equity instruments	*500,000*	*500,000*
150. Reserves	*1,053,594*	*890,106*
160. Share premium reserve	*1,934*	*1,934*
170. Share capital	*201,630*	*201,508*
180. Treasury shares (-)	*(1,082)*	*(1,243)*
- revaluation reserves	(19,049)	(6,730)
120. Revaluation reserves of which: financial assets at fair value through other comprehensive income	*(127)*	*(2,595)*
120. Revaluation reserves for actuarial net gains (losses) for defined benefit plans	*(18,929)*	*(4,136)*
120. Revaluation reserve of which: changes in valuation reserve pertaining to equity method investments	*7*	*1*
- Net profit = item 200	652,285	609,101
Total liabilities and Shareholders' equity	**34,688,817**	**33,315,700**

Reconciliation of condensed consolidated accounts to mandatory reporting schedule

(Amounts in € thousand)

INCOME STATEMENT	Year	
	2024	2023
Financial margin	711,162	687,956
of which Net interest	710,454	687,748
30. Net interest margin	*708,718*	*683,788*
+ net commissions on Treasury securities lending	*1,736*	*3,960*
of which Profits from Treasury	708	208
+ gains (losses) on disposal or repurchase of: a) financial assets at amortised cost - debt securities (unimpaired)	*708*	*208*
Dividends and other income from equity investments	17	(68)
70. Dividend income and similar revenue	*180*	*226*
less: dividends from held-for-trading equity instruments included in item 70	*(145)*	*(178)*
less: dividends from from equity investments and equities mandatorily at fair value equity instruments included in item 70	*(35)*	*(48)*
+ writebacks (write-downs) of investments accounted for using the equity method	*17*	*(68)*
Net commission	527,026	489,906
60. Net fee and commission income	*525,328*	*489,616*
+ other charges/income related to the application of the Fixed Operating Expenses (FOE) model	*3,434*	*4,250*
less: net commissions on Treasury securities lending	*(1,736)*	*(3,960)*
Net trading, hedging and fair value income	79,043	60,402
80. Gains (losses) on financial assets and liabilities held for trading	*79,609*	*66,273*
90. Fair value adjustments in hedge accounting	*(2,182)*	*(7,151)*
110. Gains (losses) on financial assets and liabilities at fair value through profit or loss	*1,436*	*1,054*
+ dividends from held-for-trading equity instruments included in item 70	145	178
+ dividends from mandatorily at fair value equity instruments included in item 70	*35*	*48*
Net other expenses/income	(773)	(565)
230. Other net operating income	*203,049*	*165,694*
less: other net operating income - of which: recovery of expenses	*(201,658)*	*(163,603)*
less: adjustments of leasehold improvements	*1,270*	*1,594*
less: other charges/income related to the application of the Fixed Operating Expenses (FOE) model	*(3,434)*	*(4,250)*
100. Gains (losses) on disposal or repurchase of: a) financial assets at amortised cost (unimpaired)	*708*	*208*
less: gains (losses) on disposal or repurchase of: a) financial assets at amortised cost - debt securities (unimpaired)	*(708)*	*(208)*
REVENUES	**1,316,475**	**1,237,631**
Staff expenses	(137,847)	(126,867)
190. Administrative expenses - a) staff expenses	*(137,847)*	*(126,867)*
Other administrative expenses	(370,018)	(307,918)
190. Administrative expenses - b) other administrative expenses	*(405,340)*	*(347,934)*
less: contributions to the Single Resolution Fund (SRF), Deposit Guarantee Systems (DGS) and Life Insurance Guarantee Fund	*36,592*	*41,610*
+ adjustments of leasehold improvements	*(1,270)*	*(1,594)*
Recovery of expenses	201,658	163,603
230. Other net operating income- of which: recovery of expenses	*201,658*	*163,603*
Impairment/write-backs on intangible and tangible assets	(25,791)	(27,139)
210. Impairment/write-backs on property, plant and equipment	*(21,143)*	*(21,144)*
220. Impairment/write-backs on intangible assets	*(4,648)*	*(5,995)*
Operating costs	**(331,998)**	**(298,321)**
OPERATING PROFIT (LOSS)	**984,477**	**939,310**
Net impairment losses on loans and provisions for guarantees and commitments	(2,088)	(3,596)
130. Impairment losses/writebacks on: a) financial assets at amortised cost	*(539)*	*(3,098)*
less: impairment losses/writebacks on: a) financial assets at amortised cost - debt securities	*(1,796)*	*(271)*
130. Impairment losses/writebacks on: b) financial assets at fair value through other comprehensive income	*(28)*	*-*
less: impairment losses/writebacks on: a) financial assets at amortised cost - debt securities	*28*	*-*
140. Profit / loss from contract changes without cancellation	*(1)*	*2*
200. Net provisions for risks and charges a) provision for credit risk of commitments and financial guarantees given	*248*	*(229)*
NET OPERATING PROFIT (LOSS)	**982,389**	**935,714**
Other charges and provisions	(44,873)	(63,587)
200. Net provisions for risks and charges b) other net provision	*(8,281)*	*(21,977)*
+ contributions to the Single Resolution Fund (SRF), Deposit Guarantee Systems (DGS) and Life Insurance Guarantee Fund	*(36,592)*	*(41,610)*
Net income from investments	1,768	111
+ Impairment losses/writebacks on: afinancial assets at amortised cost - debt securities	*1,796*	*271*
+ Impairment losses/writebacks on: b) financial assets at fair value through other comprehensive income - debt securities	*(28)*	*-*
250. PROFIT (LOSS) ON EQUITY INVESTMENTS	*17*	*(263)*
less: writebacks (write-downs) of investments accounted for using the equity method	*(17)*	*68*
280. Gains (losses) on disposal of investments	*-*	*35*
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**939,284**	**872,238**
Income tax for the year	(286,999)	(263,137)
NET PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	**652,285**	**609,101**
PROFIT (LOSS) FOR THE YEAR	**652,285**	**609,101**

Certification of consolidated annual Financial Statements pursuant to article 81-ter of Consob regulation no. 11971 of May 14, 1999 and subsequent amendments

1. The undersigned, Alessandro Foti, as Managing Director and General Manager of FinecoBank S.p.A., and Erick Vecchi, as Manager in charge for preparing the Company's financial reports of FinecoBank S.p.A., taking into account the provisions of Article 154-bis, par. 3 and 4 of Legislative Decree 58 of February 24th, 1998, do hereby certify:

- the adequacy in relation to the Company's features and
- the actual application

of the administrative and accounting procedures used in the preparation of the consolidated financial statements for the year ended December 31st, 2024.

2. The assessment of the adequacy of the administrative and accounting procedures for the preparation of the consolidated financial statements is based on a model defined in accordance with the "Internal Control - Integrated Framewor"' issued by the Committee of Sponsoring Organisations of the Treadway Commission (CoSO) and for the IT component using the "Control Objective for IT and Related Technologies (Cobit)" as a reference, which are generally accepted international reference standards for the internal control system and for financial reporting in particular.

3. The undersigned also certify that:

3.1 The consolidated financial statements:

a) were prepared in compliance with applicable international accounting standards recognised by the European Community pursuant to European Parliament and Council Regulation 1606/2002 of July 19th, 2002;

b) correspond to the results of the books and accounting records;

c) are suitable to provide a fair and correct representation of the financial position and performance of the issuer and the group of companies included in the scope of consolidation;

3.2. The Report on Operations includes a reliable analysis of the operating trend and results, as well as of the situation of the issuer and of the legal entities included in the scope of consolidation, together with a description of the main risks and uncertainties they are exposed to.

Milan, March 11th, 2025

FinecoBank S.p.A.
The Chief Executive Officer and
General Manager
Alessandro Foti

FinecoBank S.p.A.
The Manager in charge for Preparing
the Company's Financial Reports
Erick Vecchi

Certification of Sustanaibility reporting pursuant to article 81-ter, para 1, of Consob regulation no. 11971 of May 14, 1999 and subsequent amendments

1. The undersigned, Alessandro Foti, as Managing Director and General Manager of FinecoBank S.p.A., and Erick Vecchi, as Manager in charge for preparing the Company's financial reports of FinecoBank S.p.A., taking into account the provisions of Article 154-bis, par. 5-ter of Legislative Decree 58 of February 24th, 1998, do hereby certify, that the sustainability reporting included in the management report has been prepared:

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 pursuant to Article 8(4) of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

Milan, March 11th, 2025

FinecoBank S.p.A.
The Chief Executive Officer and
General Manager
Alessandro Foti

FinecoBank S.p.A.
The Manager in charge for Preparing
the Company's Financial Reports
Erick Vecchi

KPMG S.p.A.
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(The accompanying translated consolidated financial statements of the FinecoBank Group constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. 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' 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
FinecoBank S.p.A.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of the FinecoBank Group (the "group"), which comprise the statement of financial position as at 31 December 2024, the income statement and the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, which include material information the accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the FinecoBank Group as at 31 December 2024 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 consolidated financial statements*" section of our report. We are independent of FinecoBank S.p.A. (the "parent") 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 consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Measurement of provisions for liabilities and contingencies

Notes to the consolidated financial statements "Part A - Accounting policies": paragraph A.2.10 "Provisions for risks and charges"

Notes to the consolidated financial statements "Part B - Information on the statement of financial position - Liabilities": section 10 "Provisions for risks and charges"

Notes to the consolidated financial statements "Part C - Information on the income statement": section 13.3 "Net provisions to other provisions for risks and charges: breakdown"

Notes to the consolidated financial statements "Part E - Information on risks and related hedging policies": section 1.5 "Operational risks", paragraph B. "Risks arising from significant legal disputes"

Key audit matter	Audit procedures addressing the key audit matter
The group's consolidated financial statements at 31 December 2024 include provisions for risks and charges of €166.1 million. These include €25.3 million relating to pending legal and tax disputes, specifically €0.6 million relating to tax disputes (fines and interest) and €24.7 million relating to legal disputes. The latter are customers' complaints and claims for damages due to wrongdoings by the group's financial advisors, pending disputes with former financial advisors and other ongoing in-court and out-of-court disputes with customers relating to the group's ordinary banking activities. Measuring provisions for risks and charges for pending disputes is a complex activity, with a high degree of uncertainty, and entails directors' estimates about the outcome of the dispute, the risk of losing and the timing for its settlement. For the above reasons, we believe that measuring provisions for risks and charges is a key audit matter.	Our audit procedures included: • understanding the process for the measurement of the provisions for liabilities and contingencies, assessing the design and implementation of controls and performing procedures to assess the operating effectiveness of material controls; • analysing the discrepancies between past years' estimates of the 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; • analysing relevant documentation, including the complaints book and the internal control departments' reports; • sending written requests for information to the legal advisors assisting the group about the assessment of the risk of losing pending legal disputes 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 provisions for risks and charges; • analysing the reasonableness of the assumptions used to measure the provisions for risks and charges relating to the main disputes through discussions with the relevant internal departments and analysis of the supporting documentation; • assessing the appropriateness of the disclosures about the provisions for risks and charges.

Measurement of loans and receivables with customers recognised under financial assets at amortised cost

Notes to the consolidated financial statements "Part A - Accounting policies": paragraph A.2.3 "Financial assets at amortised cost"

Notes to the consolidated financial statements "Part B - Information on the statement of financial position - Assets": section 4 "Financial assets at amortised cost"

Notes to the consolidated financial statements "Part C - Information on the income statement": Section 8 "Impairment losses/writebacks"

Key audit matter	Audit procedures addressing the key audit matter
Lending to customers is one of the group's core activities. Loans and receivables with customers recognised under financial assets at amortised cost totalled €27,219.6 million at 31 December 2024 (including loans of €6,235.6 million and debt instruments of €20,984 million), accounting for 78.5% of total assets. Net impairment losses on loans and receivables with customers recognised in profit or loss during the year totalled €585.4 thousand. For classification 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, an assessment of any guarantees, the impact of macroeconomic variables, future scenarios and risks of the sectors in which the group's customers operate. The complexity of the directors' estimation process has been affected by the ongoing uncertainties which have an impact on the current economic conditions and potential future macroeconomic scenarios, with potentially significant effects stemming from the energy market, supply chains, inflationary pressure and the effects of monetary policies on interest rates. For the above reasons, we believe that the classification and 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 parent'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 IFRS 9 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, checking the application of the measurement models applied and checking that the impairment rates applied complied with those provided for in such models; • 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.

Revenue recognition – recognition of fee and commission income (IFRS 15)

Notes to the consolidated financial statements "Part C - Information on the income statement": section 2.1 "Fee and commission income: breakdown"

Key audit matter	Audit procedures addressing the key audit matter
In accordance with IFRS 15: Revenue from contracts with customers, fee and commission income is recognised in profit or loss based on when or as the performance obligation identified in a contract is satisfied. Specifically, fees and commissions for services and other income are recognised in profit or loss: • at a point in time, when an entity satisfies the performance obligation by transferring a promised good or service to a customer; • over time, as an entity satisfies the performance obligation by transferring a promised good or service to a customer. If the consideration promised in a contract includes a variable amount, the group estimates the amount of consideration to which it will most likely be entitled. It estimates the variable amount by assessing all relevant facts and circumstances, based on the type of service provided and on whether it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. We focused on this issue as we have identified a potential risk of recognising revenue (fee and commission income) not pertaining to the year or not actually realised. For the above reasons, we believe that the recognition of fee and commission income is a key audit matter.	Our audit procedures included: • gaining an understanding of the group's processes and IT environment in relation to the estimation of fee and commission income; • analysing the processes and controls implemented by the group, including by involving our IT specialists; • assessing the appropriateness of the disclosures about fee and commission income.

Responsibilities of the parent's directors and board of statutory auditors ("Collegio Sindacale") for the consolidated financial statements

The directors are responsible for the preparation of consolidated 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 group's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the consolidated 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 parent 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 group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 group'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 group'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 consolidated 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 group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated 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 28 April 2021, the parent's shareholders appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2022 to 31 December 2030.

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 parent in conducting the statutory audit.

We confirm that the opinion on the consolidated 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 on the compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The parent's directors are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF) to the consolidated financial statements at 31 December 2024 to be included in the annual financial report.

We have performed the procedures required by Standard on Auditing (SA Italia) 700B in order to express an opinion on the compliance of the consolidated financial statements with Commission Delegated Regulation (EU) 2019/815.

In our opinion, the consolidated financial statements at 31 December 2024 have been prepared in XHTML format and have been marked up, in all material respects, in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815.

Due to certain technical limitations, some information included in the notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML format.

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 parent's directors are responsible for the preparation of the group's reports on operations and on corporate governance and ownership structure at 31 December 2024 and for the consistency of such reports with the related consolidated 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 consolidated financial statements;
- express an opinion on the consistency of the report on operations, excluding the section that includes the consolidated 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 group's consolidated financial statements at 31 December 2024.

Moreover, in our opinion, excluding the section which includes the consolidated 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 consolidated 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.

Milan, 24 March 2025

KPMG S.p.A.

(signed on the original)

Roberto Spiller
Director of Audit

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 consolidated sustainability statement pursuant to article 14-bis of Legislative decree no. 39 of 27 January 2010

To the shareholders of
FinecoBank S.p.A.

Conclusion

Pursuant to articles 8 and 18.1 of Legislative decree no. 125 of 6 September 2024 (the "decree"), we have been engaged to perform a limited assurance engagement on the 2024 consolidated sustainability statement of the FinecoBank Group (the "group") prepared in accordance with article 4 of the decree, presented in the specific section of the directors' report (the "consolidated sustainability statement").

Based on the procedures performed, nothing has come to our attention that causes us to believe that:

- the group's 2024 consolidated 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 section 2.1 "Disclosure pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)" of the consolidated 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 1 (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

In section 2.1 "Disclosure pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)", the 2024 consolidated sustainability statement presents the 2023 comparative information required by article 8 of the taxonomy regulation, which has not been subjected to an assurance engagement.

Responsibilities of the directors and Collegio Sindcale of FinecoBank S.p.A. (the "parent") for the consolidated sustainability statement

The directors are responsible for designing and implementing the procedures to identify the information included in the consolidated sustainability statement in accordance with the ESRS (the "materiality assessment process") and for the description of these procedures in section 1.2.3 "Description of the processes to identify and assess material impacts, risks and opportunities ((IRO-1; E1-IRO1; E5-IRO1; G1-IRO1)" of the consolidated sustainability statement.

The directors are also responsible for the preparation of a consolidated 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 section 2.1 "Disclosure pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)" 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 consolidated 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 consolidated 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 consolidated sustainability statement, regarding future events and the group'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 group 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 consolidated 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 consolidated 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 consolidated 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 parent's personnel responsible for the preparation of the information presented in the consolidated 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 group's business model, strategies and operating environment with regard to sustainability matters;
- we gained an understanding of the process adopted by the group 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 group in its materiality assessment process; Specifically, mostly through inquiries, observations and inspections, we gained an understanding of how the group:
  - considered the interests and opinions of the stakeholders involved;
  - identified its sustainability-related IROs, assessing their consistency with our knowledge of the group 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 consolidated sustainability statement,

including of the reporting boundary, through interviews and discussions with the group'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;
- we gained an understanding of the process adopted by the group to determine taxonomy-eligible exposures and whether they were aligned under the taxonomy regulation and checked the related disclosures presented in the consolidated sustainability statement;
- we checked the consistency of the disclosures contained in the consolidated sustainability statement with those included in the group's consolidated 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 consolidated sustainability statement with the ESRS;
- we obtained the representation letter.

Milan, 24 March 2025

KPMG S.p.A.

(signed on the original)

Roberto Spiller
Director of Audit

Balance Sheet

(Amounts in €)

Assets	12/31/2024	12/31/2023
10. Cash and cash balances	1,933,380,687	2,249,361,045
20. Financial assets at fair value through profit and loss	32,620,824	20,190,605
a) financial assets held for trading	28,539,031	14,109,598
c) other financial assets mandatorily at fair value	4,081,793	6,081,007
30. Financial assets at fair value through other comprehensive income	296,410,404	29,069,167
40. Financial assets at amortised cost	29,685,311,915	27,892,519,456
a) loans and receivables to banks	2,493,302,461	2,968,493,839
b) loans and receivables to customers	27,192,009,454	24,924,025,617
50. Hedging derivatives	677,547,499	896,576,945
60. Changes in fair value of portfolio hedged financial assets (+/-)	(150,274,869)	(189,302,895)
70. Equity investments	4,674,443	4,652,258
80. Tangible assets	145,012,858	144,768,101
90. Intangible assets	124,843,692	124,066,951
- goodwill	89,601,768	89,601,768
100. Tax assets	52,879,055	49,748,672
b) deferred tax assets	52,879,055	49,748,672
120. Other assets	1,814,391,065	2,029,466,001
Total assets	**34,616,797,573**	**33,251,116,306**

Balance Sheet

(Amounts in €)

Liabilities and Shareholders' equity	12/31/2024	12/31/2023
10. Financial liabilities at amortized cost	31,636,926,823	30,420,242,163
a) deposits from banks	850,599,647	866,978,421
b) deposits from customers	29,976,099,470	28,743,999,484
c) debt securities in issue	810,227,706	809,264,258
20. Financial liabilities held for trading	8,129,527	6,996,038
40. Hedging derivatives	48,485,126	59,988,318
50. Changes in fair value of portfolio hedged financial liabilities (+/-)	(3,164,087)	(31,276,214)
60. Tax liabilities	15,158,724	85,560,151
a) current tax liabilities	15,158,724	85,560,151
80. Other liabilities	394,323,705	410,675,167
90. Provision for employee severance pay	4,364,349	4,377,426
100. Provisions for risks and charges:	166,071,121	139,165,395
a) commitments and guarantees given	55,796	303,508
c) other provisions for risks and charges	166,015,325	138,861,887
110. Revaluation reserves	(19,049,881)	(6,729,779)
130. Equity instruments	500,000,000	500,000,000
140. Reserves	1,014,303,963	855,420,797
150. Share premium	1,934,113	1,934,113
160. Issued capital	201,629,811	201,508,440
170. Treasury shares (-)	(1,082,050)	(1,243,250)
180. Net Profit (Loss) for the year (+/-)	648,766,329	604,497,541
Total liabilities and Shareholders' Equity	**34,616,797,573**	**33,251,116,306**

Balance Sheet

(Amounts in €)

Item		2024	2023
10.	Interest income and similar revenues	828,433,947	777,092,014
	of which: interest income calculated using the effective interest method	504,940,750	514,267,948
20.	Interest expenses and similar charges	(121,294,261)	(94,562,602)
30.	**Net interest margin**	**707,139,686**	**682,529,412**
40.	Fee and commission income	828,064,520	757,064,801
50.	Fee and commission expenses	(470,786,471)	(418,868,552)
60.	**Net fee and commission**	**357,278,049**	**338,196,249**
70.	Dividends and similar revenues	122,305,510	113,918,808
80.	Net income financial assets and liabilities held for trading	79,670,269	66,272,344
90.	Fair value adjustment in hedge accounting	(2,181,911)	(7,150,878)
100.	Gains (Losses) on disposal or repurchase of:	707,679	207,727
	a) financial assets at amortised cost	707,679	207,727
110.	Net gains (losses) on financial assets/liabilities designated at fair value through profit or loss:	1,291,700	1,002,434
	b) other financial assets mandatorily at fair value	1,291,700	1,002,434
120.	**Operating income**	**1,266,210,982**	**1,194,976,096**
130.	Net impairment/write-backs for credit risk of:	(583,193)	(3,096,336)
	a) financial assets at amortised cost	(554,873)	(3,096,347)
	b) financial assets at fair value through other comprehensive income	(28,320)	11
140.	Profit/loss from contract changes without cancellation	(1,184)	2,093
150.	**Net profit from financial activities**	**1,265,626,605**	**1,191,881,853**
160.	Administrative costs:	(520,741,066)	(454,842,323)
	a) payroll costs	(124,481,379)	(115,310,542)
	b) other administrative costs	(396,259,687)	(339,531,781)
170.	Net provisions for risks and charges	(8,033,028)	(22,206,170)
	a) commitments and guarantees issued	247,713	(229,076)
	b) other net provisions	(8,280,741)	(21,977,094)
180.	Impairment on tangible assets	(20,583,605)	(20,558,884)
190.	Impairment on intangible assets	(4,648,036)	(5,942,100)
200.	Other operating income/charges	201,890,527	162,513,563
210.	**Operating costs**	**(352,115,208)**	**(341,035,914)**
220.	Profit (Loss) on equity investments	17,162	(262,776)
250.	Gains and losses on disposals on investments	2	34,948
260.	**Total profit or loss before tax from continuing operations tax expense related to profit or loss from continuing operations**	**913,528,561**	**850,618,111**
270.	Tax expense (income) related to profit or loss from continuing operations	(264,762,232)	(246,120,570)
280.	**Total profit (loss) after tax from continuing operations**	**648,766,329**	**604,497,541**
300.	**Profit (loss) for the year**	**648,766,329**	**604,497,541**

	2024	2023
Earnings per share (euro)	1.06	0.99
Diluted earnings per share (euro)	1.06	0.99

Note:

For further information on "Earnings per share" and "Diluted earnings per share" please see notes to the accounts, Part C - Information on the income statement, Section 22.

Statement of comprehensive income

(Amounts in €)

Item		Total 2024	Total 2023
10.	Net Profit (Loss) for the year	648,766,329	604,497,541
	Other income components net of taxes without reversal to the income statement	**(14,796,099)**	**(10,145,951)**
70.	Defined benefit plans	(14,793,225)	(10,156,132)
90.	Valuation reserves from investments accounted for using the equity method	(2,874)	10,181
	Other income components net of taxes with reversal to the income statement	**2,475,997**	**1,294,401**
140.	Financial assets (no equity securities) measured at fair value with an impact on total profitability	2,468,100	1,302,212
160.	Valutation reserves from investments accounted for using the equity method	7,897	(7,811)
170.	**Total other income components after tax**	**(12,320,102)**	**(8,851,550)**
180.	**Overall profitability (Item 10 + 170)**	**636,446,227**	**595,645,991**

Statement of changes in shareholders' equity

Statement of changes in shareholders' equity at 12/31/2024

(Amounts in €)

	Balance as at 12/31/2023	Change in opening balance	Balance as at 01/01/2024	Allocation of profit from previous year		Change during the year								Comprehensive income 2024	Shareholders' equity as at 2024
							Shareholders' equity transactions								
				Reserves	Dividends and other distributions	Changes in reserves	Issues of new shares	Purchase of own shares	Distributions of extraordinary dividends	Changes in equity instruments	Own share derivatives	Stock options	Changes in ownership interests		
Share capital:												-	-	-	-
- ordinary shares	201,508,440	-	201,508,440	-	-	-	121,371	-	-	-	-	-	-	-	201,629,811
- other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share premium reserve	1,934,113	-	1,934,113	-	-	-	-	-	-	-	-	-	-	-	1,934,113
Reserves:		-													
- from profits	809,647,583	-	809,647,583	182,907,936		(29,657,845)	-	-	-	-	-	(121,371)	-	-	962,776,303
- others	45,773,214	-	45,773,214	-	-	-	-	-	-	-	-	5,754,446	-	-	51,527,660
Revaluation reserves	(6,729,779)	-	(6,729,779)	-	-	-	-	-	-	-	-	-	-	(12,320,102)	(19,049,881)
Equity instruments	500,000,000	-	500,000,000	-	-	-	-	-	-	-	-	-	-	-	500,000,000
Treasury shares	(1,243,250)	-	(1,243,250)	-	-	-	733,236	(572,036)	-	-	-	-	-	-	(1,082,050)
Profit (loss) for the year	604,497,541	-	604,497,541	(182,907,936)	(421,589,605)	-	-	-	-	-	-	-	-	648,766,329	648,766,329
Shareholders' Equity	2,155,387,862	-	2,155,387,862	-	(421,589,605)	(29,657,845)	854,607	(572,036)	-	-	-	5,633,075	-	636,446,227	2,346,502,285

The Shareholders' Meeting of April 24th, 2024 approved the distribution of the unit dividend of € 0.69, as proposed by the Board of Directors on March 12th, 2024, totalling € 421,589,604.63.
The column "Stock options" includes the incentives plans serviced by FinecoBank shares.
The column "Changes in Reserves" includes the coupons paid on equity instruments, costs directly attributable to the issue of new ordinary shares during the period and costs associated with the issue and repurchase of equity instruments that occurred during the period, net of related taxes, as well as the portion of dividends not distributed in respect of treasury shares held by the Bank at the record date.
For further details on changes in shareholders' equity please see notes to the accounts, Part B - Consolidated Balance Sheet - Liabilities, Section 12.

Statement of changes in shareholders' equity at 12/31/2023

(Amounts in €)

	Balance as at 12/31/2022	Change in opening balance	Balance as at 01/01/2023	Allocation of profit from previous year		Change during the year								Comprehensive income 2023	Shareholders' equity as at 2023
							Shareholders' equity transactions								
				Reserves	Dividends and other distributions	Changes in reserves	Issues of new shares	Purchase of own shares	Distributions of extraordinary dividends	Changes in equity instruments	Own share derivatives	Stock options	Changes in ownership interests		
Share capital:															
- ordinary shares	201,339,554	-	201,339,554	-	-	-	168,886	-	-	-	-	-	-	-	201,508,440
- other shares		-		-	-	-	-	-	-	-	-	-	-	-	-
Share premium reserve	1,934,113	-	1,934,113	-	-	-	-	-	-	-	-	-	-	-	1,934,113
Reserves:		-													
- from profits	708,614,620	-	708,614,620	122,775,074		(21,573,225)	-	-	-	-	-	(168,886)	-	-	809,647,583
- others	41,430,782	-	41,430,782	-	-	-	-	-	-	-	-	4,342,432	-	-	45,773,214
Revaluation reserves	2,121,634	-	2,121,634	-	-	137	-	-	-	-	-	-	-	(8,851,550)	(6,729,779)
Equity instruments	500,000,000	-	500,000,000	-	-	-	-	-	-	-	-	-	-	-	500,000,000
Treasury shares	(1,713,868)	-	(1,713,868)	-	-	-	990,029	(519,411)	-	-	-	-	-	-	(1,243,250)
Profit (loss) for the year	421,984,575	-	421,984,575	(122,775,074)	(299,209,501)	-	-	-	-	-	-	-	-	604,497,541	604,497,541
Shareholders' Equity	1,875,711,410	-	1,875,711,410	-	(299,209,501)	(21,573,088)	1,158,915	(519,411)	-	-	-	4,173,546	-	595,645,991	2,155,387,862

The Shareholders' Meeting of April 27th, 2023 approved the distribution of the unit dividend of € 0.49, as proposed by the Board of Directors on March 14th, 2023, totalling 299,209,501.15 euro.
The column "Stock options" includes the incentives plans serviced by FinecoBank shares.
The column "Changes in reserves" mainly includes the coupons paid on equity instruments and the costs directly attributable to the issue of new ordinary shares during the period, net of related taxes, as well as the portion of dividends not distributed in respect of treasury shares held by the Bank at the record date.

Cash flows statement

(Amounts in € thousand)

Items	Amount	
	2024	2023
A. OPERATING ACTIVITIES		
1. Operations	**598,692,195**	**710,325,505**
- profit (loss) for the year (+/-)	648,766,329	604,497,541
- gains/losses on financial assets held for trading and on assets designated at fair value through profit and loss (-/+)	(2,200,673)	(691,157)
- gains/losses on hedging operations (+/-)	2,181,911	7,078,578
- net write-downs/write-backs due to impairment (+/-)	3,251,605	5,660,929
- net write-offs/write-backs on tangible and intangible assets (+/-)	25,231,641	26,500,985
- provisions and other incomes/expenses (+/-)	24,371,578	36,896,404
- unpaid duties, taxes and tax credits (+/-)	13,616,590	82,782,299
- write-downs/write-backs after tax on discontinued operations (+/-)	-	-
- other adjustments (+/-)	(116,526,787)	(52,400,074)
2. Liquidity generated/absorbed by financial assets	**(1,665,825,313)**	**3,741,885,190**
- financial assets held for trading	(13,665,905)	1,837,584
- financial assets at fair value	-	-
- other assets mandatorly at fair value	2,882,101	32,886
- financial assets at fair value through other comprehensive income	(261,303,510)	-
- financial assets at amortised cost	(1,667,857,193)	3,883,312,615
- other assets	274,119,194	(143,297,895)
3. Liquidity generated/absorbed by financial liabilities	**1,087,518,270**	**(3,414,369,336)**
- financial liabilities at amortised cost	1,193,553,456	(3,458,476,022)
- financial liabilities held for trading	1,687,850	3,085,157
- financial liabilities designated at fair value	-	-
- other liabilities	(107,723,037)	41,021,529
Net cash flows from/used in operating activities	**20,385,151**	**1,037,841,359**
B. INVESTMENT ACTIVITIES		
1. Cash flows from	**122,125,453**	**113,731,668**
- sales of equity investments	-	-
- dividends received from equity investments	122,125,451	113,693,265
- sales of tangible assets	2	38,403
- sales of intangible assets	-	-
- sales of company branches	-	-
2. Liquidity absorbed by	**(18,522,096)**	**(15,552,663)**
- purchases of equity investments	-	(194,720)
- purchases of tangible assets	(13,097,319)	(11,685,071)
- purchases of intangible assets	(5,424,777)	(3,672,872)
- purchase of company branches	-	-
Net cash flows from/used in investing activities	**103,603,357**	**98,179,005**
C. FUNDING ACTIVITIES		
- issue/purchase of treasury shares	282,571	639,504
- issue/purchase of equity instruments	-	-
- distribution of dividends and other scopes	(452,102,057)	(321,941,504)
Net cash flows from/used in financing activities	**(451,819,486)**	**(321;302;000)**
NET CASH FLOWS GENERATED/ABSORBED IN THE YEAR	**(327,830,978)**	**814,718,364**

Cash flows statement

RECONCILIATION

(Amounts in € thousand)

Items	Amount	
	2024	2023
Cash and cash balances at the beginning of the year	2,249,060,276	1,438,464,910
Net liquidity generated/absorbed during the year	(327,830,978)	814,718,364
Cash and cash balances: effect of exchange rate variations	12,266,526	(4,122,998)
Cash and cash balances at the end of the year	1,933,495,823	2,249,060,276

Key
(+) generated
(-) used

The term "Cash and cash equivalents" refers to the definition contained in Bank of Italy rules (Circular no. 262 of December 22nd, 2005 and subsequent updates) and refers to cash and on-demand claims, in the technical form of current accounts and deposits, on banks and central banks accounted for in asset item 10. "Cash and cash balances" of the balance sheet, excluding any impairment provisions and accruals made on financial assets.

The reduction in cash and cash equivalents at the end of the financial year 2024 compared to the end of the previous year is attributable to FinecoBank's decision, in line with the change in the market scenario, to invest part of the available liquidity in bonds issued by supranational and euro area government counterparties.

Cash flows from/used by financial liabilities of the Bank, although in accordance with IAS 7 par. 44A is representative of flows deriving from the financing/funding activity, is classified, in line with the banking activity carried out and as required by Bank of Italy Circular 262/2005, as liquidity deriving from the operating activity.

Part A – Accounting policies

A.1 General

Section 1 - Statement of Compliance with IFRS

The Financial Reports and Accounts of FinecoBank Banca Fineco S.p.A. (hereinafter, FinecoBank or Fineco or the Bank) is prepared, in implementation of Legislative Decree no. 38 of February 28th, 2005, in accordance with the IAS/IFRS issued by the International Accounting Standards Board (IASB), including the SIC and IFRIC interpretation documents, as endorsed by the European Commission, pursuant to EU Regulation 1606/2002 of July 19th, 2002 and applicable to financial reports for the periods starting on or after January 1st, 2024.

It's an integral part of the Annual Financial Report as required by art. 154-ter, paragraph 1 of the Consolidated Finance Act (TUF, Italian Legislative Decree no. 58 of February 24, 1998).

In its circular 262 of December 22nd, 2005 as amended, Bank of Italy laid down the formats for the financial statements and the Notes to the accounts of banks and regulated financial companies that are parents of banking groups, which have been used to prepare these Financial Statements.

Section 2 - Preparation criteria

As mentioned above, these financial statements have been prepared in accordance with the IAS/IFRS endorsed by the European Commission. The following documents have been used to interpret and support the application of IFRS, even though not all of them have been endorsed by the European Commission:

- The Conceptual Framework for Financial Reporting;
- Implementation Guidance, Basis for Conclusions, IFRICs and any other documents prepared by the IASB or International Financial Reporting Interpretations Committee (IFRIC) supplementing the IFRS;
- Interpretation documents on the application of IFRS in Italy prepared by the *Organismo Italiano di Contabilità* (Italian Accounting Body);
- the documents issued by ESMA (European Securities and Markets Authority), by European Banking Authority, by European Central Bank, by Bank of Italy and by Consob that refer to the application of specific provisions in the IFRS;
- the documents prepared by the Italian Banking Association (ABI).

The financial statements comprise the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Shareholders' Equity, the Cash Flow Statement (compiled using the indirect method), and these Notes to the accounts, together with the Directors' Report on Operations (please refer to "Consolidated Report on Operations") and the Annexes. Any discrepancies between the figures shown in the financial statements and the Notes to the accounts is due to roundings.

The Balance Sheet and the Income Statement are compared with the corresponding statements for the previous year.

In the statement of comprehensive income the profit (loss) for the year recognised in the income statement is added to the income components recognised, in accordance with international accounting standards, as an offsetting entry to the valuation reserves, net of the related tax effect. The statement of comprehensive income is presented with separate evidence of the income components that will not be recognised in the income statement in the future and those that may otherwise be reclassified to profit (loss) for the year if certain conditions are met. The statement is compared with the corresponding statement for the previous year.

The statement of changes in shareholders' equity shows the composition of and changes in shareholders' equity during the year of the financial statements and the previous year.

The cash flow statement shows the cash flows occurred during the year of the financial statements compared to those of the previous year and has been prepared using the indirect method, whereby cash flows from operating activities are represented by the result for the year adjusted for the effects of non-monetary transactions.

The figures in the financial statements are provided in euros and in thousands of euros in the Notes to the Accounts, unless otherwise indicated and have been prepared with reference to the instructions on banks' financial statements set out in the Bank of Italy's Circular 262 of December 22nd, 2005 and subsequent updates. In accordance with the Bank of Italy Circular 262/2005, items in the Balance Sheet, Income Statement and Statement of Comprehensive Income for which there is no significant information to be disclosed for the reporting period and the previous year, are not provided. In addition, the tables in the Notes to the Accounts that do not have any significant information to be disclosed are not shown either for the reporting period or the previous year.

With reference to IAS 1, these financial statements have been prepared on a going concern basis, as there are no doubts or uncertainties, taking into account the Bank's economic and financial situation, as to the ability of FinecoBank to continue its business operations and to continue operating for the foreseeable future (at least for the next 12 months).

Part A – Accounting policies

The measurement criteria adopted are therefore consistent with this assumption and with the principles of accrual based accounting, the relevance and materiality of accounting information, and the prevalence of economic substance over legal form.

Lastly, pursuant to Art. 123-bis par. 3 of Consolidated Finance Act, as noted in the "Other Information" section of the Consolidated Report on Operations, the Report on Corporate Governance and Ownership Structures is available in the "Governance" section of the FinecoBank website.

As previously mentioned, FinecoBank prepares a single document called “Annual report and accounts” which includes the Consolidated Financial Report and Accounts of the FinecoBank Group and the Financial Report and Accounts of FinecoBank Banca Fineco S.p.A.. The integration of the contents of the two Financial Statements documents into a single one leads to the elimination of duplications of some of qualitative information presented in both documents and, in order to facilitate the reading, the adoption of a system of cross-references between the chapters dedicated to the consolidated financial statements and the company ones; pursuant to these references the contents of the each referenced paragraph is entirely reported in the paragraph containing the reference. For further details on this, please refer to the Annex “Summary of references to qualitative disclosures in the consolidated financial statements”.

Section 3 - Subsequent events

No significant events have occurred after the balance sheet date that would make it necessary to change any of the information given in the Accounts as at December 31st, 2024.

The Separate Financial Statements at December 31st, 2024 were approved by the Board of Directors of March 11h, 2025, which authorised their publication also pursuant to IAS10.

Section 4 - Other Matters

During 2024, the following accounting standards, amendments and interpretations, approved by the European Commission, become effective for reporting periods beginning on or after January 1, 2024:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current and Non-current - Deferral of Effective Date - Non-current Liabilities with Covenants (January 2020, July 2020 and October 2022, respectively) (EU Reg. 2023/2822);
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (EU Reg. 2024/1317);
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (EU Reg. 2023/2579).

Where applicable, these accounting standards, amendments and interpretations had no relevant impact on the financial statements as at December 31st, 2024. It is specified, in fact, that with regard to:

- IAS 1, in consideration of the content of the amendment and given the obligation of banks to apply the schemes provided for by Circular no. 262/05 of the Bank of Italy, the limited amendment proposals are not relevant;
- IAS 7 and IFRS 7, the amendments are not relevant, as the Bank has not entered into, as the purchaser, financing agreements for the supplies;
- IFRS 16, the amendments are not relevant, as the Bank has not carried out sale and leaseback transactions.

In addition, at December 31st, 2024, the following accounting standards had been endorsed and are applicable for annual periods beginning after 2024:

- Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (EU Reg. 2024/2862);

As at December 31st, 2024, the IASB had issued the following standards and accounting interpretations or revisions thereof, the application of which is, however, still subject to the completion of the endorsement process by the competent bodies of the European Union, which is still underway:

- IFRS 18 Presentation and Disclosure in Financial Statements (April 2024);
- Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments (May 2024);
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (May 2024);
- Annual Cycle of Improvements to IFRS Standards – Volume 11 (July 2024);
- Contracts relating to nature-dependent electricity: amendments to IFRS 9 and IFRS 7 (December 2024).

Part A – Accounting policies

The possible effects of the future adoption of these standards, interpretations and amendments, to the extent that they are applicable and relevant to the Bank, are reasonably estimated to be immaterial; the related analyses, also in relation to the fact that endorsement has not yet taken place, are still to be completed.

It should also be noted that on 24 October 2024, ESMA published Public Statement ESMA32-193237008-8369 “European common enforcement priorities for 2024 corporate reporting” the annual public statement in which it set out the common European enforcement priorities for the preparation of the 2024 annual financial reports of issuers admitted to trading on EEA regulated markets ('European Economic Agreement'). In particular, ESMA lists the following recommendations that issuers should consider, according to their relevance and materiality, when preparing their annual financial reports:

- Liquidity considerations. In this context, ESMA draws attention to the following aspects:
  - Supplier finance arrangements (‘SFAs’). Issuers must ensure that they identify all material SFAs to which disclosure requirements apply, in particular, the new disclosure requirements in IAS 7 Statement of Cash Flows in relation to SFAs and their effects on issuers' exposure to liquidity risk;
  - Covenants. Issuers must ensure that they provide the clarifications and new disclosures required by IAS 1 in respect of non-current liabilities with covenants and the disclosures required by IFRS 7 in respect of loans payable, in particular in the event of defaults, breaches or renegotiations of loan agreements;
  - Cash flow statements. Issuers must comply with the following requirements, in relation to which supervisory authorities have identified instances of non-compliance in the past: (i) cash flows in the cash flow statement must be presented on a gross basis, (ii) non-cash transactions may not be presented in the cash flow statement, and (iii) material non-cash transactions related to investment and financing transactions must be disclosed elsewhere in the financial statements. In addition, ESMA reminds issuers that bank loans are generally considered financing activities. Only bank overdrafts repayable on demand, which are an integral part of an entity's cash management, are included as a component of cash and cash equivalents.
- Significant accounting policies, judgements and estimates. In this context, ESMA draws attention to the following aspects:
  - General remarks. ESMA emphasises that disclosures about significant accounting policies, judgements and sources of estimation uncertainty should be (i) entity-specific and (ii) consistent with other disclosures in the financial statements. In addition, issuers shall clearly disclose (i) the judgements made that have had the most significant effect on the amounts recognised in the financial statements and (ii) the assumptions about the future and other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year. In addition, issuers shall evaluate and, if relevant, explain whether and how estimation uncertainty is affected by significant current developments (eg macroeconomic, technological, social, climatic and geopolitical);
  - Control, joint control and significant influence. In determining whether an issuer controls an entity (alone or jointly with other investors) or has significant influence over an investee, significant judgement may be required. Issuers should pay close attention to the requirements of paragraphs 7-9 of IFRS 12 ‘Disclosure of Interests in Other Entities’ and provide clear and detailed disclosures of significant judgements made in assessing control, joint control and significant influence;
  - Revenues from contracts with customers. ESMA notes that the analysis as to whether issuers' long-term contracts (e.g., leases) meet the definition of a contract with a customer may require significant judgement, therefore, issuers may need to disclose the judgements used in performing such analysis. In addition, ESMA points out that in the case of long-term contracts with customers (e.g. construction contracts), where the performance of the related obligations spans multiple accounting periods, there is often uncertainty regarding revenues and costs. Given the macroeconomic environment (interest rate changes, inflation), issuers must ensure that the forecasts used are reasonable and sustainable, particularly when it comes to measuring progress towards full performance of an obligation when revenue is to be recognised over time. For onerous (overall loss-making) contracts, the present obligation under the contract must be recognised and measured as a provision. In this context, ESMA outlines the disclosure requirements for provisions in IAS 37 ‘Provisions, Contingent Liabilities and Contingent Assets,’ including disclosure of uncertainties about the amount and timing of economic benefit outflows and (where necessary) key assumptions made about future events.

On the other hand, with regard to priorities for sustainability statements, ESMA lists the following recommendations for issuers to consider, according to their relevance and materiality, when preparing annual financial reports:

- Materiality considerations in reporting under ESRS. Issuers should pay attention to EFRAG's Implementation Guidance on Materiality Assessment (IG1) when applying the relevant requirements of the European Sustainability Reporting Standards (ESRS). Detailed disclosure of the assessment process itself, in accordance with ESRS 2 General Disclosures, is essential to enable users of sustainability information to fully understand the scope of the different steps the issuer has taken to reach its materiality conclusions, including by providing sufficient information on the activities, business relationships, geographic areas and stakeholders considered. ESMA emphasises the specific data within the Disclosure Requirement (‘DR’) IRO-1 related to the input parameters (para. 53 (g)), as well as the need to disaggregate in the disclosures the processes followed for impacts (para. 53 (b)), risks and opportunities (para. 53 (c)) (collectively referred to as ‘IRO’). A crucial aspect of the materiality assessment process concerns the sustainability due diligence process, including the involvement of identified stakeholders. According to Section 4 of ESRS 1 General Requirements, the impact materiality assessment process is informed by the outcome of any sustainability due diligence process implemented by the issuer. According to Section 4 of ESRS 1 General Requirements, the impact materiality assessment process is informed by the outcome of any sustainability due diligence process implemented by the issuer. Disclosures under DR IRO-1 should clearly reflect this linkage.

Part A – Accounting policies

Regarding the involvement of identified stakeholders, ESMA points out that several ESRS 2 DRs address the issue of whether and how a company involves stakeholders, including in relation to the materiality assessment process (DR IRO-1 paragraph 53 (b) (iii)). 53 (b) (iii)). In this regard, ESMA notes that IG1 FAQ 16 clarifies that the objective of such engagement is to obtain the views of key identified stakeholders. ESMA expects issuers to provide transparent disclosure in accordance with DR SBM-2 and DR IRO-1 on how they identify and prioritise the stakeholders involved. ESMA also notes that IG1 FAQ 10 states that, where possible, materiality assessment should be based on quantitative information as objective evidence of the materiality of an impact, risk or opportunity. ESMA stresses the importance for issuers to carefully consider the materiality regime associated with ESRS disclosures. ESMA notes that Section 3.2 of ESRS 1 defines the materiality regime associated with different types of DR, which is further explained in Appendix E of ESRS 1. More specifically, ESMA highlights the fact that, regardless of materiality, all DRs and related data in ESRS 2 are mandatory. This includes all DRs and related data in DR IRO-1 in the thematic principles, regardless of whether or not the related topics are deemed relevant as a result of the materiality assessment process. If the topic is material, disclosure is required under the DRs related to ESRS 2 in the thematic principles, other than DR IRO-1, listed in Appendix C of ESRS 2. As regards DRs related to policies, actions and objectives in the thematic principles, disclosures (or a statement explaining that the issuer does not have a policy, action or objective in those areas and, on an optional basis, the timetable for adopting a policy) are mandatory for each material sustainability issue listed in paragraph AR16 of ESRS 1. ESMA reminds issuers that the ESRS application requirements (ARs) are an integral part of the ESRS and have the same authority as the main standards. ESMA points out that, while entity-specific disclosures are required when a relevant IRO is not, or only inadequately, covered by an ESRS (paragraphs 11 and ARs 1 to 5 of ESRS 1), such disclosures should only be included if they are relevant and meet the qualitative characteristics of the disclosures listed in ESRS 1. ESMA also notes that while all thematic standards are subject to the same materiality regime, for climate change disclosures, as set out in ESRS E1 Climate Change, a strengthened transparency regime is in place. According to paragraph 57 of ESRS 2, if an issuer omits all ESRS E1 DRs as a result of its materiality assessment, it must provide a detailed explanation of this fact, including a forward-looking analysis of the conditions that could lead to climate change becoming material in the future. Finally, ESMA emphasises the requirement in DR IRO-2 paragraph 56 and AR 19 of ESRS 2 to list the DRs complied with in sustainability reporting, including page numbers and paragraphs. ESMA encourages issuers to present this disclosure in the form of a table of contents, which could promote completeness of the disclosure and allow users to more easily navigate the sustainability reporting. ESMA also emphasises the requirement to include a table of all data derived from other EU regulations, as listed in Appendix B of ESRS 2. In addition, paragraph 48(h) of ESRS 2 requires companies to specify whether the identified IROs are covered by the application of the ESRS DR or entity-specific disclosures.

- Scope and structure of sustainability reporting. ESMA emphasises that sustainability reporting must cover the reporting entity itself, as stated in section 5.1 of ESRS 1. In this regard, DR BP-1 of ESRS 2, which must be disclosed regardless of materiality, requires confirmation that the same scope of consolidation has been used for consolidated sustainability reporting as for the consolidated financial statements. In addition, the information provided in sustainability reporting is extended to include information on material IROs related to the company's value chain, as set out in paragraphs 63-67 of ESRS 1. In this regard, ESMA points out that DR BP-1 also requires information on the extension of the value chain. ESMA points out that the structure of sustainability reporting is prescribed by Section 8 of ESRS 1 (as further explained in Appendix D of that standard) with the possibility of incorporation by reference to specific conditions listed in Section 9.1 of ESRS 1. ESMA encourages issuers to apply the detailed framework provided in Appendix F for illustrative purposes and recommends that issuers, who have made extensive use of alternative presentation formats for their sustainability reporting, carefully consider the compliance of their approaches with the relevant ESRS requirements. ESMA also notes that paragraph 111(b) of ESRS 1 sets out general objectives for the presentation of information, indicating the importance of facilitating access to and understanding of the information reported. In this regard, ESMA recommends that issuers wishing to make use of the possibilities of internal cross-reference and incorporation by reference highlighted in paragraph 115 and paragraph 119 of ESRS 1, respectively, ensure full compliance with the general presentation objectives (also in view of paragraph 122 of ESRS 1). Finally, ESMA recalls that paragraph 118 of ESRS 1 requires companies to provide information that allows for an understanding of the connections with other parts of corporate reporting. In this regard, ESMA highlights the requirement in paragraph 124 of ESRS 1 regarding monetary amounts or other quantitative information included in sustainability reporting and also presented in the financial statements. For such direct linkage situations, paragraph 124 of ESRS 1 requires a reference to the corresponding information in the financial statements. 124 of ESRS 1.
- Disclosure related to Article 8 of the Taxonomy Regulation. The recommendations on disclosures related to Article 8 of the Taxonomy Regulation made by ESMA in its 2023 public statement on ECEPs remain valid in the context of the expansion of the set of environmental objectives and climate-related activities. These recommendations concerned: the use of templates, the avoidance of double counting, the scanning of activities in relation to all environmental objectives, qualitative information on the assessment of compliance with the technical screening criteria, and the disclosure of CapEx plans.

Regarding ESEF reporting priorities, however, the Public Statement highlights that, with respect to the review of 2024 annual financial reports containing consolidated financial statements subject to ESEF reporting requirements, ESMA and the relevant national authorities will focus on the following areas of common ESEF compilation errors found in the balance sheet and financial statements: correctness of mark-ups; elements of the extension and anchor taxonomy; consistency and completeness of mark-ups; correctness of marks, scale and accuracy; and consistency of calculations . Issuers must holistically consider whether these common areas of error impact the various items when preparing and marking up their balance sheet.

Part A – Accounting policies

Finally, ESMA recalls some general aspects that issuers need to assess, which are not a 2024 priority. Where relevant, ESMA encourages issuers, auditors and supervisors to take them into account when preparing, reviewing or overseeing annual financial reports, as some of these considerations relate to future reporting periods, disclosures in the annual report and/or past publications, in particular:

- Consistency between IFRS financial statements and non-financial information. ESMA continues to require consistency and connectivity between information on climate risks and opportunities included in financial statements, information included in sustainability reports or other parts of management reports.
- IFRS financial reporting considerations. ESMA recalls the observations and recommendations contained in its report on the application of the requirements of IFRS 17 in financial statements 2023 and in its statement ‘Clearing the smog: Accounting for Carbon Allowances in Financial Statements’, which provides recommendations on disclosures related to the accounting for carbon pricing programmes.
- Considerations on Alternative Performance Measures (APMs). As required for all APMs, ESMA reminds issuers that when APMs related to cash flows or net debt are included in the annual report, prospectus or ad hoc disclosures, issuers should provide reconciliations to the most directly reconcilable item, subtotal or total presented in the financial statements. ESMA also points out that with the entry into force of IFRS 18 ‘Presentation and Disclosure in Financial Statements’ (expected in 2027), certain APMs will also fall under the definition of management-defined performance measures. This means that certain APMs and the respective disclosures (such as reconciliations) will have to be included in the financial statements. ESMA encourages issuers to start assessing the effects of the implementation of IFRS 18 on the APMs disclosed in published documents, annual report, prospectuses and, where necessary, to consider adjusting their reporting processes and systems to allow for a smooth implementation of the standard.
- Sustainability reporting considerations. ESMA reminds issuers to work with the company that will issue the limited assurance to reach a shared understanding of what the assurance requirements entail in terms of processes for identifying reportable information and the results of those processes. In July 2024, ESMA issued a public statement on the first application of ESRS by large issuers to provide timely support to issuers in implementing the new requirements. While recognising that this first application represents an important milestone in the learning curve for issuers and other stakeholders, the public statement highlights five key areas that deserve close attention
  - establishing governance policies and internal controls that promote high quality sustainability reporting;
  - properly design and conduct dual materiality assessments and be transparent about them;
  - be transparent about the use of transitional arrangements
  - prepare clearly structured, digitisation-ready sustainability reporting; and
  - make the connection between financial and sustainability information.
- ESEF reporting considerations. The European Commission has recently published a draft interpretative communication addressing several aspects of the CSRD changes in EU legislation, including the requirements for digitisation of sustainability information. In particular, issuers are not obliged to mark-up their sustainability reports until a specific digital taxonomy is adopted through an amendment of the ESEF Delegated Regulation.

Finally, it should be noted that on 20 December 2024, Consob published a Call for Attention on the subject of climate disclosures to be made in financial statements in light of the elements that emerged from the analyses conducted on the subject and in view of the entry into force of the sustainability reporting obligations required by Legislative Decree No. 125/2024. In particular, Consob has identified three areas worthy of careful consideration by issuers

- facilitating investors in identifying information on climate aspects. Consob draws the attention of issuers to the advisability of reporting the same in a specific note to the financial statements, or of including specific references to the notes in which they are represented. In particular, the information should be structured so as to cover, if deemed material, inter alia, the risks, uncertainties and impacts on items in the financial statements or the reasons why no impacts have been identified;
- promoting consistency between financial and sustainability reporting. Consob draws the attention of issuers to reporting financial information in the financial statements that is consistent with the information provided to the market, particularly in sustainability reports. In particular, in light of the information that will have to be provided starting from the 2024 financial year in sustainability reports pursuant to Decree No. 125/2024, which implements the Corporate Sustainability Reporting Directive, and especially the new ESRS standards on the transition plan adopted, if any, the attention of issuers is drawn to providing relevant information in the financial statements that enables investors to appreciate the impact, if any, on the accounting estimates of the actions identified in such plans, representing the assessments that led to the recognition or non-recognition of impacts in the financial statements. In this regard, attention is drawn to the provisions contained in paragraph 31 of IAS 1 ‘Presentation of Financial Statements’;
- providing clear disclosure of the considerations made regarding the impacts of climate factors. Consob draws the attention of issuers to disclose in their financial statements relevant financial information on climate issues tailored to their characteristics, in order to make investors appreciate the analyses performed and the associated uncertainties. In particular, with reference to impairment testing, Consob reminds issuers to ensure that the description of the methodology used to determine recoverable amount, as well as the key valuation assumptions used, is clear and sufficiently precise to allow users of the financial statements to understand how recoverable amount has been determined by providing, where applicable, information when climate-related issues affect (i) the key business plan assumptions used to estimate the recoverable amount of the assets, (ii) the period considered beyond the business plan, and (iii) the other parameters used, such as the discount rate or growth rate. Finally, Consob emphasises the importance for issuers to disclose the impact of climatic factors, where material and reliably estimable, on the useful life of assets recognised in the financial statements, on assessments of expected credit

losses and on the measurement of insurance contracts, and to provide information useful for understanding the considerations made and the causes of uncertainty in the estimates.

To the extent applicable, the above recommendations have been adopted for the purpose of preparing these Financial Statements as of 31 December 2024. With reference to the impact of climate factors, it should be noted that, as reported in Part E - Information on risks and related hedging policies - 1.5 - Operational risks - Risks arising from environmental, social and governance (ESG) factors of the consolidated notes to the financial statements, to which reference should be made for further details, the Group's companies, thanks to the intrinsic characteristics of their business model, have little exposure to climate and environmental risks.

Risks, uncertainties and impacts of the Russia-Ukraine military conflict

As described in the section "The Russian-Ukrainian conflict" reported in the Consolidated Report on Operations (to which we refer for more details), in 2024 there was no impact on the Group's economic and financial situation, and also from a forward-looking perspective there was no impact in terms of strategic orientation, objectives and business model.

Risks and uncertainties related to the use of estimates

In accordance with IFRS, management must make judgments, estimates, and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, expenses, and revenues recognized in the financial statements, as well as on the disclosure of contingent assets and liabilities. The estimates and related assumptions, set out below, take into account all information available at the date of preparation of the half-yearly report and are based on past experience and other factors considered reasonable in the case and have been adopted to estimate the carrying value of assets and liabilities that are not readily apparent from other sources.

In the presentation of the financial statements at December 31st, 2024, estimates have been used to support the carrying amount of some of the valuation-based items, as required by the accounting standards and regulations described above. These estimates are largely based, as regards assets, on calculations of future recoverability of the values recognised in the accounts and as regards liabilities, on estimates of the probability of using resources to meet the Banks's obligations and on the amount of resources necessary to that end, according to the rules laid down in current legislation and standards. They have been made on the assumption of a going concern, on which basis these financial statements have been prepared, i.e. without contemplating the possibility of the forced sale of the estimated items. The processes adopted support the carrying amounts at December 31st, 2024. For some of the above items, the valuation is particularly complex; the complexity and subjectivity of estimates is also influenced by the intricacy of the underlying assumptions, the amount and variability of available information and the uncertainties connected with possible future outcomes of proceedings, disputes and litigation.

The parameters and information used to determine the above-mentioned values are therefore significantly affected by multiple factors, which could change rapidly in ways that are currently unforeseeable and, as a result, future effects on the estimated carrying amounts cannot be ruled out.

Estimates and underlying assumptions are regularly reviewed. Any changes resulting from these reviews are recognised in the period in which the review was carried out, provided the change only concerns that period. If the revision concerns both current and future periods it is recognised accordingly in both current and future periods.

Uncertainty affecting estimates is inherent, among other factors, in the determination of:

- fair value of financial instruments not listed in active markets;
- the valuation of exposures, represented by loans/debt securities and in general, any other financial assets. These include, but are not limited to, the risk of uncertainty in determining the parameters for a significant increase in credit risk, the inclusion of forward-looking factors, including macroeconomic factors, in determining PD and LGD, and the determination of future cash flows from impaired loans (for more details see the specific section "Impairment" set out in Part A - Accounting policies of the notes to the accounts);
- the value in use of intangible assets with an indefinite life, represented by goodwill, trademarks and domains;
- employee severance pay provision and other employee and personal financial advisor benefits;
- provisions for risks and charges, the quantification of which is estimated with reference to the amount of expenditure required to meet the obligations, taking into account the actual probability of having to use resources;
- deferred tax assets;
- tax liabilities;

the quantification of the above items can vary even significantly over time, depending on changes in national and international social and economic conditions and their impact on the Banks's earnings, customer solvency and the credit quality of borrowers; the performance of the financial markets, which influence interest rate fluctuation, prices and actuarial assumptions used to make estimates; legislative and regulatory changes affecting the market; and developments in existing or potential disputes.

Part A – Accounting policies

For the purpose of calculating expected losses, FinecoBank uses specific models that adopt Probability of Default (“PD”) and Loss Given Default (“LGD”) indicators, conservatively estimated and to which specific adjustments are made in order to ensure full consistency with the accounting regulations. Expected loss for institutional counterparties is calculated using the risk parameters provided by the external provider Moody's Analytics; for retail counterparties, not having internal rating systems available, the PD and LGD curves are estimated by product type through models developed internally by the CRO Department (personal loans and mortgages) or proxies (other exposures). To implement the provisions of the IFRS 9 accounting standard, the parameters are adjusted by forward-looking analyses through specific scenarios developed by the external provider Moody's Analytics. Specifically, the forward-looking component is determined by three macroeconomic scenarios, a baseline scenario, a positive scenario and an adverse scenario. The base scenario is weighted at 40% as it is considered the most likely to be realised; the positive and adverse scenarios, on the other hand, are weighted at 30%, and represent alternative best and worst-case realisations, respectively. Forward-looking factors used as at December 31st, 2024 incorporate prospective information that considers different possible developments in the geopolitical and economic crisis triggered by the conflict between Russia and Ukraine and the conflict in the Middle East between the State of Israel and Hamas.

A key aspect required by IFRS 9 is the need to recognise at each reporting date whether there has been a significant increase in credit risk (SICR) on each individual credit exposure, transposed through a three-stage Staging Allocation model. This model envisages a first stage (stage 1) which includes new exposures and exposures that at the reporting date do not show a significant deterioration in credit risk with respect to the initial recognition, a second stage (stage 2) which includes exposures on which a significant deterioration in credit risk has been detected with respect to initial recognition, and a third stage (stage 3), which includes impaired exposures (Non-performing exposures - NPE). With reference to the institutional counterparties with whom credit activity is carried out, FinecoBank uses a method that compares the rating at the reference date and the rating recorded at the date the exposure was first recognized in the financial statements. The method, which makes use of the external rating assigned by the agency Moody's, is also applied to the securities purchased by the Bank for investment purposes. Regarding retail counterparties and other unrated institutional counterparties, the Group monitors a set of early warning indicators (e.g. interruption of wage crediting, classification of the position as Forborne, etc.) and thresholds (e.g. worsening of the instalment/income ratio, overdraft of the position for a certain number of days, etc.) highlighting a potential deterioration in the creditworthiness of the counterparty, according to the different types of credit facilities.
Despite the delicate geopolitical and economic context, there was no significant deterioration in the credit portfolio during 2024, neither with regard to financial investments nor with regard to the Bank’s loans to ordinary customers. With regard to institutional counterparties issuing financial instruments that the Bank has acquired as an investment, although there was a deterioration in credit parameters mainly due to the application of forward-looking factors, which incorporate the effects of the deteriorated macroeconomic environment, no changes in creditworthiness were detected that would trigger a stage 2 transition. Loans to ordinary customers, on the other hand, did not show any significant increase in flows to stage 2 or stage 3[93].. The latter are in fact disbursed in application of a careful and prudent lending policy and are mainly backed by financial and real estate collateral. In the case of real estate loans, the average loan to value is, in fact, about 45% and the credit facilities granted provide for the acquisition of guarantees with conservative margins.
For more details on the models and parameters used in the measurement of IFRS 9 adjustments, see Part E - Information on risks and related hedging policies - Section 2 - Credit risk management policies of these notes to the accounts.

With reference to the projections of future cash flows, assumptions and parameters used for the purpose of assessing the recoverability of the goodwill, brands and Fineco domains recorded in the financial statements, it should be noted that the parameters and information used are significantly influenced by the macroeconomic market environment, which could experience unforeseeable changes considering the uncertainties highlighted above. In this regard, it should be noted that as at December 17th, 2024, the Board of Directors approved the procedure adopted to determine the value in use of goodwill, brands and domains (model, assumptions and parameters used). The results, approved by the Board of Directors on February 5tth, 2025, confirm the sustainability of the goodwill recorded in the financial statements, in none of the hypothesised scenarios would an impairment loss arise, confirming a value in use significantly higher than the book value. The sensitivity analyses carried out also highlight that the impairment test would reach a break-even level assuming changes currently not reasonably conceivable in the main parameters used in the valuation model. For further details on the impairment test and related sensitivity analyses, see Part B - Information on the balance sheet - Section 9 - Intangible assets of these notes to the accounts. On the same date, the Board of Directors approved the method for determining the value in use of the investment in Vorvel SIM S.p.A. - model, assumptions and parameters used-, the results of which show a recoverable value higher than the value recorded in the financial statements.

With reference to severance indemnity and other benefits due to employees and financial advisors, including, in particular, the supplementary customer indemnity, although the valuations were made on the basis of information deemed reasonable and supportable as of 31 December 2024, they may be subject to changes that are currently unforeseeable due to changes in the parameters underlying the respective valuations. For further details, please refer to Part B - Information on the Balance Sheet of these notes to the accounts, in which the main parameters used for the actuarial valuation and a sensitivity analysis are reported with reference to the provision for termination indemnity and the provision for supplementary customer indemnity.

The quantification of provisions for risks and charges, and in particular those related to claims and disputes, is estimated both with reference to the amount of the outlays required to fulfil the obligations, taking into account the actual probability of having to use resources, and with reference to the timing of the outlay. The valuation may be particularly complex, therefore, it cannot be excluded that the estimates of the provisions for risks and charges allocated may change in the future, at the moment unforeseeable, as a result of the updating of available information. For further details, please refer to Part E - Information on risks and related hedging policies - Section 5 – Operating risks of these notes to the accounts.

[93] The slight increase in stage 2 exposures is due to the adoption during the year of new criteria to determine the staging allocation of retail counterparties.

Part A – Accounting policies

There is also no uncertainty about the recoverability of deferred tax assets. There are no unrecognised deferred tax assets or liabilities related to temporary differences. In addition, there are no tax losses. The amount of deferred tax assets recognised in the financial statements must be tested for the likelihood of future taxable income that would allow for their recovery. The test performed at the closing of the financial statements as at 31 December 2024 resulted in a positive outcome. For more details on the test performed, please refer to the paragraph 'Test for the recoverability of deferred tax assets' included in Section '11 - Tax assets and tax liabilities - Item 110 of assets and Item 60 of liabilities' of these notes to the accounts.

Lastly, it should be noted that current tax liabilities include the balance, net of payments on account, of the positions of FinecoBank in relation to Italian financial administrations attributable to direct taxation, calculated on the basis of a prudent forecast of the tax burden due for the year and, if applicable, for previous years, determined on the basis of current tax regulations.

Going concern declaration

Persistent geopolitical tensions lead to significant uncertainty in macroeconomic forecasts, in terms of GDP, inflation rates and interest rates; despite this, it is considered that there are no doubt regarding the Bank's ability to continue as a going concern in the foreseeable future, nor are there any uncertainties that would give rise to significant adjustments to book values within the next year. However, it cannot be ruled out that, by their nature, the assumptions reasonably made may not be confirmed in the actual future scenarios in which the Bank will operate. In making this assessment, moreover, key regulatory indicators, in terms of point data as of December 31st, 2024, relative buffers against minimum regulatory requirements and their evolution in the foreseeable future were considered.

The Directors have considered these circumstances and consider that it is reasonably certain that the Bank will continue to operate successfully in the foreseeable future and, therefore, in accordance with IAS 1, the financial statements for the year ended December 31st, 2024 have been prepared on a going concern basis.

Single electronic reporting format for the preparation of annual financial reports

It should be noted that according to Directive 2004/109/EC (the "Transparency Directive") and Delegated Regulation (EU) 2019/815, it is mandatory for issuers of securities listed on regulated markets in the European Union to prepare their annual financial reports in XHTML format and to mark IFRS consolidated financial statements using the XBRL marking language (also known as tagging language), based on the ESEF (European Single Electronic Format), approved by ESMA. The Group's Annual Financial Report, which has been prepared in XHTML format, includes both the consolidated and parent company financial statements, but only the consolidated financial statements and the consolidated notes to the accounts have been tagged on the basis of the minimum information required by the Regulation. The same can be found on FinecoBank's website (https://about.finecobank.com). For further information, please refer to the paragraph "Single electronic reporting format for the preparation of annual financial reports" in Part A - Accounting policies of the notes to the consolidated accounts.

Other information

The Financial statements as at December 31st, 2024 have been reviewed, pursuant to Italian Legislative Decree no. 39 of January 27th, 2010 and Regulation (UE) 2014/537, by KPMG S.p.A. appointed as auditor of the Bank's accounts in implementation of the Shareholders' Meeting resolution of April 28th, 2021.

The entire document is lodged with the competent offices and entities as required by law.

Part A – Accounting policies

A.2 The main items of the accounts

1 - Financial assets at fair value through profit and loss

a) Financial assets held for trading (HFT)

Please refer to the paragraph "a) Financial assets held for trading (HTF)" in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part A - Accounting Policies, A.2 – The main items of the accounts, 1 - Financial assets at fair value with through profit and loss, which is deemed to be reported here in full.

b) Financial assets designated at fair value

Please refer to the paragraph "b) Financial assets designated at fair value)" in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part A - Accounting Policies, A.2 – The main items of the accounts, 1 - Financial assets at fair value with through profit and loss, which is deemed to be reported here in full.

c) Other financial assets mandatorily at fair value

Please refer to the paragraph "c) Other financial assets mandatorily at fair value" in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part A - Accounting Policies, A.2 – The main items of the accounts, 1 - Financial assets at fair value with through profit and loss, which is deemed to be reported here in full.

2 - Financial assets at fair value through comprehensive income

Please refer to the paragraph "2 - Financial assets at fair value through comprehensive income" in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part A - Accounting Policies, A.2 – The main items of the accounts, which is deemed to be reported here in full.

3 - Financial assets at amortised cost

Please refer to the paragraph "3 - Financial assets at amortised cost" in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part A - Accounting Policies, A.2 – The main items of the accounts, which is deemed to be reported here in full.

4 - Hedge Accounting

Please refer to the paragraph "4 - Hedge Accounting" in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part A - Accounting Policies, A.2 – The main items of the accounts, which is deemed to be reported here in full.

5 - Equity Investments

Equity investments are equity instruments and consequently defined as financial instruments under IAS32. Investments in equity instruments made with the intention of establishing or maintaining a long-term operational relationship with the investee are strategic investments.

In particular, they are divided into subsidiaries, joint ventures and associates.

Subsidiaries

Entities, including structured entities, over which the Bank has direct or indirect control, are considered subsidiaries. Control over an entity entails the Bank's ability to exercise power to influence the variable returns to which the Group is exposed through its relationship with them.

In order to verify the existence of control, the Bank considers the following factors:

- the purpose and establishment of the investee in order to identify which are the entity's objectives, the activities that determine its returns and how these activities are governed;

Part A – Accounting policies

- the power in order to understand whether the Bank has contractual rights that attribute the ability to govern the relevant activities; to this end only substantial rights that provide practical ability to govern are considered;
- the exposure to variability in returns and the ability to use the power held to influence the returns to which it is exposed;
- the existence of potential principal/agent relationships, as defined in IFRS 10.

If the relevant activities are governed through voting rights, the existence of control is verified considering the voting rights held, including the potential ones, and the existence of any shareholders' or other agreements which attribute the right to control the majority of the voting rights, to appoint the majority of the governing body or in any case the power to determine the entity's financial and operating policies.

Subsidiaries may also include any "structured entity" in which the voting rights are not significant for establishing control, including special purpose entities and investment funds.

In the case of structured entities, the existence of control is ascertained considering both the contractual rights that enable governance of the relevant activities of the entity (or those that contribute most to the results) and the Bank's exposure to the variability of returns deriving from these activities.

Investments in subsidiaries are stated at cost, including initial direct costs associated with the acquisition, and valued at cost, adjusted if necessary for impairment losses. To this end, if there is evidence that the value of an investment may have decreased, the carrying amount is compared to the recoverable amount of the investment. This recoverable amount is determined by reference to the value in use of the equity investment. The value in use is determined by means of valuation models generally used in financial practice and based on the discounting of the expected future cash flows from the investment (Discounted Cash Flow methodology).

If it is not possible to collect sufficient information, the value in use is considered to be the value of the company's shareholders' equity. If the recoverable amount is lower than the carrying amount, the difference is recognised in the income statement under item 220 "Profit (Loss) on equity investments". If the reasons for the impairment loss are removed as a result of an event occurring after the impairment was recognised, the related reversal is recognised in the same item of the income statement.

Associates

An associate is an enterprise in which the investor exercises significant influence and which is neither a wholly-owned nor a jointly-controlled subsidiary.

Significant influence is presumed when the investor holds, directly or indirectly, at least 20% of the capital of another company, or - albeit with a lower share of voting rights - has the power to participate in the determination of the financial and management policies of the investee by virtue of particular legal ties such as participation in shareholders' agreements.

Only entities whose governance is exercised through voting rights can be classified as companies with significant influence.

IAS 27 - Separate Financial Statements, paragraph 10, requires investments in associates to be accounted for either at cost or in accordance with IFRS 9 or using the equity method.

The Bank has adopted the equity method, which consists of the initial recognition of the investment at acquisition cost, including initial direct costs associated with the acquisition, and its subsequent value adjustment based on the share of the investee's equity.

At the time of acquisition, the difference between the cost of the investment and the investor's share of the net fair value of the investee's identifiable assets and liabilities must be identified; if the difference is positive, it is recognised as goodwill and included in the carrying amount of the investment; if it is negative, it is recognised as income in determining the investor's share of the associate's profit or loss for the period in which the investment is acquired.

Subsequently, the carrying amount is increased or decreased by the investor's share of the investee's profit or loss realised after the date of acquisition and recognised in profit or loss in item 220. "Profit (Loss) on equity investments".

This share must be adjusted to take account of:

- the profits and losses resulting from the transactions of the associated company, in proportion to the percentage of the shareholding in that company;
- amortisation of depreciable assets based on their fair value at the date of acquisition and impairment losses on goodwill and any other non-cash items.

Dividends received are not recognised in the income statement but are treated as a mere equity transaction that reduces the carrying amount of the investment against the cash received.

Changes in valuation reserves of associates are shown separately in the statement of comprehensive income.

If the associate prepares its financial statements in foreign currency, the translation differences at the balance sheet date are recognised in a separate currency translation reserve to be reported in the statement of comprehensive income.

Part A – Accounting policies

If there is evidence that the value of an investment may have decreased, the recoverable amount of the investment is estimated, taking into account the present value of future cash flows that the investment may generate, including the final disposal value of the investment. If the recoverable amount is lower than the carrying amount, the difference is recognised in the income statement under item 220. "Profit (Loss) on equity investments". If the reasons for the impairment loss are removed as a result of an event occurring after the impairment was recognised, the related reversals are recognised in the same income statement item.

6 – Property, Plant and Equipment (Tangible Assets)

Please refer to the paragraph "6 – Property, Plant and Equipment (Tangible Assets)" in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part A - Accounting Policies, A.2 – The main items of the accounts, which is deemed to be reported here in full.

7 - Intangible assets

Please refer to the paragraph "7 - Intangible assets" in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part A - Accounting Policies, A.2 – The main items of the accounts, which is deemed to be reported here in full.

8 - Non-current assets classified as held for sale

Please refer to the paragraph "8 - Non-current assets classified as held for sale" in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part A - Accounting Policies, A.2 – The main items of the accounts, which is deemed to be reported here in full.

9 - Current and Deferred Tax

Please refer to the paragraph "9 - Current and Deferred Tax" in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part A - Accounting Policies, A.2 – The main items of the accounts, which is deemed to be reported here in full.

10 - Provisions for risks and charges

Provisions for risks and charges for commitments and guarantees given

Please refer to the paragraph "Provisions for risks and charges for commitments and guarantees given" in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part A - Accounting Policies, A.2 – The main items of the accounts, 10 - Provisions for risks and charges, which is deemed to be reported here in full.

Provisions for retirement payments and similar obligations

Please refer to the paragraph "Provisions for retirement payments and similar obligations" in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part A - Accounting Policies, A.2 – The main items of the accounts, 10 - Provisions for risks and charges, which is deemed to be reported here in full.

Other provisions

Please refer to the paragraph "Other provisions" in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part A - Accounting Policies, A.2 – The main items of the accounts, 10 - Provisions for risks and charges, which is deemed to be reported here in full.

11 - Financial liabilities at amortised cost

Please refer to the paragraph "11 - Financial liabilities at amortised cost" in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part A - Accounting Policies, A.2 – The main items of the accounts, which is deemed to be reported here in full.

Part A – Accounting policies

12 - Financial liabilities held for trading

Please refer to the paragraph “12 - Financial liabilities held for trading” in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part A - Accounting Policies, A.2 – The main items of the accounts, which is deemed to be reported here in full.

13 - Financial liabilities designated at fair value

Please refer to the paragraph “13 - Financial liabilities designated at fair value” in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part A - Accounting Policies, A.2 – The main items of the accounts, which is deemed to be reported here in full.

14 - Foreign currency transactions

Please refer to the paragraph “14 - Foreign currency transactions” in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part A - Accounting Policies, A.2 – The main items of the accounts, which is deemed to be reported here in full.

15 - Other information

Please refer to the paragraph “16 – Other information” in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part A - Accounting Policies, A.2 – The main items of the accounts, which is deemed to be reported here in full.

Part A – Accounting policies

A.3 Disclosure on transfers between portfolios of financial assets

Please refer to the paragraph "A.3 Disclosure on transfers between portfolios of financial assets" in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part A – Accounting Policies, which is deemed to be reported here in full.

A.3.1 Reclassified financial assets: change of business model, book value and interest income

No data to report.

A.3.2 Reclassified financial assets: change of business model, fair value and impact on comprehensive income

No data to report.

A.3.3 Reclassified financial assets: change of business model and effective interest rate

No data to report.

Part A – Accounting policies

A.4 Information on fair value

Qualitative information

This section presents a disclosure on fair value hierarchy as required by IFRS 13.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal market at the measurement date (i.e. an exit price).

The fair value of a payable financial liability (e.g. a demand deposit) shall not be less than the amount payable on demand, discounted from the first date at which it may be required to be paid.

As far as financial instruments listed in active markets are concerned, the fair value is determined on the basis of official prices quoted in the principal market (or the most advantageous) to which the Bank has access to (Mark to Market).

A financial instrument shall be considered as quoted in an active market if quoted prices are readily and regularly available from a pricing service, dealer, broker, pricing or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If official listing in an active market is not available for a financial instrument as a whale, but active markets exist for its component parts, fair value is determined on the basis of the relevant market prices for the component parts.

The Bank uses valuation models (Mark to Model) aligned with the methods generally accepted and used by the market. Valuation models which include techniques based on the discounting of future cash flows and volatility estimates are subject to revision both during their development and periodically in order to ensure their consistency with the objectives of the valuation.

As a further guarantee of the objectivity of valuations resulting from valuation models, the Bank performs:

- independent price verifications (IPVs);
- Fair Value Adjustment or FVAs.

Independent price verification requires prices to be monthly verified by the CRO Department, which, as the risk management function is independent from risk-taking units. The verification thereof requires comparison and adjustments to the daily price according to valuations carried out by independent market participants. As far as instruments not listed in active markets are concerned, the above verification process takes as reference the prices provided by infoproviders, assigning greater relevance to those most representative of the instrument being valued. Such valuation includes: the “executability” of the transaction at the price observed, the number of contributors, the degree of similarity of the financial instruments, the consistency of prices coming from different sources, and the process followed by the info provider to get the information.

The internal legal framework consists of a Global Policy and an Operations Manual. The Global Policy sets the principles and the rules governing the fair value measuring framework and the independent price verification process, whereas the Operations Manual describes the process in detail and identify Fair Value measuring techniques as well as independent price verification methodologies applicable for each financial instrument held by the Bank.

A.4.1 Fair value levels 2 and 3: valuation techniques and input used

In order to determine a fair value or Level 2 and Level 3 financial instruments not listed and actively traded on the market, the Bank uses the following valuation techniques widely-used in the market.

Description of evaluation techniques

Among the evaluation methods used by the Bank, the following are worth mentioning:

- Discounted cash flow: evaluation techniques based on discounted cash flow consist of estimating expected future cash flow collectable during the life of the financial instrument. The model requires an estimate of cash flows and the adoption of market parameters for the discounting: the discount rate or margin reflects the credit and / or financing spread required by the market for instruments with similar risk and liquidity profiles, in order to define a "discounted value". The fair value of the contract is the sum of the discounted future cash flows;
- Option price model: Option price models are generally used for instrument awarding a mandatory right or duty based on the occurrence of a future event, such as the attainment of a predetermined strike price. Option models estimate the probability of occurrence of a specific event, incorporating assumptions like the volatility of the underlying returns and the price of the underlying instrument;
- Market approach: evaluation techniques exploiting prices resulting from actual market transactions involving identical or comparable asset and liabilities or groups of identical or comparable asset and liabilities;
- Adjusted Net Asset Value (NAV): the NAV is the value of a fund’s assets minus the value of its liabilities. An increase in such amount result in a Fair Value increase as well.

Part A – Accounting policies

Fair Value Adjustments (FVAs)

For financial instruments not listed in active markets, as the Fair Value is determined through evaluation models, there may be necessary value adjustments in order to consider estimation uncertainties or difficulties in disinvestment. Such Adjustments represents amendments to the theoretical fair value, determined through an evaluation technique, for factors not included in the basic discounted value considered by market participant for the estimation of an exit price.

Adjustments may be calculated as additional components of valuation or be directly included in the evaluation itself. Shall the Bank acquire any instrument whose evaluation does requires adjustments, the latter will be estimated by the CRO Department keeping into consideration the following risk sources: Close out cost, market liquidity, model risk, CVA/DVA.

Assets and liabilities measured at *fair value* on recurring basis

The main information on the valuation models used for the valuation of assets and liabilities measured at fair value on a recurring basis is summarized below by type of financial instrument.

With reference to the quantitative disclosure required by IFRS 13 on significant unobservable inputs used in the fair value measurement and the sensitivity analysis of level 3 financial assets and liabilities measured at fair value, it should be noted that FinecoBank does not hold significant positions in financial instruments classified in level 3 of the fair value hierarchy. The only exception are Visa INC class “C” and class “A” preferred shares, for which reference is made to the following paragraph “Equities”.

Fixed Income Securities

Fixed Income Securities are priced through two main process depending on the reference market liquidity. Liquid instruments listed in active markets are assigned the fair value hierarchy of 1 and the Bid price (for long positions) and the Ask price (for short positions) are considered. This approach was preferred to the closing price measurement because it also includes liquidity risk in the assessment. Even the odds of bonds listed on active markets, whose amount is not significant, are assigned a fair value hierarchy of 1.

Any instruments not traded in active markets are valued through models using implied credit spread curves derived from Level 1 instruments. The model maximises the use of observable input and minimises the use of unobservable inputs. With this respect, depending on the adequacy of the credit spread curve applied, bonds are marked as Level 2 or Level 3 respectively; Level 3 is applied in case a significant unobservable credit spread is used. As of December 31, 2024, there are no bond instruments not traded in active markets valued at mark-to-model, as the only bond instruments present are of an insignificant amount and mainly relate to issuers in default.

The accuracy of valuations coming from both market prices of Level 1 bonds and pricing models for illiquid bonds is regularly verified through the bond Independent Price Verification (IPV) process.

OTC derivatives

The fair value of derivative contracts not traded in an active market derives from the application of mark-to-model valuation techniques. When there is an active market for input parameters constituting the different components of the derivative, the fair value is determined through a valuation model on the basis of the market prices of these components. Valuation techniques based on observable inputs are classified as Level 2, while those based on significant unobservable inputs are classified as Level 3.

The determination of the fair value of financial instruments and the related independent price verification process are governed at Bank level by a specific Global Policy and Global Operational Regulation. With particular reference to OTC derivatives, a distinction must be made between derivatives that the Bank trades directly with customers, mainly CFDs (Contract for Difference) and options (daily options and knockout options), and those that the Bank trades as hedges with other financial institutions.

To calculate the price of CFDs (Contract for Difference) Fineco uses a closing price consistent with the price offered to the customer, determined according to contractual rules and data from Info Providers, and subjected to initial validation within the New Products Process. The use of the closing price is justified by the nature of the exposures held by the Bank in this type of instrument, which envisages a trading on own account with customer’s orders.

Also for the fair value measurement of options, a closing price consistent with the price offered to the customer is considered, determined according to contractual rules and data from Info Providers, and subjected to initial validation within the New Products Process. Also in this case, the use of the closing price is justified by the nature of the exposures held by the Bank in this type of instrument, which envisages a trading on own account with customer’s orders.

The valuation of options by the relevant risk control functions for IPV purposes is carried out using market best practices (e.g. Hull for exotic options). The option pricing model is based on the Black & Scholes formula, which considers the following inputs:

- current price of the underlying "St"
- strike "K";
- barrier "L" (in the case of exotic options such as Barrier Options);
- interest rate "r";
- volatility "σt".

Part A – Accounting policies

Finally, for derivative instruments such as asset swaps and interest rate swaps, which the Bank trades as hedges with other financial institutions, the fair value is determined through the use of a Position Keeping system, which applies the Discounting Cash Flow method. The net present value of the derivative, which is recognised on a daily basis, is used to meet clearing obligations in accordance with EMIR regulations and as agreed between the counterparties. The fair value is monitored as part of the independent price verification (IPV) process by the CRO Department. The CRO Department performs a quarterly comparison between the curves provided by the Treasury Department and those considered as the reference set for the valuation of balance sheet positions.

Equity Instruments and Derivative contracts listed

Equity Instruments and derivative contracts listed, including certificates issued by Fineco, shall be marked as to Level 1 when a quoted price is available on an active market. In this case, the closing price of the most liquid regulated market to which Fineco has access is considered. Again, the use of the closing price for these instruments is justified by the nature of the exposures held by the Bank in the Trading Book, which are functional to the brokerage activity with customers, and involves a trading on own account with customer's orders.

Equity securities and derivative contracts, if listed, are classified as Level 2 if the volume of activity on the listing market is significantly reduced and as Level 3 when no quotations are available or quotations have been suspended indefinitely.

In order to provide a fair value for Visa INC preferred shares class "C", the Group has adopted a model which converts the market price in dollars of Visa INC class "A" shares into euro and applies a discount factor. For the class "C" preferred shares valuation as at December 31st, 2024 such factor was determined equal to 14.61%, estimated considering litigation risk at 8.61% and illiquidity risk at 6%. The litigation risk component has been extracted from an historical series of data provided by Visa INC, whereas the illiquidity risk component has been derived from the illiquidity of shares having limitations on their transferability for a certain period. The preferred share class "A" instead are subject to a valuation method in the balance sheet that does not provide for the application of a "Litigation Discount". Furthermore, since the latter are convertible into VISA-A Common shares and subsequently sellable, the "Illiquidity Risk" component is lower than that of the Visa class "C", therefore, the discount factor was estimated at 3.96%.

The Visa INC preferred shares class "C" and class "A" have been marked as level 3 of fair value hierarchy.

Investment Funds

The Bank may hold investments in investment funds publishing a Net Asset Value (NAV) per share and may include investments in funds managed by the Bank itself. Funds are generally classified as Level 1 when an official price is available on active markets. Funds shall be classified as Level 2 and Level 3 depending on the NAV availability, the transparency of the portfolio and any possible constraints/limitations.

Assets and liabilities not measured fair value or measured at fair value on a non-recurring basis

The main information on the valuation models used to measure assets and liabilities measured at fair value on a non-recurring basis is summarized below.

Financial instruments not measured at fair value on a recurrent basis, including loans and receivables at amortised cost, are not managed on a fair value basis. For these financial instruments the fair value is calculated for disclosure purposes only, and it has no impact on the balance sheet or through profits and losses. In addition, fair value estimations on assets and liabilities not generally traded is based on internal parameters not directly observable on active markets, as defined by IFRS 13.

With reference to the quantitative disclosure required by IFRS 13 on significant unobservable inputs used in the measurement of financial assets and liabilities measured at fair value on a non-recurring basis of level 3, and in particular with reference to loans, it should be noted that Fineco uses its own expectations regarding likely variations in the amount and timing of cash flows (e.g. early repayments), and the PD and LGD risk parameters estimated at product level to determine the uncertainty inherent in cash flows. These parameters, appropriately corrected through forward-looking information, are also used to determine the expected credit losses in accordance with the IFRS 9 accounting standard.

Financial assets at amortised cost

The fair value of financial assets measured at amortized cost that is not determined on the basis of listed prices observed on active markets (Fair Value Hierarchy 1), can be determined through independent third-party valuations that consider recent transactions, market prices, yield curves, and other metrics to provide an accurate estimate of the market value of a security (e.g. Bloomberg Valuation - BVAL). These valuations are appropriately validated by the Risk Control function as part of the Independent Price Verification process. Depending on the asset valued and the presence of inputs available for the valuation, it may be necessary to use a risk-adjusted present value model (mark to model). For some portfolios, other simplified approaches are applied, which however take into account the financial characteristics of the financial instruments contained therein. It should be noted that for all debt instruments measured at amortized cost present in the balance sheet at 31 December 2024, the fair value was determined on the basis of quoted prices observed on active markets, or provided by independent third parties. The mark-to-model was used to determine the fair value of the receivables, with the exception of the cases reported below.

The fair value of on-demand or callable items, and of financial assets with a maturity of less than 12 months and operating receivables related to the provision of financial activities and services, is approximated equal to the balance sheet value; these assets are assigned the level 3 fair value hierarch.

The fair value of impaired loans was determined by considering that the realisable value expressed by the net book value represents the best estimate of the foreseeable future cash flows discounted at the valuation date; these assets are assigned the level 3 fair value hierarchy.

Part A – Accounting policies

Financial liabilities at amortised cost

The fair value of financial liabilities measured at amortized cost is determined using a present value model adjusted for the associated issuer risk, with the exception of the cases reported below.

The fair value of debt securities issued and listed on active markets is determined by considering the Ask price; these instruments are assigned a fair value hierarchy of 1.

The fair value of financial liabilities on demand, financial liabilities with an original duration of less than 12 months and operating debts associated with the provision of financial activities and services is approximated equal to the book value; these liabilities are assigned a fair value hierarchy of level 3.

Cash and cash balances

The fair value of on-demand loans and receivables from banks and central banks recognised in the item “Cash and cash balances” is approximated equal to the carrying amount; these assets are assigned the fair value hierarchy level 3.

Description of the inputs used in measuring the fair value of Level 2 and Level 3 instruments

The following is a description of the main significant inputs used in measuring the fair value of assets and liabilities measured at fair value on a recurring and non-recurring basis belonging to Levels 2 and 3 of the fair value hierarchy.

Level 2 inputs are prices other than quoted Level 1 prices that are observable either directly or indirectly for the assets or liabilities. In particular, they may be

- quoted prices in active markets for similar assets or liabilities;
- quoted prices in markets that are not active for similar or identical assets or liabilities;
- inputs other than quoted prices that are observable for assets or liabilities (e.g. interest rates and yield curves observable at commonly quoted intervals; implied volatilities; credit spreads);
- inputs corroborated by market data that cannot be directly observed but are based on or supported by market data.

Level 2 factors must be observable (either directly or indirectly, e.g. through confirmations with market data) throughout the contractual life of the asset or liability being valued. Market factors that may not be directly observable but are based on or supported by observable market data are included in Level 2 because such factors are less subjective than unobservable factors classified as Level 3. Examples of Level 2 instruments are bonds whose value is derived from a similar publicly traded bond, over-the-counter interest rate swaps valued from a model whose inputs are observable, corporate bonds, asset-backed securities, high-yield debt securities as well as certain structured products where the valuation inputs are based primarily on readily available pricing information.

Level 3 valuation inputs are not observable and are relevant in the absence of Level 1 and Level 2 inputs. Given the need to estimate an exit price at the valuation date also for instruments classified in hierarchy 3, these inputs are exploited by internally developed valuation models.

Examples of Level 3 inputs for assets and liabilities are as follows:

- historical volatility, when it is not possible to observe the implied volatility (e.g. of similar options because they are not sufficiently liquid). Historical volatility generally does not represent market participants' current expectations of future volatility, even though it is the only information available to evaluate an option;
- financial forecasts developed using own data in case there is no information available;
- correlation between non-liquid assets. There are several types of correlation inputs, including credit correlation, cross-asset correlation (e.g. equity and interest rate correlation) and correlation between assets of the same type (e.g. interest rate correlation) that are generally used to value hybrid and exotic instruments;
- credit spread when it is unobservable or cannot be corroborated by observable market data.

A.4.2 - Valuation processes and sensitivity of fair value measurements

The Bank verifies that the value assigned at each trading position properly reflects the current fair value. The fair value measurement of assets and liabilities is calculated using various techniques, including discounted cash flow models and internal measurement models. All instruments shall be classified as Level 1, Level 2 or Level 3 of the fair value hierarchy according to the observability of the input used. When a position is characterised by one or more significant inputs not directly observable, a further price verification procedure shall be implemented. Procedures thereof include the revision of relevant historical data, the analysis of profits and losses, the individual valuation of each component for structural products and benchmarking. In order to ensure an appropriate level of separation between developing functions and validation functions, all valuation models developed by front office units shall be independently and centrally tested and validated. The aim thereof is to assess model risk arising from model’s theoretical robustness, calibration techniques where applicable and suitability of the model to valuate a specific instrument in a defined market.

Part A – Accounting policies

In addition to the daily mark to market or mark to model valuation, an Independent Price Verification (IPV) is carried out monthly by the Holding's Market & Liquidity Risk function in order to provide an independent fair value.

With regard to the sensitivity analysis of financial assets and liabilities measured at fair value on a recurring level 3 basis as required by IFRS 13, it should be noted that the Group does not hold significant positions in financial instruments classified in the fair value 3 hierarchy, with the exception of exposures in preferred shares of Visa INC class “C” and class “A”, for which reference should be made to the paragraph “Equity Securities and derivative contracts listed” above.

Part A – Accounting policies

A.4.3 Fair value hierarchy

The IFRS 13 principle establishes a fair value hierarchy according to the observability of the input used in the valuation techniques adopted.

The fair value hierarchy level associated with assets and liabilities shall be the lowest level among those associated to all significant inputs used. As a rule, an input of valuation is not considered significant for the fair value of an instrument if the remaining inputs are able to explain most of the variance of the fair value over a period of three months. In some specific cases, the magnitude of the limit is verified in relation to the fair value of the instrument at the measurement date.

In particular, three levels are considered:

- Level 1: the fair value of instruments classified in this level is determined by quotation prices observed in active markets for identical assets or liabilities that the Group has access to at the measurement date. An active market is an active market if transactions in the asset or liability being valued occur frequently and in sufficient volume to provide useful pricing information on an ongoing basis;
- Level 2: the fair value for instruments classified within this level is determined according to valuation models using observable market inputs, other than market prices already included in Level 1. Inputs are considered observable if they are developed on the basis of information available to the market regarding current events or transactions and reflect the assumptions that market counterparties would use to value the asset or liability;
- Level 3: fair value of instruments classified in this level is determined on the basis of valuation models using primarily significant inputs, other than those included in Level 1 and Level 1, that are not observable in active markets. The unobservable inputs must, however, reflect the assumptions that market participants would use in valuing the asset or liability, including assumptions about risk.

The transfer of the fair value level of financial assets and liabilities measured at fair value on a recurring basis may occur if the inputs used by the valuation model change (e.g. if a quotation on an active market is no longer available for an instrument). If a valuation technique that uses inputs from different levels of the hierarchy is used to measure an instrument, the instrument is classified entirely in the same level of the hierarchy as the lowest level input that is significant to the measurement. A valuation input is not considered significant for the purposes of assigning the fair value hierarchy if the remaining inputs determine 90% of the fair value of the instrument.

A.4.4 Other information

No information is required to be disclosed with respect to the requirements of IFRS 13 paragraphs 48, 93(i) and 96.

Part A – Accounting policies

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 level of fair value

(Amounts in € thousand)

Assets/Liabilities at fair value	12/31/2024			12/31/2023		
	L1	L2	L3	L1	L2	L3
1. Financial assets at fair value through profit or loss	23,228	5,345	4,047	10,279	3,856	6,055
a) financial assets held for trading	23,171	5,345	23	10,230	3,856	23
b) financial assets designated at fair value	-	-	-	-	-	-
c) other financial assets mandatorily at fair value	57	-	4,024	49	-	6,032
2. Financial assets at fair value through other comprehensive income	296,356	-	54	29,062	-	7
3. Hedging derivatives	-	677,547	-	-	896,577	-
4. Property, plant and equipment	-	-	-	-	-	-
5. Intangible assets	-	-	-	-	-	-
Total	**319,584**	**682,892**	**4,101**	**39,341**	**900,433**	**6,062**
1. Financial liabilities held for trading	6,612	1,515	3	5,324	1,670	3
2. Financial liabilities designated at fair value	-	-	-	-	-	-
3. Hedging derivatives	-	48,485	-	-	59,988	-
Total	**6,612**	**50,000**	**3**	**5,324**	**61,658**	**3**

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

During the current financial year, there were no significant transfers of financial assets between fair value hierarchy 1 and 2.

No Credit Value Adjustment (CVA) and/or Debit Value Adjustment (DVA) was applied in determining the fair value of derivative financial instruments.

The Russia-Ukraine military conflict has not affected fair value measurement. In particular, as far as securities on which the Group holds a relevant share are concerned, decreases or withdrawals of prices quoted in active markets (level 1) or any other observable inputs (level 2) have not been recorded so far, nor have securities changes in fair value hierarchy.

Part A – Accounting policies

A.4.5.2 Annual changes in assets measured at fair value on a recurring basis (level 3)

(Amounts in € thousand)

	Financial assets measured at fair value with impact on the income statement				Financial assets at fair value through other comprehensive income	Hedging derivatives	Property, plant and equipment	Intangible assets
	Total	of which: a) financial assets held for trading	of which: b) financial assets designated at fair value	of which: c) other financial assets mandatorily at fair value				
1. Opening balance	**6,055**	**23**	**-**	**6,032**	**7**	**-**	**-**	**-**
2. Increases	**3,961**	**1,585**	**-**	**2,376**	**47**	**-**	**-**	**-**
2.1. Purchases	1,585	1,585	-	-	47	-	-	-
2.2. Profits recognised in:	2,376	-	-	2,376	-	-	-	-
2.2.1. Income Statement	2,376	-	-	2,376	-	-	-	-
- of which unrealised gains	2,335	-	-	2,335	-	-	-	-
2.2.2. Shareholders' Equity	-	X	X	X	-	-	-	-
2.3.Transfers from other levels	-	-	-	-	-	-	-	-
2.4. Other increases	-	-	-	-	-	-	-	-
3. Decreases	**(5,969)**	**(1,585)**	**-**	**(4,384)**	**-**	**-**	**-**	**-**
3.1. Sales	(1,584)	(1,584)	-	-	-	-	-	-
3.2. Redemptions	-	-	-	-	-	-	-	-
3.3. Losses recognised in:	(1,447)	(1)	-	(1,446)	-	-	-	-
3.3.1. Income Statement	(1,447)	(1)	-	(1,446)	-	-	-	-
- of which unrealised losses	(1,446)	-	-	(1,446)	-	-	-	-
3.3.2. Shareholders' Equity	-	X	X	X	-	-	-	-
3.4. Transfers to other levels	-	-	-	-	-	-	-	-
3.5. Other decreases	(2,938)	-	-	(2,938)	-	-	-	-
4. Closing balances	**4,047**	**23**	**-**	**4,024**	**54**	**-**	**-**	**-**

The sub-items 2.2.1 “Profits recognized in Income Statement” and 3.3.1 “Losses recognized in Income Statement” are included, where present, in consolidated income statement in the following items:

- Item 80: “Gains (losses) on financial assets and liabilities held for trading”;
- Item 110: “Gains (losses) on financial assets and liabilities at fair value through profit and loss”;
- Item 90: “Fair value adjustments in hedge accounting”.

The sub-items 2.2.2 “Profits recognised in Shareholders’ equity” and 3.3.2 “Losses recognised in Shareholders’ equity” arising from changes in fair value of “Financial assets at fair value through other comprehensive income” are recognised, if any, in equity item 110. “Revaluation reserves” of consolidated shareholder’s equity - except losses due to impairment and exchange rate gains or losses on monetary items (debt instruments) which are recognised under item 130. “Impairment losses/write backs on: b) financial assets at fair value through other comprehensive income” and item 80. “Gains (losses) on financial assets and liabilities held for trading” of the consolidated income statement, respectively - until the financial asset is sold, at which time cumulative gains and losses are recognised in consolidated profit or loss in item 100. “Gains (losses) on disposal or repurchase of: b) financial assets at fair value through other comprehensive income”.

Sub-item 3.5 “Other decreases” refers to the conversion of Visa class A preferred shares (Series A Convertible Participating Preferred Stock), which had been assigned the level 3 hierarchy, into Visa class A Common shares, which were assigned the level 1 hierarchy, and were then sold during the 2024 financial year.

A.4.5.3 Annual changes in financial liabilities measured at fair value level 3 on a recurring basis

(Amounts in € thousand)

	Financial liabilities held for trading	Financial liabilities at fair value through profit or loss	Hedging derivatives
1. Opening balance	**3**	**-**	**-**
2. Increases	**-**	**-**	**-**
2.1. Issues	-	-	-
2.2. Losses allocated to:	-	-	-
2.2.1. Income Statement	-	-	-
- of which capital losses	-	-	-
2.2.2. Shareholders' Equity	X	-	-
2.3. Trasferts from other levels	-	-	-
2.4. Other increases	-	-	-
3. Decreases	**-**	**-**	**-**
3.1. Reimbursements	-	-	-
3.2. Repurchases	-	-	-
3.3. Profits recognised in:	-	-	-
3.3.1. Income Statement	-	-	-
- of which capital gains	-	-	-
3.3.2. In equity	X	-	-
3.4. Trasferts to other levels	-	-	-
3.5. Other decreases	-	-	-
4. Closing balances	**3**	**-**	**-**

Part A – Accounting policies

A.4.5.4 Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis: breakdown by level of fair value

(Amounts in € thousand)

Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis	12/31/2024				12/31/2023			
	BV	L1	L2	L3	BV	L1	L2	L3
1. Financial assets at amortised cost	29,685,312	22,110,002	85,626	6,537,655	27,892,519	19,409,985	837,063	6,446,521
2. Tangible assets held for investment								
3. Non-current assets and disposal groups classified as held for sale								
Total	**29,685,312**	**22,110,002**	**85,626**	**6,537,655**	**27,892,519**	**19,409,985**	**837,063**	**6,446,521**
1. Financial liabilities at amortised cost	31,636,927	804,686	32,958	30,793,343	30,420,242	777,598	31,513	29,577,968
2. Liabilities included in disposal group classified as held for sale								
Total	**31,636,927**	**804,686**	**32,958**	**30,793,343**	**30,420,242**	**777,598**	**31,513**	**29,577,968**

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

As described above, assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis are presented on the basis of their fair value and fair value hierarchy for the sole purpose of meeting financial statement disclosure requirements.

Part A – Accounting policies

A.5 Day-one profit/loss

Financial instruments must be initially recognised at fair value.

Normally, the fair value of a financial instrument, at the date of initial recognition, is equal to the price paid/amount paid for the acquisition of the financial assets or the amount received for the financial liabilities. This assertion is generally found in the case of transactions referring to financial instruments belonging to the level 1 and also level 2 fair value hierarchy, considering that the prices are normally derived indirectly from the market.

In the case of level 3, on the other hand, there is a partial discretion in the determination of fair value, but due to the absence of an unequivocal benchmark to be compared with the transaction price, initial recognition must always be at the transaction price. In the latter case, however, the subsequent measurement cannot include the difference between the price paid/amount disbursed and the fair value found at the time of the initial measurement, also referred to as “Day one profit/loss”. This difference must be recognised in profit or loss only if it arises from changes in the factors on which market participants base their valuations in setting prices.

The adoption of prudent valuation models, the review processes thereof and their parameters, as well as value adjustments to reflect model risk ensure that the amount recognised in the income statement is not derived from the use of unobservable valuation parameters. In particular, the quantification of value adjustments related to model risk ensures that the part of the fair value of these instruments resulting from the adoption of subjective parameters is not recognised through profit or loss, but rather as an adjustment to their balance sheet value. Variations shall be recognized through profit or loss only where objective parameters prevail and, consequently, adjustments are no longer required.

There are no day-one profits/losses to disclose in accordance with paragraph 28 of IFRS 7.

Part B – Balance sheet

Assets

Section 1 - Cash and cash balances - Item 10

1.1 Cash and cash balances: breakdown

(Amounts in € thousand)

	Total 12/31/2024	Total 12/31/2023
a) Cash	5	6
b) Current accounts and demand deposits to Central banks	1,688,889	1,933,510
c) Current accounts and demand deposits to banks	244,487	315,845
Total	**1,933,381**	**2,249,361**

The item "(b) Current accounts and demand deposits to central banks" refers to the overnight deposit and the liquidity deposited with Bank of Italy, net of the balance related to the minimum reserve requirement allocated for the current reporting period, which is represented in the item "Financial assets at amortised cost: loans and receivables to banks".

Item "c) Current accounts and demand deposits to banks" consists of current accounts opened with credit institutions mainly for the settlement of transactions on payment circuits and for the settlement of securities and derivatives transactions.

Part B – Balance sheet

Section 2 - Financial assets at fair value through profit or loss - Item 20

2.1 Financial assets held for trading: product breakdown

(Amounts in € thousand)

Items/Amounts	Total 12/31/2024			Total 12/31/2023		
	L1	L2	L3	L1	L2	L3
A. Balance sheet assets						
1. Debt securities	13	-	-	-	-	-
1.1 Structured securities	13	-	-	-	-	-
1.2 Other debt securities	-	-	-	-	-	-
2. Equity instruments	22,100	-	-	8,765	-	-
3. Units in investment funds	1	-	23	-	-	23
4. Loans	-	-	-	-	-	-
4.1 Reverse repos	-	-	-	-	-	-
4.2 Others	-	-	-	-	-	-
Total (A)	**22,114**	**-**	**23**	**8,765**	**-**	**23**
B. Derivative instruments						
1. Financial derivatives	1,057	5,345	-	1,465	3,856	-
1.1 Trading	1,057	5,345	-	1,465	3,856	-
1.2 Linked to fair value option	-	-	-	-	-	-
1.3 Others	-	-	-	-	-	-
2. Credit derivatives	-	-	-	-	-	-
2.1 Trading	-	-	-	-	-	-
2.2 Linked to fair value option	-	-	-	-	-	-
2.3 Others	-	-	-	-	-	-
Total (B)	**1,057**	**5,345**	**-**	**1,465**	**3,856**	**-**
Total (A+B)	**23,171**	**5,345**	**23**	**10,230**	**3,856**	**23**

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

Equities in the proprietary portfolio are mainly used for management hedging of open equity positions in counterpart to clients and, to a lesser extent, may arise from internalisation activities and are intended to be traded in the short term.

Financial derivatives refer to the positive valuation of CFD contracts traded against customers, as well as derivative contracts regulated or entered into with institutional counterparties for the purpose of hedging such derivative contracts, Knock Out Options and Certificates issued for a total amount of € 5,200 thousand (€ 3,652 thousand as at December 31st, 2023).

Sub-item B.1.1 "Derivative instruments - Trading financial derivatives" also includes the positive valuations of spot contracts for securities that meets the definition of held for trading and currencies to be settled in times established by market practices ("regular way"), for a total amount of € 1,202 thousand (€ 1,669 thousand as at December 31st, 2023).

Part B – Balance sheet

2.2 Financial assets held for trading: breakdown by issuer/borrower

(Amounts in € thousand)

Items/Amounts	Total 12/31/2024	Total 12/31/2023
A. On-balance sheet assets		
1. Debt securities	13	-
a) Central Banks	-	-
b) Public Entities	-	-
c) Banks	-	-
d) Other financial companies	13	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
2. Equity instruments	22,100	8,765
a) Banks	394	-
b) Other financial companies	888	688
of which: Insurance companies	1	-
c) Non-financial companies	20,818	8,077
d) Other issuers	-	-
3. Units in investment funds	24	23
4. Loans	-	-
a) Central Banks	-	-
b) Public Entities	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
f) Households	-	-
Total (A)	**22,137**	**8,788**
B. Derivative instruments	**-**	**-**
a) Central Counterparties	94	73
b) Others	6,308	5,248
Total (B)	**6,402**	**5,321**
Total (A+B)	**28,539**	**14,109**

Item B. “Derivative instruments” also includes the positive valuations of spot contracts for securities classified in the “Financial Assets held for trading” portfolio and currencies to be settled within times established by market practices (“regular way”).

2.3 Financial assets designated at fair value: product breakdown

No data to report.

2.4 Financial assets designated at fair value: breakdown by issuer/borrower

No data to report.

Part B – Balance sheet

2.5 Other financial assets mandatorily at fair value: product breakdown

(Amounts in € thousand)

Items/Accounts	Total 12/31/2024			Total 12/31/2023		
	L1	L2	L3	L1	L2	L3
1. Debt securities	**57**	**-**	**-**	**48**	**-**	**-**
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	57	-	-	48	-	-
2. Equity instruments	**-**	**-**	**4,024**	**1**	**-**	**6,032**
3. Units in investment funds	**-**	**-**	**-**	**-**	**-**	**-**
4. Loans	**-**	**-**	**-**	**-**	**-**	**-**
4.1 Reverse repos	-	-	-	-	-	-
4.2 Others	-	-	-	-	-	-
Total	**57**	**-**	**4,024**	**49**	**-**	**6,032**

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

The equity instruments included in “Other financial assets mandatorily at fair value” primarily consist of the Visa INC class “A” preferred shares, for an amount of € 2,133 thousand and of the Visa INC class “C” preferred shares, for an amount of € 1,879 thousand. During 2024, the preferred shares of Visa INC (class “A”) outstanding at the previous December 31st were sold.

For more details on the fair value measurement of financial instruments, please refer to Part A - Accounting Policies - A.4 Information on the fair value of these notes to the accounts.

Equity securities of issuers in default were classified by the Bank as bad loans in the financial statements for a total amount not relevant.

Part B – Balance sheet

2.6 Other financial assets mandatorily at fair value: breakdown by issuer/borrower

(Amounts in € thousand)

	Total 12/31/2024	Total 12/31/2023
1. Equity instruments	**4,025**	**6,033**
of which: banks	10	8
of which: other financial companies	4,012	6,022
of which: other non-financial companies	2	3
2. Debts securities	**57**	**48**
a) Central Banks	-	-
b) Public Entities	55	45
c) Banks	2	3
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
3. Units investment funds	**-**	**-**
4. Loans	**-**	**-**
a) Central Banks	-	-
b) Public Entities	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
f) Households	-	-
Total	**4,082**	**6,081**

Section 3 - Financial assets at fair value through comprehensive income - Item 30

3.1 Financial assets at fair value through comprehensive income: product breakdown

(Amounts in € thousand)

Item/Amounts	Total 12/31/2024			Total 12/31/2023		
	L1	L2	L3	L1	L2	L3
1. Debts securities	**296,356**	**-**	**-**	**29,062**	**-**	**-**
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	296,356	-	-	29,062	-	-
2. Equity instruments	**-**	**-**	**54**	**-**	**-**	**7**
3. Loans	**-**	**-**	**-**	**-**	**-**	**-**
Total	**296,356**	**-**	**54**	**29,062**	**-**	**7**

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

Part B – Balance sheet

Financial assets at fair value through other comprehensive income" consist of securities issued by Sovereign and Supranational issuers and, residually, of equity interests in companies in which the Group does not exercise control or significant influence for € 54 thousand for which the "FVTOCI"[94] option was exercised. For more details, see the information in exposures on securities issued by Sovereign States set out in Part E of the notes to the consolidated accounts.

3.2 Financial assets at fair value through comprehensive income: breakdown by issuer/borrower

(Amounts in € thousand)

Items/Amounts	Total 12/31/2024	Total 12/31/2023
1. Debt securities	**296,356**	**29,062**
a) Central Banks	-	-
b) Public Entities	296,356	29,062
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
2. Equity Instruments	**54**	**7**
a) Banks	-	-
b) Other issuers:	54	7
- other financial companies	47	-
of which: insurance companies	-	-
- non-financial companies	7	7
- others	-	-
3. Loans	**-**	**-**
a) Central Banks	-	-
b) Public Entities	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
f) Households	-	-
Total	**296,410**	**29,069**

[94] With regard to non-trading equity instruments, IFRS 9 provides for the possibility of classifying them at fair value recognized in the other components of the comprehensive income statement (so-called "FVTOCI" - Fair Value Through Other Comprehensive Income).

Part B – Balance sheet

3.3 Financial assets at fair value through comprehensive income: gross value and total value adjustments

(Amounts in € thousand)

	Gross amount					Writedowns				
	Stage 1	of which: low credit risk	Stage 2	Stage 3	Purchased or originated credit-impaired	Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired	Partial write-offs
Debt securities	296,386	-	-	-	-	(30)	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-
Total 12/31/2024	**296,386**	**-**	**-**	**-**	**-**	**(30)**	**-**	**-**	**-**	**-**
Total 12/31/2023	**29,064**	**-**	**-**	**-**	**-**	**(2)**	**-**	**-**	**-**	**-**

Section 4 - Financial assets at amortised cost – Item 40

4.1 Financial assets at amortized cost: product breakdown of loans and receivables to banks

(Amounts in € thousand)

Type of transaction/Values	Total 12/31/2024						Total 12/31/2023					
	Book value			Fair value			Book value			Fair value		
	Stage 1 and Stage 2	Stage 3	Purchased or originated credit-impaired	L1	L2	L3	Stage 1 and Stage 2	Stage 3	Purchased or originated credit-impaired	L1	L2	L3
A. Loans and receivables to Central Banks	**283,355**	**-**	**-**	**-**	**-**	**283,355**	**269,082**	**-**	**-**	**-**	**-**	**269,082**
1. Time deposits	-	-	-	X	X	X	-	-	-	X	X	X
2. Compulsory reserves	283,355	-	-	X	X	X	269,082	-	-	X	X	X
3. Reverse repos	-	-	-	X	X	X	-	-	-	X	X	X
4. Others	-	-	-	X	X	X	-	-	-	X	X	X
B. Loans and receivables to banks	**2,209,949**	**-**	**-**	**1,945,987**	**85,626**	**72,167**	**2,699,412**	**-**	**-**	**1,757,250**	**711,173**	**82,190**
1. Loans	72,168	-	-	-	-	72,167	82,190	-	-	-	-	82,190
1.1. Current accounts	-	-	-	X	X	X	-	-	-	X	X	X
1.2. Time deposits	48,413	-	-	X	X	X	46,202	-	-	X	X	X
1.3. Other loans	23,755	-	-	X	X	X	35,988	-	-	X	X	X
- Reverse repos	292	-	-	X	X	X	397	-	-	X	X	X
- Finance leases	-	-	-	X	X	X	-	-	-	X	X	X
- Others	23,463	-	-	X	X	X	35,591	-	-	X	X	X
2. Debts securities	2,137,781	-	-	1,945,987	85,626	-	2,617,222	-	-	1,757,250	711,173	-
2.1. Structured	-	-	-	-	-	-	-	-	-	-	-	-
2.2. Other	2,137,781	-	-	1,945,987	85,626	-	2,617,222	-	-	1,757,250	711,173	-
Total	**2,493,304**	**-**	**-**	**1,945,987**	**85,626**	**355,522**	**2,968,494**	**-**	**-**	**1,757,250**	**711,173**	**351,272**

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

"Reverse repos" do not include the technical form of securities lending with collateral consisting of other securities or without collateral. These transactions are shown under "off-balance sheet" transactions in table A.1.6 in Part E - Information on risks and related hedging policies - Section 1 – Credit risk - Quantitative information of these notes to the accounts.

The item "Other loans: Other" amounting to € 9,941 thousand refers to the amount of the initial and variation margins and collateral deposits placed with credit institutions for derivative and other financial transactions (€ 28,489 thousand as at December 31st, 2023), and € 13,522 thousand to current receivables associated with the provision of financial services (€ 7,102 thousand as at December 31st, 2023).

Financial assets measured at amortised cost are presented based on their fair value and fair value hierarchy for the sole purpose of fulfilling disclosure requirements. For further details, see paragraph "A.4 - Fair value disclosures" in Part A - Accounting policies of these notes to the accounts.

Part B – Balance sheet

4.2 Financial asset at amortised cost: product breakdown of receivables to customers

(Amounts in € thousand)

Type of transaction/Values	Total 12/31/2024						Total 12/31/2023					
	Book value			Fair value			Book value			Fair value		
	Stage 1 and Stage 2	Stage 3	Purchased or originated credit-impaired	L1	L2	L3	Stage 1 and Stage 2	Stage 3	Purchased or originated credit-impaired	L1	L2	L3
1. Loans	**6,203,930**	**4,117**	**-**	**-**	**-**	**6,182,133**	**6,171,987**	**3,965**	**-**	**-**	**-**	**6,095,249**
1.1. Current accounts	2,051,186	1,782	-	X	X	X	2,171,981	1,901	-	X	X	X
1.2. Reverse repos	158,316	73	-	X	X	X	130,069	168	-	X	X	X
1.3. Mortgages	2,309,858	1,676	-	X	X	X	2,498,914	1,101	-	X	X	X
1.4. Credit cards, personal loans and wage assignment	873,717	575	-	X	X	X	856,918	735	-	X	X	X
1.5. Lease loans	-	-	-	X	X	X	-	-	-	X	X	X
1.6. Factoring	-	-	-	X	X	X	-	-	-	X	X	X
1.7. Other loans	810,853	11	-	X	X	X	514,105	60	-	X	X	X
2. Debt securities	**20,983,962**	**-**	**-**	**20,164,015**	**-**	**-**	**18,748,073**	**-**	**-**	**17,652,735**	**125,890**	**-**
2.1. Structured	-	-	-	-	-	-	-	-	-	-	-	-
2.2. Other	20,983,962	-	-	20,164,015	-	-	18,748,073	-	-	17,652,735	125,890	-
Total	**27,187,892**	**4,117**	**-**	**20,164,015**	**-**	**6,182,133**	**24,920,060**	**3,965**	**-**	**17,652,735**	**125,890**	**6,095,249**

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

The item "Reverse repos" does not include the technical form of securities lending with collateral consisting of other securities or without collateral. These transactions are shown under "off-balance sheet" transactions in table A.1.7 in Part E - Information on risks and related hedging policies - Section 1 - Risks of the prudential consolidation - Quantitative information of these notes to the accounts.

The item "Other loans" mainly includes loans granted to Cronos Vita Assicurazioni S.p.A., for a balance sheet amount of € 527,411 thousand (€ 293,022 thousand as at December 31st, 2023), guarantee deposits, initial and variation margins for derivative and other financial transactions, in the amount of € 155,553 thousand (€ 103,593 thousand as of December 31st, 2023), and operating receivables related to the provision of financial services, in the amount of € 123,926 thousand (€ 113,718 thousand as of December 31st, 2023).

Debt securities mainly consist of securities issued by Sovereing and Supranational issuers. For more details, see the information on exposures in securities issued by Sovereign States set out in Part E of the notes to the accounts.

Financial assets and liabilities may be offset when the company currently has a legal right to offset the recognised amounts and intends to settle for the net residual, or realise the asset and settle the liability simultaneously, as required by IAS 32.

In addition to complying with IAS 32, the Bank offsets financial assets and liabilities only when:

- the transactions have the same explicit final settlement date;
- the right to set off the amount due to the counterparty against the amount due from the counterparty is legally enforceable in the ordinary course of business and in the event of default, insolvency or bankruptcy;
- either the counterparties intend to settle on a net basis or simultaneously, or the transactions are subject to a settlement mechanism that functionally results in the equivalent of net settlement.

In the table above, repo transactions entered into on the Repo MTS and settled through a Central Counterparty have been shown netted. The effect of netting is shown in table "5. Financial assets subject to accounting offsetting or master netting agreements or similar agreements" and table "6. Financial liabilities subject to accounting offsetting or master netting agreements or similar agreements" in Part B - Balance Sheet Information of these notes to the accounts.

Financial assets measured at amortised cost are presented on the basis of their fair value and fair value hierarchy for the sole purpose of fulfilling disclosure requirements. For further details, see paragraph "A.4 - Fair value disclosures" in Part A - Accounting policies of these notes to the accounts.

4.3 Financial assets at amortized cost: breakdown by debtors/issuers of receivables to customers

(Amounts in € thousand)

Type of transaction / Values	Total 12/31/2024			Total 12/31/2023		
	Stage 1 and Stage 2	Stage 3	Purchased or originated credit-impaired	Stage 1 and Stage 2	Stage 3	Purchased or originated credit-impaired
1. Debt securities	**20,983,962**	**-**	**-**	**18,748,073**	**-**	**-**
a) Public Administration	20,968,867	-	-	18,748,073	-	-
b) Other financial company	15,095	-	-	-	-	-
of which: insurance companies	-	-	-	-	-	-
c) Non financial companies	-	-	-	-	-	-
2. Loans to:	**6,203,930**	**4,117**	**-**	**6,171,987**	**3,965**	**-**
a) Public Administration	3	-	-	4	-	-
b) Other financial company	798,449	6	-	502,093	5	-
of which: insurance companies	550,431	-	-	315,715	-	-
c) Non financial companies	2,132	11	-	1,340	26	-
d) Households	5,403,346	4,100	-	5,668,550	3,934	-
Total	**27,187,892**	**4,117**	**-**	**24,920,060**	**3,965**	**-**

4.4 Financial assets at amortised cost: gross value and total value adjustments

(Amounts in € thousand)

		Gross amount					Writedowns				Partial write-offs
		Stage 1	of which: low credit risk	Stage 2	Stage 3	Purchased or originated credit-impaired	Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired	
Debt securities		23,125,415	-	-	-	-	(3,672)	-	-	-	-
Loans		6,523,011	-	46,129	27,721	-	(4,663)	(5,023)	(23,604)	-	-
Total	**12/31/2024**	**29,648,426**	**-**	**46,129**	**27,721**	**-**	**(8,335)**	**(5,023)**	**(23,604)**	**-**	**-**
Total	**12/31/2023**	**27,860,158**	**-**	**46,375**	**24,094**	**-**	**(12,636)**	**(5,343)**	**(20,129)**	**-**	**-**

Part B – Balance sheet

Section 5 – Hedging derivatives – Item 50

5.1 Hedging derivatives: breakdown by type of hedge and by level

(Amounts in € thousand)

	Fair Value 12/31/2024			NA	Fair Value 12/31/2023			NA
	L1	L2	L3	12/31/2024	L1	L2	L3	12/31/2023
A. Financial derivatives								
1. Fair value	-	677,547	-	8,620,346	-	896,577	-	9,070,461
2. Cash flows	-	-	-	-	-	-	-	-
3. Net investment in foreign subsidiaries	-	-	-	-	-	-	-	-
B. Credit derivatives								
1. Fair value	-	-	-	-	-	-	-	-
2. Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**677,547**	**-**	**8,620,346**	**-**	**896,577**	**-**	**9,070,461**

Key:
NA = notional amount
L1 = Level 1
L2 = Level 2
L3 = Level 3

5.2 Hedging derivatives: breakdown by hedged assets and risk (balance sheet value)

(Amounts in € thousand)

Transaction/Type of hedge	Fair Value							Cash-flow hedges		Net investments in foreign subsidiaries
	Micro						Macro	Micro	Macro	
	debt securities and interest rates	equity instruments and index	currencies and gold	credit	commodities	others				
1. Financial assets at fair value through other comprehensive income	-	-	-	-	X	X	X	-	X	X
2. Financial assets at amortised cost	498,491	X	-	-	X	X	X	-	X	X
3. Portfolio	X	X	X	X	X	X	158,538	X	-	X
4. Others	-	-	-	-	-	-	X	-	X	-
Total assets	**498,491**	**-**	**-**	**-**	**-**	**-**	**158,538**	**-**	**-**	**-**
1. Financial liabilities	-	X	-	-	-	-	X	-	X	X
2. Portfolio	X	X	X	X	X	X	20,518	X	-	X
Total liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**20,518**	**-**	**-**	
1. Expected transactions	X	X	X	X	X	X	X	-	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	X	-	X	-	-

Part B – Balance sheet

Section 6 – Changes in fair value of portfolio hedged financial assets – Item 60

6.1 Fair value change of hedged assets: breakdown by hedged portfolio

(Amounts in € thousand)

Fair value of hedged assets/Amounts	Total 12/31/2024	Total 12/31/2023
1. Positive changes	**3,338**	**75**
1.1 of specific portfolios:	3,338	75
a) financial assets at amortized cost	3,338	75
b) financial assets at fair value through other comprehensive income	-	-
1.2 overall	-	-
2. Negative changes	**(153,613)**	**(189,378)**
2.1 of specific portfolios	(153,613)	(189,378)
a) financial assets at amortized cost	(153,613)	(189,378)
b) financial assets at fair value through other comprehensive income	-	-
2.2 overall	-	-
Total	**(150,275)**	**(189,303)**

Section 7 - Equity investments - Item 70

7.1 Equity Investments information on shareholders' equity

Name	Registered office	Headquarters	Equity %	Voting rights %
A. Subsidiaries				
1. Fineco Asset Management DAC	Dublin	Dublin	100%	100%
B. Joint ventures				
C. Companies under significant influence				
1. Vorvel SIM S.p.A.	Milan	Milan	20%	20%

7.2 Significant equity investments book value, fair value and dividends received

As required by Circular no. 262 dated December 22nd, 2005 and following updates: "Bank financial statements: layouts and preparation" the information referred to in this paragraph is not provided in the individual financial statements as FinecoBank draws up the consolidated financial statements pursuant to the same Circular.

7.3 Significant equity investments: accounting data

As required by Circular no. 262 dated December 22nd, 2005 and following updates: "Bank financial statements: layouts and preparation" the information referred to in this paragraph is not provided in the individual financial statements as FinecoBank draws up the consolidated financial statements pursuant to the same Circular.

7.4 Non-significant investments accounting data

As required by Circular no. 262 dated December 22nd, 2005 and following updates: "Bank financial statements: layouts and preparation" the information referred to in this paragraph is not provided in the individual financial statements as FinecoBank draws up the consolidated financial statements pursuant to the same Circular.

7.5 Equity investments: annual changes

(Amounts in € thousand)

	Total 12/31/2024	Total 12/31/2023
A. Opening balance	**4,652**	**4,718**
B. Increases	**22**	**195**
B.1 Purchases	-	-
B.2 Writebacks	-	-
B.3 Revaluations	22	-
B.4 Other changes	-	195
C. Decreases	**-**	**(261)**
C.1 Sales	-	-
C.2 Adjustments	-	(195)
C.3 Depreciations	-	(66)
C.4 Other changes	-	-
D. Closing balance	**4,674**	**4,652**
E. Total revaluations	**-**	**-**
F. Total adjustments	**-**	**-**

Part B – Balance sheet

Impairment testing of investments

As required by IAS/IFRS, impairment testing of equity investments is performed if there is objective evidence of impairment as a result of one or more events occurring after the initial recognition of the net investment, and these loss events have an impact on expected future cash flows.

For investments in associates and joint ventures, the process of recognising objective evidence of impairment includes testing for impairment indicators of a qualitative and quantitative nature. In the presence of impairment indicators, the recoverable amount, represented by the higher of fair value less costs to sell and value in use, is determined, and if the latter is lower than the carrying amount, an impairment loss is recognised. It is not always necessary to determine both fair value and value in use. If either value is higher than the carrying amount, the asset is not impaired and it is not necessary to estimate the other amount.

Controlling interests recognised in FinecoBank's separate financial statements are subject to impairment testing, where applicable, while maintaining consistency between the valuations made in the separate financial statements and the valuations made in the consolidated financial statements.

In order to determine the value in use of the investment in Vorvel SIM S.p.A., the only company subject to significant influence, the Discounted Cash Flow (DCF) model was used, where the cost of capital (ke) was calculated using the same values that FinecoBank uses in other models already in use in other contexts, with the exception of Beta for which reference was made to a basket of comparable companies. The results of the impairment test did not show any need for impairment adjustments, as the value in use was higher than the book value. It should be noted that the equity valuation at December 31st, 2024 resulted in a revaluation of €22 thousand.

The methodology for determining the recoverable value described above (model, assumptions and parameters used) was approved by the Board of Directors on February 5th, 2025.

7.6 Commitments to equity interests in joint ventures

As required by Circular no. 262 dated December 22nd, 2005 and following updates: "Bank financial statements: layouts and preparation" the information referred to in this paragraph is not provided in the individual financial statements as FinecoBank draws up the consolidated financial statements pursuant to the same Circular.

7.7 Commitments to equity interests in companies under significant influence

As required by Circular no. 262 dated December 22nd, 2005 and following updates: "Bank financial statements: layouts and preparation" the information referred to in this paragraph is not provided in the individual financial statements as FinecoBank draws up the consolidated financial statements pursuant to the same Circular.

7.8 Significant restrictions

As required by Circular no. 262 dated December 22nd, 2005 and following updates: "Bank financial statements: layouts and preparation" the information referred to in this paragraph is not provided in the individual financial statements as FinecoBank draws up the consolidated financial statements pursuant to the same Circular.

7.9 Other information

As required by Circular no. 262 dated December 22nd, 2005 and following updates: "Bank financial statements: layouts and preparation" the information referred to in this paragraph is not provided in the individual financial statements as FinecoBank draws up the consolidated financial statements pursuant to the same Circular.

Part B – Balance sheet

Section 8 - Property, plant and equipment - Item 80

8.1 Property, plant and equipment used in the business: breakdown of assets carried at cost

(Amounts in € thousand)

Assets/Amounts	Total 12/31/2024	Total 12/31/2023
1. Owened assets	**89,687**	**86,360**
a) lands	23,932	23,932
b) buildings	38,777	38,795
c) office furniture and fittings	2,459	2,455
d) electronic system	20,498	18,540
e) other	4,021	2,638
2. Assets under financial lease	**55,326**	**58,408**
a) lands	213	296
b) buildings	54,532	57,510
c) office furniture and fittings	-	-
d) electronic system	-	4
e) other	581	598
Total	**145,013**	**144,768**
of which: obtained through enforcement of the guarantees received	-	-

A description of the methods used to calculate depreciation is provided in Part A – Accounting Policies of the notes to the accounts.
The Bank has operational leasing transactions in place consisting of leases of the surface of the property owned.

With regard to the property owned for functional use held by FinecoBank, in order to assess whether there are any indications that the assets may be impaired, the Bank, at the time of the closing of the financial statements as at December 31st, 2024 requested an appraisals from independent third party company from which no evidence emerged that would lead to the need for impairment pursuant to IAS 36.

Part B – Balance sheet

8.2 Property, plant and equipment held for investment: breakdown of assets carried at cost

No data to report.

8.3 Property, plant and equipment used in the business: breakdown of revalued assets

No data to report.

8.4 Property, plant and equipment held for investment: breakdown of assets measured at fair value

No data to report.

8.5 Inventories of property, plant and equipment regulated by IAS 2: breakdown

No data to report.

Part B – Balance sheet

8.6 Property, plant and equipment used in the business: annual changes

(Amounts in € thousand)

	Lands	Buildings	Office furniture and fittings	Electronic systems	Others	Total
A. Gross opening balance	**24,360**	**141,136**	**19,893**	**55,001**	**14,928**	**255,318**
A.1 Total net reduction in value	(132)	(44,831)	(17,438)	(36,457)	(11,692)	(110,550)
A.2 Net opening balance	**24,228**	**96,305**	**2,455**	**18,544**	**3,236**	**144,768**
B. Increases:	**2**	**9,567**	**1,217**	**8,270**	**2,508**	**21,564**
B.1 Purchases	-	1,708	1,217	8,270	2,507	13,702
B.2 Capitalised expenditure on improvements	-	1,357	-	-	-	1,357
B.3 Write-backs	-	-	-	-	-	-
B.4 Increase in fair value recognised	-	-	-	-	-	-
a) in equity	-	-	-	-	-	-
b) through profit or loss	-	-	-	-	-	-
B.5 Positive exchange differences	-	-	-	-	-	-
B.6 Transfers from properties held for investment	-	-	X	X	X	-
B.7 Other changes	2	6,502	-	-	1	6,505
C. Decreases:	**(85)**	**(12,563)**	**(1,213)**	**(6,316)**	**(1,142)**	**(21,319)**
C.1 Sales	-	-	-	-	-	-
C.2 Depreciation	(85)	(11,848)	(1,210)	(6,314)	(1,121)	(20,578)
C.3 Impairment losses recognised	-	-	(2)	(2)	(2)	(6)
a) in equity	-	-	-	-	-	-
b) through profit or loss	-	-	(2)	(2)	(2)	(6)
C.4 Decreases in fair value recognised	-	-	-	-	-	-
a) in equity	-	-	-	-	-	-
b) through profit or loss	-	-	-	-	-	-
C.5 Negative exchange differences	-	-	-	-	-	-
C.6 Transfer to:	-	-	-	-	-	-
a) property, plant and equipment held for investment	-	-	X	X	X	-
b) assets held for sale	-	-	-	-	-	-
C.7 Other changes	-	(715)	(1)	-	(19)	(735)
D. Net closing balance	**24,145**	**93,309**	**2,459**	**20,498**	**4,602**	**145,013**
D.1 Total net reduction in value	(217)	(56,387)	(18,567)	(42,767)	(12,494)	(130,432)
D.2 Gross closing balance	**24,362**	**149,696**	**21,026**	**63,265**	**17,096**	**275,445**
E. Carried at cost	24,145	93,309	2,459	20,498	4,602	145,013

The asset classes specified in the table above are carried at cost.

Items B.7 and C.7 “Other changes” include the changes in the activities consisting of the right of use due to the changes made to the payments due for the leasing after the initial recognition. Below is the amount of changes by type of asset.

(Amounts in € thousand)

	Land	Buildings	Furniture and fittings	Electronic systems	Other	Total
Other increases due to changes in rights of use	2	6,502			1	**6,505**
Other decreases due to changes in rights of use		(715)			(1)	**(716)**

Part B – Balance sheet

8.7 Property, plant and equipment held for investment: annual changes

No data to report.

8.8 Inventories of property, plant and equipment regulated by IAS 2: annual changes

No data to report.

8.9 Commitments to purchase property, plant and equipment

As at December 31st, 2024 the Bank had contractual commitments to purchase property, plant and equipment amounting to € 2,151 thousand. It should also be noted that there are no restrictions on the ownership of tangible assets and there are no tangible assets pledged as security for liabilities.

Section 9 - Intangible assets - Item 90

9.1 Intangible assets: breakdown by assets type

(Amounts in € thousand)

Activities/Values	Total 12/31/2024		Total 12/31/2023	
	Finite life	Indefinite life	Finite life	Indefinite life
A.1 Goodwill	X	**89,602**	X	**89,602**
A.2 Other intangible asset	**7,783**	**27,459**	**7,006**	**27,459**
of which: software	7,782	-	7,000	-
A.2.1 Assets valued at cost:	7,783	27,459	7,006	27,459
a) Intangible assets generated internally	-	-	-	-
b) Other assets	7,783	27,459	7,006	27,459
A.2.2 Assets valued at fair value:	-	-	-	-
a) Intangible assets generated internally	-	-	-	-
b) Other assets	-	-	-	-
Total	**7,783**	**117,061**	**7,006**	**117,061**

Other intangible assets carried at cost with an indefinite life relate to the Fineco brands and domains.

The useful life of softwares, considered for the calculation of amortisation, is 3 years, while the useful life of other intangible assets with definite life is 5 years. A description of the methods used to calculate depreciation is provided in Part A – Accounting Policies of these Notes to the accounts.

With regard to the considerations conducted as of December 31st, 2024 regarding the impairment test of intangible assets with finite and indefinite useful lives, specifically goodwill, trademarks, and Fineco domains, there are no indicators that would require adjustments to the related carrying amounts. For further details regarding the impairment test of intangible assets with indefinite useful lives, please refer to the paragraphs below.

9.2 Intangible assets: annual changes

(Amounts in € thousand)

	Goodwill	Other intangible assets: internally generated		Other intangible assets: others		Total
		FIN	INDEF	FIN	INDEF	
A. Gross opening balance	**124,729**	**-**	**-**	**16,556**	**27,459**	**168,744**
A.1 Total net reduction in value	(35,127)	-	-	(9,550)	-	(44,677)
A.2 Net opening balance	**89,602**	**-**	**-**	**7,006**	**27,459**	**124,067**
B. Increases	**-**	**-**	**-**	**5,425**	**-**	**5,425**
B.1 Purchases	-	-	-	5,425	-	5,425
B.2 Increases in internal intangible assets	X	-	-	-	-	-
B.3 Write-backs	X	-	-	-	-	-
B.4 Increases in fair value recognised:	-	-	-	-	-	-
- in equity	X	-	-	-	-	-
- through profit or loss	X	-	-	-	-	-
B.5 Positive exchange differences	-	-	-	-	-	-
B.6 Other changes	-	-	-	-	-	-
C. Decreases	**-**	**-**	**-**	**(4,648)**	**-**	**(4,648)**
C.1 Sales	-	-	-	-	-	-
C.2 Impairment losses	-	-	-	(4,648)	-	(4,648)
- Amortisations	X	-	-	(4,648)	-	(4,648)
- Write-downs	-	-	-	-	-	-
+ in equity	X	-	-	-	-	-
+ through profit or loss	-	-	-	-	-	-
C.3 Decreases in fair value	-	-	-	-	-	-
- in equity	X	-	-	-	-	-
- through profit or loss	X	-	-	-	-	-
C.4 Transfers to non-current assets and discontinued operations	-	-	-	-	-	-
C.5 Negative exchange differrences	-	-	-	-	-	-
C.6 Other changes	-	-	-	-	-	-
D. Net closing balance	**89,602**	**-**	**-**	**7,783**	**27,459**	**124,844**
D.1 Total net impairments	(35,127)	-	-	(5,631)	-	(40,758)
E. Gross closing balance	**124,729**	**-**	**-**	**13,414**	**27,459**	**165,602**
F. Carried at cost	89,602	-	-	7,783	27,459	124,844

Key
FIN: finite life
INDEF: indefinite life

The asset classes specified in the table above are carried at cost.

It should be noted that in the table above, as of December 31st 2024 , the Bank deemed it appropriate to represent in the item “Gross closing balance” and in the item “Total net impairments“, respectively, the gross value and the impairment of only those intangible assets that have not yet been fully amortised and have not been subject to disposal or derecognition.

9.3 Other information

As at December 31st, 2024 the Bank had contractual commitments to purchase intangible assets amounting to € 2,670 thousand. It should also be noted that there were no intangible assets acquired through government concession; no intangible assets were used as collateral for own debts; no intangible assets were held under a finance lease; and there were no revalued intangible assets.

Other information - Impairment test

Under IAS 36, impairment testing of intangible assets with indefinite useful lives must be performed at least annually and, in any case, whenever there is objective evidence of the occurrence of events that may have reduced their value.

Recoverable value is the greater of the value in use (present value of future cash flows generated by the asset being valued) and the associated fair value, net of sales costs. It is not always necessary to determine both fair value and value in use. If either value is higher than the carrying amount, the asset is not impaired and it is not necessary to estimate the other amount.

The recoverable value of the assets subject to impairment testing must be determined for the individual assets, unless both of the following conditions exist:

- the value in use of the asset is not estimated to be close to the fair value net of selling costs;
- the asset does not generate incoming cash flows largely independent of those coming from other assets (or group of assets).

If these conditions exist, the impairment test has conducted at the level of the Cash Generating Unit (CGU) of the asset, as required by the accounting principle.

According to IAS 36, when determining the value in use of assets subject to impairment testing, reference must be made to the cash flows of assets in their current conditions at the testing date and representing the best estimate by the management of the overall economic conditions in place during the residual useful life of the asset.

For the purposes of impairment testing, the value in use of the cash generating unit (CGU) to which the intangible assets have been assigned must be calculated considering the cash flows for all the assets and liabilities included in the CGU and not just those for which goodwill and/or the intangible asset has been recognised upon application of IFRS 3.

Definition of CGU

Estimating the value in use for the purposes of any impairment testing of intangible assets, including goodwill, which do not independently generate cash flows, but only in conjunction with other business assets, requires that these assets first be attributed to operating units that are relatively autonomous in the business context (from the points of view of independent cash flows generated and of internal planning and reporting). These operating units are defined as Cash Generating Units (CGU).

Goodwill recorded in these financial statements, deriving from the separate financial statements of the Bank, relates to buy-outs of divisions or companies engaged in trading activities or the distribution of financial, banking and insurance products through personal financial advisors. These activities have been fully integrated with FinecoBank's ordinary operations, as a result it is not possible to isolate the contribution of each company/business division from the Bank's overall income; this means that to establish the recoverability of the value of goodwill recognised in the financial statements it is necessary to take account of the Bank's comprehensive income.

The cash generating unit (CGU) to be considered for the impairment test is therefore the Bank as a whole (including the contribution from the subsidiary Fineco Asset Management DAC, an asset management company incorporated under Irish law, thanks a vertically integrated business model). In view of the specific business model adopted by FinecoBank, which envisages a high level of integration between personal financial advisors and the trading and banking platform, so that the personal financial advisors network is an integral part of the overall offering of the Bank, which includes banking, brokerage and investing services, an allocation of costs/revenues per business units is not considered relevant or meaningful. The Fineco brand and domains purchased during the year 2019 from UniCredit S.p.A. are attributed to the same CGU, following the exit from the related group.

Estimating cash flows to determine the value in use of the CGU

The applicable accounting principles require that the impairment test be carried out by comparing the book value of the CGU to its recoverable value. When the latter proves to be less than the book value, a write-down must be recorded in the financial statements. The recoverable value is the greater of its fair value (net of sales costs) and the related value in use. The recoverable amount of the CGU in this case is the greater of its fair value (net of costs to sell) and the related value in use.

Impairment test model

The calculation of the value in use for the purposes of impairment testing is made using the Discounted Cash Flow (DCF) model. The cash flows are determined by subtracting the annual capital requirement generated by the change in the risk-weighted assets from net profit. This capital requirement is determined by considering the long-term capitalisation to be achieved, also in light of the minimum regulatory capital requirements.

Cash flows

The discounted cash flow model used is based on future cash flows estimated by management in four steps:

- year 2025, in which the budget figures were considered (submitted for approval by the Board of Directors on January 21st, 2025);
- years 2026-2027, which considers the financial projections approved by the Board of Directors on January 21st, 2025;
- intermediate period of five years from 2028 to 2032, for which the forecasts of the financial flows are projected by applying beginning in the last explicit estimate period (2027) rates of growth decreasing up to 2% to the terminal value (TV);
- terminal value calculated using a nominal growth rate of 2%. The average Eurozone actual GDP rate from 2014 to 2023 was 3.9% (of which 2.2 due to inflation).

Discount rates of cash flows

Future financial flows were discounted using a conservative estimate of the discount rate, incorporating the risk factors linked to the business sector into the cost of equity (Ke). The discount rate is a nominal rate, net of taxes.

In particular, the cost of capital for the Bank is the sum of the following:

- Risk-free rate: the daily average at 12 months of the 10-year Btp (equal to 3.81%)
- Equity Risk Premium - ERP (Beta * Market Risk Premium): calculated using the value of 5.50% as a premium for the risk offered by the stock market compared to the risk-free investment (Rm-Rf) and as Beta (coefficient that links the performance of the stock to that of the stock market) the 5-year daily average of the Fineco share compared to FTSEMIB and SXXP indices.
- ke 2025 is therefore 9.86%.

The cost of capital in 2027 is calculated considering the average expected return of the 10-year BTP expected in 2027 as risk free (12-months average, equal to 3.48%); the ERP is instead kept the same as that calculated for 2025. The 2027 cost of capital is then maintained steady until the TV. Ke 2027 is therefore 9.53%.

Impairment test results

The methodology for calculating the value in use described above (model, assumptions and parameters used) was approved by the Board of Directors on December 17th, 2024. For the impairment testing the carrying amount of the goodwill, brand (including domains) and Shareholders' equity was compared with its value in use calculated using that methodology. The outcome of the tests, approved by the Board of Directors of February 5th, 2025, confirmed the sustainability of the goodwill and the brand recognised in the financial statements as at December 31st, 2024, with the value in use significantly higher than the carrying amount. It should also be noted that in relation to the price of the "FinecoBank" share, a market capitalisation of €10,529 million as at December 31st, 2024 emerges, significantly higher than the Bank's equity and the result of the model used for the impairment test, which confirms the application of prudent criteria in calculating value in use.

Sensitivity analysis

Given the complexity of the measurement process and the uncertainty involved in making forecasts on future profitability, especially in the long term, some sensitivity analyses were carried out assuming changes to the main parameters used in the impairment test.

The table below shows the change in the value in use, net of book value of brand and of shareholders' equity, in relation to changes in the main parameters used in the DCF model underlying the impairment test.

	1% increase of the discount rate after taxes (KE)	1% increase of core tier 1 ratio target	1% decrease of the nominal growth rate for the calculation of terminal value	5% decrease of annual earnings	Use of core tier 1 ratio as at 12/31/2024 (25.9%*)
Change of value in use	-12.2%	-0.3%	-8.1%	-5.2%	-3.2%

* Consolidated Core Tier 1

Part B – Balance sheet

The results confirm the sustainability of the goodwill recognised in the financial statements, as none of the scenarios hypothesised revealed the need for a write-down, as the value in use, calculated applying those variations, was much higher than the book value.

It should also be noted that the impairment test reaches the break-even assuming changes in the above parameters that are currently unreasonable. The impairment test reached a break-even with an absolute positive change in the discount rate after tax (Ke) of around 26 percentage points, i.e. with a reduction of around 65% of annual earnings (while maintaining all the other parameters and information used unchanged, in both scenarios).

Section 10 - Tax Assets and Tax Liabilities - Asset item 100 and liability item 60

The item “Tax assets”, amounting to € 52,879 thousand as at December 31st, 2024, is exclusively made of “Deferred tax assets”, already net of the set-off against “Deferred tax liabilities” for € 6,675 thousand.

The item “Tax liabilities”, amounting to € 15,159 thousand at the same date, is exclusively made of “Current tax liabilities”, already net of the set-off against tax advances of 2024. There are no “Deferred tax liabilities” as they are offset against “Deferred tax assets” for € 6,675 thousand.

Current Tax Assets and Liabilities

(Amounts in € thousand)

Assets/Amounts	Total 12/31/2024	Total 12/31/2023
Current tax assets	-	-
Current tax liabilities	15,159	85,560

Deferred tax assets/liabilities

Deferred tax assets/liabilities are shown in the Balance Sheet net of the related deferred tax liabilities/assets; the detail is as follows:

- “Deferred tax assets” of € 56,110 thousand recognised as a balancing entry in the income statement;
- “Deferred tax assets” of € 3,444 thousand recognised as a balancing entry of shareholders' equity;
- “Deferred tax liabilities” of € 4,766 thousand recognised as a balancing entry in the income statement;
- “Deferred tax liabilities” of€ 1,909 thousand recognised as a balancing entry of shareholders' equity.

In accordance with the law and regulations currently in force:

- the recognition of deferred tax assets for IRES income tax purposes takes into account the expected income figures of the Bank for future years, according to the decisions made by the competent company bodies;
- the recognition of deferred tax assets for IRAP corporate tax purposes takes place on the basis of the Bank's expected income figures for future years, and takes into account changes in the legal context;
- deferred tax liabilities are recognised whenever the relevant requirements are satisfied.

To determine the Parent Company’s current taxes, a 27.5% IRES rate was used (24% standard rate and 3.5% additional rate for banks), as well as IRAP rate of 5.57% for credit institutions.

There are no deferred tax assets/liabilities not recognized in the financial statements in relation to temporary differences. Furthermore, there are no unused tax losses.

Part B – Balance sheet

10.1 Deferred tax assets: breakdown

(Amounts in € thousand)

Assets/Amounts	Total 12/31/2024	Total 12/31/2023
Allocations through profit or loss	**55,243**	**50,534**
- of which Patent Box ex D.L. n.3/2015	21,186	17,186
- of which Provisions for Risks and Charges	23,631	23,062
- of which Realignment of goodwill art. 110 of D.L. n. 104/2020	9,398	9,603
- of which Other	1,028	683
Allocations through equity	**3,444**	**2,032**
- of which Revaluation reserve application IAS 19	1,983	750
- of which Financial assets at fair value through comprehensive income	1,461	1,282
Impairment losses on receivables (of which pursuant to Law 214/2011)	**867**	**1,615**
Total before IAS 12 offset	**59,554**	**54,181**
Offset against deferred tax liabilities - IAS 12	(6,675)	(4,432)
Total	**52,879**	**49,749**

10.2 Deferred tax liabilities: breakdown

(Amounts in € thousand)

Assets/Amounts	Total 12/31/2024	Total 12/31/2023
Allocations through profit or loss	**4,766**	**3,919**
- of which Goodwill and Brand	4,704	3,824
- of which Other	62	95
Allocations through equity	**1,909**	**513**
- of which Revaluation reserve application IAS 19	511	513
- of which Financial assets at fair value through comprehensive income	1,398	-
Total before IAS 12 offset	**6,675**	**4,432**
Offset against deferred tax assets - IAS 12	(6,675)	(4,432)

Part B – Balance sheet

10.3 Changes in deferred tax assets (through profit or loss)

(Amounts in € thousand)

	Total 12/31/2024	Total 12/31/2023
1. Opening balance	**52,149**	**48,161**
2. Increases	**9,014**	**11,447**
2.1 Deferred tax assets recognised in the year	8,971	11,421
a) relating to prior years	-	-
b) due to changes in accounting policies	-	-
c) write-backs	-	-
d) others	8,971	11,421
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	43	26
3. Decreases	**(5,053)**	**(7,459)**
3.1 Deferred tax assets cancelled in the year	(5,053)	(4,854)
a) reversals of temporary differences	(5,053)	(4,854)
b) write-downs of non-recoverable items	-	-
c) changes in accountable policies	-	-
d) others	-	-
3.2 Decreases in tax rates	-	-
3.3 Other decreases:	-	(2,605)
a) conversion of tax credits as per Law 214/2011	-	-
b) others	-	(2,605)
4. Closing balance	**56,110**	**52,149**

Increases in deferred tax assets recognised in the year with a balancing entry to the income statement refer, mainly, to the tax benefit associated with the Patent Box regime pursuant to Legislative Decree No. 3 of 2015 for the year 2024 and to provisions for risks and charges. Decreases refer, mainly, to uses or releases of provisions for risks and charges.

Part B – Balance sheet

10.3 bis Changes in deferred tax assets under Law 214/2011

(Amounts in € thousand)

	Total 12/31/2024	Total 12/31/2023
1. Opening balance	**1,615**	**2,407**
2. Increases	**-**	**-**
- of which: business combinations	-	-
3. Decreases	**(748)**	**(792)**
3.1 Reversals	(748)	(792)
3.2 Conversion into tax credits	-	-
a) resulting from operating losses	-	-
b) resulting from tax losses	-	-
3.3 Other decreases	-	-
4. Closing balance	**867**	**1,615**

The decreases refer to the deduction of write-downs and losses on loans to customers according to the reabsorption plan provided for by Legislative Decree n. 83 of 2015 as amended by Law no. 145 of 2018 and by Law no. 160 of 2019 and later by Article 42 of Decree Law No. 17 of 2022. Law No. 213 of 2023 rescheduled the repayment plan for pre-2016 customer loans starting with the portions referring to 2024.

10.4 Changes in deferred tax liabilities (through profit or loss)

(Amounts in € thousand)

	Total 12/31/2024	Total 12/31/2023
1. Opening balance	**3,919**	**3,024**
2. Increases	**893**	**895**
2.1 Deferred tax liabilities arising during the year	893	895
a) relating to prior years	-	-
b) due to changes in accounting policies	-	-
c) others	893	895
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	**(46)**	**-**
3.1 Deferred tax liabilities de-recognised during the year	(46)	-
a) reversals of temporary differences	(46)	-
b) due to changes in accounting policies	-	-
c) others	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	-	-
4. Closing balance	**4,766**	**3,919**

Increases in deferred tax liabilities recognised in the year as a balancing entry in the income statement refer to the recognition of deferred tax liabilities on the amortisation of the brand and goodwill subject to realignment pursuant to Article 110 of Legislative Decree 104/2020.

Part B – Balance sheet

10.5 Changes in deferred tax assets (through equity)

(Amounts in € thousand)

	Total 12/31/2024	Total 12/31/2023
1. Opening balance	**2,032**	**1,926**
2. Increases	**1,412**	**749**
2.1 Deferred tax assets recognised in the year	1,412	749
a) relating to prior years	-	-
b) due to changes in accounting policies	-	-
c) others	1,412	749
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	**-**	**(643)**
3.1 Deferred tax assets cancelled in the year	-	(643)
a) reversals of temporary differences	-	(643)
b) write-downs of non-recoverable items	-	-
c) due to changes in accounting policies	-	-
d) others	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	-	-
4. Closing balance	**3,444**	**2,032**

Increases in deferred tax assets recognised during the year with contra-entry to equity refer to actuarial losses recognized in shareholders' equity as part of the valuation reserves in application of the provisions of IAS 19 Revised.

10.6 Changes in deferred tax liabilities (through equity)

(Amounts in € thousand)

	Total 12/31/2024	Total 12/31/2023
1. Opening balance	**513**	**596**
2. Increases	**1,399**	**-**
2.1 Deferred tax assets recognised in the year	1,399	-
a) relating to prior years	-	-
b) due to changes in accounting policies	-	-
c) others	1,399	-
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	**(3)**	**(83)**
3.1 Deferred tax assets cancelled in the year	(3)	(83)
a) reversals of temporary differences	(3)	(83)
b) write-downs of non-recoverable items	-	-
c) due to changes in accounting policies	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases:	-	-
4. Other decreases	**1,909**	**513**

Increases refer to taxation calculated on changes in the fair value of securities recognised in Financial assets at fair value with an impact on comprehensive income. Decreases in deferred tax liabilities recognised during the year through equity refer to actuarial losses recognized in shareholders' equity as part of the valuation reserves in application of the provisions of IAS 19 Revised.

Test for the recoverability of deferred tax assets

In accordance with the rules set out in IAS 12 and the ESMA communication of 15 July 2019, Fineco recognised Deferred Tax Assets (DTAs), after verifying that the amounts so recognised are supported by a judgement of likelihood as to their recoverability. In making this judgement, the Bank's current tax rules and its ability to generate future taxable income were taken into consideration. To this end, the DTAs were subjected to a recoverability test on the basis of the relevant Fineco Global Policy.

The forward-looking income statement estimates used in the model are derived from the income statement numbers expressed in accordance with IAS/IFRS. The prospective time horizon is a function of the expected ‘reversals’ of DTAs and is constructed by taking into consideration: (i) for the first projection year the budget approved by the Board of Directors, (ii) for the subsequent period the latest official projections approved by the Board of Directors and (iii) for the remaining projection years the income statement estimate by linearly converging the growth rates to long-term growth. The test is based on the official projections of the multi-year plan and/or annual budget and, therefore, expressive of the most reliable view of the company's evolution, as approved by the Board of Directors. From the profit and loss estimates thus determined, the relative prospective tax base is calculated by applying tax adjustments and in accordance with the methodology usually applied in the analytical calculation of the final tax base. In addition, the model is periodically updated according to changes in the relevant tax legislation. On the basis of the valuation exercise conducted with the model described, the test determined the full sustainability of deferred tax assets recognised in the balance sheet assets originating from temporary differences for both IRES and IRAP purposes.

10.7 Other information

No information to report.

Part B – Balance sheet

Section 11 - Non-current assets and disposal groups classified as held for sale and associated liabilities - Assets item 110 and liabilities item 70

No information to report.

Section 12 - Other assets - Item 120

12.1 Other assets: breakdown

(Amounts in € thousand)

	Total 12/31/2024	Total 12/31/2023
Trade receivables according to IFRS15	7,746	8,049
Tax credits purchased	1,259,059	1,618,030
Current receivables not related with the provision of financial services	4,373	3,890
Receivables due to disputed items not deriving from lending	129	129
Notes, cheques and other documents to be settled	3,890	4,594
Improvement and incremental expenses incurred on leasehold assets	2,051	2,809
Definitive items not recognised under other items	4,386	8,028
Tax items other than those included in the item "Tax assets":	389,993	258,290
- tax advances	387,052	254,217
- tax credit	2,941	4,073
Items in processing:	13,174	10,817
- POS, Bancomat and Visa debit	13,154	10,813
- others	20	4
Items in transit not allocated to relevant accounts	5	-
Accrued income and prepaid expenses other than those related to contracts to customers and other than capitalised in related financial assets or liabilities	22,359	25,836
Accrued income and prepaid expenses related to contracts with customers other than capitalised in related financial assets or liabilities	90,923	76,585
Securities and coupons to be settled	3,013	541
Transactions to be charged to customers' credit cards	13,290	11,868
Total	**1,814,391**	**2,029,466**

It should be noted that as at December 31st, 2024, some items in the above table were changed for a more explanatory presentation of the same. For the sake of consistency of comparison, the comparative figure for 2023 has been restated.

Tax credits purchased include the carrying amount of tax credits purchased under Decree-Law 34/2020 and subsequent amendments. They include both the tax credits acquired following their transfer by the direct beneficiaries and those acquired following their transfer by previous purchasers The reduction compared to the carrying amount as at December 31st ,2023 is mainly attributable to offsets made during 2024. It should be noted that as at December 31st ,2023, there were also tax credits acquired by FinecoBank on the secondary market that were subsequently subject to preventive seizure under criminal law. In December 2024, the Bank reached a settlement agreement with the assigning counterparty under which the parties agreed to cancel by mutual consent FinecoBank's acceptance of the aforementioned tax credits as well as additional tax credits reported as not available by the same assigning counterparty. By virtue of the agreement reached, the assigning counterparty returned to FinecoBank the consideration for the assignment of such credits paid by the Bank. .

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The following table "Periodic Change of Accrued Income/Expenses and Prepaid Expenses/Income" discloses the changes incurred in the sub-items "Accrued income and prepaid expenses related to contracts with customers other than capitalised on related financial assets or liabilities" and "Accrued expenses and prepaid income related to contracts with customers other than capitalised on related financial assets or liabilities" reported in the tables "Other assets: breakdown" and "Other liabilities: breakdown" (Section 8 - Liabilities of this Part B of these Notes to the accounts), respectively, as required by the par. 118 of the IFRS15.

Periodic Change of Accrued Income/Expenses and Prepaid Expenses/Income

(Amounts in € thousand)

	Accrued income and prepaid expenses 12/31/2024	Accrued expenses and prepaid income 12/31/2024
Opening balance	**76,585**	**19,195**
Increases	**61,961**	**12,776**
a) external acquisition	-	-
b) cumulative catch-up adjustments to revenue that affect the corresponding contract asset or contract liability, including adjustments arising from a change in the measure of progress, a change in an estimate of the transaction price (including any changes in the assessment of whether an estimate of variable consideration is constrained) or a contract modification (IFRS 15 Par 118.b)	-	-
c) reversal of impairment of a contract asset (IFRS 15 Par 118.c)	-	-
d) change in the time frame for a right to consideration to become unconditional (ie for a contract asset to be reclassified to a receivable) (IFRS 15 Par 118.d)	-	-
e) change in the time frame for a performance obligation to be satisfied (ie for the recognition of revenue arising from a contract liability (IFRS 15 Par 118.e)	-	-
f) other	61,961	12,776
Decreases	**(47,623)**	**(14,352)**
a) external acquisition	-	-
b) cumulative catch-up adjustments to revenue that affect the corresponding contract asset or contract liability, including adjustments arising from a change in the measure of progress, a change in an estimate of the transaction price (including any changes in the assessment of whether an estimate of variable consideration is constrained) or a contract modification (IFRS 15 Par 118.b)	-	-
c) impairment of a contract asset (IFRS 15 Par 118.c)	(383)	-
d) change in the time frame for a right to consideration to become unconditional (ie for a contract asset to be reclassified to a receivable) (IFRS 15 Par 118.d)	-	-
e) change in the time frame for a performance obligation to be satisfied (ie for the recognition of revenue arising from a contract liability (IFRS 15 Par 118.e)	-	-
f) other	(47,240)	(14,352)
Closing balances	**90,923**	**17,619**

The item "Increases f) other" includes the value as at December 31st, 2024 of the accruals that arose in the year 2024. The item "Decreases f) other" includes the reversal to profit and loss, for the portion pertaining to the year 2024, of the accruals existing at December 31st, 2023.

With regard to the information required by parag. 120 of IFRS 15 ("Transaction price allocated to the remaining performance obligations"), below a quantitative disclosure is provided with the expected duration (within 1 year and beyond 1 year) of accrued income and deferred expenses from contracts with customers other than those to be capitalised on the relevant financial assets or liabilities.

Part B – Balance sheet

Transaction price allocated to the remaining performance obligations

(Amounts in € thousand)

	Expected duration of performance <=1 year 12/31/2024	Expected duration of performance >1 year 12/31/2024
Unsatisfied (or Partially Unsatisfied) Performance Obligations - Duration - Other Assets (IFRS 15 Par 120a)	25,384	-
Unsatisfied (or Partially Unsatisfied) Performance Obligations - Duration - Other Liabilities (IFRS 15 Par 120a)	1,433	4,614
Total	**26,817**	**4,614**

The aggregate amount of revenues from services to customers related to the portion of performance obligations not yet satisfied, showed in the table above is equal to € 31,431 thousand. 85% of this amount regards performance obligations expected to be satisfied by the next year-end reporting date.

Part B – Balance sheet

Liabilities

Section 1 - Financial liabilities at amortised cost - Item 10

1.1 Financial liabilities at amortised cost: product breakdown deposits from banks

(Amounts in € thousand)

Transactions type/Amounts	Total 12/31/2024				Total 12/31/2023			
	BV	Fair Value			BV	Fair Value		
		L1	L2	L3		L1	L2	L3
1. Deposits from central banks	**-**	X	X	X	**-**	X	X	X
2. Deposits from banks	**850,600**	X	X	X	**866,978**	X	X	X
2.1 Current accounts and demand deposits	1,947	X	X	X	1,205	X	X	X
2.2 Time deposits	-	X	X	X	-	X	X	X
2.3 Loans	184,414	X	X	X	50,786	X	X	X
2.3.1 Repos	184,414	X	X	X	50,786	X	X	X
2.3.2 Other	-	X	X	X	-	X	X	X
2.4 Liabilities relating of commitments to repurchase treasury shares	-	X	X	X	-	X	X	X
2.5 Lease liabilities	3,237	X	X	X	3,487	X	X	X
2.6 Other liabilities	661,002	X	X	X	811,500	X	X	X
Total	**850,600**	**-**	**-**	**850,600**	**866,978**	**-**	**-**	**866,978**

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

Item 2.3.1 “Loans – Repos” does not include the technical form of securities lending with collateral consisting of other securities or without collateral. These transactions are shown under “off-balance sheet” in table A.1.6 in Part E - Information on risks and related hedging policies - Section 2 - Risks of the prudential - Quantitative information of these notes to the accounts.

Item 2.6 Other liabilities mainly includes variation margins received for derivative transactions.

Financial liabilities at amortised cost are presented on the basis of their fair value and fair value hierarchy for the sole purpose of fulfilling disclosure requirements. For further details, see paragraph “A.4 – Information on fair value” in Part A - Accounting policies of these notes to the accounts.

1.2 Financial liabilities at amortised cost: product breakdown deposits from customers

(Amounts in € thousand)

Transactions type/Amounts	Total 12/31/2024				Total 12/31/2023			
		Fair Value				Fair Value		
	BV	L1	L2	L3	BV	L1	L2	L3
1. Current accounts and demand deposits	28,517,922	X	X	X	27,704,387	X	X	X
2. Time deposits	1,115,411	X	X	X	695,275	X	X	X
3. Loans	107,557	X	X	X	133,930	X	X	X
3.1 Repos	107,557	X	X	X	133,930	X	X	X
3.2 Other	-	X	X	X	-	X	X	X
4. Liabilities relating of commitments to repurchase treasury shares	-	X	X	X	-	X	X	X
5. Lease payables	54,023	X	X	X	56,552	X	X	X
6. Other liabilities	181,186	X	X	X	153,856	X	X	X
Total	**29,976,099**	**-**	**32,958**	**29,942,743**	**28,744,000**	**-**	**31,513**	**28,710,990**

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

The item 3.1 “Loans – Repos” does not include the technical form of securities lending with collateral consisting of other securities or without collateral. These transactions are shown under "off-balance sheet" transactions in table A.1.7 in Part E - Information on risks and related hedging policies - Section 1 – Credit Risk - Quantitative information of these notes to the accounts.

Financial assets and liabilities may be offset when the company currently has a legal right to offset the amounts recognised in the accounts and intends to settle for the net residual, or realise the asset and settle the liability at the same time, as required by IAS 32.

In addition to complying with IAS 32, the Bank only offsets financial assets and liabilities when:

- the transactions have the same explicit final settlement date;
- the right to set off the amount due to the counterparty against the amount due from the counterparty is legally enforceable in the ordinary course of business and in the event of default, insolvency or bankruptcy;
- either the counterparties intend to settle on a net basis or simultaneously, or the transactions are subject to a settlement mechanism that functionally results in the equivalent of net settlement.

In the table above, repo transactions entered into on the Repo MTS and settled through a Central Counterparty have been shown netted. The effect of netting is shown in table "5. Financial assets subject to accounting offsetting or master netting agreements or similar agreements " and table "6. Financial liabilities subject to accounting offsetting or master netting agreements or similar agreements " in Part B - Balance Sheet Information of these notes to the accounts.

Financial liabilities measured at amortised cost are presented on the basis of their fair value and fair value hierarchy for the sole purpose of fulfilling disclosure requirements. For further details, see paragraph “A.4 – Information on fair value” in Part A - Accounting policies of these notes to the accounts.

Part B – Balance sheet

1.3 Financial liabilities at amortised cost: product breakdown of debt securities in issue

(Amounts in € thousand)

Type of securities/Values	Total 12/31/2024				Total 12/31/2023			
	BV	Fair Value			BV	Fair Value		
		L1	L2	L3		L1	L2	L3
A. Debts securities including bonds								
1. bonds	810,228	804,686	-	-	809,264	777,598	-	-
1.1 structured	-	-	-	-	-	-	-	-
1,2 other	810,228	804,686	-	-	809,264	777,598	-	-
2. other securities	-	-	-	-	-	-	-	-
2.1 structured	-	-	-	-	-	-	-	-
2.2 other	-	-	-	-	-	-	-	-
Total	**810,228**	**804,686**	**-**	**-**	**809,264**	**777,598**	**-**	**-**

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

Financial liabilities measured at amortised cost are presented on the basis of their fair value and fair value hierarchy for the sole purpose of fulfilling disclosure requirements. For further details, see paragraph “A.4 – Information on fair value” in Part A - Accounting policies of these notes to the accounts.

1.4 Breakdown of subordinated deposits/securities

No data to report.

1.5 Breakdown of structured deposits/securities

No data to report.

1.6 Amounts payable under leases

(Amounts in € thousand)

Items/Time buckets	Up to 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	Over 5 years
Lease liabilities	**10,460**	**9,543**	**9,170**	**7,629**	**6,189**	**14,269**
- Lease liabilities - Banks	513	529	482	473	484	756
- Lease liabilities - Customers	9,947	9,014	8,688	7,156	5,705	13,513

The amount of cash flows for leasing paid during 2024 is equal to € 12,095 thousand.

Part B – Balance sheet

Section 2 - Financial liabilities held for trading - Item 20

2.1 Financial liabilities held for trading: product breakdown

(Amounts in € thousand)

Transactions type/Amounts	Total 12/31/2024					Total 12/31/2023				
	NA	Fair Value			Fair Value *	NA	Fair Value			Fair Value *
		L1	L2	L3			L1	L2	L3	
A. Cash liabilities										
1. Deposits from banks	-	-	-	-	-	-	-	-	-	-
2. Deposits from customers	33	1,004	-	3	1,007	29	2,210	-	3	2,213
3. Debt securities	-	-	-	-	X	-	-	-	-	X
3.1 Bonds	-	-	-	-	X	-	-	-	-	X
3.1.1 Structured	-	-	-	-	X	-	-	-	-	X
3.1.2 Other bonds	-	-	-	-	X	-	-	-	-	X
3.2 Other securities	-	-	-	-	X	-	-	-	-	X
3.2.1 Structured	-	-	-	-	X	-	-	-	-	X
3.2.2 Others	-	-	-	-	X	-	-	-	-	X
Total (A)	**33**	**1,004**	**-**	**3**	**1,007**	**29**	**2,210**	**-**	**3**	**2,213**
B. Derivatives										
1. Financial derivatives	X	5,608	1,515	-	X	X	3,114	1,670	-	X
1.1 Trading derivatives	X	5,608	1,515	-	X	X	3,114	1,670	-	X
1.2 Related to the fair value option	X	-	-	-	X	X	-	-	-	X
1.3 Other	X	-	-	-	X	X	-	-	-	X
2. Credits derivatives	X	-	-	-	X	X	-	-	-	X
2.1 Trading derivatives	X	-	-	-	X	X	-	-	-	X
2.2 Linked to fair value option	X	-	-	-	X	X	-	-	-	X
2.3 Other	X	-	-	-	X	X	-	-	-	X
Total (B)	**X**	**5,608**	**1,515**	**-**	**X**	**X**	**3,114**	**1,670**	**-**	**X**
Total (A+B)	**X**	**6,612**	**1,515**	**3**	**X**	**X**	**5,324**	**1,670**	**3**	**X**

Key
NA = Nominal or Notional amount
L1 = Level 1
L2 = Level 2
L3 = Level 3
FV* = Fair value calculated excluding the changes in value due to the change in the issuer's credit rating since the issue date

Financial derivatives include the negative valuation of CFD contracts, Knock Out Options and Certificates issued, as well as derivative contracts regulated or settled with institutional counterparties used for the operational hedging of the above mentioned derivatives. They amounted to € 6,144 thousand (€ 3,347 thousand as at December 31st, 2023).

Sub-item B.1.1 "Derivative instruments - Trading financial derivatives" includes the negative valuations of spot contracts for securities that meets the definition of held for trading and currencies to be settled in times established by market practices ("regular way"), for a total amount of € 979 thousand (€ 1,436 thousand as at December 31st, 2023).

2.2 Breakdown of "Financial liabilities held for trading": subordinated liabilities

No data to report.

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2.3 Breakdown of "Financial liabilities held for trading": structured debts

No data to report.

Section 3 - Financial liabilities designated at fair value - Item 30

No data to report.

Section 4 - Hedging derivatives - Item 40

4.1 Hedging derivatives: breakdown by type of hedge and by level

(Amounts in € thousand)

	Fair value 12/31/2024			NA	Fair value 12/31/2023			NA
	L1	L2	L3	12/31/2024	L1	L2	L3	12/31/2023
A. Financial derivatives	**-**	**48,485**	**-**	**1,511,302**	**-**	**59,988**	**-**	**2,857,000**
1) Fair value	-	48,485	-	1,511,302	-	59,988	-	2,857,000
2) Cash flows	-	-	-	-	-	-	-	-
3) Net investment in foreign subsidiaries	-	-	-	-	-	-	-	-
B. Credit derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**48,485**	**-**	**1,511,302**	**-**	**59,988**	**-**	**2,857,000**

Key:
NA = notional amount
L1 = Level 1
L2 = Level 2
L3 = Level 3
L3 = Livello 3

Part B – Balance sheet

4.2 Hedging derivatives: breakdown by hedged assets and risk

(Amounts in € thousand)

Transactions/Type of hedge	Fair Value							Cash flow		
	Micro									
	Debt securities and interest rates	Equities and equity index	Currencies and gold	Credit	Commodity	Others	Macro	Micro	Macro	Net investment in foreign subsidiaries
1. Financial assets at fair value through other comprehensive income	-	-	-	-	X	X	X	-	X	X
2. Financial assets at ammortised cost	39,551	X	-	-	X	X	X	-	X	X
3. Portfolio	X	X	X	X	X	X	3,303	X	-	X
4. Other transactions	-	-	-	-	-	-	X	-	X	-
Total assets	**39,551**	**-**	**-**	**-**	**-**	**-**	**3,303**	**-**	**-**	**-**
1. Financial liabilities	-	X	-	-	-	-	X	-	X	X
2. Portfolio	X	X	X	X	X	X	5,631	X	-	X
Total liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**5,631**	**-**	**-**	**-**
1. Expected transactions	X	X	X	X	X	X	X	-	X	X
2. Financial assets and liabilities Portfolio	X	X	X	X	X	X	-	X	-	-

Section 5 – Changes in fair value of portfolio hedged financial liabilities - Item 50

5.1 5.1 Changes to macro-hedged financial liabilities

(Amounts in € thousand)

Adjustments to the value of hedged liabilities/Amounts	Total 12/31/2024	Total 12/31/2023
1. Positive changes to financial liabilities	2,579	1,271
2. Negative changes to financial liabilities	(5,743)	(32,547)
Total	**(3,164)**	**(31,276)**

Section 6 – Tax liabilities – Item 60

See section 10 of assets.

Section 7 – Liabilities included in disposal groups classified as held for sale – Item 70

See section 11 of assets.

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Section 8 – Other liabilities – Item 80

8.1 Other liabilities: breakdown

(Amounts in € thousand)

Items/Amounts	Total 12/31/2024	Total 12/31/2023
Payables to Directors and Statutory auditors	238	236
Payables to employees	13,756	13,122
Outgoing bank transfers	117,271	152,839
Social security contributions payable	9,193	8,745
Current payables not related to the provision of financial services	41,563	39,024
Payables for share-based payments	81	-
Payment authorisations to be settled	26,643	22,705
Payment orders issued by customers and other transactions to be settled	7,268	7,585
Definitive items not recognised under other items	6,343	7,199
Tax items other than those included in the item "Tax liabilities":	119,704	71,405
- sums withheld from third parties as withholding agent	78,300	39,741
- other	41,404	31,664
Illiquid items for portfolio transactions	8,389	1,500
Items in processing:	3,552	2,785
- incoming bank transfers	2,609	1,326
- other items in processing	943	1,459
Accrued expenses and deferred income other than those related to contracts with customers and other than capitalised on the related financial assets or liabilities	209	240
Deferred income related to contracts with customers other than those capitalised on the related financial assets or liabilities	17,620	19,195
Sums available to be paid to customers	3,730	8,014
Securities and coupons to be settled	18,735	28,128
Credit card transactions to be settled with circuits	-	784
POS, ATM and Visa Debit transactions to be settled with circuits	27	27,169
Total	**394,322**	**410,675**

It should be noted that as at December 31st, 2024, some items in the above table were changed for a more explanatory presentation of the same. For the sake of consistency of comparison, the comparative figure for 2023 has been restated.

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Section 9 - Provisions for employee severance pay - Item 90

9.1 Provisions for employee severance pay: annual changes

(Amounts in € thousand)

	Total 12/31/2024	Total 12/31/2023
A. Opening balance	**4,378**	**3,942**
B. Increases	**143**	**490**
B.1 Provision of the year	143	158
B.2 Other increases	-	332
C. Decreases	**(157)**	**(54)**
C.1 Severance payments	(118)	(54)
C.2 Other decreases	(39)	-
D. Closing balance	**4,364**	**4,378**
Total	**4,364**	**4,378**

Item C.2 Other decreases includes the increase in provisions for employee severance pay as a result of the actuarial valuation, performed in accordance with IAS 19 Revised, recognised as an offsetting entry to valuation reserves.

9.2 Other information

The “TFR” provision for Italy-based employee benefits is considered to be a “post-retirement defined benefit”. It is therefore recognised on the basis of an actuarial estimate of the amount of benefit accrued by employees discounted to present value. This benefit is calculated by an external actuary using the unit credit projection method (see Part A.2 - The Main Items of the Accounts).

The Provision for employee severance pay covers the amount of the rights accrued in that respect up to December 31st, 2024 by employees, under current legal regulations, as well as national collective bargaining agreements and supplementary company agreements.

The current year was affected by the normal events referable to the severance indemnity fund in accordance with the provisions of the law and the company agreements in force.

In 2007, the new supplementary pension reform pursuant to Legislative Decree no. 252/2005 became effective and, as a result the amounts accrued up to December 31st, 2006 were kept with the Company, whilst the amounts of employee severance pay provision accruing as of January 1st, 2007 were transferred to the supplementary pension funds or the INPS Treasury fund according to the option adopted by the employees (within June 30th, 2007). The result is that:

- the employee severance fund accrued up to December 31, 2006 (or until the date of the option - falling between January 1st, 2007 and June 30th, 2007 - adopted by the employees if the they decided to transfer their employee severance pay provision to a supplementary pension fund) continues to be a "defined-benefit" plan and therefore subject to actuarial valuation, although based on simplified actuarial assumptions which no longer take account of estimated future pay rises;
- the amounts accrued from January 1st, 2007 (or from the date of the option - falling between January 1st, 2007 and June 30th, 2007 - by the employees if they decided to transfer their employee severance pay provision to a supplementary pension fund), were considered as a “defined-contribution" plan (as the Company's liability ceases at the time it pays the employee severance pay provision accrued to the pension fund chosen by the employee) and therefore the related cost for the period is equal to the amounts paid to the Supplementary Pension fund or the INPS Treasury fund.

The following table shows the main actuarial assumptions used to remeasure the liability.

Description of the main actuarial assumptions	12/31/2024	12/31/2023
Discount rate	3.40%	3.45%
Expected inflation rate	2.00%	2.00%

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(Amounts in € thousand)

Employee severance pay provision: other information	Total 12/31/2024	Total 12/31/2023
Provisions for the year	**143**	**158**
- Current service cost	-	-
- Interest expense on defined benefit obligations	143	158
- Gains and losses on curtailments and settlements	-	-
- Past service cost	-	-
Actuarial gains (losses) recognised in revaluation reserves (OCI)	**(39)**	**332**
- Actuarial gains (losses) for the year	(28)	220
- Actuarial gains/losses on demographic assumptions	(27)	-
- Actuarial gains/losses on financial assumptions	16	112

As required by IAS 19 Revised, a sensitivity analysis was performed to identify how the present value of the obligation changes when the actuarial assumptions deemed most significant change, holding other actuarial assumptions constant. A change of -25 basis points in the discount rate would increase the liability by € 81 thousand (+1.85%), while an equivalent increase in the rate would decrease the liability by € 78 thousand (-1.79%). A change of -25 basis points in the inflation rate would result in a decrease in the liability of € 47 thousand (-1.07%), while an equivalent increase in the rate would result in an increase in the liability of € 48 thousand (+1.10%).

Section 10 - Provisions for risks and charges - Item 100

10.1 Provisions risk and charges: breakdown

(Amounts in € thousand)

Items/Components	Total 12/31/2024	Total 12/31/2023
1. Provisions for credit risk of commitments and financial guarantees given	56	226
2. Provisions for other commitments and other guarantees given	-	78
3. Provisions for retirement payments and similar obligations	-	-
4. Other provisions for risks and charges	166,015	138,862
4.1 legal and tax disputes	25,317	27,308
4.2 staff expenses	8,171	7,812
4.3 other	132,527	103,742
Total	**166,071**	**139,166**

Item 4.1 “legal and tax disputes” mainly includes provisions made to cover complaints and disputes for damage to customers arising from the unlawful behaviour of the Bank's personal financial advisors, provisions relating to pending disputes with personal financial advisors (generally employment-related) and other ongoing court and out-of-court litigation with customers, in relation to normal banking activities, and other parties for € 24,727 thousand (€ 23,817 thousand as at December 31st, 2023) and provisions for tax disputes (penalties and interest) for € 590 thousand (€ 3,491 thousand as at December 31st, 2023). In addition to the costs incurred by the Bank in the event of an unfavourable conclusion of the dispute, this provision includes the estimate of the costs to be paid to legal advisors and any technical consultants and/or experts who assist the Bank in ongoing disputes. This estimate was determined by the Bank in relation to the ongoing litigation to the extent that it is believed that they will not be reimbursed by the counterparties, mainly on the basis of the Forensic Tariffs envisaged by current legislation. With reference to the provision for tax disputes, it should be noted that in 2024, an amount of approximately € 3,321 thousand was re-allocated to the income statement, which had been recognised for penalties and interest relating to a tax dispute for which the judgement in favour of the Bank has become final or has become res judicata.

Item 4.2 “staff expenses” includes, mainly, the provisions made for the variable remuneration to be paid to employees in subsequent years, which have an uncertain due date and/or amount.

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Item 4.3 “Other” includes the Supplementary customer indemnity provision, of €118,460 thousand (€ 89,948 thousand as at December 31st, 2023), the Contractual Indemnity Fund for €238 thousand (€ 220 thousand as at December 31st, 2023) and other provisions made for risks related to the Bank's business and operations, of € 13,829 thousand (€ 13,574 thousand as at December 31st, 2023), including, in particular, the obligations arising from the cost rebalancing agreement that the Parent Company signed with the other distributing banks as part of the operation aimed at protecting Cronos formerly Eurovita policyholders and the provisions made for training events for personal financial advisors.

10.2 Provisions for risks and charges: annual changes

(Amounts in € thousand)

	Provisions for other commitments and other guarantees given	Provisions for retirement payments and similar obligations	Other provisions for risks and charges	Total
A. Opening balance	**78**	**-**	**138,862**	**138,940**
B. Increases	**(78)**	**-**	**40,536**	**40,458**
B.1 Provisions for the year	(78)	-	13,905	13,827
B.2 Changes due to the passage of time	-	-	3,938	3,938
B.3 Changes due to variations in the discount rate	-	-	491	491
B.4 Other increases	-	-	22,202	22,202
C. Decreases	**-**	**-**	**(13,383)**	**(13,383)**
C.1 Amounts used in the year	-	-	(13,185)	(13,185)
C.2 Changes due to variations in the discount rate	-	-	(138)	(138)
C.3 Other decreases	-	-	(60)	(60)
D. Closing balance	**-**	**-**	**166,015**	**166,015**

Item B.1 Provisions for the year includes net provisions recognised in the income statement. Item C.1 Utilisation during the year includes only monetary utilisations.

Item B.4 Other increases mainly includes the increase in the Supplementary customer indemnity provision as a result of the actuarial valuation, carried out in accordance with IAS 19 Revised, recognised as an offsetting entry to the valuation reserves.

It should be noted that “Other changes” include transfers between claims and pending litigation, relating to legal and tax disputes recognised in “other provisions for risks and charges”, as shown in table 10.6 Provisions for risks and charges - other provisions.

10.3 Funds for credit risk related to release financial obligations and warranties

(Amounts in € thousand)

	Funds for credit risk related to financial obligation and warranties release				
	Stage 1	**Stage 2**	**Stage 3**	**Purchased or originated credit-impaired**	**Total**
1. Loan commitments given	45	3	6	-	54
2. Financial guarantees given	2	-	-	-	2
Total	**47**	**3**	**6**	**-**	**56**

10.4 Provisions on other commitments and other guarantees given

(Amounts in € thousand)

Items/Components	Total 12/31/2024	Total 12/31/2023
1. Other guarantees given	-	-
2. Other commitments	-	78
Total	**-**	**78**

10.5 Pensions and other post-retirement defined-benefit obligations

No data to report.

10.6 Provisions for risks and charges - other provisions

(Amounts in € thousand)

	Total 12/31/2024	Total 12/31/2023
Legal and fiscal disputes	**25,317**	**27,308**
- Pending cases	22,291	21,305
- Complaints	2,436	2,512
- Tax disputes	590	3,491
Staff expenses	**8,171**	**7,812**
Others	**132,527**	**103,742**
- Supplementary customer indemnity provision	118,460	89,948
- Provision for contractual payments	238	220
- Other provisions	13,829	13,574
Total provisions for risks and charges - other provisions	**166,015**	**138,862**

(Amounts in € thousand)

Provisions for risks and charges	Total 12/31/2023	Uses	Transfers and other changes	Actuarial gains (losses) IAS 19R *	Net provisions**	Total 12/31/2024
Legal and fiscal disputes	**27,307**	**(2,113)**	**-**	**-**	**123**	**25,317**
- Pending cases	21,304	(1,804)	60	-	2,731	22,291
- Complaints	2,512	(307)	(60)	-	291	2,436
- Tax disputes	3,491	(2)	-	-	(2,899)	590
Staff expenses	**7,812**	**(7,233)**	**-**	**-**	**7,592**	**8,171**
Others	**103,742**	**(3,839)**	**-**	**22,143**	**10,481**	**132,527**
- Supplementary customer indemnity provision	89,948	(1,826)	-	22,134	8,204	118,460
- Provision for contractual payments	220	-	-	9	9	238
- Other provisions	13,574	(2,013)	-	-	2,268	13,829
Total provisions for risks and charges - other provisions	**138,861**	**(13,185)**	**-**	**22,143**	**18,196**	**166,015**

* The item " IAS 19R actuarial gains (losses)" includes the actuarial gains (losses) recognised in the item "Revaluation reserves" in application of IAS 19R.
** The item "Net provisions" includes the costs recognised in their own income statement item to better reflect their nature (e.g. "Staff expenses", "Administrative costs" and "Interest expenses and similar charges").

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The following table shows the main actuarial assumptions used to measure the liability for the supplementary customer indemnity provision and the provision for contractual payments.

Description of the main actuarial assumptions	12/31/2024	12/31/2023
Discount rate	3.40%	3.45%
Rate salary increase	5.00%	4.50%

As required by IAS 19 Revised, a sensitivity analysis was conducted aimed at identifying how the present value of the liability changes when the actuarial assumptions considered most significant are changed, while keeping the other actuarial assumptions constant.

With reference to the supplementary customer indemnity provision, a change of -25 basis points in the discount rate would result in an increase in liabilities of € 2,766 thousand (+2.34%); an equivalent increase in the rate, on the other hand, would reduce the liability by € 2,662 thousand (-2.25%). A change of -25 basis points in the salary base would result in a reduction in the liability of € 829 thousand (-0.70%); an equivalent increase in the rate, on the other hand, would result in an increase in liabilities of € 851 thousand (+0.72%).

With reference to the provision for contractual payments, a change of -25 basis points in the discount rate would result in an increase in liabilities of € 3 thousand (+1.42%); an equivalent increase in the rate, on the other hand, would reduce the liability by € 3 thousand (-1.46%). A change of -/+25 basis points in the salary base would not entail any significant change in the liability.

In addition, for the other provisions recognised in the financial statements on the basis of IAS 37, where the effect of the time value of money is significant (generally when payment is to be made more than 18 months from recognition), the amount of the provision should be the present value of the best estimate of the cost required to settle the obligation. The discount rate used reflects the current market assessments. As at December 31, 2024 an analysis was conducted to assess the impact on the provision on "Legal and fiscal disputes' and "Other provisions" (with the exception of the supplementary customer indemnity and contractual payment, for which the relating sensitivity analyses have been described above) is made of a variation of - 25 basis points in the discount rate would increase the liability by € 157 thousand (+0.10%); an equivalent increase in the rate, on the other hand, would decrease the liability by €155 thousand (-0.10%).

The **Provision for legal disputes** includes provisions made to cover complaints and disputes for damage to customers arising from the unlawful behaviour of the Bank's personal financial advisors, provisions relating to pending disputes with personal financial advisors (generally employment-related) and other ongoing court and out-of-court litigation with customers, in relation to normal banking activities, and other parties. In addition to the costs incurred by the Bank in the event of an unfavourable conclusion of the dispute, this provision includes the estimate of the costs to be paid to legal advisors and any technical consultants and/or experts who assist the Bank in ongoing disputes. This estimate was determined by the Bank in relation to the ongoing litigation, mainly on the basis of the Forensic Tariffs envisaged by current legislation.

The **Provision for tax disputes** is allocated to cover tax demands received from the Italian Revenue Agency following tax audits carried out on the Bank over the years, in relation to which the Bank considers it has calculated the tax correctly and legitimately and has therefore submitted an appeal at various levels of proceedings. The above mentioned provision for risks and charges include the allocations for fines and interest for the additional tax being contested and requested by the Tax Authorities through tax bills or payment notices paid and for the estimated amount of legal expenses to be incurred in the various proceedings. For more details, see Part E – Information on risks and hedging policies – Section 1.5 – Operational risk – paragraph "Risks arising from tax disputes and audits" of these notes to the accounts.

The **Provision for staff expenses** includes provisions made in relation to the variable remuneration to be paid to employees in subsequent years which have an uncertain due date and amount.

The **Supplementary customer indemnity provision** is accrued to cover the amount of severance indemnity to be paid to the PFA network pursuant to art. 1751 of the Italian Civil Code, in the event of termination of the contract for reasons not attributable to the advisor, such as, for example, when reaching retirement age. The amount of the obligation at the end of the period was assessed with the aid of an independent actuary, in accordance with the provisions of IAS 19.

The **Provision for contractual payments,** relating to a specific cluster of personal financial advisors, is constituted against a special indemnity that the Bank agrees to pay to personal financial advisors, who opted to transfer the rights and obligations arising from their contract with the Bank to third parties, where these advisors continue to keep an ethical and professional conduct with the Bank after termination of employment, with specific regard to the customer portfolio. The amount of the obligation at the end of the period relating to contractual payments was assessed with the aid of an independent actuary.

The **Other Provisions** are mainly allocated to cover the risks related to the business and operations of the Bank, including, in particular, the obligations arising from the cost rebalancing agreement that the Parent Company signed with the other distributing banks as part of the operation aimed at protecting Cronos ex Eurovita policyholders described above and the provisions for training events for financial advisors.

Part B – Balance sheet

Section 11 - Redeemable shares - Item 120

No data to report.

Section 12 - Shareholders' equity - Items 110, 130, 140, 150, 160, 170 and 180

12.1 "Share capital" and "Treasury shares": breakdown

As at December 31st, 2024, share capital came to € 201,630 thousand, comprising 610,999,427 ordinary shares with a par value of € 0.33 each.

The Board of Directors of FinecoBank on February 6th, 2024, considering the positive result of the verification of the minimum conditions of access at the Group level and the individual ones (behavior compliance and continuous employment), as well as the favourable opinion of the Remuneration Committee meeting on February 5th, 2024, approved the allocation of the share tranches scheduled for the financial year 2024 with reference to the 2018, 2019, 2020, 2021, 2022 incentive systems and the long-term incentive plans for the period 2018-2020 and for the period 2021-2023. A total of 367,792 ordinary FinecoBank shares were issued and a bonus share capital increase was carried out for a total amount of €121 thousand, effective as of March 28 th, 2024.

As a result of the aforementioned capital increases, the available profit reserve was reduced, and in particular, the reserve related to the medium-long term incentive scheme for FinecoBank's personnel, established with the Extraordinary Reserve, was used.

As at December 31st, 2024, the Bank held in the portfolio 81,200 FinecoBank ordinary shares, in order to execute the PFA incentive plans of the Bank, corresponding to 0.01% of the share capital, for an amount of € 1,082 thousand. During 2024 n. 44,200 shares, for an amount of € 572 thousand, were purchased in relation to the 2023 PFA Incentive System for personal financial advisors identified as "Identified Staff" and n. 12,781, n. 19,004, n. 16,480, and n. 6,194 FinecoBank ordinary shares were assigned free to personal financial advisors identified as "Identified Staff" respectively in execution to the 2020, 2021 and 2022 PFA Incentive System and 2018-2020 Long Term Incentive Plan, held in the portfolio for an amount of € 733 thousand.

(Amounts in € thousand)

	Total 12/31/2024	Total 12/31/2023
Share capital	201,630	201,508
Share premium reserve	1,934	1,934
Reserves	1,014,304	855,420
(Treasury shares)	(1,082)	(1,243)
Revaluation reserves	(19,049)	(6,730)
Equity instruments	500,000	500,000
Net Profit (Loss) for the year	648,766	604,498
Total	**2,346,503**	**2,155,387**

12.2 Share capital - Number of shares: annual changes

Items/Type	Ordinary	Others
A. Shares outstanding at the beginning of the year	**610,540,176**	**-**
- fully paid	610,631,635	-
- not fully paid	-	-
A.1 treasury shares (-)	(91,459)	-
A.2 Shares outstanding: Opening balance	**610,540,176**	**-**
B. Increases	**422,251**	**-**
B.1 New issues	367,792	-
- against payment:	-	-
- business combination	-	-
- bonds converted	-	-
- warrants exercised	-	-
- others	-	-
- free:	367,792	-
- to employees	367,792	-
- to directors	-	-
- others	-	-
B.2 Sales of treasury shares	-	-
B.3 Other changes	54,459	-
C. Decreases	**(44,200)**	**-**
C.1 Cancellation	-	-
C.2 Purchase of treasury shares	(44,200)	-
C.3 Business tranferred	-	-
C.4 Other changes	-	-
D. Shares outstanding: closing balance	**610,918,227**	**-**
D.1 Treasury shares (+)	81,200	-
D.2 Shares outstanding at the end of the year	610,999,427	-
- fully paid	610,999,427	-
- not fully paid	-	-

The item B.3 “Other changes” reports the shares allocated to the personal financial advisors as “Identified staff” under the stock granting plans 2020, 2021, 2022 and 2018-2020 long term incentive plan.

12.3 Share capital: other information

The shares are not subject to any right, privilege or constraint; there are no shares reserved for issue under option and sales contracts.

12.4 Reserves from allocation of profit from previous years: other information

The reserves from profits consist of the:

- Legal reserve, amounting to € 40,326 thousand;
- Reserve for treasury shares held, amounting to € 1,082 thousand;
- Reserves of unavailable profits pursuant to article 6 paragraph 2 of Legislative Decree 38/2005, for an amount equal to € 2,675 thousand;
- Non-distributable reserve pursuant to Article 26, Section 5-bis of Decree-Law No. 104 of 10 August 2023, in the amount of €30,479 thousand;
- other reserves from profits, amounting to €888,215 thousand, of which €86,354 thousand subject to a taxability restriction in the event of distribution, allocated following the tax realignment of goodwill provided for by article 110 of Decree-Law 104 of 2020.

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As previously mentioned in para. 12.1 “Share capital and Treasury shares: breakdown”, the Board of Directors of FinecoBank held on February 6th, 2024 approved execution of the incentive systems with a consequent increase in share capital, against with the reserves from profits have been reduced for an amount of € 121 thousand, in particular, the reserve related to the medium-long term incentive scheme for FinecoBank's personnel, set up with the available extraordinary reserve, was used. The extraordinary reserve was also used for the payment of costs directly attributable to the aforementioned capital increase operations, for an amount of € 7 thousand net of the related taxes.

As previously mentioned in para. 12.1 “Share capital and Treasury shares: breakdown”, during 2024 n. 44,200 shares, for an amount of € 572 thousand, were purchased in relation to the 2023 PFA Incentive System for personal financial advisors identified as “Identified Staff” and n. 12,781, n. 19,004, n. 16,480, and n. 6,194 FinecoBank ordinary shares held in the portfolio were assigned to personal financial advisors identified as “Identified Staff” respectively in execution to the 2020, 2021 and 2022 PFA incentive system and 2018-2020 Long Term Incentive Plan, held in the portfolio for an amount of € 733 thousand. Consequently, the Reserve for treasury shares reduced by a total of € 161 thousand, with a simultaneous increase in the Extraordinary reserve.

The FinecoBank Shareholders' Meeting of April 24th, 2024 approved the allocation of profit for the year 2023 of FinecoBank S.p.A. amounting to € 604,498 thousand, as follows:

- to the 610,999,427 ordinary shares with a par value of € 0.33, constituting the share capital including 367,792 shares related to the capital increase to support the employee incentive system approved by the Board of Directors on February 6, 2024, a unit dividend of € 0.69 totaling € 421,590 thousand;
- € 24 thousand to the Legal reserve, corresponding to 0.004% of the profit for the year, having reached the limit of a fifth of the share capital;
- € 30,479 thousand to the on-distributable reserve pursuant to Article 26, Section 5-bis of Decree-Law No. 104 of 10 August 2023, corresponding to the amount of the extraordinary tax determined pursuant to the aforementioned decree;
- € 461 thousand to the reserve of unavailable pursuant to article 6 paragraph 2 of Legislative Decree 38/2005:
- € 151,944 thousand to the extraordinary reserves.

In addition, during the first half of 2024, the extraordinary reserve was reduced by an amount of:

- € 26,525 thousand, corresponding to coupons, net of related taxation, paid to holders of Additional Tier1 instruments issued by the Bank;
- € 609 thousand, corresponding to the loss, net of related taxation, recognised following the repurchase for an amount of € 168 million of the Additional Tier1 instrument issued in July 2019 for a total nominal value of €300 million;
- € 2,572 thousand, corresponding to the costs associated with the issuance and repurchase of Additional Tier1 instruments carried out during the financial year 2024;

and increased by the portion of dividends not distributed in respect of treasury shares held by the Bank at the record date, amounting to € 56 thousand.

Part B – Balance sheet

Information on the availability and distribution of shareholders' equity

In accordance with art. 2427, paragraph 7-bis of the Italian Civil Code, and according to document no. 1 issued by the Italian Accounting Body on October 25, 2004, a detailed description of equity items is provided below, with a breakdown in terms of availability, eligibility for distribution and use in the last three years.

(Amounts in € thousand)

Type/description	Amount	Possibile use	Amount available		Summary of the amounts used in the past three years	
					To cover losses	For other reasons
Share capital	201,630					
Equity instruments	500,000					
Share premium reserve	1,934	A, B, C	1,934	(1)		
Reserves:						
Legal reserve	40,326	B	40,326			
Extraordinary reserve	801,861	A, B, C	801,861			384,768*
Extraordinary reserve in suspension of taxation	86,354	A, B	86,354	(2)		
Reserve related to equity-settled plans	51,528	A, B, C	32,939			2,136
Reserve for treasury shares	1,082					
Reserves of unavailable profits (art. 6 para. 2 of Legislative Decree 38/2005)	2,675	B	2,675	(3)		
Reserves of unavailable profits (former art.26 para. 2 of Legislative Decree 104/2023)	30,479	A, B, C	30,479	(4)		
Revaluation reserves:						
Revaluation reserves for financial assets at fair value through comprehensive income	(127)			(5)		
Revaluation reserves for actuarial gains (losses) from defined benefit plans	(18,929)					
Revaluation reserve: amount of revaluation reserves pertaining to equity method investments	2					
TOTAL	**1,698,818**		**996,567**			
Undistributable amount			129,355			
Distributable amount			867,213			

Key:
A: for capital increase.
B: to cover losses.
C: for distribution to shareholders.

Note:
(1) Pursuant to Article 2431 of the Civil Code, the sum total of this reserve may be distributed only on condition that the legal reserve has reached the limit set in Article 2430 of the Civil Code.
(2) The reserve, in the amount of €86,354,000, is subject to a taxability restriction in the event of distribution, as a result of the tax realignment of goodwill under Article 110 of Legislative Decree 104 of 2020.The reserve, amounting to €86,354 thousand, is subject to a taxability restriction in the event of distribution, following the tax realignment of goodwill provided for by Article 110 of Legislative Decree 104 of 2020.
(3) The reserve can be used to cover losses for the year only after using the available profit reserves and the legal reserve as established by Article 6 of Legislative Decree 38/05. In this case it is replenished by setting aside the profits of subsequent years.
(4) If the reserve is used for the distribution of profits, the tax referred to in Article 26 of Legislative Decree No. 104 of August 10th, 2023, increased, as from the expiry of the time limit for payment referred to in Paragraph 4, by an amount equal, in annual terms, to the interest rate on deposits with the European Central Bank, shall be paid within thirty days of the approval of the relevant resolution.
(5) The reserve, when positive, is not available pursuant to article 6 of Legislative Decree 38/2005.

* Includes the utilisations of the "Reserve connected to the medium-long term incentive scheme for FinecoBank's Personnel", established through the "Extraordinary Reserve".

The above table shows that the distributable amount is € 867,213 thousand, corresponding to the reserves in respect of which letter C has been indicated in the column “Possible use”. It should be noted that the distributable amount does not include the profit for 2024, the allocation of which will be subject to approval by the Shareholders' Meeting of April 29th, 2025.

The uses of the reserves made in the previous three years are shown in detail below.

<u>2021 financial year:</u>

- use of the "Extraordinary reserve" for a total of € 323,247 thousand for the payment of a unit dividend of € 0.53, approved by the Shareholders' Meeting on October 21st, 2021
- use of the "Reserve connected to the medium/long-term incentive system for FinecoBank Personnel", established through the "Extraordinary reserve" for a total of € 114 thousand for the capital increase connected to the assignment of the share tranches planned for the year 2021 with reference to the 2015, 2016, 2017, 2018 and 2019 incentive system, to the 2018-2020 long-term incentive system reserved for employees and the severance agreed in 2018 for a manager with strategic responsibilities, as well as costs directly attributable to the aforementioned capital increase transactions, amounting to € 6 thousand net of the related taxation;

- use of the "Extraordinary reserve" for the payment of coupons of the Additional Tier 1 financial instrument issued by the Bank for a total amount of € 19,767 thousand net of the related taxation;
- use of the "Reserve related to Equity settled plans" for € 570 thousand following the free allocation to the Bank's Financial Advisors and Network Managers of ordinary FinecoBank shares held in portfolio under the 2016, 2017, 2018 and 2019 incentive system.

2022 financial year:

- use of the "Reserve connected to the medium/long-term incentive system for FinecoBank Personnel", established through the "Extraordinary reserve" for a total of € 73 thousand for the capital increase connected to the assignment of the share tranches planned for the year 2022 with reference to the 2016, 2017, 2018, 2019 and 2020 incentive system, to the 2018-2020 long-term incentive system reserved for employees and the severance agreed in 2018 for a manager with strategic responsibilities, as well as costs directly attributable to the aforementioned capital increase transactions, amounting to € 6 thousand net of the related taxation;
- use of the "Extraordinary reserve" for the payment of coupons of the Additional Tier 1 financial instrument issued by the Bank for a total amount of € 19,767 thousand net of the related taxation;
- use of the "Reserve related to Equity settled plans" for € 576 thousand following the free allocation to the Bank's Financial Advisors and Network Managers of ordinary FinecoBank shares held in portfolio under the 2017, 2018, 2019 and 2020 incentive system.

2023 financial year:

- use of the "Reserve connected to the medium/long-term incentive system for FinecoBank Personnel", established through the "Extraordinary reserve" for a total of € 169 thousand for the capital increase connected to the assignment of the share tranches planned for the year 2023 with reference to the 2017, 2018, 2019, 2020 and 2021 incentive system, to the 2018-2020 long-term incentive system reserved for employees and the severance agreed in 2018 for a manager with strategic responsibilities, as well as costs directly attributable to the aforementioned capital increase transactions, amounting to € 7 thousand net of the related taxation;
- use of the "Extraordinary reserve" for the payment of coupons of the Additional Tier 1 financial instrument issued by the Bank for a total amount of € 21,611 thousand net of the related taxation;
- use of the "Reserve related to Equity settled plans" for € 990 thousand following the free allocation to the Bank's Financial Advisors and Network Managers of ordinary FinecoBank shares held in portfolio under the 2018, 2019, 2020 and 2021 incentive system and the 2018-2020 long-term incentive system.

12.5 Equity instruments: breakdown and annual changes

As described in the consolidated interim report on operations, on March 4th, 2024 FinecoBank placed on the market an Additional Tier 1 instrument intended for institutional investors with a nominal value of € 500 million.

On March 11th, 2024, the offer to purchase the Additional Tier 1 instrument issued in July 2019 with a nominal value of € 300 million was concluded and the total nominal amount of capital instruments validly tendered in the offer was € 168 million.

On June 3rd, 2024, the Additional Tier1 private placement issued in January 2018 with a nominal value of € 200 million, fully subscribed by UniCredit S.p.A., was called.

Finally, on December 3rd., 2024, the full redemption option of the Additional Tier 1 instrument issued in July 2019 was exercised for the portion not repurchased in the offer concluded on March 11th, 2024, amounting to € 132 million.

Consolidated book shareholders' equity as at 31 December 2024 therefore only includes the Additional Tier 1 capital instrument issued by FinecoBank on March 4th, 2024 with a nominal value of € 500 million. The capital instrument is a public placement, perpetual, traded on the regulated market managed by Euronext Dublin, rated BB- (S&P Global Ratings). The coupon for the first 5.5 years was set at 7.5%.

Part B – Balance sheet

12.6 Other information

No data to report.

OTHER INFORMATION

Table “1. Commitments and financial guarantees issued” shows the commitments and guarantees subject to valuation in accordance with IFRS 9. Table “2. Other commitments and other guarantees given” shows the commitments and guarantees that are not subject to measurement according to this standard.

1. Commitments and financial guarantees issued (other than those designated at fair value)

(Amounts in € thousand)

	Nominal value of commitments and financial guarantees given				Total 12/31/2024	Total 12/31/2023
	Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired financial assets		
1. Commitment to supply funds	**44,428**	**1,540**	**19**	**-**	**45,987**	**286,547**
a) Central Banks	-	-	-	-	-	-
b) Public Administration	-	-	-	-	-	-
c) Banks	-	-	-	-	-	-
d) Other financial companies	32,550	1	-	-	32,551	262,427
e) Non-financial companies	-	-	-	-	-	-
f) Families	11,878	1,539	19	-	13,436	24,120
2. Financial guarantees issued	**27,238**	**-**	**-**	**-**	**27,238**	**28,318**
a) Central Banks	-	-	-	-	-	-
b) Public Administration	-	-	-	-	-	-
c) Banks	17,170	-	-	-	17,170	17,170
d) Other financial companies	750	-	-	-	750	-
e) Non-financial companies	1,368	-	-	-	1,368	85
f) Families	7,950	-	-	-	7,950	11,063

The commitments to supply funds to Families mainly include the securities lending transactions secured by sums of money that fall within the full economic availability of the lender to be settled, while commitments to disburse funds to other financial companies mainly include the undrawn portion of the loan granted to Cronos Vita Assicurazioni S.p.A.

Financial guarantees given to banks include banks include the guarantees issued in 2012 to the Italian Revenue Agency on request of UniCredit S.p.A., with indefinite duration, for a total amount of € 17,166 thousand (€ 17,166 thousand as at December 31st, 2023).

2. Other commitments and other guarantees given

(Amounts in € thousand)

	Nominal amount Total 12/31/2024	Nominal amount Total 12/31/2023
1. Other guarantees given		
of which: impaired	-	-
a) Central Banks	-	-
b) Governments	-	-
c) Banks	-	-
d) Other financial companies	-	-
e) Non-financial companies	-	-
f) Households	-	-
2. Other commitments	**2,279,263**	**2,354,551**
of which: impaired	68	130
a) Central Banks	-	-
b) Governments	-	-
c) Banks	-	3,096
d) Other financial companies	16,040	21,459
e) Non-financial companies	3,395	2,191
f) Households	2,259,828	2,327,805

Other commitments refer to the margins available on revocable credit lines granted to customers and spot sales of securities to be settled in times established by market practices ("regular way").

3. Assets given as collateral for own liabilities and commitments

(Amounts in € thousand)

Portfolios	Amounts 12/31/2024	Amounts 12/31/2023
1. Financial assets at fair value through profit and loss	-	-
2. Financial assets at fair value through other comprehensive income	-	-
3. Financial assets at amortized cost	3,378,468	2,987,910
4. Property, plant and equipment	-	-
of which: Property, plant and equipment material assets that constitute inventories	-	-

Assets given as collateral for own liabilities and commitments shown in the above table refer to:

- debt securities, in particular Sovereing bonds, pledged as collateral of repos with the obligation for the buyer to resell the assets covered by the transaction upon expiration of said transaction. The securities are given as collateral for the entire duration of the transaction;
- debt securities, in particular Sovereing bonds, pledged as collateral for bankers' drafts, as guarantee for transactions with the Cassa di Compensazione e Garanzia, to guarantee the operation in foreign markets and/or as guarantee for transactions in derivatives. Securities are used as collateral until the Group decides to stop the transactions for which the collateral or guarantees are granted;
- variation margins, initial margins and guarantee deposits, including the default fund, against transactions in derivative contracts and financial instruments;
- debt securities, mainly issued by Supranational institutions, given as collateral in securities lending transactions carried out with customers. The securities are given as collateral for the entire duration of the transaction.

Part B – Balance sheet

4. Asset management and trading on behalf of others

(Amounts in € thousand)

Type of service	Total 12/31/2024
1. Execution of orders for customers	**515,830,755**
Securities	**151,793,998**
a) purchases	82,756,856
1. settled	82,420,765
2. unsettled	336,091
b) sales	69,037,142
1. settled	68,766,099
2. unsettled	271,043
Derivative contracts	**364,036,757**
a) purchases	182,098,612
1. settled	181,926,396
2. unsettled	172,216
b) sales	181,938,145
1. settled	181,760,365
2. unsettled	177,780
2. Segregated accounts	**-**
3. Custody and administration of securities	
a) third party securities on deposits: relating to custodian bank activities (excluding segregated accounts)	-
1. securities issued by the bank preparing the accounts	-
2. other securities	-
b) third party securities held in deposits (excluding segregated accounts): other	41,113,599
1. securities issued by the bank preparing the accounts	7,120
2. other securities	41,106,479
c) third-party securities deposited with third parties	41,113,599
d) own securities deposited with third parties	23,662,649
4. Other transactions	**43,335,807**
Order receipt and transmission	43,335,807
a) purchases	21,830,276
b) sales	21,505,531

5. Financial assets subject to accounting offsetting or master netting agreements or similar agreements

(Amounts in € thousand)

Type		Gross amount of financial assets (a)	Amount of financial liabilities offset in the financial statements (B)	Net amount of financial assets shown in the financial statements (c=a-b)	Related amounts not recognised in balance sheet		Net amounts (f=c-d-e)	Net amount
					Financial instruments (d)	Cash deposit received as guarantee (e)	12/31/2024	12/31/2023
1. Derivatives		677,547	-	677,547	48,485	629,062	-	25,794
2. Reverse repos		2,667,899	2,662,798	5,101	5,101	-	-	-
3. Securities lending		292	-	292	292	-	-	-
4. Others		-	-	-	-	-	-	-
Total	**12/31/2024**	**3,345,738**	**2,662,798**	**682,940**	**53,878**	**629,062**	**-**	**X**
Total	**12/31/2023**	**3,214,079**	**2,313,830**	**900,249**	**63,660**	**810,795**	**X**	**25,794**

6. Financial liabilities subject to accounting offsetting or master netting agreements or similar agreements

(Amounts in € thousand)

Type		Gross amount of financial liabilities (a)	Amount of financial assets offset in the financial statements (b)	Net amount of financial liabilities shown in the financial statements (c=a-b)	Related amounts not subject to accounting offsetting		Net amount (f=c-d-e)	Net amount
					Financial instruments (d)	Cash deposit received as guarantee (e)	12/31/2024	12/31/2023
1. Derivatives		48,485	-	48,485	48,485	-	-	-
2. Reverse repos		2,662,798	2,662,798	-	-	-	-	-
3. Securities lending		237,581	-	237,581	225,982	-	11,599	1,989
4. Others		-	-	-	-	-	-	-
Total	**12/31/2024**	**2,948,864**	**2,662,798**	**286,066**	**274,467**	**-**	**11,599**	**X**
Total	**12/31/2023**	**2,452,032**	**2,313,830**	**138,202**	**133,206**	**3,007**	**X**	**1,989**

IFRS 7 requires specific disclosures to be made about financial instruments that have been offset in the balance sheet in accordance with IAS 32 or that are potentially eligible for offsetting, if certain conditions are met, but are disclosed in the balance sheet without offsetting because they are governed by master netting or similar agreements that do not meet all of the criteria set out in IAS 32, paragraph 42.

In this regard, it should be noted that FinecoBank enters into repurchase agreements on the Repo MTS market, governed by an agreement with Cassa Compensazione e Garanzia and the related Regulation for the centralised clearing of transactions, which meet the requirements of IAS 32, paragraph 42 for offsetting in the balance sheet. The effects of netting are reported under item 2. Repos.

With regard to instruments that can be potentially offset, upon the occurrence of certain events, FinecoBank uses bilateral netting agreements that allow, in the event of counterparty default, the offsetting of credit and debit positions relating to financial derivatives and SFT (Securities Financing Transactions). In particular, there are ISDA Master Agreements (promoted by the International Swaps and Derivatives Association for derivative transactions), GMRA (Global Master Repurchase Agreement for repurchase agreements) and GMSLA (Global Master Securities Lending Agreement for securities lending transactions). It should also be noted that the derivative contracts included in item 1. Derivatives are subject to clearing with a Central Counterparty and cash collateral is exchanged.

Part B – Balance sheet

7. Securities lending transactions

The Bank conducts securities lending transactions on a continuous and systematic basis, with the objective of satisfying the requests of its customers, of institutional counterparties and obtaining a profit. The Bank operates either as a borrower, borrowing securities from its customers, or as a lender, using the borrowed securities for cash-secured securities lending transactions with retail and institutional customers interested in temporary ownership of securities or lending proprietary securities, without collateral or with collateral represented by other securities, to institutional customers interested in temporary ownership.

Against securities lending transactions guaranteed by other securities carried out by the Bank as a borrower with retail customers ("remunerated Portfolio"), the Bank issued as collateral debt securities recorded in "Financial asset at amortised cost", held in a dedicated dossier at the custodian bank for an amount higher than that of the securities borrowed by the customers, with the aim of providing a collective guarantee. The nominal value of the underlying securities received on a loan and not recognised as assets in the accounts totalled € 103,524 thousand, for a fair value of € 292,475 thousand, as detailed in the table below. Securities borrowed under securities lending transactions secured by sums of money at the lender's full disposal, which are equivalent to repurchase agreements on securities, whose sums of money are recognised in Financial assets measured at amortised cost, are excluded.

With reference to the securities lending activity performed by the Bank as lender, the carrying amount of own securities recognised in Financial assets at amortised cost and delivered in securities lending transactions without collateral or with collateral represented by other securities is € 1,834,510 thousand.

(Amounts in € thousand)

Securities received on loan from:	Type of securities - Nominal value as at 31 December 2024		
	Sold	Sold in repos	Other purposes
Banks			
Financial companies		329	
Insurance companies			
Non-financial companies		1,158	
Other entities	625	92,434	8,978
Total nominal value	**625**	**93,921**	**8,978**

(Amounts in € thousand)

Securities received on loan from:	Type of securities - Fair value as at 31 December 2024		
	Sold	Sold in repos	Other purposes
Banks			
Financial companies	2	1,795	125
Insurance companies			
Non-financial companies		5,781	58
Other entities	1,020	262,447	21,247
Total fair value	**1,022**	**270,023**	**21,430**

8. Disclosure on joint control activities

No data to report.

Part C - Income statement

Section 1 - Interest - Items 10 and 20

1.1 Interest income and similar revenues: breakdown

(Amounts in € thousand)

Items/Technical forms	Debt securities	Loans	Other operations	Total 2024	Total 2023
1. Financial assets at fair value though profit and loss:	**3**	**-**	**-**	**3**	**5**
1.1 Financial assets held for trading	-	-	-	-	-
1.2 Financial assets designated at fair value	-	-	-	-	-
1.3 Other financial assets mandatorily at fair value	3	-	-	3	5
2. Financial assets at fair value through other comprehensive income	**4,796**	**-**	**X**	**4,796**	**252**
3. Financial assets at amortised cost:	**256,355**	**205,142**	**X**	**461,497**	**482,892**
3.1 Loans and receivables to banks	18,973	2,946	X	21,919	69,596
3.2 Loans and receivables to customers	237,382	202,196	X	439,578	413,296
4. Hedging derivatives	**X**	**X**	**226,048**	**226,048**	**211,861**
5. Other assets	**X**	**X**	**136,005**	**136,005**	**81,912**
6. Financial liabilities	**X**	**X**	**X**	**86**	**170**
Total	**261,154**	**205,142**	**362,053**	**828,435**	**777,092**
of which: income interests on impaired financial assets	-	294	-	294	235
of which: interest income on financial lease	X	-	X	-	-

1.2 Interest income and similar revenues: other information

1.2.1 Interest income from financial assets denominated in currency

(Amounts in € thousand)

Items/Type	Total 2024	Total 2023
Interest income on foreign currency financial assets	43,867	37,273

Part C - Income statement

1.3 Interest expenses and similar charges: breakdown

(Amounts in € thousand)

Items/Technical forms	Debts	Securities	Other operations	Total 2024	Total 2023
1. Financial liabilities at amortized cost	(102,907)	(17,338)	X	(120,245)	(93,336)
1.1 Deposits from central banks	-	X	X	-	-
1.2 Deposits from banks	(37,689)	X	X	(37,689)	(42,742)
1.3 Deposits from customers	(65,218)	X	X	(65,218)	(35,406)
1.4 Debt securities in issue	X	(17,338)	X	(17,338)	(15,188)
2. Financial liabilities held for trading	-	-	-	-	-
3. Financial liabilities designated at fair value	-	-	-	-	-
4. Other liabilities and provisions	X	X	(1)	(1)	-
5. Hedging derivatives	X	X	-	-	-
6. Financial assets	X	X	X	(1,049)	(1,227)
Totale	**(102,907)**	**(17,338)**	**(1)**	**(121,295)**	**(94,563)**
of which: interest expenses on lease liabilities	(1,584)	X	X	(1,584)	(1,351)

1.4 Interest expenses and similar charges: other information

1.4.1 Interest expenses on liabilities denominated in currency

(Amounts in € thousand)

Items/Type	Total 2024	Total 2023
Interest expense on liabilities denominated in currency	(20,063)	(17,168)

1.5 Hedging differential

(Amounts in € thousand)

Items	Total 2024	Total 2023
A. Positive hedging differentials	440,876	441,935
B. Negative hedging differentials	(214,828)	(230,074)
C. Balance (A-B)	**226,048**	**211,861**

Part C - Income statement

Section 2 – Fees and commissions - Items 40 and 50

2.1 Fee and commission income: breakdown

(Amounts in € thousand)

Type of service/Values	Total 2024	Total 2023
a) Financial instruments	151,089	131,116
1. Securities placement	18,018	13,953
1.1 Under firm assumption and/or on the basis of an irrevocable commitment	-	-
1.2 Without firm commitment	18,018	13,953
2. Receipt and transmission of orders and execution for customers	100,939	90,081
2.1 Receipt and transmission of orders for one or more financial instruments	20,584	24,391
2.2 Execution of orders on behalf of customers	80,355	65,690
3. Other fees connected with activities related to financial instruments	32,132	27,082
of which: trading on own account	32,132	27,082
of which: management of individual portfolios	-	-
b) Corporate Finance	-	-
1. Merger and Acquisition Advice	-	-
2. Treasury services	-	-
3. Other fees associated with corporate finance services	-	-
c) Investment advisory activities	90,911	75,054
d) Clearing and settlement	-	-
e) Custody and administration	1,263	1,391
1. Custodian bank	-	-
2. Other fees related to custody and administration	1,263	1,391
f) Central administrative services for collective portfolio management	-	-
g) Trust business	1	-
h) Payment services	84,248	84,193
1. Current account	13,586	17,703
2. Credit cards	37,578	37,243
3. Debit and other payment cards	19,597	17,536
4. Wire transfers and other payment orders	13,487	11,711
5. Other fees related to payment services	-	-
i) Distribution of third party services	489,957	454,198
1. Collective portfolio management	373,514	335,599
2. Insurance products	109,905	112,394
3. Other products	6,538	6,205
of which: individual portfolio management	4,247	3,745
j) Structured Finance	-	-
k) Servicing for securitization transactions	-	-
l) Commitments to disburse funds	-	-
m) Financial guarantees issued	64	103
of which: credit derivatives	-	-
n) Financing operations	352	342
of which: for factoring transactions	-	-
o) Currency trading	-	-
p) Goods	-	-
q) Other commission income	1,074	1,130
of which: for management activities of multilateral trading systems	-	-
of which: for management activities of organized trading systems	-	-
r) Securities lending transactions	9,104	9,538
Total	**828,063**	**757,065**

Part C - Income statement

The amount of fees and commissions recognized in 2024 that was included in the contract liability balance at the beginning of the year is equal to € 1,562 thousand (€ 1,516 thousand in 2023).

It should be noted that item i) "Distribution of third party services 1. Collective portfolio management" also includes the maintenance commissions for UCITS equal to € 360,739 thousand (€ 325,756 thousand in 2023).

2.2 Fee and commission income: distribution channels for products and services

(Amounts in € thousand)

Channel/Amounts	Total 2024	Total 2023
b) at own branches:	**-**	**-**
1. portfolio management	-	-
2. placement of securities	-	-
3. third-party services and products	-	-
b) cold-calling:	**490,821**	**451,257**
1. portfolio management	-	-
2. placement of securities	15,248	10,948
3. third-party services and products	475,573	440,309
c) other distribution channels:	**17,153**	**16,894**
1. portfolio management	-	-
2. placement of securities	2,770	3,005
3. third-party services and products	14,383	13,889

The fee and commission income described in point c) "other distribution channels" refer to commissions earned through the online channel and include fees and commissions collected by product companies and placement and maintenance commissions from the online subscription of units of UCITS and insurance products.

Part C - Income statement

2.3 Fee and commission expenses: breakdown

(Amounts in € thousand)

Services/Amounts	Total 2024	Total 2023
a) Financial instruments	(13,294)	(10,853)
of which: trading of financial instruments	(13,294)	(10,853)
of which: placement of financial instruments	-	-
of which: management of individual portfolios	-	-
- Own	-	-
- Delegated to third parties	-	-
b) Clearing and settlement	(6,679)	(5,619)
c) Custody and administration	(5,474)	(4,594)
d) Payment and collection services	(31,323)	(27,429)
of which: credit cards, debit cards and other payment cards	(22,516)	(19,443)
e) Servicing activities for securitization transactions	-	-
f) Commitments to receive funds	-	-
g) Financial guarantees received	-	-
of which: credit derivatives	-	-
h) Off-site offering of financial instruments, products and services	(402,234)	(367,210)
i) Currency trading	-	-
j) Other commission expenses	(9,736)	(1,991)
k) Securities lending transactions	(2,046)	(1,173)
Total	**(470,786)**	**(418,869)**

Item “h) Off-site offering of financial instruments, products and services”, includes costs incurred in relation to Equity Settled plans assigned to personal financial advisors, that are respectively recorded against the item 140. “Reserves” of the net equity for an amount of € 799 thousand (€ 553 thousand in 2023).

Section 3 – Dividend income and similar revenues – Item 70

3.1 Dividend income and similar revenues: breakdown

(Amounts in € thousand)

Items/Income	Total 2024		Total 2023	
	Dividends	Similar revenues	Dividends	Similar revenues
A. Financial assets held for trading	144	1	176	2
B. Other financial assets mandatorily at fair value	35	-	48	-
C. Financial assets at fair value through other comprehensive income	-	-	-	-
D. Equity investments	122,125	-	113,693	-
Total	**122,304**	**1**	**113,917**	**2**

Item D. “Equity Investments” only includes dividends received by Fineco AM.

Part C - Income statement

Section 4 – Gains (losses) on financial assets and liabilities held for trading – Item 80

4.1 Gains (losses) on financial assets and liabilities held for trading: breakdown

2024

(Amounts in € thousand)

Transactions/Income items	Unrealised gain (A)	Realized gains (B)	Unrealized losses (C)	Realized losses (D)	Net profit (loss) [(A+B) - (C+D)]
1. Financial assets held for trading	**155**	**51,428**	**(602)**	**(36,651)**	**14,330**
1.1 Debt securities	-	3,325	-	(3,347)	(22)
1.2 Equity instruments	155	47,372	(602)	(32,710)	14,215
1.3 UCITS units	-	731	-	(594)	137
1.4 Loans	-	-	-	-	-
1.5 Others	-	-	-	-	-
2. Financial liabilities held for trading	**25**	**1,420**	**(11)**	**(2,103)**	**(669)**
2.1 Debt securities	-	-	-	-	-
2.2 Payables	-	-	-	-	-
2.3 Others	25	1,420	(11)	(2,103)	(669)
3. Financial assets and liabilities: exchange differences	**X**	**X**	**X**	**X**	**25,882**
4. Derivatives	**8,432**	**224,235**	**(7,178)**	**(189,713)**	**40,127**
4.1 Financial derivatives:	8,432	224,235	(7,178)	(189,713)	40,127
- On debt securities and interest rates	274	2,000	(232)	(2,016)	26
- On equity securities and share indices	7,600	194,077	(6,836)	(164,831)	30,010
- On currency and gold	X	X	X	X	4,351
- Others	558	28,158	(110)	(22,866)	5,740
4.2 Credit derivatives	-	-	-	-	-
of which: natural hedges related to the fair value option	X	X	X	X	-
Total	**8,612**	**277,083**	**(7,791)**	**(228,467)**	**79,670**

Part C - Income statement

2023

(Amounts in € thousand)

Transactions/Income items	Unrealised gain (A)	Realized gains (B)	Unrealized losses (C)	Realized losses (D)	Net profit (loss) [(A+B) - (C+D)]
1. Financial assets held for trading	**202**	**38,939**	**(100)**	**(25,287)**	**13,754**
1.1 Debt securities	-	2,322	-	(1,984)	338
1.2 Equity instruments	202	36,017	(100)	(22,790)	13,329
1.3 UCITS units	-	600	-	(513)	87
1.4 Loans	-	-	-	-	-
1.5 Others	-	-	-	-	-
2. Financial liabilities held for trading	**8**	**874**	**(40)**	**(1,125)**	**(283)**
2.1 Debt securities	-	-	-	-	-
2.2 Payables	-	-	-	-	-
2.3 Others	8	874	(40)	(1,125)	(283)
3. Financial assets and liabilities: exchange differences	**X**	**X**	**X**	**X**	**18,448**
4. Derivatives	**7,446**	**187,296**	**(8,235)**	**(157,872)**	**34,353**
4.1 Financial derivatives:	7,446	187,296	(8,235)	(157,872)	34,353
- On debt securities and interest rates	144	2,190	(171)	(2,009)	154
- On equity securities and share indices	7,198	162,597	(7,977)	(138,480)	23,338
- On currency and gold	X	X	X	X	5,718
- Others	104	22,509	(87)	(17,383)	5,143
4.2 Credit derivatives	-	-	-	-	-
of which: natural hedges related to the fair value option	X	X	X	X	-
Total	**7,656**	**227,109**	**(8,375)**	**(184,284)**	**66,272**

Section 5 – Fair value adjustments in hedge accounting – Item 90

5.1 Fair value adjustments in hedge accounting: breakdown

(Amounts in € thousand)

Income items/Amounts	Total 2024	Total 2023
A. Gains on:		
A.1 Fair value hedging instruments	31,078	35,933
A.2 Hedged asset items (in fair value hedge relationship)	202,942	500,998
A.3 Hedged liability items (in fair value hedge relationship)	68	141
A.4 Cash-flow hedging derivatives	-	-
A.5 Assets and liabilities denominated in currency	-	-
Total gains on hedging activities (A)	**234,088**	**537,072**
B. Losses on:		
B.1 Fair value hedging instruments	(205,173)	(508,426)
B.2 Financial assets items (in fair value hedge relationship)	(2,917)	-
B.3 Hedged liability items (in fair value hedge relationship)	(28,180)	(35,797)
B.4 Cash-flow hedging derivatives	-	-
B.5 Assets and liabilities denominated in currency	-	-
Total losses on hedging activities (B)	**(236,270)**	**(544,223)**
C. Fair value adjustments in hedge accounting (A-B)	**(2,182)**	**(7,151)**
of which: net profit (loss) on net position	-	-

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Section 6 – Gains (Losses) on disposals/repurchases – Item 100

6.1 Gains (Losses) on disposals/repurchases: breakdown

(Amounts in € thousand)

Items/Income items	Total 2024			Total 2023		
	Gain	Losses	Net profit (loss)	Gain	Losses	Net profit (loss)
A. Financial assets						
1. Financial assets at amortized cost	7,895	(7,188)	707	33,204	(32,996)	208
1.1 Loans and receivables to banks	-	(4,571)	(4,571)	-	(287)	(287)
1.2 Loans and receivables to customers	7,895	(2,617)	5,278	33,204	(32,709)	495
2. Financial assets at fair value through other comprehensive income	-	-	-	-	-	-
2.1 Debt securities	-	-	-	-	-	-
2.2 Loans	-	-	-	-	-	-
Total assets (A)	**7,895**	**(7,188)**	**707**	**33,204**	**(32,996)**	**208**
B. Financial liabilities at amortized cost						
1. Deposits from banks	-	-	-	-	-	-
2. Deposits from customers	-	-	-	-	-	-
3. Debt securities in issue	-	-	-	-	-	-
Total liabilities (B)	**-**	**-**	**-**	**-**	**-**	**-**

It should be noted that the economic effects arising from the sales of financial assets measured at amortized cost, recorded under item 100. “Gains (losses) on disposals/repurchases of: a) financial assets at amortised cost”, took place in accordance with IFRS 9 and in application of the rules defined for the HTC business model.

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Section 7 – Gains (losses) on financial assets and liabilities measured at fair value through profit and loss – Item 110

7.1 Net change in value of other financial assets and liabilities measured at fair value through profit and loss: breakdown of financial assets and liabilities designated at fair value

No data to report.

7.2 Net change in value of other financial assets and liabilities measured at fair value through profit and loss: breakdown of other financial assets mandatorily at fair value

2024

(Amounts in € thousand)

Transactions/Income items	Unrealized gain (A)	Realized gain (B)	Unrealized losses (C)	Realized losses (D)	Net Profit (loss) (A+B)-(C+D)
1. Financial assets	**2,135**	**368**	**(1,448)**	**-**	**1,055**
1.1 Debt securities	-	1	(1)	-	-
1.2 Equity securities	2,135	367	(1,447)	-	1,055
1.3 UCITS units	-	-	-	-	-
1.4 Loans	-	-	-	-	-
2. Financial assets in currency: exchange differences	**X**	**X**	**X**	**X**	**237**
Total	**2,135**	**368**	**(1,448)**	**-**	**1,292**

2023

(Amounts in € thousand)

Transactions/Income items	Unrealized gain (A)	Realized gain (B)	Unrealized losses (C)	Realized losses (D)	Net Profit (loss) (A+B)-(C+D)
1. Financial assets	**1,188**	**-**	**(7)**	**(4)**	**1,177**
1.1 Debt securities	1	-	-	(2)	(1)
1.2 Equity securities	1,187	-	(7)	(2)	1,178
1.3 UCITS units	-	-	-	-	-
1.4 Loans	-	-	-	-	-
2. Financial assets in currency: exchange differences	**X**	**X**	**X**	**X**	**(174)**
Total	**1,188**	**-**	**(7)**	**(4)**	**1,003**

Part C - Income statement

Section 8 – Impairment losses/writebacks - Item 130

8.1 Net impairment for credit risk related to financial assets at amortized cost: breakdown

(Amounts in € thousand)

Transactions/Income items	Adjustments (1)						Write-backs (2)				Total 2024	Total 2023
	Stage 1	Stage 2	Stage 3		Purchased or originated credit-impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired		
	0	0	Write-off	Others	Write-off	Others			0	0,00		
A. Loans and receivables to banks	**(160)**	**-**	**-**	**-**	**-**	**-**	**199**	**-**	**-**	**-**	**39**	**10**
- Loans	(107)	-	-	-	-	-	117	-	-	-	10	(24)
- Debt securities	(53)	-	-	-	-	-	82	-	-	-	29	34
B. Loans and receivables to customers	**(1,944)**	**(925)**	**(138)**	**(6,336)**	**-**	**-**	**5,945**	**1,228**	**1,575**	**-**	**(595)**	**(3,106)**
- Loans	(1,236)	(925)	(138)	(6,336)	-	-	3,470	1,228	1,575	-	(2,362)	(3,343)
- Debt securities	(708)	-	-	-	-	-	2,475	-	-	-	1,767	237
Total	**(2,104)**	**(925)**	**(138)**	**(6,336)**	**-**	**-**	**6,144**	**1,228**	**1,575**	**-**	**(556)**	**(3,096)**

The table above conventionally shows the net impairment for credit risk in respect of on-demand deposits to banks and central banks recognised in the item "Cash and cash balances", as ruled in Circular No. 262 "Banks' financial statements: layouts and preparation".

8.2 Net impairment for credit risk related to financial assets at fair value through other comprehensive income

(Amounts in € thousand)

Transactions/Income	Adjustments (1)						Write - backs (2)				Total 2024	Total 2023
	Stage 1	Stage 2	Stage 3		Purchased or originated credit-impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired		
			Write-off	Others	Write-off	Other	0	0				
A. Debt Securities	(28)	-	-	-	-	-	-	-	-	-	(28)	-
B. Loans	-	-	-	-	-	-	-	-	-	-	-	-
- To clients	-	-	-	-	-	-	-	-	-	-	-	-
- To banks	-	-	-	-	-	-	-	-	-	-	-	-
Total	**(28)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(28)**	**-**

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Section 9 – Profit/loss from contract changes without cancellation – Item 140

9.1 Profit (loss) from contract changes: breakdown

(Amounts in € thousand)

Items/Income items	Total 2024			Total 2023		
	Gain	Losses	Net profit (loss)	Gain	Losses	Net profit (loss)
1. Financial assets valued at amortized cost	1	(2)	(1)	3	(1)	2
1.1 Receivables from banks	-	-	-	-	-	-
1.2 Receivables from customers	1	(2)	(1)	3	(1)	2
2. Financial assets valued at fair value through other comprehensive income	-	-	-	-	-	-
Total	**1**	**(2)**	**(1)**	**3**	**(1)**	**2**

Section 10 – Administrative costs – Item 160

10.1 Payroll costs: breakdown

(Amounts in € thousand)

Type of expenses/Sectors	Total 2024	Total 2023
1) Employees	(121,996)	(112,894)
a) wages and salaries	(82,332)	(76,299)
b) social security contributions	(19,695)	(19,584)
c) pension costs	(886)	(785)
d) severance pay	-	-
e) allocation to employee severance pay provision	(164)	(179)
f) provision for retirements and similar provisions:	-	-
- defined contribution	-	-
- defined benefit	-	-
g) payments to external pension funds:	(6,222)	(5,432)
- defined contribution	(6,222)	(5,432)
- defined benefit	-	-
h) costs related to share-based payments	(5,479)	(4,716)
i) other employee benefits	(7,218)	(5,899)
2) Other staffs	-	-
3) Directors and statutory auditors	(2,498)	(2,430)
4) Early retirement costs	-	-
5) Recovery of expenses for employees seconded to other companies	13	14
6) Refunds of expenses for third party employees seconded to the company	-	-
Total	**(124,481)**	**(115,310)**

Item 1 "h) Employees: costs related to share-based payments" includes costs incurred in relation to payment agreements based on financial instruments issued by the Bank, that are recorded against the item 140. "Reserves" of the net equity for an amount of € 5,479 thousand (€ 4,716 thousand in 2023).

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10.2 Average number of employees by category

	Data as at 2024	2023
Employees	**1,348**	**1,241**
(a) executives	32	31
(b) managers	491	456
(c) remaining employees	825	754
Other personnel	**13**	**13**

10.3 Pensions and other post-retirement defined-benefit obligations costs and revenues

No data to report.

10.4 Other employee benefits

(Amounts in € thousand)

Type of expense/Amounts	Total 2024	Total 2023
Leaving incentives	(100)	720
Medical plan	(1,605)	(1,555)
Luncheon vouchers	(1,781)	(1,550)
Training expenses	(675)	(571)
Other	(3,057)	(2,943)
Total	**(7,218)**	**(5,899)**

The item “Other” mainly includes the cash component of benefits relating to employee incentive plans, amounting to € 2,126 thousand.

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10.5 Other administrative expenses: breakdown

(Amounts in € thousand)

Type of expense/Amounts	Total 2024	Total 2023
1) INDIRECT TAXES AND DUTIES	**(208,629)**	**(169,925)**
2) MISCELLANEOUS COSTS AND EXPENSES		
A) Advertising expenses - Marketing and communication	**(40,926)**	**(27,911)**
Mass media communications	(26,368)	(19,109)
Marketing and promotions	(8,282)	(7,139)
Sponsorships	(1,931)	(427)
Conventions and internal communications	(4,345)	(1,236)
B) Expenses related to credit risk	**(1,491)**	**(1,612)**
Credit recovery expenses	(201)	(419)
Commercial information and company searches	(1,290)	(1,193)
C) Expenses related to personnel and to personal financial advisors	**(5,453)**	**(4,212)**
Other staff expenses	(1,384)	(1,129)
Personal financial advisor expenses	(4,069)	(3,083)
D) ICT expenses	**(58,783)**	**(54,022)**
Lease of ICT equipment and software	(1,856)	(1,794)
Software expenses: lease and maintenance	(16,426)	(15,244)
ICT communication systems, messaging and phone expenses	(7,114)	(6,261)
Consultancy and ICT services provided by third parties	(16,245)	(14,913)
Financial information providers	(17,142)	(15,810)
E) Consultancies and professional services	**(5,609)**	**(4,611)**
Consultancies and professional services	(3,951)	(3,651)
Legal expenses and disputes	(965)	(429)
Auditing company expenses	(693)	(531)
F) Furniture, machinery and equipment expenses and Real estate expenses	**(6,120)**	**(5,788)**
Real estate services	-	-
Repair and maintenance of furniture, machinery, and equipment	(494)	(536)
Maintenance and cleaning of premises	(1,907)	(1,606)
Premises rentals	(738)	(761)
Utilities and condominium expenses	(2,981)	(2,885)
G) Other functioning costs	**(32,657)**	**(29,841)**
Postage and transport of documents	(3,800)	(3,546)
Administrative, logistic and call center services	(18,652)	(16,142)
Insurance	(4,055)	(3,959)
Association dues and fees	(4,220)	(3,857)
Other administrative expenses	(1,930)	(2,337)
H) Contributions to Resolution Funds, Deposit Guarantee Schemes (DGS) and Life Insurance Guarantee Fund	**(36,592)**	**(41,610)**
Total	**(396,260)**	**(339,532)**

Item “H) Contributions to Resolution Funds,Deposit Guarantee Schemes (DGS) and Life Insurance Guarantee Fund” includes the contributions due for the year 2024 referring to the Italian Deposit Guarantee Scheme (Fondo Interbancario di Tutela dei Depositi), in the amount of € 35,343 thousand and to Life Insurance Fund in the amount of € 1,249 thousand. Also recognised in 2023 was the ordinary contribution paid to the Single Resolution Fund, in the amount of € 6,581 thousand, which was not required for the financial year 2024.

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Contributions to the Deposit Guarantee Fund, the Resolution Fund and the Life Insurance Guarantee Fund

Directive 2014/49/EU of April 16th, 2014 on Deposit Guarantee Schemes (DGS) aims to enhance the protection of depositors by harmonising national legislation. It calls for a mandatory national contribution mechanism that will allow a target level of 0.8% of the amount of its members' covered depositsto be collected by July 3rd, 2024. Where the financing capacity falls short of the target level, the payment of contributions shall resume at least until the target level is reached again. If, after the target level has been reached for the first time, the available financial means have been reduced to less than two-thirds of the target level, the regular contribution shall be set at a level allowing the target level to be reached within six years. The contribution mechanism involves ordinary annual contribution instalments, with the aim of distributing the costs evenly over time for the contributing banks, in addition to extraordinary contributions, if the available financial resources of a DGS are insufficient to repay depositors; the extraordinary contributions cannot exceed 0.5% of covered deposits per calendar year, but in exceptional cases and with the consent of the competent authority, the DGS may demand even higher contributions

With European Directive 2014/59/EU, the Regulation on the Single Resolution Mechanism ("BRRD Directive" Regulation (EU) No. 806/2014 of the European Parliament and of the Council dated July 15th, 2014) established a framework for the recovery and resolution of crises in credit institutions, by setting up a single resolution committee and resolution fund for banks (Single Resolution Fund or SRF). The Directive entails a compulsory contribution mechanism allowing the collection by December 31st, 2023 of the target level of resources, corresponding to 1% of the covered deposits of all authorised institutions in the European territory. The accumulation period can be extended by a further four years if the cumulative disbursements from the contribution schemes have exceeded 0.5% of protected deposits. If, after the accumulation period, the available funds fall below the target level, the collection of contributions resumes until said level is reinstated. Additionally, having reached the target level for the first time and, in the event that the available funds fall to less than two thirds of the target level, these contributions are set at the level which allows the target level to be reached within six years. The contribution mechanism provides for ordinary annual contributions, with the aim of distributing the costs evenly over time for the contributing banks, and extraordinary additional contributions of up to three times the standard annual amount when the available funds are not sufficient to cover the losses and costs of interventions.

Both Directives No. 49 and No. 59 allow for the possibility of introducing irrevocable payment commitments as an alternative form of collection to nonreimbursable cash contributions, up to a maximum of 30% of the total target resources, an option that the Bank has not used.

By Law No 213 of 30 December 2023, Article 1, paragraph 113, in Title XVI of the Private Insurance Code, pursuant to Legislative Decree No 209 of 7 September 2005, 'Chapter VI-bis' was inserted, establishing the 'Life Insurance Guarantee Fund'. The General Meeting establishing the Life Insurance Guarantee Fund was held on 13 December 2024. Article 274-quater, paragraph 1, of the aforementioned decree provides that the Life Insurance Guarantee Fund shall have a financial endowment proportionate to its liabilities and in any case equal to at least 0.4 per cent of the amount of the technical reserves of the life classes (i.e. Class C and Class D life insurance policies) - calculated in accordance with the Solvency II prudential rules (sum of best estimate and risk margin), or in accordance with a solvency regime deemed equivalent under European Union law - held by the member undertakings as at 31 December of the previous year. Paragraph 2 of the same article stipulates, inter alia, that in the first phase of application, the above-mentioned target level shall be reached, in a gradual manner, as of 1 January 2024 and by 31 December 2035. The deadline may be further extended, up to a maximum of two years, by decree of the Ministry of Economy and Finance. Article 274-quinquies(1) of the Decree provides that the aforementioned financial endowment is established by ordinary contributions paid at least annually in the amount determined by the Life Insurance Guarantee Fund and communicated to the members from year to year. The members (cf. Article 274-bis) consist of the member insurance undertakings and the member intermediaries, which include (cf. Article 109 paragraph 2 letter d) of the aforementioned decree) the banks authorised under Article 14 of the Consolidated Banking Act. Upon first application, the contributions due by the intermediaries referred to in Article 109 paragraph 2 letter d) are equal to 0.1 per thousand of the amount of the intermediated life technical provisions. If the financial endowment of the Life Insurance Guarantee Fund is insufficient to meet the payment of protected benefits, it shall ask members to supplement it by extraordinary contributions not exceeding 0.5 per cent of the technical provisions for life classes for member undertakings and not exceeding 0.5 per thousand of the same technical provisions for member intermediaries.

Contributions may take the form of irrevocable commitments to pay and be due in the cases envisaged by the by-laws of the Life Insurance Guarantee Fund if so authorised by the Fund and in the amount determined by the Fund, but not exceeding

- 50 per cent of the total amount of the Fund's endowment until the endowment is less than 75 per cent of the target level referred to in Article 274-quater (1);
- 60 per cent once an endowment equal to 75 per cent of the target level referred to in Article 274-quater, paragraph 1 has been reached.

All contributions to the aforementioned funds are accounted for in accordance with IFRIC21 "Levies". Accordingly, they are recognised in the income statement at the point in time when the obligating event occurs that generates the obligation, which is identified by legislation and from which the payment of the contribution arises.

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Below is the information required by IFRS 16 regarding the costs recognized in Other administrative expenses relating to short-term leasing, the costs relating to low value assets leasing and the costs for variable payments due for the leasing not included in the valuation of the leasing liabilities.

(Amounts in € thousand)

Type of expense/Amounts	Total 2024
Expenses relating to short-term leases ("Short term lease")	-
Expenses relating to leases of low-value assets ("Low value assets")	(5)
Expenses relating to variable lease payments not included in the measurement of lease liabilities	-
Total	**(5)**

It should also be noted that the VAT related to the contracts included in the scope of IFRS 16 was also included in the Other administrative expenses, as it is not included in the assessment of the leasing liability.

Section 11 – Net provisions for risks and charges – Item 170

11.1 Net provisions for risks and charges relating to commitments and financial guarantees given: breakdown

(Amounts in € thousand)

Transactions/Income items	Impairment		Write-backs		Total	Total
	Stage 1 and Stage 2	Stage 3	Stage 1 and Stage 2	Stage 3	2024	2023
1. Commitments	(38)	(6)	176	35	167	(191)
2. Financial guarantees given	-	-	3	-	3	2
Total	**(38)**	**(6)**	**179**	**35**	**170**	**(189)**

11.2 Net provisions for risks and charges relating to other commitments and other guarantees given: breakdown

(Amounts in € thousand)

Transactions/Income items	2024			2023		
	Provisions	Reallocations	Total	Provisions	Reallocations	Total
1. Other commitments	-	78	78	(77)	37	(40)
2. Other guarantees given	-	-	-	-	-	-
Total	**-**	**78**	**78**	**(77)**	**37**	**(40)**

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11.3 Net provisions to other provisions for risks and charges: breakdown

(Amounts in € thousand)

Items/Income items	Total 2024			Total 2023		
	Provisions	Reallocations	Total	Provisions	Reallocations	Total
Legal and fiscal disputes	(8,413)	8,290	(123)	(5,977)	3,479	(2,498)
Supplementary customer indemnity provision	(8,205)	-	(8,205)	(8,028)	-	(8,028)
Other provisions for risks and charges	(1,104)	1,151	47	(11,658)	207	(11,451)
Total	**(17,722)**	**9,441**	**(8,281)**	**(25,663)**	**3,686**	**(21,977)**

The item “Provisions” also include changes due to the passing of time and changes in the discount rate.

Section 12 – Net impairment/write-backs on property, plant and equipment – Item 180

12.1 Impairment/write-backs on property, plant and equipment: breakdown

(Amounts in € thousand)

Assets/Income items	Depreciation (a)	Write-downs (b)	Write-backs (c)	Net profit (loss) 2024 (a + b - c)	Net profit (loss) 2023 (a + b - c)
A. Property, plant and equipment	(20,578)	(6)	-	(20,584)	(20,559)
1. Used in the business	(20,578)	(6)	-	(20,584)	(20,559)
- Owned	(9,764)	(6)	-	(9,770)	(9,414)
- Rights of use acquired through leasing	(10,814)	-	-	(10,814)	(11,145)
2. Held for investment	-	-	-	-	-
- Owned	-	-	-	-	-
- Rights of use acquired through leasing	-	-	-	-	-
3. Inventories	X	-	-	-	-
Total	**(20,578)**	**(6)**	**-**	**(20,584)**	**(20,559)**

Write-downs were recognised in the year for insignificant amounts and mainly in relation to office furniture and fittings for which a zero value in use was determined.

A description of the methods used to calculate depreciation is provided in Part A – Accounting Policies of these notes to the accounts.

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Section 13 – Net impairment/write-backs on intangible assets – Item 190

13.1 Impairment on intangible assets: breakdown

(Amounts in € thousand)

Assets/Income items	Depriciation (a)	Write-downs (b)	Write-backs (c)	Net profit (loss) 2024 (a + b - c)	Net profit (loss) 2023 (a + b - c)
A. Intangible assets	(4,648)	-	-	(4,648)	(5,942)
of which: software	-	-	-	-	(5,910)
A.1 Owned	(4,648)	-	-	(4,648)	(5,942)
- Generated internally by the company	-	-	-	-	-
- Others	(4,648)	-	-	(4,648)	(5,942)
A.2 Rights of use acquired through leasing	-	-	-	-	-
Total	**(4,648)**	**-**	**-**	**(4,648)**	**(5,942)**

A description of the methods used to calculate depreciation is provided in Part A – Accounting Policies of the notes to the accounts.

For the disclosures required by IAS 36 paragraph 134, d), e), f) and 135, c), d), e), see Part B paragraph 12.3 Other information.

Section 14 – Other net operating income – Item 200

14.1 Other operating expenses: breakdown

(Amounts in € thousand)

Type of expense/Amounts	Total 2024	Total 2023
Refunds and allowances	(194)	(170)
Penalties, fines and unfavourable rulings	(1,093)	(1,301)
Improvements and incremental expenses incurred on leasehold properties	(1,270)	(1,594)
Exceptional write-downs of assets	(57)	(311)
Other operating expenses	(288)	(285)
Total	**(2,902)**	**(3,661)**

14.2 Other operating income: breakdown

(Amounts in € thousand)

Type of expense/Amounts	Total 2024	Total 2023
Recovery of expenses:	201,658	163,603
- recovery of ancillary expenses - other	540	607
- recovery of taxes	201,118	162,996
Rental income from properties	713	808
Other income from current year	2,422	1,763
Total	**204,793**	**166,174**

The item “Other income for the current year” includes public grants for the year amounting to € 63 thousand (€ 63 thousand in 2023).

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The Bank has not carried out sub-leasing transactions. The Bank has no financial leases. As far as operating leases are concerned, the Bank has outstanding operations, as lessor, represented by leasing contracts for a part of the property owned by FinecoBank, located in Milan Piazza Durante, 11, the proceeds of which are recognized in the item “Rental income from properties” and do not include income for ISTAT revaluations.

Section 15 – Profit (loss) of associates – Item 220

15.1 Profit (Loss) of associates: breakdown

(Amounts in € thousand)

Income/Value	Total 2024	Total 2023
A. Income	17	-
1. Revaluations	17	-
2. Gains on disposal	-	-
3. Writebacks	-	-
4. Other gains	-	-
B. Expenses	-	(263)
1. Write-down	-	(68)
2. Impairment losses	-	(195)
3. Losses on disposal	-	-
4. Other expenses	-	-
Net profit	**17**	**(263)**

Revaluations on companies subject to significant influence, in the amount of € € 17 thousand, refer to the valuation of Vorvel Sim S.p.A. using the equity method.

Section 16 – Gains (losses) on tangible and intangible assets measured at fair value – Item 230

No data to report.

Section 17 – Impairment of goodwill – Item 240

No data to report.

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Section 18 – Gains (losses) on disposal of investments – Item 250

18.1 Gains (losses) on disposal of investments: breakdown

(Amounts in € thousand)

Items income/Sectors	Total 2024	Total 2023
A. Properties	-	-
- Gains on disposal	-	-
- Losses on disposal	-	-
B. Other assets	-	35
- Gains on disposal	-	35
- Losses on disposal	-	-
Net profit (loss)	**-**	**35**

The Bank has not carried out sales and leasing transactions for tangible assets.

Part C - Income statement

Section 19 – Tax expense (income) related to profit or loss from continuing operations – Item 270

19.1 Tax expense (income) related to profit or loss from continuing operations: breakdown

(Amounts in € thousand)

Items income/Amounts	Total 2024	Total 2023
1. Current tax (-)	(270,624)	(251,792)
2. Adjustment to current tax of prior years (+/-)	2,791	-
3. Reduction in current tax for the year (+)	-	-
3.bis Reduction of current tax for the year due to tax receivables pursuant to Law 214/2011 (+)	-	-
4. Changes in deferred tax assets (+/-)	3,918	6,566
5. Changes in deferred tax liabilities (+/-)	(847)	(894)
6. Tax expense for the year (-) (-1+/-2+3+ 3 bis +/-4+/-5)	(264,762)	(246,120)

19.2 Reconciliation of theoretical tax charge to actual tax charge

(Amounts in € thousand)

	Total 2024
Profit before tax	913,528

(Amounts in € thousand)

Items income/Amounts	Taxes		
	IRES Italian Tax	IRAP Italian Tax	Total 2024
Amount corresponding to theoretical tax rate	**(251,219)**	**(50,884)**	**(302,103)**
- Tax effects of charges not relevant to the calculation of taxable income	(4,467)	(3,247)	(7,714)
- Tax effects of income not relevant to the calculation of taxable income	39,241	5,814	45,055
- Tax effects deriving from the use of tax losses from previous years	-	-	-
- Tax effects deriving from the application of substitute taxes	-	-	-
Amount corresponding to actual tax rate	**(216,445)**	**(48,317)**	**(264,762)**

Part C - Income statement

Section 20 – Profit (Loss) after tax from discontinued operations – Item 290

No data to report.

Section 21 – Other information

1.1 Disclosure of auditing fees pursuant to art. 149 paragraph bis of Issuers' Regulation

The table below provides details of the fees (net of VAT and expenses) paid to the independent auditing firm KPMG S.p.A. and entities within the network that the external auditors belongs to.

(Amounts in €)

Type of service	Service provider	Fees
Accounting Audit	KPMG S.p.A.	202,091
Certification services	KPMG S.p.A.	313,364
Other services	KPMG S.p.A.	55,640
Total		**571,095**

1.2 Disclosure regarding the transparency of public funding required by article 1, paragraph 125 of the Italian law 124/2017

For the purposes of fulfilling the requirements of art. 1, paragraph 125 of Law no. 124/2017 - Annual market and competition law, modified by art. 35 of the law decree n. 34/2019, in accordance with Assonime circular no. 5 of February 22nd, 2019 and also kept the indications provided by the in-depth document issued by Assonime on May 6th, 2019, the Bank excluded from the disclosure the attributions that are justified in the performance of the company and in any case typical of the recipient's activity, as well as those aimed at the generality of the companies, such as tax and social security measures, thus limiting the information on the contributions to be presented and detailed in the National Register of State Aid "Transparency" section publicly available on the relevant website.

Pursuant to article 1, paragraph 125 of Italian law 124/2017, in 2023 FinecoBank did not receive public contributions from Italian entities. It should be noted that during 2020, a communication had been submitted for access to the tax credit for advertising investments Art. 57-bis of Decree Law No. 50 of April 24th, 2017, converted with amendments by Law No. 96 of June 21st, 2017; Prime Minister's Decree No. 90 of May 16th, 2018.

For more information, please refer to the National State Aid Register “Transparency” section.

Part C - Income statement

Section 22 - Earnings per share

22.1 Average number of diluted ordinary shares

Basic earnings per share are calculated by dividing the net profit by the average number of ordinary shares outstanding during the year.

	2024	2023
Net profit for the year (€ thousands)	648,766	604,498
Average number of outstanding shares	610,829,690	610,410,519
Average number of outstanding shares (including potential ordinary shares with dilution effect)	612,317,706	611,794,654
Basic earnings per share	1.06	0.99
Diluted Earnings per Share	1.06	0.99

22.2 Other information

No data to report.

Part D – Comprehensive income

Analytical Statement of comprehensive income

(Amounts in €)

Item		Total 2024	Total 2023
10.	Net Profit (Loss) for the year	648,766	604,498
	Other comprehensive income after tax not to be recycled to income statement	**(14,797)**	**(10,146)**
20.	Equity securities designated at fair value with an impact on total income:	-	-
	a) changes in fair value	-	-
	b) transfers to other components of equity	-	-
30.	Financial liabilities designated at fair value with impact on the income statement (changes in creditworthiness):	-	-
	a) changes in fair value	-	-
	b) transfers to other components of equity	-	-
40.	Hedges of equity securities designated at fair value with an impact on total profitability:	-	-
	a) change in fair value (hedged instrument)	-	-
	b) change in fair value (hedging instrument)	-	-
50.	Tangible assets	-	-
60.	Intangible assets	-	-
70.	Defined benefit plans	(22,103)	(15,174)
80.	Non current assets classified as held for sale	-	-
90.	Valuation reserves from investments accounted for using the equity method	(3)	10
100.	Income taxes relating to other income components without reversal to the income statement	7,309	5,018
	Other comprehensive income after tax to be recycled to income statement	**2,476**	**1,294**
110.	Hedge of foreign investments:	-	-
	a) changes in fair value	-	-
	b) transfer to the income statement	-	-
	c) other changes	-	-
120.	Exchange differrences:	-	-
	a) value changes	-	-
	b) transfer to the income statement	-	-
	c) other changes	-	-
130.	Cash flow hedges:	-	-
	a) changes in fair value	-	-
	b) transfer to the income statement	-	-
	c) other changes	-	-
	of which: result of net positions	-	-
140.	Hedging instruments:	-	-
	a) value changes	-	-
	b) transfer to the income statement	-	-
	c) other changes	-	-
150.	Financial assets (no equity securities) measured at fair value with an impact on total profitability:	3,687	1,945
	a) changes in fair value	3,687	1,945
	b) transfer to the income statement	-	-
	1. adjustments to credit risk	-	-
	2. gains / losses from realization	-	-
	c) other changes	-	-
160.	Non current assets classified as held for sale:	-	-
	a) changes in fair value	-	-
	b) transfer to the income statement	-	-
	c) other changes	-	-
170.	Valutation reserves from investments accounted for using the equity method;	8	(8)
	a) changes in fair value	8	(8)
	b) transfer to the income statement	-	-
	1. impairment adjustments	-	-
	2. gains / losses from realization	-	-
	c) other changes	-	-
180.	Income taxes relating to other income components with reversal to the income statement	(1,219)	(643)
190.	**Total of other comprehensive income after tax**	**(12,321)**	**(8,852)**
200.	**Comprehensive income (item 10+190)**	**636,445**	**595,646**

Part E - Information on Risks and relating hedging policies

Introduction

Please refer to the Introduction in Part E - Information on risks and related hedging policies of the consolidated notes, which is deemed to be reported here in full.

Section 1 – Credit Risk

Qualitative information

1. General Matters

Please refer to the paragraph "1. General Matters" in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part E - Information on Risks and relating hedging policies, Section 2 – Risk of the prudential consolidated perimeter, 1.1 Credit risk, which is deemed to be reported here in full.

Impacts arising from Russia – Ukraine conflict

Please refer to the paragraph "Impacts arising from Russia – Ukraine conflict" in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part E - Information on Risks and relating hedging policies, Section 2 – Risk of the prudential consolidated perimeter, 1.1 Credit risk, which is deemed to be reported here in full.

2. Credit Risk Management Policy

2.1 Organisational aspects

Please refer to the paragraph "2.1 Organisational aspects" in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part E - Information on Risks and relating hedging policies, Section 2 – Risk of the prudential consolidated perimeter, 1.1 Credit risk, 2. Credit Risk Management Policy, which is deemed to be reported here in full.

2.1.1 Credit Risk generating factors

Please refer to the paragraph "2.1.1 Credit Risk generating factors" in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part E - Information on Risks and relating hedging policies, Section 2 – Risk of the prudential consolidated perimeter, 1.1 Credit risk, 2. Credit Risk Management Policy, 2.1 Organisational aspects, which is deemed to be reported here in full.

2.2 Management, measurement and control system

Please refer to the paragraph "2.2 Management, measurement and control system" in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part E - Information on Risks and relating hedging policies, Section 2 – Risk of the prudential consolidated perimeter, 1.1 Credit risk, 2. Credit Risk Management Policy, which is deemed to be reported here in full.

2.3 Expected losses measurement methods

Please refer to the paragraph "2.3 Expected losses measurement methods" in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part E - Information on Risks and relating hedging policies, Section 2 – Risk of the prudential consolidated perimeter, 1.1 Credit risk, 2. Credit Risk Management Policy, which is deemed to be reported here in full.

2.4 Credit risk mitigation techniques

Please refer to the paragraph "2.4 Credit risk mitigation techniques" in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part E - Information on Risks and relating hedging policies, Section 2 – Risk of the prudential consolidated perimeter, 1.1 Credit risk, 2. Credit Risk Management Policy, which is deemed to be reported here in full.

Part E - Information on Risks and relating hedging policies

3. Impaired credit exposures

3.1 Management strategies and policies
Please refer to the paragraph "3.1 Management strategies and policies" in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part E - Information on Risks and relating hedging policies, Section 2 – Risk of the prudential consolidated perimeter, 1.1 Credit risk, 3. Impaired credit exposures, which is deemed to be reported here in full.

3.2 Write-off
Please refer to the paragraph "3.2 Write-off" in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part E - Information on Risks and relating hedging policies, Section 2 – Risk of the prudential consolidated perimeter, 1.1 Credit risk, 3. Impaired credit exposures, which is deemed to be reported here in full.

3.3 Purchased or originated impaired financial assets
Please refer to the paragraph "3.3 Purchased or originated impaired financial assets" in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part E - Information on Risks and relating hedging policies, Section 2 – Risk of the prudential consolidated perimeter, 1.1 Credit risk, 3. Impaired credit exposures, which is deemed to be reported here in full.

4. Commercial renegotiations and forbearance measures
Please refer to the paragraph "4. Commercial renegotiations and forbearance measures" in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part E - Information on Risks and relating hedging policies, Section 2 – Risk of the prudential consolidated perimeter, 1.1 Credit risk, which is deemed to be reported here in full.

Quantitative information

A. Credit quality

As provided for in Circular No. 262 “The banks' financial statements: layouts and preparations”, on-demand loans to banks and central banks, recognised in the balance sheet item "Cash and cash balances", are included in the definition of cash credit exposures but are conventionally excluded from the tables on quantitative credit quality disclosures in Section 1 "Credit Risk”, with the exception of Tables A.1.4, A.1.6, A.1.8, A.1.8bis and A.1.10 and B.3.

A.1 Impaired and unimpaired credit exposures: amounts, impairment, changes, distribution by business activity

A.1.1 Breakdown of financial assets by portfolio and credit quality (carrying value)

(Amounts in € thousand)

Portfolio/quality	Bad exposures	Unlikely to pay	Past due impaired exposures	Past due unimpaired exposures	Other not impaired exposures	Total
1. Financial assets at amortised cost	793	1,989	1,334	35,611	29,645,585	29,685,312
2. Financial assets at fair value through other comprehensive income	-	-	-	-	296,356	296,356
3. Financial assets designated at fair value	-	-	-	-	-	-
4. Other financial assets mandatorily at fair value	-	-	-	-	57	57
5. Financial instruments classified as held for sale	-	-	-	-	-	-
Total 12/31/2024	**793**	**1,989**	**1,334**	**35,611**	**29,941,998**	**29,981,725**
Total 12/31/2023	**1,110**	**1,815**	**1,040**	**36,735**	**27,880,929**	**27,921,629**

There are no impaired purchased loans.

A.1.2 Breakdown of financial assets by portfolio and credit quality (gross and net values)

(Amounts in € thousand)

Portfolio/quality	Impaired				Unimpaired			Total (net exposure)
	Gross exposure	Total impairment provision	Net exposure	Overall partial write-off*	Gross exposure	Total impairment provision	Net exposure	
1. Financial assets at amortized cost	27,719	(23,603)	4,116	-	29,694,555	(13,359)	29,681,196	29,685,312
2. Financial assets at fair value through other comprehensive income	-	-	-	-	296,387	(31)	296,356	296,356
3. Financial assets designated at fair value	-	-	-	-	X	X	-	-
4. Other financial assets mandatorily at fair value	-	-	-	-	X	X	57	57
5. Financial instruments classified as held for sale	-	-	-	-	-	-	-	-
Total 12/31/2024	**27,719**	**(23,603)**	**4,116**	**-**	**29,990,942**	**(13,390)**	**29,977,609**	**29,981,725**
Total 12/31/2023	**24,094**	**(20,129)**	**3,965**	**-**	**27,935,597**	**(17,981)**	**27,917,664**	**27,921,629**

Part E - Information on Risks and relating hedging policies

(Amounts in € thousand)

Portfolio/quality	Assets with of clearly poor credit quality		Other assets
	Accumulated unrealised losses	Net exposure	Net exposure
1. Financial assets held for trading	-	3	6,412
2. Hedging derivatives	-	-	677,547
Total 12/31/2024	**-**	**3**	**683,959**
Total 12/31/2023	**-**	**7**	**901,891**

A.1.3 Distribution of financial assets by maturity (balance sheet values)

(Amounts in € thousand)

Portfolios / stages of risk	Stage 1			Stage 2			Stage 3			Purchased or originated credit-impaired		
	From 1 day to 30 days	Over 30 days until 90 days	Over 90 days	From 1 day to 30 days	Over 30 days until 90 days	Over 90 days	From 1 day to 30 days	Over 30 days until 90 days	Over 90 days	From 1 day to 30 days	Over 30 days until 90 days	Over 90 days
1. Financial assets at amortised cost	28,102	54	225	1,195	4,925	1,110	88	216	3,065	-	-	-
2. Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
3. Financial instruments classified held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Total 12/31/2024	**28,102**	**54**	**225**	**1,195**	**4,925**	**1,110**	**88**	**216**	**3,065**	**-**	**-**	**-**
Total 12/31/2023	**26,240**	**4,768**	**255**	**108**	**4,661**	**703**	**23**	**29**	**3,288**	**-**	**-**	**-**

Part E - Information on Risks and relating hedging policies

A.1.4 Financial assets, commitments to disburse funds and financial guarantees issued: changes in total value adjustments and total provisions

(Amounts in € thousand)

Causal / risk stages	Total value adjustments																	
	Stage 1 financial assets						Stage 2 financial assets						Stage 3 financial assets					
	Loans and receivables on-demand to banks and Central Banks	Financial assets at amortised cost	Financial assets at fair through other comprehensive income	Financial assets held for sale	of which: individual writedowns	of which: collective writedowns	Loans and receivables on-demand to banks and Central	Financial assets at amortised cost	Financial assets at fair through other comprehensive income	Financial assets held for sale	of which: individual writedowns	of which: collective writedowns	Loans and receivables on-demand to banks and Central	Financial assets at amortised cost	Financial assets at fair through other comprehensive income	Financial assets held for sale	of which: individual writedowns	of which: collective writedowns
Total opening adjustments	**(128)**	**(12,635)**	**(2)**	**-**	**-**	**(12,765)**	**-**	**(5,342)**	**-**	**-**	**-**	**(5,342)**	**-**	**(20,129)**	**-**	**-**	**(14,860)**	**(5,269)**
Changes in increase from financial assets acquired or originated	(91)	(1,555)	(28)	-	-	(1,674)	-	(713)	-	-	-	(713)	-	(1,578)	-	-	(68)	(1,510)
Cancellations other than write-offs	69	1,312	-	-	-	1,381	-	598	-	-	-	598	-	615	-	-	234	380
Net value adjustments / write-backs for credit risk (+/-)	35	4,541	(1)	-	-	4,576	-	428	-	-	-	428	-	(4,110)	-	-	(1,209)	(2,902)
Contractual changes without cancellations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in the estimation methodology	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs non recorded directly in the income statement	-	2	-	-	-	2	-	5	-	-	-	5	-	1,599	-	-	1,548	51
Other variations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,952)	1,952
Total closing adjustments	**(115)**	**(8,335)**	**(31)**	**-**	**-**	**(8,480)**	**-**	**(5,024)**	**-**	**-**	**-**	**(5,024)**	**-**	**(23,603)**	**-**	**-**	**(16,307)**	**(7,298)**
Recoveries from financial assets subject to write-off	-	-	-	-	-	-	-	-	-	-	-	-	-	3	-	-	3	-
Write-offs recorded directly in the income statement	-	-	-	-	-	-	-	(10)	-	-	-	(10)	-	(127)	-	-	(91)	(36)

Part E - Information on Risks and relating hedging policies

A.1.4 Financial assets, commitments to disburse funds and financial guarantees issued: changes in total value adjustments and total provisions

(continued) (Amounts in € thousand)

Causal / risk stages	Total value adjustments					Total provisions on commitments to disburse funds and financial guarantees issued				Tot.
	Purchased or originated impaired financial assets									
	Financial assets at amortised cost	Financial assets at fair through other comprehensive income	Financial assets held for sale	of which: individual writedowns	of which: collective writedowns	Stage 1	Stage 2	Third stage	Commitments to provide funds and financial guarantees issued impaired acquired or originated	
Total opening adjustments	**-**	**-**	**-**	**-**	**-**	**(189)**	**-**	**(37)**	**-**	**(38,462)**
Changes in increase from financial assets acquired or originated	X	X	X	X	X	(8)	(3)	(4)	-	**(3,980)**
Cancellations other than write-offs	-	-	-	-	-	28	-	-	-	**2,622**
Net value adjustments / write-backs for credit risk	-	-	-	-	-	122	-	35	-	**1,050**
Contractual changes without cancellations	-	-	-	-	-	-	-	-	-	**-**
Changes in the estimation methodology	-	-	-	-	-	-	-	-	-	**-**
Write-offs non recorded directly in the income statement	-	-	-	-	-	-	-	-	-	**1,606**
Other variations	-	-	-	-	-	-	-	-	-	**-**
Total closing adjustments	**-**	**-**	**-**	**-**	**-**	**(47)**	**(3)**	**(6)**	**-**	**(37,164)**
Recoveries from financial assets subject to write-off	-	-	-	-	-	-	-	-	-	**3**
Write-offs recorded directly in the income statement	-	-	-	-	-	-	-	-	-	**(137)**

Part E - Information on Risks and relating hedging policies

A.1.5 Financial assets, commitments and financial guarantees: transfers between the different stages (gross amount and nominal)

(Amounts in € thousand)

Portfolios/stages		Gross exposure/nominal value					
		Transfer between stage 1 and stage 2		Transfer between stage 2 and stage 3		Transfer between stage 1 and stage 3	
		To stage 2 from stage 1	To stage 1 from stage 2	To stage 3 from stage 2	To stage 2 from stage 3	To stage 3 from stage 1	To stage 1 from stage 3
1. Financial assets at amortized cost		11,123	4,490	1,235	79	5,932	201
2. Financial assets at fair value through other comprehensive income		-	-	-	-	-	-
3. Financial assets held for sale		-	-	-	-	-	-
4. Commitments and financial guarantees given		61	-	-	-	13	25
Total	**12/31/2024**	**11,184**	**4,490**	**1,235**	**79**	**5,945**	**226**
Total	**12/31/2023**	**9,969**	**2,949**	**769**	**111**	**4,881**	**161**

Part E - Information on Risks and relating hedging policies

A.1.6 Cash and off-balance sheet credit exposures to banks: gross and net values

(Amounts in € thousand)

Type of exposure/amounts	Gross exposures					Total value adjustments and total credit risk provisions					Net Exposure	Total Write-off*
		Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired		
A. ON-BALANCE SHEET CREDITS EXPOSURES												
A.1 ON DEMAND	**1,933,491**	**1,933,491**	**-**	**-**	**-**	**(115)**	**(115)**	**-**	**-**	**-**	**1,933,376**	**-**
a) Non performing	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	1,933,491	1,933,491	-	X	-	(115)	(115)	-	X	-	1,933,376	-
A.2 OTHERS	**2,493,508**	**2,493,506**	**-**	**-**	**-**	**(203)**	**(203)**	**-**	**-**	**-**	**2,493,305**	**-**
a) Bad exposures	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
b) Unlikely to pay	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
c) Non performing past due	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
d) Performing past due exposures	-	-	-	X	-	-	-	-	X	-	-	-
- of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
e) Other performing exposures	2,493,508	2,493,506	-	X	-	(203)	(203)	-	X	-	2,493,305	-
- of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
TOTAL (A)	**4,426,999**	**4,426,997**	**-**	**-**	**-**	**(318)**	**(318)**	**-**	**-**	**-**	**4,426,681**	**-**
B. OFF-BALANCE SHEET CREDITS EXPOSURES												
a) Non performing	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	912,015	17,170	-	X	-	-	-	-	X	-	912,015	-
TOTAL (B)	**912,015**	**17,170**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**912,015**	**-**
TOTAL (A+B)	**5,339,014**	**4,444,167**	**-**	**-**	**-**	**(318)**	**(318)**	**-**	**-**	**-**	**5,338,696**	**-**

It should be noted that financial assets held for trading, derivative contracts and off-balance sheet transactions other than those subject to the impairment rules under IFRS 9 have been classified, by convention, as non-impaired exposures, but have not been included in the columns providing a breakdown by risk stage.

In the above table, item B. “Off-balance sheet exposures” includes the counterparty risk related to securities lending transactions and to repos that can be classified as “Securities Financing Transactions” (SFT) defined in prudential regulations, amounting to € 217,134 thousand.

A.1.7 Prudential consolidation - Cash and off-balance-sheet exposures to customers: gross and net values

(Amounts in € thousand)

Type of exposure/Amounts	Gross exposures					Total value adjustments and total credit risk provisions					Net Exposure	Total Write-off*
		Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired		
A. ON-BALANCE SHEET CREDITS EXPOSURES												
a) Bad exposures	**17,128**	**X**	**-**	**17,128**	**-**	**(16,335)**	**X**	**-**	**(16,335)**	**-**	**793**	**-**
- of which: forborne exposures	319	X	-	319	-	(311)	X	-	(311)	-	8	-
b) Unlikely to pay	**7,199**	**X**	**-**	**7,199**	**-**	**(5,210)**	**X**	**-**	**(5,210)**	**-**	**1,989**	**-**
- of which: forborne exposures	980	X	-	980	-	(514)	X	-	(514)	-	466	-
c) Non performing past due	**3,392**	**X**	**-**	**3,392**	**-**	**(2,058)**	**X**	**-**	**(2,058)**	**-**	**1,334**	**-**
- of which: forborne exposures	15	X	-	15	-	(10)	X	-	(10)	-	5	-
d) Performing past due exposures	**36,074**	**28,533**	**7,540**	**X**	**-**	**(463)**	**(153)**	**(310)**	**X**	**-**	**35,611**	**-**
- of which: forborne exposures	20	-	20	X	-	-	-	-	X	-	20	-
e) Other performing exposures	**27,461,429**	**27,422,773**	**38,589**	**X**	**-**	**(12,723)**	**(8,010)**	**(4,713)**	**X**	**-**	**27,448,706**	**-**
- of which: forborne exposures	1,719	-	1,719	X	-	(9)	-	(9)	X	-	1,710	-
TOTAL (A)	**27,525,222**	**27,451,306**	**46,129**	**27,719**	**-**	**(36,789)**	**(8,163)**	**(5,023)**	**(23,603)**	**-**	**27,488,433**	**-**
B. OFF-BALANCE SHEET CREDITS EXPOSURES												
a) Non performing	87	X	-	19	-	(6)	X	-	(6)	-	81	-
b) Performing	2,237,253	54,497	1,539	X	-	(50)	(46)	(3)	X	-	2,237,203	-
TOTAL (B)	**2,237,340**	**54,497**	**1,539**	**19**	**-**	**(56)**	**(46)**	**(3)**	**(6)**	**-**	**2,237,284**	**-**
TOTAL (A+B)	**29,762,562**	**27,505,803**	**47,668**	**27,738**	**-**	**(36,845)**	**(8,209)**	**(5,026)**	**(23,609)**	**-**	**29,725,717**	**-**

It should be noted that financial assets held for trading, derivative contracts and off-balance sheet transactions other than those subject to the impairment rules under IFRS 9 have been classified, by convention, as non-impaired exposures, but have not been included in the columns providing a breakdown by risk stage.

In addition, in the above table, item B. “Off-balance sheet exposures” includes the counterparty risk related to securities lending transactions and to repos that can be classified as “Securities Financing Transactions” (SFT) defined in prudential regulations, amounting to € 14,472 thousand.

Part E - Information on Risks and relating hedging policies

A.1.8 On-balance sheet credit exposures to banks: gross changes in non-performing exposures

No data to report.

A.1.8bis On-balance sheet credit exposures to banks: gross changes in forborne non-performing exposures breakdown by credit quality

No data to report.

A. 1.9 Credit exposures per case to customers: the dynamics of gross deteriorated exposures

(Amounts in € thousand)

Description/Category	Bad Exposures	Unlikely to pay	Past due impaired exposures
A. Opening balance (gross amount)	**16,018**	**5,664**	**2,410**
- of which: sold non-cancelled exposures	-	-	-
B. Increases	**3,546**	**5,564**	**3,450**
B.1 transfers from performing loans	625	3,892	3,026
B.2 entry from impaired financial assets acquired or originated	-	-	-
B.3 transfers from other impaired exposures	2,878	497	-
B.4 contractual changes without cancellations	-	-	-
B.5 other increases	43	1,175	424
C. Decreases	**(2,436)**	**(4,029)**	**(2,468)**
C.1 transfers to perfomorming loans	-	(78)	(304)
C.2 write-offs	(1,638)	(17)	(70)
C.3 recoveries	(797)	(1,124)	(1,094)
C.4 sales proceeds	-	-	-
C.5 losses on disposals	-	-	-
C.6 transfers to other impaired exposures	-	(2,503)	(872)
C.7 contractual changes without cancellations	-	-	-
C.8 other decreases	(1)	(307)	(128)
D. Closing balance (gross amounts)	**17,128**	**7,199**	**3,392**
- of which: sold but not derecognised	-	-	-

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A.1.9bis Cash credit exposures to customers: dynamics of gross exposures subject to concessions distinguished by credit quality

(Amounts in € thousand)

Description/Quality	Forborne exposures impaired	Forborne exposures not impaired
A. Opening balance (gross amount)	**855**	**2,225**
- Sold but not derecognised	-	-
B. Increases	**869**	**791**
B.1 Transfers from performing not forborne exposures	-	583
B.2. Transfers from performing forborne exposures	455	X
B.3. Transfers from impaired forborne exposures	X	43
B.4 Transfers from impaired not forborne exposure	-	-
B.5 other increases	414	165
C. Decreases	**(410)**	**(1,277)**
C.1 Transfers to performing not forborne exposures	X	(340)
C.2 Transfers to performing forborne exposures	(43)	X
C.3 transfers to impaired exposures not forborne	X	(455)
C.4 write-offs	(31)	-
C.5 recoveries	(211)	(426)
C.6 sales proceeds	-	-
C.7 losses on disposals	-	-
C.8 other decreases	(125)	(56)
D. Closing balance (gross amounts)	**1,314**	**1,739**
- Sold but not derecognised	-	-

A.1.10 On-balance sheet credit exposures to banks: changes in overall impairment

No data to report.

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A.1.11 Cash exposures to customers: impairment of total value adjustments

(Amounts in € thousand)

Description/Category	Bad Exposures		Unlikely to pay		Impaired Past due exposures	
	Total	of which: forborne exposures	Total	of which: forborne exposures	Total	of which: forborne exposures
A. Opening balance overall amount of writedowns	**(14,908)**	**(246)**	**(3,849)**	**(336)**	**(1,370)**	**(14)**
- Sold but not derecognised	-	-	-	-	-	-
B. Increases	**(3,681)**	**(108)**	**(3,720)**	**(363)**	**(1,767)**	**(27)**
B.1 impairment losses on acquired or originated assets	-	X	-	X	-	X
B. 2 other value adjustments	(1,727)	(38)	(3,401)	(307)	(1,740)	(6)
B.3 losses on disposal	-	-	-	-	-	-
B.4 transfer from other impaired exposure	(1,952)	(70)	(268)	(9)	-	-
B. 5 contractual changes without cancellations	-	-	-	-	-	-
B.6 other increases	(2)	-	(51)	(47)	(27)	(21)
C. Reductions	**2,254**	**43**	**2,359**	**185**	**1,079**	**31**
C.1 write-backs from assessments	108	3	197	43	201	12
C.2 write-backs from recoveries	508	10	376	76	280	5
C.3 gains on disposal	-	-	-	-	-	-
C.4 write-offs	1,638	30	17	-	70	1
C.5 transfers to other impaired exposures	-	-	1,718	66	503	13
C. 6 contractual changes without cancellations	-	-	-	-	-	-
C.7 other decreases	-	-	51	-	25	-
D. Closing overall amount of writedowns	**(16,335)**	**(311)**	**(5,210)**	**(514)**	**(2,058)**	**(10)**
- Sold but not derecognised	-	-	-	-	-	-

Part E - Information on Risks and relating hedging policies

A.2 Breakdown of financial assets, commitments and financial guarantees given by internal and external ratings

A.2.1 Distribution of financial assets, commitments to disburse funds and financial guarantees issued: for external rating classes (gross values)

(Amounts in € thousand)

Exposures	External rating classes						Without rating	Total
	Class 1	class 2	class 3	class 4	class 5	class 6		
A. Financial assets valued at amortized cost	**11,584,388**	**6,087,598**	**5,536,695**	**148**	**-**	**-**	**6,513,447**	**29,722,276**
- Stage 1	11,584,388	6,087,598	5,536,695	148	-	-	6,439,597	29,648,426
- Stage 2	-	-	-	-	-	-	46,129	46,129
- Stage 3	-	-	-	-	-	-	27,721	27,721
- Purchased or originated impaired	-	-	-	-	-	-	-	-
B. Financial assets valued at fair value with impact on overall profitability	**296,386**	**-**	**-**	**-**	**-**	**-**	**-**	**296,386**
- Stage 1	296,386	-	-	-	-	-	-	296,386
- Stage 2	-	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-	-
- Purchased or originated impaired	-	-	-	-	-	-	-	-
C. Financial assets held for sale	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- Stage 1	-	-	-	-	-	-	-	-
- Stage 2	-	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-	-
- Purchased or originated impaired	-	-	-	-	-	-	-	-
Total (A+B+C)	**11,880,774**	**6,087,598**	**5,536,695**	**148**	**-**	**-**	**6,513,447**	**30,018,662**
D. Commitments and financial guarantees given	**-**	**-**	**17,170**	**-**	**-**	**-**	**56,055**	**73,225**
- Stage 1	-	-	17,170	-	-	-	54,496	71,666
- Stage 2	-	-	-	-	-	-	1,540	1,540
- Stage 3	-	-	-	-	-	-	19	19
- Purchased or originated impaired	-	-	-	-	-	-	-	-
Total (D)	**-**	**-**	**17,170**	**-**	**-**	**-**	**56,055**	**73,225**
Total (A+B+C+D)	**11,880,774**	**6,087,598**	**5,553,865**	**148**	**-**	**-**	**6,569,502**	**30,091,887**

The table shows the breakdown of on-balance sheet and off-balance-sheet exposures to counterparties with an external rating. Rating agencies provide a summary assessment on the creditworthiness of different type of counterparties: Countries, Banks, Public Bodies, Insurance Companies and Businesses, usually large-scale.

The table refers to the classification set forth in the Bank of Italy Circular no. 262/2005 regarding external ratings, which envisages 6 classes of creditworthiness.

The above representation refers to the Standard and Poor's ratings, which were also associated to the ratings of the other two main Agencies, Moody's and Fitch. When there were two credit ratings for an individual exposure provided by two rating agencies the worst rating was recognised; if there were three different ratings the two best ratings were identified and, if they were different, the worst rating from these was recognised.

As part of the calculation of statutory requirements, by using the standard risk calculation method, the Bank relies on the rankings of rating agencies in order to determine the weighting coefficients for exposures to Central governments with the exception of exposures to which specific risk weights are applied as specified in Articles 113 to 134 of the CRR, including, for example, exposures to central governments and central banks of Member States denominated and funded in the domestic currency of those central governments and central banks, which are risk-weighted at 0%, and Covered bank bonds. For the remaining credit exposures, a 100% risk weight generally applies, subject to the exceptions set out in CRR 575/2013.

Part E - Information on Risks and relating hedging policies

As of December 31st, 2024, retail credit exposures mainly consist of personal loans, mortgages credit cards spending - both installment or revolving - unsecured and secured overdraft facilities and securities lending not externally rated. Rated exposures towards non-retail customers mainly derive from securities issued by Sovereign states and supranational issuers and from credits with banks having a high credit rating.

A.2.2 Breakdown of on-balance sheet and off-balance-sheet financial assets, commitments and financial guarantees given: breakdown by internal rating class (gross amount)

This table has not been included because internal ratings are not used to managed credit risk.

A.3 Breakdown of secured exposures by type of collateral

A.3.1 Secured on-balance sheet and off-balance-sheet exposures to banks

(Amounts in € thousand)

			Real guarantees (1)				Personal guarantees (2)	
							Credit derivatives	
								Other derivatives
	Gross exposure	Net exposures	Property - mortgages	Property - Financial leases	Securities	Other real guarantees	CLN	Central counterparties
1. Secured on-balance sheet exposures:	**292**	**292**	**-**	**-**	**281**	**-**	**-**	**-**
1.1 totally secured	292	292	-	-	281	-	-	-
- of which impaired	-	-	-	-	-	-	-	-
1.2 partially secured	-	-	-	-	-	-	-	-
- of which impaired	-	-	-	-	-	-	-	-
2. Secured off-balance sheet credit exposures:	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 totally secured	-	-	-	-	-	-	-	-
- of which impaired	-	-	-	-	-	-	-	-
2.2 partially secured	-	-	-	-	-	-	-	-
- of which impaired	-	-	-	-	-	-	-	-

Part E - Information on Risks and relating hedging policies

A.3.1 Secured on-balance sheet and off-balance-sheet exposures to banks

(continued)

(Amounts in € thousand)

	Personal guarantees (2)							Total (1)+(2)
	Credit derivatives			Signature credits				
	Other derivatives							
	Banks	Other financial entities	Other entities	Public entities	Banks	Other financial entities	Other entities	
1. Secured on-balance sheet exposures:	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**281**
1.1 totally secured	-	-	-	-	-	-	-	281
- of which impaired	-	-	-	-	-	-	-	-
1.2 partially secured	-	-	-	-	-	-	-	-
- of which impaired	-	-	-	-	-	-	-	-
2. Secured off-balance sheet credit exposures:	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 totally secured	-	-	-	-	-	-	-	-
- of which impaired	-	-	-	-	-	-	-	-
2.2 partially secured	-	-	-	-	-	-	-	-
- of which impaired	-	-	-	-	-	-	-	-

A.3.2 Secured on-balance sheet and off-balance-sheet exposures to customers

(Amounts in € thousand)

	Gross exposure	Net exposures	Real guarantees (1)				Personal guarantees (2)	
							Credit derivatives	
								Other derivatives
			Property - Mortgages	Property - Financial leases	Securities	Other real assets	CLN	Central counterparties
1. Secured on-balance sheet:	**4,986,946**	**4,983,362**	**2,311,527**	**-**	**2,545,078**	**58,664**	**-**	**-**
1.1 totally secured	4,985,762	4,982,180	2,310,582	-	2,545,019	58,655	-	-
- of which: impaired	3,080	1,910	1,676	-	171	64	-	-
1.2 partially secured	1,184	1,182	945	-	59	9	-	-
- of which: impaired	-	-	-	-	-	-	-	-
2. Secured off-balance sheet credit exposures:	**1,921,732**	**1,921,695**	**-**	**-**	**1,855,688**	**21,816**	**-**	**-**
2.1 totally secured	1,820,869	1,820,832	-	-	1,791,451	21,195	-	-
- of which: impaired	9	9	-	-	9	-	-	-
2.2. partially secured	100,863	100,863	-	-	64,237	621	-	-
- of which: impaired	-	-	-	-	-	-	-	-

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A.3.2 Secured on-balance sheet and off-balance-sheet exposures to customers
(continued)

(Amounts in € thousand)

	Personal guarantees (2)							Total (1)+(2)
	Credit derivatives			Signature credits				
	Other derivatives							
	Banks	Other financial entities	Other entities	Public entities	Banks	Other financial entities	Other entities	
1. Secured on-balance sheet:	**-**	**-**	**-**	**-**	**-**	**67,883**	**1**	**4,983,153**
1.1 totally secured	-	-	-	-	-	67,883	1	4,982,140
- of which: impaired	-	-	-	-	-	-	-	1,911
1.2 partially secured	-	-	-	-	-	-	-	1,013
- of which: impaired	-	-	-	-	-	-	-	-
2. Secured off-balance sheet credit exposures:	**-**	**-**	**6**	**-**	**-**	**8,210**	**-**	**1,885,720**
2.1 totally secured	-	-	1	-	-	8,210	-	1,820,857
- of which: impaired	-	-	-	-	-	-	-	9
2.2. partially secured	-	-	5	-	-	-	-	64,863
- of which: impaired	-	-	-	-	-	-	-	-

A.4 Financial and non-financial assets obtained through the enforcement of guarantees received

No data to report.

Part E - Information on Risks and relating hedging policies

B. Distribution and concentration of credit exposures

B.1 Breakdown of on-balance sheet and off-balance-sheet credit exposures to customers by sector

(Amounts in € thousand)

Exposures/Counterparty		Public entities		Financial entities		Financial companies (of which: insurance companies)	
		Net exposure	Total impairments	Net exposure	Total impairments	Net exposure	Total impairments
A. On-balance sheet credit exposures							
A.1 Bad loans		-	-	-	-	-	-
- of wich: forborne exposures		-	-	-	-	-	-
A.2 Unlikely to pay		-	-	5	(19)	-	-
- of wich: forborne exposures		-	-	-	-	-	-
A.3 Past-due impaired loans		-	-	-	-	-	-
- of wich: forborne exposures		-	-	-	-	-	-
A.4 Performing exposures		21,265,281	(3,523)	813,556	(336)	550,431	(118)
- of wich: forborne exposures		-	-	-	-	-	-
Total (A)		**21,265,281**	**(3,523)**	**813,561**	**(355)**	**550,431**	**(118)**
B. Off-balance sheet exposures							
B.1 Impaired		-	-	-	-	-	-
B.2 Unimpaired		-	-	39,107	(6)	-	-
Total (B)		**-**	**-**	**39,107**	**(6)**	**-**	**-**
Total (A+B)	**12/31/2024**	**21,265,281**	**(3,523)**	**852,668**	**(361)**	**550,431**	**(118)**
Total (A+B)	**12/31/2023**	**18,777,263**	**(5,515)**	**769,457**	**(607)**	**315,715**	**(180)**

Part E - Information on Risks and relating hedging policies

B.1 Breakdown of on-balance sheet and off-balance-sheet credit exposures to customers by sector

(continued)

(Amounts in € thousand)

Exposures/Counterparty		Non-financial entities		Households	
		Net exposure	Total impairments	Net exposure	Total impairments
A. On-balance sheet credit exposures					
A.1 Bad loans		-	(4)	793	(16,331)
- of wich: forborne exposures		-	-	8	(311)
A.2 Unlikely to pay		3	(112)	1,981	(5,078)
- of wich: forborne exposures		-	-	466	(514)
A.3 Past-due impaired loans		7	(24)	1,327	(2,034)
- of wich: forborne exposures		-	-	5	(10)
A.4 Performing exposures		2,132	(11)	5,403,348	(9,316)
- of wich: forborne exposures		-	-	1,730	(9)
Total (A)		**2,142**	**(151)**	**5,407,449**	**(32,759)**
B. Off-balance sheet exposures					
B.1 Impaired		-	-	81	(6)
B.2 Unimpaired		4,107	-	2,179,517	(44)
Total (B)		**4,107**	**-**	**2,179,598**	**(50)**
Total (A+B)	**12/31/2024**	**6,249**	**(151)**	**7,587,047**	**(32,809)**
Total (A+B)	**12/31/2023**	**3,844**	**(110)**	**7,855,475**	**(31,935)**

Exposures connected to the counterparty risk related to securities lending or borrowing transactions are not included.

Part E - Information on Risks and relating hedging policies

B.2 Distribution of balance sheet and off-balance sheet exposures to customers by geographic area

(Amounts in € thousand)

Exposures/Geographical area	Italy		Other european countries		America
	Net exposures	Total impairments	Net exposures	Total impairments	Net exposures
A. On-balance sheet exposures					
A.1 Bad loans	789	(16,276)	-	(20)	-
A.2 Unlikely to pay	1,989	(5,206)	-	(1)	-
A.3 Impaired past-due exposures	1,333	(2,054)	-	(3)	-
A.4 Unimpaired exposures	11,610,273	(11,578)	12,763,569	(1,135)	884,911
Total (A)	**11,614,384**	**(35,114)**	**12,763,569**	**(1,159)**	**884,911**
B. Off-balance sheet credit exposures					
B.1 Impaired exposures	81	(6)	-	-	-
B.2 Unimpaired exposures	2,210,818	(49)	10,433	-	403
Total (B)	**2,210,899**	**(55)**	**10,433**	**-**	**403**
Total (A+B) 12/31/2024	**13,825,283**	**(35,169)**	**12,774,002**	**(1,159)**	**885,314**
Total (A+B) 12/31/2023	**13,689,307**	**(36,248)**	**11,961,534**	**(1,626)**	**768,799**

B.2 Distribution of balance sheet and off-balance sheet exposures to customers by geographic area
(continued)

(Amounts in € thousand)

Exposures/Geographical area	America	Asia		Rest of the world	
	Total impairments	Net exposures	Total impairments	Net exposures	Total impairments
A. On-balance sheet exposures					
A.1 Bad loans	(15)	4	(20)	-	(4)
A.2 Unlikely to pay	-	-	(2)	-	-
A.3 Impaired past-due exposures	-	-	(1)	-	-
A.4 Unimpaired exposures	(87)	258,380	(177)	1,967,184	(209)
Total (A)	**(102)**	**258,384**	**(200)**	**1,967,184**	**(213)**
B. Off-balance sheet credit exposures					
B.1 Impaired exposures	-	-	-	-	-
B.2 Unimpaired exposures	-	1,076	-	1	(1)
Total (B)	-	**1,076**	**-**	**1**	**(1)**
Total (A+B) 12/31/2024	**(102)**	**259,460**	**(200)**	**1,967,185**	**(214)**
Total (A+B) 12/31/2023	**(123)**	**259,039**	**(116)**	**727,360**	**(54)**

Exposures connected to the counterparty risk related to securities lending or borrowing transactions are not included.

Part E - Information on Risks and relating hedging policies

B.2 Breakdown of on-balance sheet and off-balance-sheet credit exposures to customers by geography

(Amounts in € thousand)

Exposures/Geographic area		North-West Italy		North-East Italy		Central Italy		South Italy and Islands	
		Net exposure	Total impairments	Net exposure	Total impairments	Net exposure	Total impairments	Net exposure	Total impairments
A. On-balance sheet exposures									
A.1 Bad loans		170	(4,214)	148	(1,559)	172	(3,726)	299	(6,777)
A.2 Unlikely to pay		666	(1,518)	198	(548)	446	(1,351)	679	(1,789)
A.3 Impaired past-due exposures		445	(680)	176	(214)	277	(473)	435	(687)
A.4 Unimpaired exposures		2,629,236	(3,152)	757,988	(903)	7,023,850	(5,308)	1,199,199	(2,215)
Total (A)		**2,630,517**	**(9,564)**	**758,510**	**(3,224)**	**7,024,745**	**(10,858)**	**1,200,612**	**(11,468)**
B. Off-balance sheet credit exposures									
B.1 Impaired exposures		20	-	10	(2)	26	(1)	25	(3)
B.2 Unimpaired exposures		933,349	(30)	343,368	(5)	506,881	(10)	427,220	(4)
Total (B)		933,369	(30)	343,378	(7)	506,907	(11)	427,245	(7)
Total (A+B)	**12/31/2024**	**3,563,886**	**(9,594)**	**1,101,888**	**(3,231)**	**7,531,652**	**(10,869)**	**1,627,857**	**(11,475)**
Total (A+B)	**12/31/2023**	**3,639,374**	**(9,700)**	**1,154,970**	**(3,245)**	**7,211,431**	**(12,640)**	**1,683,532**	**(10,663)**

Part E - Information on Risks and relating hedging policies

B.3 Breakdown of on-balance sheet and off-balance-sheet credit exposures to banks by geography

(Amounts in € thousand)

Exposures/Geographical Area	Italy		Other european countries		America
	Net exposures	Total impairments	Net exposures	Total impairments	Net exposures
A. On-balance sheet exposures					
A.1 Bad loans	-	-	-	-	-
A.2 Unlikely to pay	-	-	-	-	-
A.3 Impaired past-due exposures	-	-	-	-	-
A.4 Not impaired exposures	2,234,341	(131)	1,072,145	(71)	124,284
Total (A)	**2,234,341**	**(131)**	**1,072,145**	**(71)**	**124,284**
B. Off-balance sheet credit exposures					
B.1 Impaired exposure	-	-	-	-	-
B.2 Unimpaired exposure	17,170	-	677,712	-	-
Total (B)	**17,170**	**-**	**677,712**	**-**	**-**
Total (A+B) 12/31/2024	**2,251,511**	**(131)**	**1,749,857**	**(71)**	**124,284**
Total (A+B) 12/31/2023	**3,137,102**	**(161)**	**2,011,756**	**(135)**	**161,587**

B.3 Breakdown of on-balance sheet and off-balance-sheet credit exposures to banks by geography

(continued)

(Amounts in € thousand)

Exposures/Geographical Area	America	Asia		Rest of the world	
	Total impairments	Net exposures	Total impairments	Net exposures	Total impairments
A. On-balance sheet exposures					
A.1 Bad loans	-	-	-	-	-
A.2 Unlikely to pay	-	-	-	-	-
A.3 Impaired past-due exposures	-	-	-	-	-
A.4 Not impaired exposures	(12)	-	-	995,911	(104)
Total (A)	**(12)**	**-**	**-**	**995,911**	**(104)**
B. Off-balance sheet credit exposures					
B.1 Impaired exposure	-	-	-	-	-
B.2 Unimpaired exposure	-	-	-	(1)	-
Total (B)	**-**	**-**	**-**	**(1)**	**-**
Total (A+B) 12/31/2024	**(12)**	**-**	**-**	**995,910**	**(104)**
Total (A+B) 12/31/2023	**(20)**	**-**	**-**	**821,469**	**(57)**

Exposures connected to the counterparty risk related to securities lending or borrowing transactions are not included.

Part E - Information on Risks and relating hedging policies

B.3 Breakdown of on-balance sheet and off-balance-sheet credit exposures to banks by geography - Italy

(Amounts in € thousand)

Exposures / Geographical Area	North-West Italy		North-East Italy		Central Italy		South-Italy and Islands	
	Net exposures	Total impairments	Net exposures	Total impairments	Net exposures	Total impairments	Net exposures	Total impairments
A. On-balance sheet exposures								
A.1 Bad loans	-	-	-	-	-	-	-	-
A.2 Unlikely to pay	-	-	-	-	-	-	-	-
A.3 Impaired past-due exposures	-	-	-	-	-	-	-	-
A.4 Unimpaired exposures	232,737	(23)	29,360	(1)	1,972,244	(107)	-	-
TOTAL	**232,737**	**(23)**	**29,360**	**(1)**	**1,972,244**	**(107)**	**-**	**-**
B. Off-balance sheet credit exposures								
B.1 Impaired exposures	-	-	-	-	-	-	-	-
B.2 Unimpaired exposures	17,170	-	-	-	-	-	-	-
Total (B)	**17,170**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (A+B) 12/31/2024	**249,907**	**(23)**	**29,360**	**(1)**	**1,972,244**	**(107)**	**-**	**-**
Total (A+B) 12/31/2023	**905,086**	**(78)**	**29,423**	**(5)**	**2,202,593**	**(78)**	**-**	**-**

Part E - Information on Risks and relating hedging policies

B.4 Large exposures

As at December 31st, 2024, the "risk positions" constituting a "large exposure" pursuant to the Commission Implementing Regulation (EU) No 451/2021 of December 17th, 2020 which establishes technical implementation rules with regard to the reporting of entities for supervisory purposes in accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council, and subsequent Regulations that modify the content (CRR), are the following:

- book value: € 26,036,573 thousand, excluding reverse repo transactions and indirect exposures as defined below;
- non-weighted value: € 31,014,450 thousand, including repurchase agreements and indirect exposures;
- weighted value: € 1,248,145 thousand, including repurchase agreements and indirect exposures;
- number of "risk positions": 31.

It should be noted that, in accordance with the EBA Guidelines on connected customers pursuant to Article 4, paragraph 1, point 39) of CRR, the large exposures also include counterparties with links with central governments that, although they do not individually exceed the 10% threshold of the eligible capital for large exposures, exceed this limit when the exposure to the sovereign to which they are linked by a control relationship is also considered.

It should be also noted that CRR introduced the requirement to apply the "Substitution Approach", whereby an Institution, when reducing its exposure to a client using a credit risk mitigation technique eligible under Article 399, paragraph 1, treats, in the manner set out in Article 403, the portion of the exposure corresponding to the reduction as an exposure to the protection provider rather than to the client. This implies compliance with the limits set by Article 395 CRR on the sum of direct exposures to clients and exposures represented by collateral received ("indirect exposures"). In addition, the Regulation requires institutions to add to the total exposures toward a client the exposures arising from derivative contracts where the contract has not been directly concluded with that client but the underlying debt or equity instrument has been issued by that client ("indirect exposures").

Finally, please note that deferred tax assets within the exposure towards the Italian Central Government have been exempted and, therefore, their weighted value is null.

Part E - Information on Risks and relating hedging policies

C. Securitisation transactions

Qualitative information

No data to report.

Quantitative information

No data to report.

D. Disclosure on structured entities not consolidated (other than securitisation companies)

The qualitative and quantitative disclosures in this section are not to be provided by banks that prepare consolidated financial statements in accordance with Bank of Italy Circular 262.

E. Sales Transactions

A. Financial assets sold and partially derecognised

Qualitative information

The Bank carries out repurchase and reverse repurchase agreements and securities lending transactions secured by cash, which are in substance equivalent to repurchase agreements, using own securities and securities not recognised as assets, received through reverse repurchase and securities lending transactions. Owned securities engaged in repurchase agreements have not been eliminated from the balance sheet as the Bank enters into repurchase agreements with an obligation for the transferee to resell at maturity the assets involved in the transaction and retains all risks associated with ownership of the securities.

The Bank also carries out securities lending transactions with collateral represented by other securities, as lender, against its own securities. Again, the securities owned have not been eliminated from the balance sheet as the transactions involve the obligation to repay and the Bank retains all risks associated with ownership of the securities.

Part E - Information on Risks and relating hedging policies

Quantitative information

E.1 Financial assets sold but not derecognised and associated financial liabilities: carrying value

(Amounts in € thousand)

	Financial assets sold but not derecognised				Associated financial liabilities		
	Carrying amount	of which: securisation	of which: repurchase agreement	of which: impaired	Carrying amount	of which: securisation	of which: repurchase agreement
A. Financial assets held for trading	**-**	**-**	**-**	**X**	**-**	**-**	**-**
1. Debt securities	-	-	-	X	-	-	-
2. Equity instruments	-	-	-	X	-	-	-
3. Loans	-	-	-	X	-	-	-
4. Derivative instruments	-	-	-	X	-	-	-
B. Other financial assets mandatorily at fair value	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-	-	-	-
2. Equity instruments	-	-	-	X	-	-	-
3. Loans	-	-	-	-	-	-	-
C. Financial assets designated at fair value	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-	-	-	-
2. Loans	-	-	-	-	-	-	-
D. Financial assets at fair value through other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-	-	-	-
2. Equity instruments	-	-	-	X	-	-	-
3. Loans	-	-	-	-	-	-	-
E. Financial assets at amortised cost	**2,683,170**	**-**	**2,683,170**	**-**	**2,662,798**	**-**	**2,662,798**
1. Debt securities	2,683,170	-	2,683,170	-	2,662,798	-	2,662,798
2. Loans	-	-	-	-	-	-	-
Total 12/31/2024	**2,683,170**	**-**	**2,683,170**	**-**	**2,662,798**	**-**	**2,662,798**
Total 12/31/2023	**2,270,336**	**-**	**2,270,336**	**-**	**2,313,880**	**-**	**2,313,880**

Please note that the amount of financial liabilities in the table above has been shown gross of the accounting off-setting made according to IAS 32.

The above table excludes financial assets sold under securities lending transactions without collateral or with collateral represented by other securities, with which no liability is associated.

E.2 Financial assets sold partially recognized and associated financial liabilities: carrying value

No data to report.

E.3 Sales transactions relating to financial liabilities with repayment exclusively based on assets sold and not derecognised: fair value

No data to report.

Part E - Information on Risks and relating hedging policies

B. Assets sold and fully derecognised with recognition of continuing involvement

Qualitative information

No data to report.

Qualitative information

No data to report.

C. Securitisation transactions

Qualitative information

No data to report.

Quantitative information

No data to report.

D. Covered bond transactions

No data to report.

E. Credit Risk Measurement Models

Credit Risk Measurement – Trading Book

The monitoring of the credit risk taken on in the trading book is carried out through the daily measurement of VaR and Credit Spread VaR, measures that directly impact the calculation of Internal Capital. However, the trading book's exposure to credit risk remains extremely limited.

Credit Risk Measurement – Banking Book

The Bank's banking portfolio consists mainly of securities, current accounts with credit institutions and deposits with the Bank of Italy. Exposures to institutional counterparties are assigned a rating class. Activity with retail customers is limited to the granting of personal loans, mortgages, credit cards and overdraft facilities.

Part E - Information on Risks and relating hedging policies

Information on securities issued by Sovereigns

The Bank is exposed to the sovereign debt of some countries having invested a portion of its assets in debt securities issued by governments and recognised in the item “Financial assets designated at fair value through other comprehensive income” and in “Financial assets measured at amortised cost”. The following table shows the nominal value, the carrying amount and the fair value of these exposures as at December 31st, 2024. The Bank is exposed to debt securities issued by Sovereigns which are classified under the item "Other financial assets mandatorily at fair value" for € 57 thousand.

In addition, the Bank hold investments in debt securities issued by Supranational institutions and Agencies accounted for in "Financial assets at amortised cost”.

(Amounts in € thousand)

	Nominal value as at	Carrying amount as at	Fair value as at	% Financial statements item
	12/31/2024	12/31/2024	12/31/2024	12/31/2024
Italy	**5,519,253**	**5,496,450**	**5,340,948**	**15.9%**
Financial assets at amortised cost	5,519,253	5,496,450	5,340,948	18.5%
Spain	**4,232,000**	**4,039,740**	**3,991,647**	**11.7%**
Financial assets at amortised cost	4,232,000	4,039,740	3,991,647	13.6%
Germany	**175,000**	**172,079**	**163,213**	**0.5%**
Financial assets at amortised cost	175,000	172,079	163,213	0.6%
France	**1,681,500**	**1,667,759**	**1,538,550**	**4.8%**
Financial assets at fair value through other comprehensive income	58,000	51,995	51,995	17.5%
Financial assets at amortised cost	1,623,500	1,615,764	1,486,555	5.4%
U.S.A.	**670,902**	**671,191**	**669,176**	**1.9%**
Financial assets at amortised cost	670,902	671,191	669,176	2.3%
Austria	**976,000**	**971,890**	**915,014**	**2.8%**
Financial assets at amortised cost	976,000	971,890	915,014	3.3%
Ireland	**899,500**	**877,421**	**863,193**	**2.5%**
Financial assets at amortised cost	899,500	877,421	863,193	3.0%
Belgium	**965,000**	**1,003,483**	**947,113**	**2.9%**
Financial assets at amortised cost	965,000	1,003,483	947,113	3.4%
Portugal	**330,000**	**364,064**	**339,286**	**1.1%**
Financial assets at amortised cost	330,000	364,064	339,286	1.2%
Switzerland	**21,249**	**21,437**	**21,539**	**0.1%**
Financial assets at amortised cost	21,249	21,437	21,539	0.1%
Saudi Arabia	**90,000**	**90,366**	**80,157**	**0.3%**
Financial assets at amortised cost	90,000	90,366	80,157	0.3%
Chile	**203,100**	**211,687**	**179,633**	**0.6%**
Financial assets at amortised cost	203,100	211,687	179,633	0.7%
China	**165,832**	**165,256**	**142,433**	**0.5%**
Financial assets at amortised cost	165,832	165,256	142,433	0.6%
Latvia	**30,000**	**29,803**	**24,793**	**0.1%**
Financial assets at amortised cost	30,000	29,803	24,793	0.1%
Iceland	**15,000**	**14,979**	**13,772**	**0.0%**
Financial assets at amortised cost	15,000	14,979	13,772	0.1%
Netherlands	**50,000**	**57,564**	**57,462**	**0.2%**
Financial assets at amortised cost	50,000	57,564	57,462	0.2%
Total sovereign exposures	**16,024,336**	**15,855,169**	**15,287,929**	**45.8%**

The % reported in line with Sovereign counterparties and in the item "Total Sovereign exposures" have been determined on the total assets of the Bank, while the % reported in line with the balance sheet items were determined on the total of the individual items of the financial statements.

It should be noted that securities denominated in currencies other than the euro have been converted into euro according to the spot exchange rate at the reference date of the financial statements.

As at December 31st, 2024, investments in debt securities issued by Sovereign States accounted for 45.8% of the Bank’s total assets and none of them were structured debt securities.

Part E - Information on Risks and relating hedging policies

The following table shows the Sovereign ratings as at December 31st, 2024 for countries to which the Bank is exposed, provided by Fitch Ratings, Moody's and Standard & Poor's.

	Moody’s	Fitch Ratings	Standard & Poor’s
Italy	Baa3	BBB	BBB
Spain	Baa1	A-	A
Germany	Aaa	AAA	AAA
France	Aa3	AA-	AA-
USA	Aaa	AA+	AA+
Austria	Aa1	AA+	AA+
Ireland	Aa3	AA	AA
Belgium	Aa3	AA-	AA
Portugal	A3	A-	A-
Switzerland	Aaa	AAA	AAA
Saudi Arabia	Aa3	A+	A
Chile	A2	A-	A+
China	A1	A+	A+
Latvia	A3	A-	A
Iceland	A1	A	A+
Netherlands	AAA	AAA	AAA

Part E - Information on Risks and relating hedging policies

Section 2 - Market risk

Market risk derives from changes in market variables (interest rates, securities prices, exchange rates, etc.) affecting the economic value of the Bank's portfolio. The latter includes assets held in the trading book (assets held for trading) as well as those in the banking book, i.e. the transactions connected to strategic investment choices.

No impacts on the market risk profile from the military conflict between Russia and Ukraine were recorded during 2024. Furthermore, no impacts on the market risk profile from the aforementioned events were recorded during 2024, neither in the banking nor in the trading book.

Risk Management Strategies and Processes

Please refer to the paragraph “Risk Management Strategies and Processes” in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part E - Information on Risks and relating hedging policies, Section 2 – Risk of the prudential consolidated perimeter, 1.2 Market risk, which is deemed to be reported here in full.

Structure and Organisation

Please refer to the paragraph “Structure and Organisation” in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part E - Information on Risks and relating hedging policies, Section 2 – Risk of the prudential consolidated perimeter, 1.2 Market risk, which is deemed to be reported here in full.

Risk measurement and reporting framework

Please refer to the paragraph “Risk measurement and reporting framework” in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part E - Information on Risks and relating hedging policies, Section 2 – Risk of the prudential consolidated perimeter, 1.2 Market risk, which is deemed to be reported here in full.

Procedures and methodologies for valuation of Trading Book positions

Please refer to the paragraph “Procedures and methodologies for valuation of Trading Book positions” in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part E - Information on Risks and relating hedging policies, Section 2 – Risk of the prudential consolidated perimeter, 1.2 Market risk, which is deemed to be reported here in full.

Risk measures

Please refer to the paragraph “Risk measures” in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part E - Information on Risks and relating hedging policies, Section 2 – Risk of the prudential consolidated perimeter, 1.2 Market risk, which is deemed to be reported here in full.

Part E - Information on Risks and relating hedging policies

2.1 Interest rate risk and price risk – regulatory trading book

Qualitative information

A. General Matters

Please refer to the paragraph "A. General Matters" in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part E - Information on Risks and relating hedging policies, Section 2 – Risk of the prudential consolidated perimeter, 1.2 Market risk, 1.2.1 Interest rate risk and price risk – regulatory trading book, which is deemed to be reported here in full.

B. Processes for managing and methods for measuring interest rate risk and price risk

Please refer to the paragraph "B. Processes for managing and methods for measuring interest rate risk and price risk" in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part E - Information on Risks and relating hedging policies, Section 2 – Risk of the prudential consolidated perimeter, 1.2 Market risk, 1.2.1 Interest rate risk and price risk – regulatory trading book, which is deemed to be reported here in full.

Part E - Information on Risks and relating hedging policies

Quantitative information

1. Regulatory trading book: distribution by maturity (repricing date) of on-balance sheet financial assets and liabilities and financial derivatives – Currency: Euro

(Amounts in € thousand)

Type/Residual maturity	On demand	Up to 3 months	Between 3 and 6 months	Between 6 months and 1 year	Between 1 year and 5 years	Between 5 and 10 years	Over 10 years	Indefinite maturity
1. On-balance sheet assets	**-**	**-**	**-**	**-**	**13**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	13	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	13	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Repos	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial derivatives								
3.1 With underlying security								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	72	-	-	-	-	-	-
- Others derivates								
+ Long positions	237	79,721	-	-	279	-	5,288	-
+ Short positions	278	78,807	-	-	182	-	4,925	-
3.2 Without underlying security								
- Options								
+ Long positions	52	166	-	-	-	-	-	-
+ Short positions	52	80	-	-	-	-	-	-
- Others derivatives								
+ Long positions	-	78,567	20	7,550	-	-	-	-
+ Short positions	-	41,982	610	43,370	-	-	-	-

Item 3.1 “Financial Derivatives with underlying securities - Other Derivatives” includes spot contracts for the purchase and sale of securities, other than shares and UCITS units, to be settled in times established by market practices ("regular way").

Item 3.2 “Financial Derivatives without underlying securities - Other Derivatives” includes spot contracts for the purchase and sale of foreign currencies, to be settled in times established by market practices ("regular way").

Part E - Information on Risks and relating hedging policies

Currency: Other currencies

(Amounts in € thousand)

Type/Residual maturity	On demand	Up to 3 months	Between 3 and 6 months	Between 6 months and 1 year	Between 1 year and 5 years	Between 5 and 10 years	Over 10 years	Indefinite maturity
1. On-balance sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**14**	**-**
2.1 Repos	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	14	-
3. Financial derivatives								
3.1 With underlying security								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Others derivates								
+ Long positions	-	44,375	-	-	197	-	-	-
+ Short positions	-	45,134	88	-	197	-	-	-
3.2 Without underlying security								
- Options								
+ Long positions	-	209	-	-	-	-	1,220	-
+ Short positions	-	306	-	-	-	-	1,220	-
- Others derivatives								
+ Long positions	-	70,369	916	62,949	-	-	-	-
+ Short positions	-	106,795	316	26,540	-	-	-	-

Item 3.1 “Financial Derivatives with underlying securities - Other Derivatives” includes spot contracts for the purchase and sale of securities, other than shares and UCITS units, to be settled in times established by market practices ("regular way").

Item 3.2 “Financial Derivatives without underlying securities - Other Derivatives” includes spot contracts for the purchase and sale of foreign currencies, to be settled in times established by market practices ("regular way").

The effects of changes in the yield curve on net interest margin arising from instruments in the trading book are negligible. For similar considerations regarding the banking book, see paragraph 2. Banking book: internal models and other methods of sensitivity analysis.

2. Regulatory trading book: distribution of exposures in equity instruments and share indices for the main stock market countries

(Amounts in € thousand)

Type of transaction/listing index	Listed						Unlisted
	ITALY	U.S.A.	LUXEMBOURG	SPAIN	GERMANY	OTHER COUNTRIES	
A. Equity instruments							
- long positions	1,259	9,759	4,017	354	3,540	3,171	-
- short positions	99	647	47	-	38	144	-
B. Unsettled equity instrument trades							
- long positions	31,072	21,815	16,719	12,492	21,227	11,756	-
- short positions	31,667	21,933	16,699	12,287	21,455	12,020	-
C. Other equity instruments derivatives							
- long positions	372	1,605	401	60	603	331	-
- short positions	1,404	11,051	4,237	438	3,957	3,261	-
D. Share index derivatives							
- long positions	12,005	79,579	-	441	7,706	1,767	-
- short positions	10,946	79,677	-	419	7,921	2,833	-

In consistency with the market risk appetite and the Market Risk Policy approved by the Board of Directors of the Parent Company, Fineco does not take directional speculative positions on its portfolios. The trading portfolio is moved exclusively for the brokerage business with customers (dealing on own account); the positions linked to this activity are therefore subject to a series of limits established by the policies which lead to a substantial closure of the market risk deriving from the positions at the end of the day.

Such policies lead to a high daily turnover of instruments in the trading book. Considering this context, it is not significant to report evidence regarding the impact of the change in prices of equity securities and stock indices on the intermediation margin, on the operating result and on net equity, as well as the results of the scenario analyses.

3. Regulatory trading book: internal models and other methods of sensitivity analysis

The Bank monitors the VaR of the Trading Book on a daily basis.

As at December 31st, 2024, the daily VaR of the trading book amounted to € 252 thousand. The average for the year 2024 is € 193 thousand, with a maximum peak of € 548 thousand and a minimum of € 41 thousand.

The volatility in the price of instruments determines direct impacts on the income statement.

2.2 Interest rate risk and price risk – banking book

Qualitative information

A. General aspects, management processes and measurement methods for interest rate risk and price risk

Focus on the bond portfolio

With specific reference to FinecoBank's HTC portfolio, which as at December 31st, 2024, is mainly made by government bonds and supranational bonds (securities issued by Sovereign, Supranational issuers and International Government Organisations), changes in interest rates could lead to positive or negative changes in fair value, which are not recognised in the income statement, as required by accounting standards with reference to instruments classified in the HTC portfolio. It should also be noted that, as at December 31st, 2024, a significant part of the securities portfolio, equal to € 6,665.1 million, is covered by derivative financial instruments, which by nature have a sensitivity opposite to that of the hedged asset. The interest rate risk sensitivity at +100 bps of the securities hedged by derivatives amounts to € -299 million, while the sensitivity of the related hedging derivatives amounts to € +288.59 million.

Part E - Information on Risks and relating hedging policies

Focus on real estate investments

As at December 31st, 2024, the Bank does not have significant investments in the real estate sector. The only exception is represented by the building located in Milan, where FinecoBank has its registered office. For this real estate property, the market value was determined by an external appraiser, and is made up of the sum of the discounted expected cash flows and the discounted value of the asset at the end of the hypothesized time frame. The discount rate, better known as WACC (from the English acronym Weighted Average Cost of Capital), applied for the valuation of the property, represents the expected return that the property investment must generate to remunerate the creditors, any shareholders and the other capital providers. The fair value amounts to € 79.3 million, the sensitivity to the discount rate (WACC) amounts respectively to € -6 million in the +100 bps scenario, and to € 13.8 million in the -200 bps scenario.

For any other qualitative information, please refer to the paragraph "A. General aspects, management processes and measurement methods for interest rate risk and price risk" in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part E - Information on Risks and relating hedging policies, Section 2 – Risk of the prudential consolidated perimeter, 1.2 Market risk, 1.2.2 Interest rate risk and price risk – banking book, which is deemed to be reported here in full.

Part E - Information on Risks and relating hedging policies

Quantitative information

1. Banking book: distribution by maturity (by repricing date) of financial assets and liabilities – Currency: Euro

(Amounts in € thousand)

Type/maturity	On demand	Up to 3 months	Between 3 and 6 months	Between 6 months to 1 year	Between 1 year and 5 years	Between 5 and 10 years	Over 10 years	Indefinite maturity
1. On-balance sheet assets	**3,957,136**	**1,337,609**	**1,011,613**	**790,347**	**14,009,868**	**9,281,589**	**913,654**	**-**
1.1 Debt securities	-	367,861	926,797	632,212	13,113,677	8,079,174	1	-
- with early redemption option	-	-	-	-	-	-	-	-
- others	-	367,861	926,797	632,212	13,113,677	8,079,174	1	-
1.2 Loans to banks	1,742,841	288,485	-	-	-	-	-	-
1.3 Loans to customers	2,214,295	681,263	84,816	158,135	896,191	1,202,415	913,653	-
- current accounts	2,051,821	14	35	78	363	-	-	-
- others loans	162,474	681,249	84,781	158,057	895,828	1,202,415	913,653	-
- with early redemption option	3,301	83,495	83,191	156,139	891,954	1,202,406	913,638	-
- others	159,173	597,754	1,590	1,918	3,874	9	15	-
2. On-balance sheet liabilities	**28,271,521**	**515,868**	**441,303**	**435,624**	**842,758**	**12,676**	**1,593**	**-**
2.1 Deposits from customers	27,608,648	339,961	441,172	435,359	30,562	11,920	1,593	-
- current accounts	27,469,443	-	-	-	-	-	-	-
- other payables	139,205	339,961	441,172	435,359	30,562	11,920	1,593	-
- with early redemption option	-	-	-	-	-	-	-	-
- others	139,205	339,961	441,172	435,359	30,562	11,920	1,593	-
2.2 Deposits from banks	662,873	175,907	131	265	1,968	756	-	-
- current accounts	1,884	-	-	-	-	-	-	-
- other payables	660,989	175,907	131	265	1,968	756	-	-
2.3 Debt securities	-	-	-	-	810,228	-	-	-
- with early redemption option	-	-	-	-	810,228	-	-	-
- others	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- others	-	-	-	-	-	-	-	-
3. Financial derivatives	**-**	**7,194,629**	**153,985**	**560,545**	**(3,612,665)**	**(3,845,199)**	**(451,297)**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	7,194,629	153,985	560,545	(3,612,665)	(3,845,199)	(451,297)	-
- Options	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Others derivatives	-	7,194,629	153,985	560,545	(3,612,665)	(3,845,199)	(451,297)	-
+ Long positions	-	8,876,647	450,000	615,000	190,000	-	-	-
+ Short positions	-	1,682,018	296,015	54,455	3,802,665	3,845,199	451,297	-
4. Other off-balance sheet transactions	**(36,882)**	**(564)**	**2,404**	**1,859**	**628**	**32,550**	**5**	**-**
+ Long positions	40	5,920	6,134	1,859	628	32,550	5	-
+ Short positions	36,922	6,484	3,730	-	-	-	-	-

Loans to customers on current accounts at an indexed rate granted by the Bank have been represented in the “on demand” column. In general, the repricing of the rate takes place at the beginning of the month on the basis of the average of the previous month's daily observations.

Part E - Information on Risks and relating hedging policies

Currency: Other currencies

(Amounts in € thousand)

Type/maturity	On demand	Up to 3 months	Between 3 and 6 months	Between 6 months to 1 year	Between 1 year and 5 years	Between 5 and 10 years	Over 10 years	Indefinite maturity
1. On-balance sheet assets	**216,521**	**149,921**	**195,128**	**318,063**	**193,379**	**-**	**-**	**-**
1.1 Debt securities	-	103,139	143,633	318,063	193,327	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- others	-	103,139	143,633	318,063	193,327	-	-	-
1.2 Loans to banks	208,914	245	48,413	-	-	-	-	-
1.3 Loans to customers	7,607	46,537	3,082	-	52	-	-	-
- current accounts	654	-	-	-	1	-	-	-
- others loans	6,953	46,537	3,082	-	51	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- others	6,953	46,537	3,082	-	51	-	-	-
2. On-balance sheet liabilities	**1,062,539**	**28,460**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Deposits from customers	1,062,463	19,836	-	-	-	-	-	-
- current accounts	1,048,479	-	-	-	-	-	-	-
- other payables	13,984	19,836	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- others	13,984	19,836	-	-	-	-	-	-
2.2 Deposits from banks	76	8,624	-	-	-	-	-	-
- current accounts	63	-	-	-	-	-	-	-
- other payables	13	8,624	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- others	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- others	-	-	-	-	-	-	-	-
3. Financial derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Others derivatives	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
4. Other off-balance sheet transactions	**-**	**(1,734)**	**1,734**	**-**	**-**	**-**	**-**	**-**
+ Long positions	-	846	2,580	-	-	-	-	-
+ Short positions	-	2,580	846	-	-	-	-	-

For a description of the effects of a change in interest rates on net interest margin, profit (loss) for the year, shareholders' equity and the results of scenario analysis, see paragraph 2. Banking book: internal models and other methods of sensitivity analysis.

Part E - Information on Risks and relating hedging policies

2. Banking book: internal models and other methods of sensitivity analysis

EU IRRBB Template

The assessments contained in the EU IRRBB Template report the exposures of the interest rate risk metrics as at December 31st, 2024 and June 30th, 2024. For the description of the scenarios, please refer to the section Qualitative information - Interest rate risk.

(Amounts in € thousand)

Supervisory shock scenarios		a	b	c	d
		Changes of the economic value of equity		Changes of the net interest income	
		Current period	Last period	Current period	Last period
1	Parallel Up	(55,518)	(65,811)	110,277	114,501
2	Parallel Down	21,860	32,934	(225,974)	(232,772)
3	Steepener shock	69,351	33,823	-	-
4	Flattener shock	(149,847)	(79,500)	-	-
5	Short rates Up	(155,754)	(94,344)	-	-
6	Long rates Down	81,766	49,221	-	-

The table highlights the results and the so-called Supervisory Outlier Test scenarios, as described in the previous paragraph, applied to the economic value and the interest income. With reference to the Economic Value, the results show a negative sensitivity in the event of a rise in rates, parallel or short-term rates, while a positive sensitivity in bullish, parallel or long-term rate scenarios. The sensitivity analysis on the interest margin shows a positive impact in the upward shift on the interest rate curve, while in the downward one a negative impact.

In addition to the SOT scenarios described above, the Bank conducts regulatory sensitivity analyzes on the Economic Value on a weekly basis with parallel scenarios of +/- 200 bps. Assuming a shift of +200 basis points on the euro interest rate curve, the analysis highlights a negative impact of € -55,518 thousand. A shift of -200 basis points highlights a positive impact of € 21,860 thousand.

With reference to the remaining interest rate risk measures, it is reported that the sensitivity analysis on the value of the equity assuming a shift of + 1 basis point (BP01) highlights a negative impact which stands overall at € -230.7 thousand.

As of December 31st, 2024, the Bank's Interest Rate VaR (*Holding period 1 day, 99% confidence interval) stood at approximately € 6,723 thousand. The average for 2024 is equal to € 5,541 thousand with a maximum peak of € 10,641 thousand and a minimum of € 3,405 thousand.

The total VaR, including the Credit Spread Risk component deriving mainly from sovereign bonds held for the use of liquidity, is equal to € 20,874 thousand. The average for 2024 is equal to € 26,013 thousand with a maximum peak of € 31,964 thousand and a minimum of € 19,261 thousand.

Part E - Information on Risks and relating hedging policies

2.3 Exchange Rate Risk

Qualitative information

A. General aspects, management processes and measurement methods for exchange rate risk

Please refer to the paragraph "A. General aspects, management processes and measurement methods for exchange rate risk" in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part E - Information on Risks and relating hedging policies, Section 2 – Risk of the prudential consolidated perimeter, 1.2 Market risk, 1.2.3 Exchange Rate Risk, which is deemed to be reported here in full.

B. Exchange rate risk hedging

Please refer to the paragraph "B. Exchange rate risk hedging" in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part E - Information on Risks and relating hedging policies, Section 2 – Risk of the prudential consolidated perimeter, 1.2 Market risk, 1.2.3 Exchange Rate Risk, which is deemed to be reported here in full.

Quantitative information

1. Breakdown by currency of assets, liabilities and derivatives

(Amounts in € thousand)

Items	Currency					
	USD	GBP	CHF	JPY	CAD	OTHER CURRENCIES
A. Financial assets	**933,238**	**66,831**	**61,270**	**9,263**	**4,406**	**17,797**
A.1 Debt securities	729,145		29,017			
A.2 Equity securities	19,428	141	5		112	105
A.3 Loans to banks	128,467	65,854	32,199	9,263	4,202	17,589
A.4 Loans to customers	56,198	836	49		92	103
A.5 Other financial assets						
B. Other assets	**2,127**	**7**	**1**		**32**	**45**
C. Financial liabilities	**934,574**	**67,573**	**61,203**	**8,956**	**4,474**	**15,054**
C.1 Deposits from banks	8,630		7			63
C.2 Deposits from customers	925,944	67,573	61,196	8,956	4,474	14,991
C.3 Debt securities in issue						
C.4 Other financial liabilities						
D. Other liabilities	**6,524**	**579**	**1**	**240**	**28**	**633**
E. Financial derivatives						
- Options						
+ Long positions	2,977	4				
+ Short positions	2,406			167		
- Other derivatives						
+ Long positions	95,619	9,159	5,085	13,174	4,638	10,862
+ Short positions	94,885	10,367	4,868	11,570	4,359	11,617
Total assets	**1,033,961**	**76,001**	**66,356**	**22,437**	**9,076**	**28,704**
Total liabilities	**1,038,389**	**78,519**	**66,072**	**20,933**	**8,861**	**27,304**
Balance (+/-)	**(4,428)**	**(2,518)**	**284**	**1,504**	**215**	**1,400**

The impact of changes in exchange rates are quantified by the daily Forex VaR of the overall portfolio, as described in the following paragraph.

Part E - Information on Risks and relating hedging policies

2. Internal models and other methods of sensitivity analysis

As at December 31st, 2024, the daily Forex VaR of the overall portfolio (banking and trading books) was approximately € 59 thousand. The average for the year 2024 is equal to € 72 thousand with a maximum peak of € 191 thousand and a minimum of € 12 thousand.

Section 3 - Derivative instruments and hedging policies

3.1 Trading book financial derivatives

A. Financial derivatives

A.1 Hedging financial derivatives: end of period notional amounts

(Amounts in € thousand)

Underlying assets / Type of derivatives	Total 12/31/2024				Total 12/31/2023			
	Over the counter			Organized markets	Over the counter			Organized markets
	Central Counterparts	without central counterparties: with netting agreement	without central counterparties: without netting agreement		Central Counterparts	without central counterparties: with netting agreement	without central counterparties: without netting agreement	
1. Debt securities and interest rate indexes	**-**	**-**	**683**	**495**	**-**	**-**	**1,088**	**144**
a) Options	-	-	59	-	-	-	28	-
b) Swap	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	495	-	-	-	144
e) Others	-	-	624	-	-	-	1,060	-
2. Equities instruments and share indices	**-**	**-**	**155,565**	**75,518**	**-**	**-**	**112,977**	**37,793**
a) Options	-	-	28,252	-	-	-	15,390	-
b) Swap	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	75,518	-	-	-	37,793
e) Others	-	-	127,313	-	-	-	97,587	-
3. Currencies and gold	**-**	**-**	**160,543**	**2,025**	**-**	**-**	**216,376**	**188**
a) Options	-	-	1,655	-	-	-	667	-
b) Swap	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	2,025	-	-	-	188
e) Others	-	-	158,888	-	-	-	215,709	-
4. Commodities	**-**	**-**	**7,693**	**4,408**	**-**	**-**	**4,541**	**2,653**
5. Others	**-**	**-**	**-**	**936**	**-**	**-**	**-**	**286**
Total	**-**	**-**	**324,484**	**83,382**	**-**	**-**	**334,982**	**41,064**

Letter e) Other in the "Over the counter – Without central counter-parties – not included in netting agreement" column consists of CFD derivatives.

Letter a) Options under the column "Over the counter - Without central counterparties - Without netting arrangements" includes KO Options issued by FinecoBank, as well as certificates issued by FinecoBank, traded on the Vorvel segment and not settled with central counterparties.

Part E - Information on Risks and relating hedging policies

A.2 Hedging financial derivatives: gross positive and negative fair value – breakdown by product

(Amounts in € thousand)

Underlying assets/type of derivatives	Total 12/31/2024				Total 12/31/2023			
	Over the counter			Organized markets	Over the counter			Organized markets
	Central Counterparts	Without central counterparties			Central Counterparts	Without central counterparties		
		With netting agreement	Without netting agreement			With netting agreement	Without netting agreement	
1. Positive fair value								
a) Options	-	-	-	-	-	-	3	-
b) Interest rate swap	-	-	-	-	-	-	-	-
c) Cross currency swap	-	-	-	-	-	-	-	-
d) Equity swap	-	-	-	-	-	-	-	-
e) Forward	-	-	-	-	-	-	-	-
f) Futures	-	-	-	21	-	-	-	32
g) Others	-	-	5,178	-	-	-	3,617	-
Total	**-**	**-**	**5,178**	**21**	**-**	**-**	**3,620**	**32**
2. Negative Fair value								
a) Options	-	-	4,225	-	-	-	1,880	-
b) Interest rate swap	-	-	-	-	-	-	-	-
c) Cross currency swap	-	-	-	-	-	-	-	-
d) Equity swap	-	-	-	-	-	-	-	-
e) Forward	-	-	-	-	-	-	-	-
f) Futures	-	-	-	641	-	-	-	54
g) Others	-	-	1,277	-	-	-	1,413	-
Total	**-**	**-**	**5,502**	**641**	**-**	**-**	**3,293**	**54**

Letter g) Others under the column "Over the counter - Without central counterparties - Without netting agreements" includes CFD derivative contracts.

Letter a) Options under the column "Over the counter - Without central counterparties - Without netting arrangements" includes KO Options issued by FinecoBank, as well as certificates issued by FinecoBank, traded on the Vorvel segment and not settled with central counterparties.

Part E - Information on Risks and relating hedging policies

A.3 OTC trading book financial derivatives: notional amounts, gross positive and negative fair value by counterparty

(Amounts in € thousand)

Underlying assets	Central counterparties	Banks	Other financial entities	Other entities
Contracts not included in netting agreement				
1) Debt securities and interest rate indexes				
- notional amount	X	-	-	683
- positive fair value	X	-	-	7
- negative fair value	X	-	-	-
2) Equity instruments and share indices				
- notional amount	X	-	164	155,401
- positive fair value	X	-	4	4,176
- negative fair value	X	-	-	4,693
3) Currencies and gold				
- notional amount	X	86,505	31	74,007
- positive fair value	X	96	1	847
- negative fair value	X	96	-	280
4) Commodities				
- notional amount	X	-	-	7,693
- positive fair value	X	-	-	47
- negative fair value	X	-	-	433
5) Others				
- notional amount	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
Contracts included in netting agreement				
1) Debt securities and interest rate indexes				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
2) Equity instruments and share indices	-			
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
3) Currencies and gold	-			
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
4) Commodities	-			
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
5) Others	-	-	-	-
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-

Part E - Information on Risks and relating hedging policies

A.4 OTC financial derivatives - residual maturity: notional values

(Amounts in € thousand)

Underlying/maturity	Up to 1 year	Between 1 and 5 years	Over 5 years	Total
A.1 Financial derivative contracts on debt securities and interest rates	624	-	59	683
A.2 Financial derivative contracts on equity instruments and share indices	33,837	9	121,719	155,565
A.3 Financial derivatives on exchange rates and gold	159,324	-	1,219	160,543
A.4 Financial derivatives on commodities	5,340	-	2,353	7,693
A.5 Financial derivatives on other instruments	-	-	-	-
Total 12/31/2024	**199,125**	**9**	**125,350**	**324,484**
Total 12/31/2023	**246,754**	**93**	**88,135**	**334,982**

B. Credit derivatives

No data to report.

3.2 Hedge account

Qualitative information

In should be noted that the Bank has only fair value hedges in place which respond to an interest rate risk hedging logic and provide for the exchange of the fixed rate against Euribor and whose valuation, as collateralised, is carried out by discounting future flows with the € STR curve.

A. Fair value hedging

The fair value hedging strategies, aimed at ensuring compliance with the interest rate risk limits for the banking book, are implemented using OTC derivative contracts. The latter, typically asset swaps and interest rate swaps, represent the type of instruments mainly used. Depending on the underlying financial operation, it is possible to distinguish three types of coverage currently in place:

- **Government bond hedging**: a portion of the Bank's liquidity is currently invested in fixed rate government bonds. The choice to purchase fixed rate securities was made taking into account the high liquidity of these instruments compared to floating rate securities available on the market. The Asset Swap provides for the payment of the coupon of the security (fixed rate) and the receipt of the floating rate plus spread, without upfront to be paid/collected on the trading date of the derivative. Derivatives subscribed for the purpose of hedging exactly replicate the hedged security in terms of notional amount, maturity and interest payment dates;
- **Coverage of the sight deposits core component (fixed rate)**: FinecoBank uses an economic-statistical model for the modelling of sight deposit which allows the quantification of a component that is insensitive to changes in interest rates. It is therefore possible to define the hedges to be implemented, in compliance with the sensitivity limits approved by Fineco within the Risk Appetite Framework;
- **Hedging of fixed rate mortgages**: the Bank covers part of the interest rate risk deriving from the fixed rate mortgage portfolio through swap contracts in which it pays a fixed rate and receives a floating rate without a spread. The hedges focus on the fixed rate component beyond 10 years as the lower component can be managed through natural hedges compared to fixed rate liability items of the same maturity.

Finally, it should be noted that during 2024, there were no terminations of hedging relationships, but only closures of hedging derivative contracts at the same time as the sale of hedged assets.

B. Cash flow hedging

Currently there are no cash flow hedging operations generated as part of the Bank's operations.

C. Hedging a net investment in a foreign entity

Currently there are no “hedging a net investment in a foreign entity” operations generated as part of the Bank's operations.

Part E - Information on Risks and relating hedging policies

D. Hedge instrument

A specific hedging or generic hedging relationship for a portfolio of assets/liabilities pursues the objective of offsetting changes in the value of the hedged item, whether an individual item or contained in a generic portfolio of fixed-rate assets/liabilities.

A generic hedging relationship of an asset / liability portfolio pursues the objective of offsetting the deviations in value of the hedged item contained in a generic portfolio of fixed-rate assets / liabilities. In this context, the ineffectiveness of the hedge is represented by the difference between the change in the fair value of the hedging instruments and the change in the fair value of the hedged amount. The Group uses a test method based on sensitivity analisys. To this end, the exposures of the total sensitivity of the hedged item and that relating to the hedging derivative are correlated. The sensitivity expresses the elasticity with respect to each of the rates that make up the risk-free curve and is calculated as a change in the fair value in relation to an increase in the rate equal to a basis point. The test verifies the effectiveness by analysing the "reduction" of the sensitivity of the overall position after hedging and comparing it with respect to the same measure referred to the item being hedged.

The effectiveness test is carried out separately for interest rate swaps to hedge assets (mortgages) and for interest rate swaps to hedge liabilities (core insensitive component of on sight items).

In a specific hedging relationship, the derivatives negotiated for hedging purposes replicate exactly the hedged instrument in terms of notional amount, maturity and interest payment dates. In this context, the ineffectiveness of a hedging relationship is measured based on the changes in fair value of the hedged instrument and the hedging instrument, comparing the changes in their values. The measurement of the value of the hedged instrument shall take into account the time value of money, therefore, it must be carried out at the net present value. To measure the changes in the value of the hedged instrument, the Group uses, as a practical expedient, a "hypothetical" derivative that has the same terms as the instrument (without however including other elements - present in the hedging derivative - that the hedged instrument does not have).

All financial hedging derivatives outstanding at December 31st, 2024 are cleared with a Direct Participant to a Central Counterparty.

E. Hedge item

Hedged assets are represented by fixed-rate securities and fixed-rate mortgages granted to customers, accounted for in “Financial assets at amortised cost”, hedged for the interest rate risk component with asset swap and interest rate swaps that exchange the fixed-rate coupon of securities or the fixed-rate of mortgages for a variable rate.

Hedged liabilities are represented by direct current account deposits from customers (core insensible liquidity), accounted for in “Financial liabilities measured at amortised cost”, modelled according to the on-demand model adopted by the Bank.

Part E - Information on Risks and relating hedging policies

Quantitative information

A. Hedging financial derivatives

A.1 Hedging financial derivatives: end of period notional amounts

(Amounts in € thousand)

Underlying assets/type of derivatives	Total 12/31/2024				Total 12/31/2023			
	Over the counter			Organized markets	Over the counter			Organized markets
	Central Counterparts	without central counterparties: with netting agreement	without central counterparties: without netting agreement		Central Counterparts	without central counterparties: with netting agreement	without central counterparties: without netting agreement	
1. Debt securities and interest rate indexes	**10,131,648**	**-**	**-**	**-**	**11,927,461**	**-**	**-**	**-**
a) Options	-	-	-	-	-	-	-	-
b) Swap	10,131,648	-	-	-	11,927,461	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-
2. Equity instruments and share indices	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) Options	-	-	-	-	-	-	-	-
b) Swap	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-
3. Currencies and gold	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) Options	-	-	-	-	-	-	-	-
b) Swap	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-
4. Commodities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
5. Others	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**10,131,648**	**-**	**-**	**-**	**11,927,461**	**-**	**-**	**-**

Part E - Information on Risks and relating hedging policies

A.2 Hedging financial derivatives: gross positive and negative fair value – breakdown by product

(Amounts in € thousand)

Underlying assets/Types of derivatives	Positive and negative fair value								Change in the value used to calculate hedge ineffectiveness	
	Total 12/31/2024				Total 12/31/2023				Total 12/31/2024	Total 12/31/2023
	Over the counter			Organized markets	Over the counter			Organized markets		
	Central counterparts	Without central counterparties: With netting arrangements	Without central counterparties: Without netting arrangements		Central counterparts	Without central counterparties: With netting arrangements	Without central counterparties: Without netting arrangements			
Positive fair value										
a) Options	-	-	-	-	-	-	-	-	-	-
b) Interest rate swap	677,547	-	-	-	896,577	-	-	-	-	-
c) Cross currency swap	-	-	-	-	-	-	-	-	-	-
d) Equity swap	-	-	-	-	-	-	-	-	-	-
e) Forward	-	-	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Others	-	-	-	-	-	-	-	-	-	-
Total	**677,547**	**-**	**-**	**-**	**896,577**	**-**	**-**	**-**	**-**	**-**
Negative fair value										
a) Options	-	-	-	-	-	-	-	-	-	-
b) Interest rate swap	48,485	-	-	-	59,988	-	-	-	-	-
c) Cross currency swap	-	-	-	-	-	-	-	-	-	-
d) Equity swap	-	-	-	-	-	-	-	-	-	-
e) Forward	-	-	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Others	-	-	-	-	-	-	-	-	-	-
Total	**48,485**	**-**	**-**	**-**	**59,988**	**-**	**-**	**-**	**-**	**-**

Part E - Information on Risks and relating hedging policies

A.3 OTC hedging financial derivative: notional amounts, gross positive and negative fair value by counterparty

(Amounts in € thousand)

Underlyings assets	Central Counterparts	Banks	Other financial entities	Other entities
Contracts not included in netting agreement				
1) Debt securities and interest rate indexes				
- notional amount	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
2) Equity instruments and share indices				
- notional amount	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
3) Currencies and gold				
- notional amount	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
4) Commodities				
- notional amount	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
5) Others				
- notional amount	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
Contracts included in netting agreement				
1) Debt securities and interest rate indexes				
- notional amount	10,131,648	-	-	-
- positive fair value	677,547	-	-	-
- negative fair value	48,485	-	-	-
2) Equity instruments and share indices				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
3) Currencies and gold				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
4) Commodities				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
5) Others				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-

Part E - Information on Risks and relating hedging policies

A.4 OTC hedging financial derivative - residual maturity: notional values

(Amounts in € thousand)

Underlying/maturity	Up to 1 year	Between 1 and 5 years	Over 5 years	Total
A.1 Financial derivatives on debt securities and interest rates	1,842,487	3,992,665	4,296,495	10,131,647
A.2 Financial derivatives on equity instruments and share indices	-	-	-	-
A.3 Financial derivatives on exchange rates and gold	-	-	-	-
A.3 Financial derivatives on commodities	-	-	-	-
A.5 Financial derivatives on other instruments	-	-	-	-
Total 12/31/2024	**1,842,487**	**3,992,665**	**4,296,495**	**10,131,647**
Total 12/31/2023	**1,657,514**	**4,616,248**	**5,653,699**	**11,927,461**

B. Hedging credit derivatives

No data to report.

C. Hedging non derivative instruments

No data to report.

Part E - Information on Risks and relating hedging policies

D. Hedge item

D.1 Fair value hedging

As set out in Part A of these notes to the accounts, the Bank applies the hedge accounting rules set out in IFRS 9 for specific hedging transactions ("MicroHedging"), while it has exercised the option to continue to use IAS 39 for fair value hedges of the interest rate exposure of a portfolio of financial assets or liabilities (general hedging or "Macrohedging").

The table below shows the specific hedging transactions ("MicroHedging") in place, for which the Bank applies the provisions of IFRS 9.

For completeness of information, it should be noted that the generic hedging transactions in place as at December 31st, 2024 , for which the Bank applies the provisions of IAS 39, refer to:

- the monetary amount of "Financial assets at amortised cost" hedged amounted to € 1,342,647 thousand, subject to generic hedging, referring exclusively to mortgages;
- the amount of "Financial liabilities at amortised cost" covered amounted to € 1,655,000 thousand, subject to generic hedging, referring exclusively to the core deposits.

(Amounts in € thousand)

	Specific hedges: book value	Specific hedges - net positions: balance sheet value of assets or liabilities (before offsetting)	Specific hedges			Generic hedges: book value
			Accumulated changes in fair value of hedging instrument	Ending of hedge: residual accumulated valute of residual changes in fair value	Change in value used to relieve hedging ineffectiveness	
A. Assets						
1. Financial assets measured at fair value with an impact on total profitability - hedges of:	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities and interest rate	-	-	-	-	-	x
1.2 Equity securities and stock price indices	-	-	-	-	-	x
1.3 Currencies and gold	-	-	-	-	-	x
1.4 Loans	-	-	-	-	-	x
1.5 Other	-	-	-	-	-	x
2. Financial assets measured at amortized cost - hedges of:	**6,813,725**	**6,813,725**	**(459,730)**	**-**	**160,997**	**-**
2.1 Debt securities and interest rate	6,813,725	6,813,725	(459,730)	-	160,997	x
2.2 Equity securities and stock price indices	-	-	-	-	-	x
2.3 Currencies and gold	-	-	-	-	-	x
2.4 Loans	-	-	-	-	-	x
2.5 Other	-	-	-	-	-	x
Total 12/31/2024	**6,813,725**	**6,813,725**	**(459,730)**	**-**	**160,997**	**-**
Total 12/31/2023	**6,877,563**	**6,877,563**	**(640,767)**	**-**	**423,363**	**-**
B. Liabilities						
1, Financial liabilities measured at amortized cost - hedges of:	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities and interest rate	-	-	-	-	-	x
1.2 Currencies and gold	-	-	-	-	-	x
1.3 Other	-	-	-	-	-	x
Total 12/31/2024	**-**	**-**	**-**	**-**	**-**	**-**
Total 12/31/2023	**-**	**-**	**-**	**-**	**-**	**-**

Part E - Information on Risks and relating hedging policies

D.2 Cash flow hedging and hedging a net investment in a foreign entity

No data to report.

E. Effects of hedging transactions at shareholders' equity

No data to report.

3.3 Other information on trading book and hedging derivative instruments

A. Financial and credit derivatives

A.1 OTC financial and credit derivatives: net fair values by counterparty

No data to be reported, as there are no trading and hedging derivatives subject to offsetting in the balance sheet pursuant to IAS 32, paragraph 42.

Section 4 - Liquidity Risk

Qualitative information

A. General aspects, management processes and measurement methods for liquidity risk

Please refer to the paragraph “A. General aspects, management processes and measurement methods for liquidity risk” in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part E - Information on Risks and relating hedging policies, Section 2 – Risk of the prudential consolidated perimeter, 1.4 Liquidity Risk, which is deemed to be reported here in full.

Quantitative information

The time distribution of financial assets and liabilities is represented in the tables below in accordance with the rules set forth in the financial statements regulations (Bank of Italy Circular 262), using accounting information shown by contractual residual duration. Therefore, data of a managerial nature have not been used, involving, for example, the modelling of on-demand liability items.

Current account overdraft facilities with an open-ended credit agreement until revoked granted by the Bank, initial margins, variation margins and the default fund have conventionally been represented in the on-demand column. To this end, it should be noted that, in general, the Bank has the right to withdraw, at any time, from current account overdraft facilities with an open-ended credit agreement until revoked, and to reduce the amount of the credit facility or to suspend its use with immediate effect, upon the occurrence of legitimate cause or for a justified reason, or with a contractually agreed period of notice. Initial margins, variation margins and default funds, on the other hand, are cash assets without a defined contractual maturity, the amount of which may vary on a daily basis.

Part E - Information on Risks and relating hedging policies

1. Time breakdown by contractual residual maturity of financial assets and liabilities – Currency: Euro

(Amounts in € thousand)

Items/time buckets	On demand	Between 1 and 7 days	Between 7 and 15 days	Between 15 days and 1 month	Between 1 and 3 month	Between 3 and 6 month	Between 6 and 1 year	Between 1 and 5 year	Over 5 years	Unspecified maturity
A. On-balance sheet assets	**3,886,591**	**18,669**	**587,025**	**137,423**	**391,486**	**830,076**	**1,011,799**	**14,148,917**	**10,179,089**	**283,370**
A.1 Government securities	-	-	190,612	3,240	107,159	614,505	738,781	9,683,344	6,196,142	-
A.2 Debt securities	-	406	1,769	993	34,169	109,034	72,800	3,571,985	1,884,450	-
A.3 Units in investment funds	1	-	-	-	-	-	-	-	-	-
A.4 Loans	3,886,590	18,263	394,644	133,190	250,158	106,537	200,218	893,588	2,098,497	283,370
- Banks	1,742,938	1,788	-	3,623	-	-	-	-	-	283,370
- Customers	2,143,652	16,475	394,644	129,567	250,158	106,537	200,218	893,588	2,098,497	-
B. On-balance sheet liabilities	**28,304,227**	**285,384**	**23,683**	**55,584**	**166,408**	**446,428**	**448,348**	**832,530**	**14,388**	**-**
B.1 Deposits and current accounts	27,480,057	16,449	23,683	55,584	150,694	443,514	439,974	-	-	-
- Banks	1,884	-	-	-	-	-	-	-	-	-
- Customers	27,478,173	16,449	23,683	55,584	150,694	443,514	439,974	-	-	-
B.2 Debt securities	-	-	-	-	13,875	-	2,500	800,000	-	-
B.3 Other liabilities	824,170	268,935	-	-	1,839	2,914	5,874	32,530	14,388	-
C. Off-balance sheet transactions										
C.1 Financial derivatives with exchange of capital										
- Long positions	-	101,085	-	-	-	-	-	27	681	251
- Short positions	-	115,261	29	-	567	-	-	5	187	251
C.2 Financial derivatives without exchange of capital										
- Long positions	909	-	4,824	34,110	47,594	59,777	88,514	-	-	-
- Short positions	2,316	-	1,625	1,416	28,675	16,729	25,798	-	-	-
C.3 Deposits and loans to be collected										
- Long positions	-	4,865	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	4,865	-	-	-	-
C.4 Irrevocable commitments to lend funds										
- Long positions	40	1	65	1,520	606	6,134	1,859	628	32,555	-
- Short positions	36,922	5,314	-	1,170	-	-	-	-	-	-
C.5 Financial guarantees given	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-

Part E - Information on Risks and relating hedging policies

Currency: Other currencies

(Amounts in € thousand)

Items/time buckets	On demand	Between 1 and 7 days	Between 7 and 15 days	Between 15 days and 1 month	Between 1 and 3 month	Between 3 and 6 month	Between 6 and 1 year	Between 1 and 5 year	Over 5 years	Unspecified maturity
A. On-balance sheet assets	**216,606**	**8,733**	**3,213**	**2,289**	**140,680**	**201,087**	**325,058**	**192,593**	**19**	**242**
A.1 Government securities	-	-	1,841	-	105,885	149,556	317,435	192,512	-	-
A.2 Debt securities	-	-	-	-	-	-	7,623	-	-	-
A.3 Units in investment funds	23	-	-	-	-	-	-	-	-	-
A.4 Loans	216,583	8,733	1,372	2,289	34,795	51,531	-	81	19	242
- Banks	208,694	441	-	-	374	48,450	-	-	-	242
- Customers	7,889	8,292	1,372	2,289	34,421	3,081	-	81	19	-
B. On-balance sheet liabilities	**1,063,093**	**28,496**	**-**	**-**	**-**	**-**	**-**	**-**	**363**	**-**
B.1 Deposits and current accounts	1,048,643	-	-	-	-	-	-	-	-	-
- Banks	63	-	-	-	-	-	-	-	-	-
- Customers	1,048,580	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	14,450	28,496	-	-	-	-	-	-	363	-
C. Off-balance sheet transactions										
C.1 Financial derivatives with exchange of capital										
- Long positions	-	79,612	29	1,923	2,025	-	-	202	-	-
- Short positions	-	64,157	-	1,366	3,056	88	-	202	-	-
C.2 Financial derivatives without exchange of capital										
- Long positions	4,281	-	-	-	-	-	-	-	-	-
- Short positions	3,790	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to be collected										
- Long positions	-	1,591	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	1,591	-	-	-	-
C.4 Irrevocable commitments to lend funds										
- Long positions	-	-	-	-	-	2,580	-	-	-	-
- Short positions	-	2,580	-	-	-	-	-	-	-	-
C.5 Financial guarantees given	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-

Part E - Information on Risks and relating hedging policies

Section 5 - Operational risk

Qualitative information

A. General aspects, operational processes and methods for measuring operational risk

Please refer to the paragraph “A. General aspects, management processes and measurement methods for liquidity risk” in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part E - Information on Risks and relating hedging policies, Section 2 – Risk of the prudential consolidated perimeter, 1.5 Operational risk, Qualitative information, which is deemed to be reported here in full.

B. Risks arising from significant legal disputes

FinecoBank is involved in individually insignificant legal proceedings over which there is considerable uncertainty regarding the outcome and the amount of possible charges, which the Bank could be forced to pay. Where it is possible to reliably estimate the amount of possible charges and the charges are considered likely, provisions have been made in an appropriate amount based on the circumstances and consistent with applicable international accounting standards, by making the best possible estimate of the amount that the Bank will reasonably be expected to incur in discharging its obligations. Specifically, as a precaution against these obligations and customer claims that have not yet resulted in legal proceedings, as at December 31st, 2024, FinecoBank had a provision in place for risks and charges of € 24,727 thousand. This provision includes the legal costs borne by the Group in the event of an adverse conclusion of the dispute plus the estimated expenses to be paid to legal advisors and/or any experts who assist the Group in ongoing disputes to the extent that it is believed that they will not be reimbursed by the counterparties. This estimate was determined by the Group, in relation to the current dispute, mainly based on the analysis of Forensic official tariffs provided for by current legislation.

C. Risks arising from tax disputes and audits

At 31 December 2024, the disputes situation was largely reduced compared to 31 December 2023. More specifically, a number of low-value disputes remain outstanding, with reference to which accruals have been made to the extent deemed appropriate, given the specific circumstances and consistent with international accounting standards, in the provision for taxes and duties, for higher taxes, totalling € 0.2 million, and in the provision for risks and charges, for penalties and interest, totalling € 0.5 million.

The assessment of ICT and Cyber risk

Please refer to the section “The assessment of ICT and Cyber risk” in the Consolidated Financial Statements, Notes to the Consolidated Financial Statements Part E - Information on Risks and relating hedging policies, Section 2 - Risks of the prudential Consolidation - 1.5 Operational risks, which is reproduced here in its entirety.

Analysis of operational and security risks related to payment services

Please refer to the section “Analysis of operational and security risks related to payment services”, in the Consolidated Financial Statements, Notes to the Consolidated Financial Statements Part E- Information on Risks and relating hedging policies, Section 2 - Risks of the prudential Consolidation - 1.5 Operational risks, which is reproduced here in its entirety.

Quantitative information

Operational loss analyses enable the Operational & Reputational Risk team to make assessments on the Bank’s exposure to operational risk and to identify any critical areas.

As of December 31, 2024, the total operating losses benefits from significant write-backs of provisions previously made for ongoing disputes closed in favour of the Bank. Net of these extraordinary events, it should be noted that approximately 50% of the Group's operating losses are related to conduct risk, which includes the two event types "Internal fraud" and "Customers, products and professional practices". In particular, the "internal fraud" event type mainly manifests itself through internal fraud perpetrated against customers by financial advisors belonging to the sales network. In recent years, this risk has significantly reduced due to the implementation of several mitigation actions, including remote controls on the sales network by different structures of the Bank (Network Controls Department, Internal Audit, Compliance and CRO Department). It should also be noted that there is an insurance policy on the disloyalty of financial advisors. The event type “Customers, products and professional practices” instead manifests itself mainly through the misselling of financial products to customers.

Part E - Information on Risks and relating hedging policies

The remaining losses are distributed among the other event types described above.

The data reported are consistent with FinecoBank's business model which focuses on offering financial advisory services to retail customers and has one of the largest sales networks in Europe.

Section 6 - Other risks

Please refer to the paragraph “1.6 Other risks” in the Consolidated Financial Statements, Notes to the Consolidated Accounts Part E - Information on Risks and relating hedging policies, Section 2 – Risk of the prudential consolidated perimeter, which is deemed to be reported here in full.

Part F – Shareholders' equity

Section 1 - Bank's shareholders' equity

A. Qualitative information

Capital management is aimed at ensuring that prudential ratios are consistent with the risk profile assumed and comply with regulatory requirements.

Capital adequacy control is ensured by capital management activities in which the size and optimal combination of the various capitalisation instruments are defined, in compliance with regulatory constraints and in line with the risk profile assumed by the Bank.

The Bank assigns a priority role to the activities aimed at the management and allocation of capital according to the risks assumed, for the purpose of developing its operations with a view to creating value. The activities are articulated in the different phases of the planning and control process and, in particular, in the plan and budget processes and in the monitoring processes. In the dynamic management of capital, therefore, the Bank draws up the capital plan and monitors the regulatory capital requirements, anticipating the necessary actions to achieve the objectives.

Capital and its allocation are therefore extremely important in defining long-term strategies, since, on the one hand, it represents the shareholders' investment in the Bank, which must be adequately remunerated, and, on the other hand, it is a resource subject to exogenous limits, defined by supervisory regulations. In this regard, it should be noted that at an individual level, the Bank is subject to the following capital requirements under Regulation (EU) 575/2013:

- 4.50% in terms of Common Equity Tier 1 ratio;
- 6% in terms of Tier 1 Ratio;
- 8% in terms of Total Capital Ratio.

It should also be noted that the Bank is required to hold, in addition to the primary tier 1 capital necessary to meet the own funds requirements of Article 92 CRR, a capital conservation buffer equal to 2.5% of the Bank's total risk exposure and an institution-specific countercyclical capital buffer that amounted to 0.11%, with regard to outstanding exposures as at December 31st, 2024 and a systemic risk buffer equal to 0.26% .

With regard to the leverage ratio the minimum requirement is 3%.

Part F – Shareholders' equity

B. Quantitative information

B.1 Bank's shareholders' equity: breakdown

(Amounts in € thousand)

Items/Amounts	Amount 12/31/2024	Amount 12/31/2023
1. Share capital	201,630	201,508
2. Share premium reserve	1,934	1,934
3. Reserves	1,014,304	855,420
- from earnings	962,776	809,647
a) legal	40,326	40,302
c) treasury shares	1,082	1,243
d) others	921,368	768,102
- others	51,528	45,773
4. Equity instruments	500,000	500,000
5. (Treasury shares)	(1,082)	(1,243)
6. Revaluation Reserves:	(19,049)	(6,730)
- Financial assets (other equity securities) designated at fair value through other comprehensive income	(127)	(2,595)
- Actuarial gains (losses) on defined benefit plans	(18,929)	(4,136)
- Revaluation reserves for associates carried at equity	7	1
7. Net profit (loss) for the year	648,766	604,498
Total	**2,346,503**	**2,155,387**

B.2 Revaluation reserves for financial assets at fair value through comprehensive income: breakdown

(Amounts in € thousand)

Items/Amount	Total 12/31/2024		Total 12/31/2023	
	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1. Debt securities	2,829	(2,956)	-	(2,595)
2. Equity securities	-	-	-	-
3. Loans	-	-	-	-
Total	**2,829**	**(2,956)**	**-**	**(2,595)**

Part F – Shareholders' equity

B.3 Revaluation reserves for financial assets at fair value through comprehensive income: annual changes

(Amounts in € thousand)

	Debt securities	Equity securities	Loans
1. Opening balance	**(2,595)**	**-**	**-**
2. Increases	**2,830**	**-**	**-**
2.1 Fair value increases	2,810	-	-
2.2 Adjustments for credit risk	20	X	-
2.3 Reclassification through profit or loss of realised negative reserves	-	X	-
2.4 Transfer from other shareholder's equity item (equity securities)	-	-	-
2.5 Other changes	-	-	-
3. Decreases	**(362)**	**-**	**-**
3.1 Fair value reductions	(362)	-	-
3.2 Recoveries for credit risk	-	-	-
3.3 Reclassification through profit or loss of realised positive reserves	-	X	-
3.4 Transfer to other shareholder's equity item (equity securities)	-	-	-
3.5 Other changes	-	-	-
4. Closing balance	**(127)**	**-**	**-**

B.4 Revaluation reserves on defined benefit obligations: annual changes

(Amounts in € thousand)

	Actuarial gains (losses) on defined benefits plans
1. Opening balance	**(4,136)**
2. Increases	**26**
2.1 Fair value increases	26
2.2 Other changes	-
3. Decreases	**(14,819)**
3.1 Fair value reductions	(14,819)
3.2 Other changes	-
4. Closing balance	**(18,929)**

Section 2 - Own funds and regulatory ratios

Please refer to the disclosure on own funds and capital adequacy contained in the document "FinecoBank Group Public Disclosure - Pillar III as at December 31st, 2024", published on the Company's website (https://about.finecobank.com), provided for by Regulation (EU) 575/2013 (CRR) and subsequent Regulations amending its content.

Part G – Business combination

Section 1 – Business combinations completed during the year
No information to report.

Section 2 – Business combinations completed after year-end
No information to report.

Section 3 – Retrospective adjustments
No information to report.

Part H – Related-party transactions

Information on the fees paid to key management personnel and on related-party transactions, pursuant to IAS 24 is shown below.

1. Details of compensation for key management personnel

Key management personnel are persons having authority and responsibility, within the Bank, for planning, directing, and controlling the Companies' activities, directly or indirectly. This category includes Board members and members of the Board of Statutory Auditors of FinecoBank, pursuant to requirements of the Bank of Italy Circular no. 262 of December 22nd, 2005 as amended and updated, as well as the Chief Executive Officer and General Manager, the Deputy General Manager/GBS Manager, the Chief Financial Officer, the Deputy General Manager/PFA Network Commercial and Private Banking Manager, the Deputy General Manager/Global Business Manager. In addition, this category includes key management personnel (by which is meant, members of the management and control bodies, the latter where present) of Fineco AM, the only company in the Group besides the parent company FinecoBank.

(Amounts in € thousand)

Items/sectors	Total 2024	Total 2023
Remuneration paid to "Key Management Personnel", Directors and the Board of Statutory Auditors		
a) short-term benefits	8,722	7,665
b) post-employment benefits	330	257
of which under defined benefit plans	-	-
of which under defined contribution plans	*330*	*257*
c) other long-term employee benefits	-	-
d) termination benefits	-	-
e) share-based payments	3,156	2,848
Total	**12,208**	**10,770**

2. Related-party transactions

At its meeting of September 17th, 2024 and with the prior favourable opinion of the Risk and Related Parties Committee and the Board of Statutory Auditors, the Board of Directors, to ensure continued compliance with applicable legal and regulatory provisions on the corporate disclosure of transactions with related parties and persons in conflict of interest, approved the new version of the Global Policy "Procedure for the management of transactions with persons in potential conflict of interest of the FinecoBank Group" (the "Global Policy").

The aforementioned Global Policy includes the provisions to be complied with when managing:

- related parties transactions pursuant to the Consob Regulation adopted by resolution on March 12th, 2010, no. 17221 as amended and updated from time to time (most recently by Consob Resolution No. 21624 of December 10th, 2020);
- transactions with associated persons pursuant to the regulations on "*Risk activities and conflicts of interest with Associated Persons*", laid down by Chapter 11 of Bank of Italy Circular No. 285 of December 17th, 2013 (setting out the "Supervisory Provisions for Banks"), as supplemented following Update No. 33 of June 23rd, 2020;
- obligations of bank officers pursuant to Article 136 of Legislative Decree 385 on September 1st, 1993, showing the "*Consolidated Law on Banking*";
- transactions with other relevant persons in potential conflict of interest as defined by the Bank on a self-regulatory basis, taking into account the applicable legal and regulatory provisions;
- loans granted to Directors (i.e. members of the administrative, management and control bodies) and their related parties, pursuant to art. 88 of the CRD.

Considering the above, during 2024, transactions with other Italian and foreign related parties, smaller transactions, were conducted within the ordinary course of the Bank's business and related financial activities, and were carried out under standard conditions or conditions similar to those applied to transactions with unrelated third parties; no other transactions were undertaken with related parties that could significantly affect the Bank's asset situation and results, or atypical and/or unusual transactions, including intercompany and related party transactions.

Part H – Related-party transactions

The following statement shows the outstanding assets, liabilities, guarantees and commitments as at December 31st, 2024, for each group of related parties pursuant to IAS 24:

(Amounts in € thousand)

	Amounts as at 12/31/2024							
	Non consolidated subsidiaries	Associates	Directors, board of statutory auditors and key management personnel	Other related parties	Total	% of carrying amount	Shareholders	% of carrying amount
Financial assets at amortised cost b) loans and receivable to customers	-	-	2,485	481	2,966	0.01%	5,263	0.02%
Total assets	**-**	**-**	**2,485**	**481**	**2,966**	**0.01%**	**5,263**	**0.02%**
Financial liabilities at amortised cost b) deposits from customers	-	-	1,531	2,892	4,423	0.02%	-	0.00%
Other liabilities	-	267	238	-	505	0.13%	-	0.00%
Total liabilities	**-**	**267**	**1,769**	**2,892**	**4,928**	**0.01%**	**-**	**0.00%**
Commitments and financial guarantees given	**-**	**-**	**762**	**87**	**849**	**1.16%**	**-**	**0.00%**

It should be noted that the table above does not include the balance sheet value of the equity investments held in associated companies recognised in the balance sheet item 70 Equity investments.

With regard to the above transactions, broken down by type of related party, we also propose details of the impact on the main items of the income statement:

(Amounts in € thousand)

	Income Statement year 2024							
	Non consolidated subsidiaries	Associates	Directors, board of statutory auditors and key management personnel	Other related parties	Total	% of carrying amount	Shareholders	% of carrying amount
Interest income and similar revenues	-	-	16	19	35	0.00%	-	0.00%
Interest expenses and similar charges	-	-	(8)	(5)	(13)	0.01%	-	0.00%
Fee and commission income	-	-	3	8	11	0.00%	22,617	2.73%
Fee and commission expenses	-	(966)	-	-	(966)	0.21%	-	0.00%
Gains (losses) on financial assets and liabilities held for trading	-	-	-	1	1	0.00%	-	0.00%
Impairment losses/writebacks	-	-	-	-	-	0.00%	1	-0.17%
Other net operating income	-	-	92	22	114	0.06%	-	0.00%
Total income statement	**-**	**(966)**	**103**	**45**	**(818)**		**22,618**	

It should be noted that two legal subjects, which are included in the "Shareholders" category as at December 31st, 2024, appear to have been among the first borrowers of a portion of the senior preferred bond issued by FinecoBank during 2021 (the Shareholders were not such at the placement date) and the senior preferred bond instrument issued by FinecoBank in 2023, but nothing has been reported in the tables above as the instrument is a listed public placement and no information is available on the holders of the security at the balance sheet date.

The "Associates" category includes transactions with Vorvel SIM S.p.A., a company subject to significant influence, in which FinecoBank holds a 20% stake for a balance sheet amount of € 1,674 thousand. The above income statement and balance sheet transactions originate from the agreement entered into by the Bank with Vorvel SIM S.p.A. for the trading, on Vorvel segment, of certificates issued by Fineco. With reference to the transactions with Vorvel SIM S.p.A., it should be noted that the above table does not include the valuation at equity of the Company, which resulted in the recognition of a write-back of € 17 thousand in the 2024 income statement.

With regard to the "Directors, Board of Statutory Auditors and Key Management Personnel" category, in application of the special regulations laid down in Article 136 of Legislative Decree 385/93 (Consolidated Law on Banking), the obligations established for persons that perform administrative, management and control functions pursuant to those regulations were unanimously approved by a resolution of the Board of Directors passed with the favourable vote of all the members of the Board of Statutory Auditors, in accordance with Article 136 of the Consolidated Law on Banking.

The category “Directors, Board of Statutory Auditors and Key Management Personnel” includes the relationships with the Bank's Directors, Board of Statutory Auditors and Key Management Personnel (excluding the related remuneration, which are disclosed in point 1. *Details of compensation for key management personnel*), Key Management Personnel of the Subsidiary Fineco AM (meaning the members of the administrative and supervisory bodies, where present, with the exclusion of the relevant remuneration referred to in point 1 above) and dealings with the Head of Internal Audit, mainly concerning by assets arising from the granting of for mortgages, overdraft facilities, credit card use and liabilities for liquidity deposited by them with the Bank. The income statement for 2024 mainly refers to costs and revenues generated from the aforesaid assets and liabilities and the recovery of stamp duty.

The “Other related parties” category, if any includes:

- close family members of key management personnel (i.e., relatives who could be expected to influence, or be influenced by the party involved);
- companies controlled (or jointly controlled) by, or associated with, “key management personnel” or their close family members.

Transactions with “Other related parties” mainly refer to assets for granting of mortgages, credit cards use and liabilities for liquidity deposited by them with the Bank. The income statement for 2024 maily refers to the costs and revenues generated from the aforesaid assets and liabilities and the recovery of stamp duty.

The “Shareholders” category includes the shareholders and their subsidiaries holding which at December 31st, 2024 held an investment in FinecoBank higher than 3% of the share capital represented by shares with voting rights. The balance sheet amounts mainly include for current receivables and debts associated with the provision of financial services referring to the commissions to be cashed for the placement and management of asset management products. The income statement includes the same fees and commissions accrued for 2024.

Outstanding amounts as at December 31st, 2024 and the economic components accrued during 2024 with Fineco AM are excluded, as shown in the table below.

Transactions with the FinecoBank Group’s companies

(Amounts in € thousand)

Fineco Asset Management DAC	Total 12/31/2024
Assets	**18,600**
Financial assets at amortised cost b) loans and receivables with customers	17,954
Other assets	646
Liabilities	**364**
Other liabilities	64
Income statement	**316,610**
Fee and commission income	194,290
Dividend income and similar revenue	122,125
Other administrative expenses	(65)
Other net operating income	260

It should be noted that the table above does not include the balance sheet value of the equity investments held in Subsidiaries recognised under balance sheet item 70 Equity Investments.

Financial assets measured at amortised cost refer to operating receivables related to the distribution of financial products.

The economic components recognised in the balance sheet refer, primarily, to commission income retroceded to the Bank in connection with the placement of financial products and the dividend received.

Part I – Share-based payments

Qualitative information

1. Description of share-based payments

For the description share-based payments, see paragraph A. Qualitative information - 1. Description of the share-based payments - Part I of the Notes to the consolidated accounts.

Quantitative information

1. Annual changes

(Amounts in € thousand)

Items / Number of options and exercise price	Total 12/31/2024			Total 12/31/2023		
	Number of options	Average prices	Average maturity	Number of options	Average prices	Average maturity
A. Opening balance	**1,591,364**	**-**	**Jul-25**	**2,013,326**	**-**	**Oct-24**
B. Increases	**1,089,092**	**-**	**X**	**171,119**	**-**	**X**
B.1 New issues	1,089,092	-	Jul-28	171,119	-	Jul-25
B.2 Other increases	-	-	X	-	-	X
C. Decreases	**(439,792)**	**-**	**X**	**(593,081)**	**-**	**X**
C.1 Cancelled	(17,541)	-	X	(5,286)	-	X
C.2 Exercised	(422,251)	-	X	(587,795)	-	X
C.3 Expired	-	-	X	-	-	X
C.4 Other changes	-	-	X	-	-	X
D. Closing balances	**2,240,664**	**-**	**Apr-27**	**1,591,364**	**-**	**Jul-25**
E. Vesting options at the end of the year	**629,092**	**-**	**X**	**422,251**	**-**	**X**

The number of shares specified in the above table only refers to plans for which the number of shares allotted to individual beneficiaries has already been defined. The average prices for the year have not been stated because only freely allocated shares were involved.

Part I – Share-based payments

2. Other information

Effects on Profit and Loss

The income statement and balance-sheet effects of the incentive systems based on FinecoBank shares are shown below, except for the balance of the reserve related to equity-settled plans. The income statement impact is determined each year based on the vesting period of the instruments.

Financial statement presentation related to payments based on shares

(Amounts in € thousand)

	Total 12/31/2024		Total 12/31/2023	
	Total	**Vested plans**	**Total**	**Vested plans**
Costs	6,279		5,269	
Costs connected to Equity Settled Plans	*6,197*		*5,269*	
Costs connected to Cash Settled Plans	*82*			
Sums collected by UniCredit S.p.A. for vested plans				46
Credit accrued towards Unicredit S.p.A.	23		23	
Credit accrued towards Fineco AM	451		241	

Please note that the charges relating to Equity Settled Plans were recognised as Administrative expenses – Staff expenses with respect to the plans granted to employees and as Administrative expenses or Fee and commission expenses with regard to plans granted to personal financial advisors.

Finally, it should be noted that the Bank, despite not having any cash settled plans in place, has decided to settle a position relating to equity settled plans in cash (a transaction which is represented, in fact, in the table above under the item “Costs connectred to Cash Settled Plans”).

Part L – Segment reporting

Segment reporting information, as required by IFRS 8 is presented exclusively in consolidated form. Therefore, reference should be made to the segment reporting disclosure provided in Part L of the notes to the consolidated accounts.

Part M – Leasing

Section 1 - Lessee

Qualitative information

The leasing contracts that fall within the scope of application of the standard IFRS16 are represented by the lease contracts of the properties used by the Bank and by the financial shops used by financial advisors and managed directly by the Bank, in addition to lease contracts for machinery and cars.

The Bank is potentially exposed to outgoing financial flows, for variable payments due for leasing (in particular referring to the ISTAT revaluation), not included in the initial valuation of the lease liability.

The Bank has determined the duration of the lease, for each individual contract, considering the "non-cancellable" period during which it has the right to use the underlying asset and taking into account all the contractual aspects that can change this duration, including, in particular, the possible presence of:

- periods covered by a right of resolution (with related penalties) or an option to extend the lease to the lessee, the lessor alone, or to both, even at different periods over the duration of the contract;
- periods covered by an option to purchase the underlying asset.

In general, with regard to contracts that provide the option right for the Bank to automatically renew the lease at the end of an initial contractual period, the duration of lease has determined based on historical experience and the information available at the date, considering in addition to the non-cancellable period also the period subject to the extension option (first contract renewal period), except for the existence of business plans to dispose of the leased asset as well as clear and documented assessments by the competent Bank structures that lead to consider reasonable the failure to exercise the option to renew or exercise the termination option, also taking into account, with particular regard to the financial shops in use by the financial advisors of the Bank, the commercial strategies of recruitment and territorial organization of the network.

The Bank has not provided guarantees on the residual value of the leased asset and has no commitments for the stipulation of lease contracts not included in the value of the lease liability recognized in the financial statements.

In accordance with the rules set by the standard, which grants exemptions in this regard, contracts underlying the so-called "Low-value assets" (for which the threshold was set at € 5 thousand) consisting, for example, by mobile phone rental contracts, all leasing contracts with a contractual duration of 12 months or less (so-called "short term lease") it was decided not to apply the principle to the leasing of intangible assets (mainly represented by software leasing). For these contracts, the related fees are recognised in the income statement on accrual basis for the corresponding duration.

Quantitative information

With regard to the information on the rights of use acquired with the lease, please refer to Part B - Assets - Section 8 - Tangible assets - Item 80 of these notes to the accounts.

With regard to the information on the lease liabilities, please refer to Part B - Liabilities - Section 1 - Financial liabilities at amortized cost - Item 10 of these notes to the accounts.

Furthermore, with regard to the information on:

- interest expenses on leasing liabilities, please refer to Part C - Section 1 - Item 20;
- the other charges connected with the rights of use acquired with the lease, please refer to Part C - Section 14 - Net impairments / write-backs on property, plant and equipment - Item 190.

It should be noted that no gains and losses deriving from sale and leaseback transactions have been recorded, as well as income deriving from sub-lease transactions.

Part M – Leasing

The depreciation recognized for the year for right-of-use assets by class of underlying asset is shown below:

(Amounts in € thousand)

Assets	Depreciation 2024	Depreciation 2023
Right of use		
1. Property, plant and equipment	**(10,815)**	**(11,087)**
1.1 land	(85)	(85)
1.2 buildings	(10,473)	(10,757)
1.3 office furniture and fittings		
1.4 electronic systems	(4)	(7)
1.5 other	(253)	(238)

At December 31st, 2024 there are no short-term leasing commitments for which the cost has not already been recognized in the 2024 income statement.

Section 2 - Lessor

Qualitative information

The Bank has leasing operations, in its capacity as lessor, represented exclusively by lease contracts for a part of the surface of the property owned, located in Milan Piazza Durante, 11, classified as operating leases in the financial statements.

With reference to the ways in which the lessor manages the risk associated with the rights it maintain on the underlying assets, it should be noted that the contracts include clauses that prohibit the tenant from transferring the contract to third parties without the written consent of the lessor, periodic updates of the rent according to the ascertained variation of the ISTAT index for consumer prices for the families of workers and employees and a contractual expiry at the end of which, in the event of non-renewal where required, the lease contract ceases and the premises fall within the availability of the lessor.

Quantitative information

Payments due for operating leases have been recognised, on an accrual basis, in the income statement as income. For more details, please refer to Part C - Section 14 - Other operating income and charges - Item 200 of these notes to the accounts.

1. Balance sheet and income statement information

The Bank has not recognized leasing loans. As regards the activities granted under operating leasing, as previously described, the Bank has leasing transactions in place as lessor represented by leasing contracts for a part of the property owned by FinecoBank, located in Milan Piazza Durante, 11.

The payments due for the operating lease have been recognised, on an accrual basis, in the income statement as income. For more details, please refer to that illustrated in Part C - Section 14 - Other operating expenses and income - Item 200 of these notes to the accounts.

2. Financial lease

2.1 Classification by time bands of the payments to be received and reconciliation with the loans for leasing entered in the assets

No information to report.

Part M – Leasing

2.2 Other information

No information to report.

3. Operating lease

3.1 Classification by time bands of the payments to be received

A maturity analysis of the undiscounted lease payments to be received is shown below. It should be noted that the payments refer to the contractual rents provided for in the lease contracts of part of the property owned by FinecoBank, which allow tenants to withdraw early in compliance with the notice provided in the contract.

(Amounts in € thousand)

Maturity ranges	Total 12/31/2024 Lease payments receivables	Total 12/31/2023 Lease payments receivables
Up to one year	179	815
Over one year up to 2 years	45	179
Over 2 years up to 3 years	-	45
Over 3 years up to 4 years	-	-
Over 4 years up to 5 years	-	-
For over 5 years	-	-
Total	**224**	**1,039**

3.2 Other information

As indicated above, the Bank has leasing transactions in place as a lessor represented by leasing contracts for a part of the property owned by FinecoBank, located in Milan Piazza Durante, 11. For information on the methods with the which the Bank manages the risk associated with the rights it retains on the underlying assets, please refer to the paragraph "Qualitative information" included in this section.

Attachment 1 - Reconciliation of condensed accounts to mandatory reporting schedule

(Amounts in € thousand)

ASSETS	Amounts as at 12/31/2024	Amounts as at 12/31/2023
Cash and cash balances = item 10	1,933,381	2,249,361
Financial assets held for trading	28,539	14,109
20. Financial assets at fair value through profit or loss a) financial assets held for trading	*28,539*	*14,109*
Loans and receivables to banks	355,522	351,272
40. Financial assets at amortised cost a) loans and receivables to banks	*2,493,303*	*2,968,494*
less: Financial assets at amortised cost a) loans and receivables to banks - Debt securities	*(2,137,781)*	*(2,617,222)*
Loans and receivables to customers	6,208,047	6,175,952
40. Financial assets at amortised cost b) loans and receivables to customers	*27,192,009*	*24,924,025*
less: Financial assets at amortised cost b) loans and receivables to customers - Debt securities	*(20,983,962)*	*(18,748,073)*
Financial investments	23,426,909	21,405,097
20. Financial assets at fair value through profit or loss c) other financial assets mandatorily at fair value	*4,082*	*6,081*
30. Financial asset at fair value through other comprehensive income	*296,410*	*29,069*
70. Equity investments	*4,674*	*4,652*
Financial assets at amortised cost a) loans and receivables to banks - Debt securities	*2,137,781*	*2,617,222*
Financial assets at amortised cost b) loans and receivables to customers - Debt securities	*20,983,962*	*18,748,073*
Hedging instruments	527,272	707,274
50. Hedging derivatives	*677,547*	*896,577*
60. Changes in fair value of portfolio hedged financial assets (+/-)	*(150,275)*	*(189,303)*
Property, plant and equipment = item 80	145,013	144,768
Goodwill = item 90. Intangible assets of which: goodwill	89,602	89,602
Other intangible assets = item 90 net of goodwill	35,242	34,465
Tax assets = item 100	52,879	49,749
Tax credits acquired	1,259,059	1,618,030
Other assets	555,332	411,437
120. Other assets	*1,814,391*	*2,029,467*
less: Tax credit acquired	*(1,259,059)*	*(1,618,030)*
Total assets	**34,616,797**	**33,251,116**

Attachment 1 - Reconciliation of condensed accounts to mandatory reporting schedule

(Amounts in € thousand)

LIABILITIES AND SHAREHOLDERS' EQUITY	Amounts as at	
	12/31/2024	12/31/2023
Deposits from banks	850,600	866,978
10. Financial liabilities at amortised cost a) deposits from banks	*850,600*	*866,978*
Deposits from customers	29,976,099	28,744,000
10. Passività finanziarie valutate al costo ammortizzato c) titoli in circolazione	*29,976,099*	*28,744,000*
Debt securities in issue	810,228	809,264
10. Financial liabilities at amortised cost c) debt securities in issue	*810,228*	*809,264*
Financial liabilities held for trading = item 20	8,130	6,997
Hedging instruments	45,321	28,712
40. Hedging derivatives	*48,485*	*59,988*
50. Changes in fair value of portfolio hedged financial liabilities (+/-)	*(3,164)*	*(31,276)*
Tax liabilities = item 60	15,159	85,560
Other liabilities	564,757	554,218
80. Other liabilities	*394,322*	*410,674*
90. Provisions for employee severance pay	*4,364*	*4,378*
100. Provisions for risks and charges	*166,071*	*139,166*
Shareholders' equity	2,346,503	2,155,387
- capital and reserves	1,716,786	1,557,619
130. Equity instruments	*500,000*	*500,000*
140. Reserves	*1,014,304*	*855,420*
150. Share premium reserve	*1,934*	*1,934*
160. Share capital	*201,630*	*201,508*
170. Treasury shares (-)	*(1,082)*	*(1,243)*
- revaluation reserves	(19,049)	(6,730)
110. Revaluation reserves of which: financial assets at fair value through other comprehensive income	*(127)*	*(2,595)*
110. Revaluation reserves for actuarial net gains (losses) for defined benefit plans	*(18,929)*	*(4,136)*
110. Revaluation reserve of which: changes in valuation reserve pertaining to equity method investments	*7*	*1*
- net profit = item 180	648,766	604,498
Total liabilities and Shareholders' equity	**34,616,797**	**33,251,116**

Attachment 1 - Reconciliation of condensed accounts to mandatory reporting schedule

(Amounts in € thousand)

INCOME STATEMENT	Year	
	2024	2023
Financial margin	709,584	686,697
of which Net interest	708,876	686,489
30. Net interest margin	*707,140*	*682,529*
+ net commissions on Treasury securities lending	*1,736*	*3,960*
of which Profits from Treasury	708	208
+ gains (losses) on disposal or repurchase of: a) financial assets at amortised cost - debt securities (unimpaired)	*708*	*208*
Dividends and other income from equity investments	122,142	113,625
70. Dividend income and similar revenue	*122,305*	*113,919*
less: dividends from held-for-trading equity instruments included in item 70	*(145)*	*(178)*
less: dividends from from equity investments and equities mandatorily at fair value equity instruments included in item 70	*(35)*	*(48)*
+ writebacks (write-downs) of investments accounted for using the equity method	*17*	*(68)*
Net commission	355,541	334,236
60. Net fee and commission income	*357,277*	*338,196*
less: net commissions on Treasury securities lending	*(1,736)*	*(3,960)*
Net trading, hedging and fair value income	78,960	60,350
80. Gains (losses) on financial assets and liabilities held for trading	*79,670*	*66,272*
90. Fair value adjustments in hedge accounting	*(2,182)*	*(7,151)*
110. Gains (losses) on financial assets and liabilities at fair value through profit or loss	*1,292*	*1,003*
100. Gains (losses) on disposal and repurchase of: c) financial liabilites	-	-
+ dividends from held-for-trading equity instruments included in item 70	145	178
+ dividends from mandatorily at fair value equity instruments included in item 70	*35*	*48*
Net other expenses/income	1,503	504
200. Other net operating income	*201,891*	*162,513*
less: other net operating income - of which: recovery of expenses	*(201,658)*	*(163,603)*
less: adjustments of leasehold improvements	*1,270*	*1,594*
100. Gains (losses) on disposal or repurchase of: a) financial assets at amortised cost (unimpaired)	*708*	*208*
less: gains (losses) on disposal or repurchase of: a) financial assets at amortised cost - debt securities (unimpaired)	*(708)*	*(208)*
REVENUES	**1,267,730**	**1,195,412**
Staff expenses	(124,481)	(115,310)
160. Administrative expenses - a) staff expenses	*(124,481)*	*(115,310)*
Other administrative expenses	(360,938)	(299,516)
160. Administrative expenses - b) other administrative expenses	*(396,260)*	*(339,532)*
less: contributions to the Single Resolution Fund (SRF), Deposit Guarantee Systems (DGS) and Life Insurance Guarantee Fund	*36,592*	*41,610*
+ adjustments of leasehold improvements	*(1,270)*	*(1,594)*
Recovery of expenses	201,658	163,603
200. Other net operating income- of which: recovery of expenses	*201,658*	*163,603*
Impairment/write-backs on intangible and tangible assets	(25,232)	(26,501)
180. Impairment/write-backs on property. plant and equipment	*(20,584)*	*(20,559)*
190. Impairment/write-backs on intangible assets	*(4,648)*	*(5,942)*
Operating costs	**(308,993)**	**(277,724)**
OPERATING PROFIT (LOSS)	**958,737**	**917,688**
Net impairment losses on loans and provisions for guarantees and commitments	(2,104)	(3,594)
130. Impairment losses/writebacks on: a) financial assets at amortised cost	*(555)*	*(3,096)*
less: impairment losses/writebacks on: a) financial assets at amortised cost - debt securities	*(1,796)*	*(271)*
130. Impairment losses/writebacks on: b) financial assets at fair value through other comprehensive income	*(28)*	-
less: impairment losses/writebacks on: a) financial assets at amortised cost - debt securities	*28*	-
140. Profit / loss from contract changes without cancellation	*(1)*	*2*
170. Net provisions for risks and charges:a)provision for credit risk of commitments and financial guarantees given	*248*	*(229)*
NET OPERATING PROFIT (LOSS)	**956,633**	**914,094**
Other charges and provisions	(44,873)	(63,587)
170. Net provisions for risks and charges b) other net provision	*(8,281)*	*(21,977)*
+ contributions to the Single Resolution Fund (SRF), Deposit Guarantee Systems (DGS) and Life Insurance Guarantee Fund	*(36,592)*	*(41,610)*
Net income from investments	1,768	111
+ Impairment losses/writebacks on: afinancial assets at amortised cost - debt securities	*1,796*	*271*
+ Impairment losses/writebacks on: b) financial assets at fair value through other comprehensive income - debt securities	*(28)*	-
220. Profit (loss) on equity investments	*17*	*(263)*
less: writebacks (write-downs) of investments accounted for using the equity method	*(17)*	*68*
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**913,528**	**850,618**
Income tax for the year = item 270	(264,762)	(246,120)
NET PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	**648,766**	**604,498**
PROFIT (LOSS) FOR THE YEAR	**648,766**	**604,498**

Attachment 2 - Reference of qualitative information to the consolidated financial statements

Below is a list of qualitative disclosure references from the FinecoBank financial statements to the Consolidated Financial Statements:

SECTION OF THE FINANCIAL STATEMENTS OF THE ENTERPRISE WHERE THERE IS A REFERENCE TO THE CONSOLIDATED FINANCIAL STATEMENTS	SECTION OF THE CONSOLIDATED FINANCIAL STATEMENTS WHERE DISCLOSURE CAN BE FOUND
Report on operations – FinecoBank's results	Please refer to the section "Results of the parent and the subsidiary" of the Consolidated Report on operations.
Part A – Accounting policies, A.1 – General matters, Section 4 – Other aspect	For the paragraphs on other aspects of accounting policies please refer to the corresponding paragraphs in Part A – Accounting policies, A.1 General matters, Section 5 – Other aspects of Notes to the consolidated accounts, where referenced.
Part A – Accounting policies, A.2 - The main items of the accounts	For the paragraphs on the main items of the accounts please refer to the corresponding paragraphs in Part A – Accounting policies, A.2 The main items of the accounts of Notes to the consolidated accounts, where referenced.
Part A – Accounting policies, A.3 Disclosure on transfers between portfolios of financial assets	For the paragraphs on dislosure on transfers between portfolios of financial assets please refer to the corresponding paragraphs in Part A – Accounting policies, A.3 Disclosure on transfers between portfolios of financial assets of Notes to the consolidated accounts.
Part E - Information on Risks and relating hedging policies, Section 1 – Credit Risk	For the paragraphs on "1. General matters", "2. Credit Risk Management Policy", "3. Impaired credit Exposures", "4. Commercial renegotiations and forbearance measures" please refer to the corresponding paragraphs in Part E - Information on Risks and relating hedging policies, Section 2 – Risk of the prudential consolidated perimeter, 1.1 Credit risk of Notes to the consolidated accounts, where referenced.
Part E - Information on Risks and relating hedging policies, Section 2 – Market Risk	For the paragraphs on "Risk Management Strategies and Processes", "Structure and Organisation", "Impacts of the crisis unfolded by Russia-Ukraine military conflict", "Risk measurement and reporting framework", "Procedures and methodologies for valuation of Trading Book positions", "Risk measures" please refer to the corresponding paragraphs in Part E - Information on Risks and relating hedging policies, Section 2 – Risk of the prudential consolidated perimeter, 1.2 Market risk of Notes to the consolidated accounts, where referenced.
Part E - Information on Risks and relating hedging policies, Section 4 - Liquidity Risk	For the paragraphs on "A. General aspects, management processes and measurement methods for liquidity risk" please refer to the corresponding paragraphs in Part E - Information on Risks and relating hedging policies, Section 2 – Risk of the prudential consolidated perimeter, 1.4 - Liquidity risk, where referenced.
Part E - Information on Risks and relating hedging policies, Section 5 - Operational risk	For the paragraphs on operational risk please refer to the corresponding paragraphs in Part E - Information on Risks and relating hedging policies, Section 2 – Risk of the prudential consolidated perimeter, 1.5 - Operational risk, where referenced.
Part E - Information on Risks and relating hedging policies, Section 6 – Other risks	For the paragraphs on other risk please refer to the corresponding paragraphs in Part E - Information on Risks and relating hedging policies, Section 2 – Risk of the prudential consolidated perimeter, 1.6 - Other risks, where referenced.
Part I - Share-based payments, Section 1 - Description of share-based payments	For the paragraphs on other risk please refer to the corresponding paragraphs in Part I - Share-based payments, where referenced.

Certification of annual financial statements pursuant to article 81-ter of Consob regulation no. 11971 of May 14, 1999 and subsequent amendements

1. The undersigned, Alessandro Foti, as Managing Director and General Manager of FinecoBank S.p.A., and Erick Vecchi, as Manager in charge of preparing the Company's financial reports of FinecoBank S.p.A., taking into account the provisions of Article 154-bis, par. 3 and 4 of Legislative Decree 58 of February 24th, 1998, do hereby certify:

- the adequacy in relation to the Company's features and
- the actual application

of the administrative and accounting procedures used in the preparation of the financial statements for the year ended December 31st, 2024.

2. The assessment of the adequacy of the administrative and accounting procedures for the preparation of the consolidated financial statements is based on a model defined in accordance with the "Internal Control - Integrated Framewor"' issued by the Committee of Sponsoring Organisations of the Treadway Commission (CoSO) and for the IT component using the "Control Objective for IT and Related Technologies (Cobit)" as a reference, which are generally accepted international reference standards for the internal control system and for financial reporting in particular.

3. The undersigned also certify that:

3.1 the Annual Report and Accounts:

a) were prepared in compliance with applicable international accounting standards recognised by the European Community pursuant to European Parliament and Council Regulation 1606/2002 of July 19th, 2002;
b) correspond to the results of the books and accounting records;
c) are suitable to provide an accurate representation of the financial position and performance of the issuer;

3.2 the Report on operations contains a reliable operating and financial review of the issuer, as well as the description of its exposure to the main risks and uncertainties.

Milan, March 11, 2025

FinecoBank S.p.A.
The Chief Executive Officer and
General Manager
Alessandro Foti

FinecoBank S.p.A.
The Manager in charge for Preparing
the Company's Financial Reports
Erick Vecchi

KPMG

KPMG S.p.A.
Revisione e organizzazione contabile
Via Vittor Pisani, 25
20124 MILANO MI
Telefono +39 02 6763.1
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PEC kpmgspa@pec.kpmg.it

(The accompanying translated separate financial statements of FinecoBank S.p.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. 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' 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
FinecoBank S.p.A.

Report on the audit of the separate financial statements

Opinion

We have audited the separate financial statements of FinecoBank S.p.A. (the "bank"), which comprise the statement of financial position as at 31 December 2024, the income statement and the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, which include material information the accounting policies.

In our opinion, the separate financial statements give a true and fair view of the financial position of FinecoBank S.p.A. as at 31 December 2024 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 separate 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 separate financial statements of the current year. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Measurement of provisions for risks and charges

Notes to the separate financial statements "Part A - Accounting policies": section A.2.10 "Provisions for risks and charges"

Notes to the separate financial statements "Part B - Information on the statement of financial position - Liabilities": section 10 "Provisions for risks and charges"

Notes to the separate financial statements "Part C - Information on the income statement": section 11.3 "Net provisions to other provisions for risks and charges: breakdown"

Notes to the separate statements "Part E - Information on risks and related hedging policies": section 5 "Operational risks", paragraph B. "Risks arising from significant legal disputes"

Key audit matter	**Audit procedures addressing the key audit matter**
The bank's separate financial statements at 31 December 2024 include provisions for risks and charges of €166.1 million. These include €25.3 million relating to pending legal and tax disputes, specifically €0.6 million relating to tax disputes (fines and interest) and €24.7 million relating to legal disputes. The latter are customers' complaints and claims for damages due to unlawful conduct by the bank's financial advisors, pending disputes with former financial advisors and other ongoing in-court and out-of-court disputes with customers relating to the bank's ordinary banking activities. Measuring provisions for risks and charges for pending disputes is a complex activity, with a high degree of uncertainty, and entails directors' estimates about the outcome of the dispute, the risk of losing and the timing for its settlement. For the above reasons, we believe that measuring provisions for risks and charges is a key audit matter.	Our audit procedures included: • understanding the process for the measurement of the provisions for liabilities and contingencies, assessing the design and implementation of controls and performing procedures to assess the operating effectiveness of material controls; • analysing the discrepancies between past years' estimates of the 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; • analysing relevant documentation, including the complaints book and the internal control departments' reports; • 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 provisions for risks and charges; • analysing the reasonableness of the assumptions used to measure the provisions for risks and charges relating to the main disputes through discussions with the relevant internal departments and analysis of the supporting documentation; • assessing the appropriateness of the disclosures about the provisions for risks and charges.

Measurement of loans and receivables with customers recognised under financial assets at amortised cost

Notes to the separate financial statements "Part A - Accounting policies": paragraph A.2.3 "Financial assets at amortised cost"

Notes to the separate financial statements "Part B - Information on the statement of financial position - Assets": section 4 "Financial assets at amortised cost"

Notes to the separate financial statements "Part C - Information on the income statement": section 8 "Impairment losses/writebacks"

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 €27,192 million at 31 December 2024 (including loans of €6,208 million and debt instruments of €20,984 million), accounting for 78.6% of total assets. Net impairment losses on loans and receivables with customers recognised in profit or loss during the year totalled €594.2 thousand. For classification 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, 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 has been affected by the ongoing uncertainties which have an impact on the current economic conditions and potential future macroeconomic scenarios, with potentially significant effects stemming from the energy market, supply chains, inflationary pressure and the effects of monetary policies on interest rates. For the above reasons, we believe that the classification and 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 IFRS 9 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, checking the application of the measurement models applied and checking that the impairment rates applied complied with those provided for in such models; • 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.

Revenue recognition – recognition of fee and commission income (IFRS 15)

Notes to the separate financial statements "Part C - Information on the income statement": section 2.1 "Fee and commission income: breakdown"

Key audit matter	Audit procedures addressing the key audit matter
In accordance with IFRS 15: Revenue from contracts with customers, fee and commission income is recognised in profit or loss based on when or as the performance obligation identified in a contract is satisfied. Specifically, fees and commissions for services and other income are recognised in profit or loss: • at a point in time, when an entity satisfies the performance obligation by transferring a promised good or service to a customer; • over time, as an entity satisfies the performance obligation by transferring a promised good or service to a customer. If the consideration promised in a contract includes a variable amount, the bank estimates the amount of consideration to which it will most likely be entitled. It estimates the variable amount by assessing all relevant facts and circumstances, based on the type of service provided and on whether it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. We focused on this issue as we have identified a potential risk of recognising revenue (fee and commission income) not pertaining to the year or not actually realised. For the above reasons, we believe that the recognition of fee and commission income is a key audit matter.	Our audit procedures included: • gaining an understanding of the bank's processes and IT environment in relation to the estimation of fee and commission income; • analysing the processes and controls implemented by the bank, including by involving our IT specialists; • assessing the appropriateness of the disclosures about fee and commission income.

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 separate 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 separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate 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 separate 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 separate 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 separate financial statements, including the disclosures, and whether the separate 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 separate 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 28 April 2021, the bank's shareholders appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2022 to 31 December 2030.

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 separate 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 on the compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The bank's directors are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF) to the separate financial statements at 31 December 2024 to be included in the annual financial report.

We have performed the procedures required by Standard on Auditing (SA Italia) 700B in order to express an opinion on the compliance of the separate financial statements with Commission Delegated Regulation (EU) 2019/815.

In our opinion, the separate financial statements at 31 December 2024 have been prepared in XHTML format in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815.

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 2024 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 separate financial statements;

- express an opinion on the consistency of the report on operations, excluding the section that includes the consolidated 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 directors' report 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 separate financial statements at 31 December 2024.

Moreover, in our opinion, excluding the section which includes the consolidated 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 consolidated 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.

Milan, 24 March 2025

KPMG S.p.A.

(signed on the original)

Roberto Spiller
Director of Audit

Report of Board of Statutory Auditors of FinecoBank S.p.A.

to the Shareholders' Meeting called for 29 April 2025
for the approval of the Financial Statements as at 31.12.2024

pursuant to article 153 of Legislative Decree no. 58/1998 and art. 2429, paragraph 2 of the Italian Civil Code

* * * *

Dear Shareholders,

The Board of Statutory Auditors (hereinafter also the "Board") is required to report to the Shareholders' Meeting of FinecoBank S.p.A. (hereinafter also referred to as "FinecoBank" or "Fineco" or the "Bank" or the "Company" or the "Parent Company") on the supervisory activities carried out during the reporting period 2024 (hereinafter also the "Period") and on the omissions and reprehensible facts detected, pursuant to Article 153 of Legislative Decree 58 of 24 February 1998 ("TUF") and Article 2429, paragraph 2, of the Italian Civil Code.

The information provided below also takes into account the indications contained in Consob Communication No. DEM/1025564 of 6 April 2001, as amended.

1. Appointment and activities of the Board of Statutory Auditors

The Board of Statutory Auditors was appointed by the Shareholders' Meeting of 27 April 2023 and will remain in office until the approval of the Company's Financial Statements for the reporting period ending 31 December 2025.

The appointment concerned the renewal of the entire Board of Statutory Auditors (consisting of three Standing Auditors and two Alternate Auditors), for the reporting periods 2023-2025, in the persons of Luisa Marina Pasotti as Chairperson, Giacomo Ramenghi and Massimo Gatto as Standing Auditors and Lucia Montecamozzo and Marco Salvatore as Alternate Auditors.

In accordance with the provisions of the Regulation of Corporate Bodies and in line with the recommendations of the Corporate Governance Code, the Board of Statutory Auditors conducted its annual self-assessment process for the period. The professionalism and expertise of all its members were positively confirmed, as well as its collective composition and the functioning mechanisms of the body were considered adequate. In particular, the results of the self-assessment showed a balanced distribution of competences within the Board of Statutory Auditors regarding regulation, controls and risks, including climate and environmental risks, of companies belonging to the banking and financial sector.

The Board of Statutory Auditors held a total of 46 meetings during the reporting period 2024, lasting an average of approximately three hours each.

In 2024, the Board of Statutory Auditors attended all thirteen meetings of the Board of Directors. The Shareholders' Meeting, held on 24 April 2024, was attended in presence by the Chairperson of the Board of Statutory Auditors, while the other statutory auditors participated via video conference.

In addition, the Chairperson, together with at least one of the other standing auditors, attended all 22 meetings of the Risks and Related Parties Committee. The Board of Statutory Auditors also attended all 14 meetings of the Remuneration Committee, 13 meetings of the Corporate Governance and Environmental and Social Sustainability Committee and 11 meetings of the Appointments Committee.

During the reporting period ending 31 December 2024, the Board of Statutory Auditors performed its institutional duties in compliance with the Italian Civil Code, Legislative Decrees No. 385/1993 (Consolidated Banking Act), No. 58/1998 (Consolidated Finance Act) and No. 39/2010 as amended and/or supplemented, the provisions of the Bylaws and the rules issued by the Authorities exercising supervisory and control activities, also taking into consideration the Rules of Conduct for the Board of Statutory Auditors of Listed Companies issued, also recently, by the Italian National Council of Certified Accountants and Bookkeepers (CNDCEC).

The members of the Board of Statutory Auditors also participated in the *induction programme* planned in 2024 for the members of the Board of Directors, carried out in some cases with the support of an external consultant, and in recurring refresher courses, also to preserve over time the body of technical skills necessary to carry out its role with awareness.

2. Transactions of economic, financial and equity significance

On the basis of what had already been defined by the Board of Directors at the time of the approval of the preliminary results at 31 December 2024, which were disclosed to the market on 6 February 2025, on 11 March 2025 the Board of Directors of FinecoBank S.p.A. approved the Draft Financial Statements and the Consolidated Financial Statements at 31 December 2024.

The consolidated profit for the reporting period as of 31.12.2024 came to € 652.3 million, an increase of 7.1% compared to the previous period. The cost/income ratio stood at 25.22% (24.10% at 31 December 2023), confirming the Group's high operating leverage and widespread corporate culture of cost control.

On the basis of the main evidence acquired in the discharge of its duties, certain significant aspects that characterised the 2024 reporting period have been identified, in respect of which, although largely illustrated in the Group Directors' Report drawn (to which reference should be made), the Board of Statutory Auditors deems it appropriate to make reference to them, taking into account their relevance in the context of the assessments relating to FinecoBank's assets and liabilities, profit and loss, and financial position situation.

Regarding the most significant transactions, the Board of Statutory Auditors highlights the following.

On March 4th, 2024, FinecoBank successfully completed the placement on the market of Additional Tier1 instruments, intended for institutional investors, for a total amount of € 500 million. The capital instrument is a perpetual public placement, traded on the regulated market managed by Euronext Dublin, rating equal to BB- (S&P Global Ratings). The coupon for the first 5.5 years was set at 7.5%.

The issue registered an order volume of more than € 3.45 billion. The offering was subscribed exclusively by institutional investors, primarily asset managers (67% of the total) and banks/private banks (17%). The issuance was mainly allocated to institutional investors in the United Kingdom (28%), France (26%), Italy (18%), Germany and Austria (7%), and Switzerland (6%).

At the same time, FinecoBank announced its intention to proceed with a cash tender offer of the Additional Tier1 instrument issued in July 2019 with a nominal amount of € 300 million and to reserve the right to call the Additional Tier1 private placement issued in January 2018 with a nominal amount of € 200 million.

On 11th March 2024, the offer to purchase the Additional Tier 1 instrument issued in July 2019 with a nominal value of €300 million was concluded and the total nominal amount of capital instruments validly tendered in the offer was € 168 million.

On 3rd June 2024, the Additional Tier1 private placement issued in January 2018 with a nominal value of €200 million, fully subscribed by UniCredit S.p.A., was called.

Finally, on 3rd December 2024, the option of full reimbursement of the Additional Tier 1 instrument, issued in July 2019, was exercised for the portion not repurchased in the offer concluded on 11th March 2024, equal to € 132 million.

The consolidated accounting net equity as of 31 December 2024, therefore, exclusively includes the Additional Tier 1 capital instrument issued by FinecoBank on 4 March 2024 for a nominal value of € 500 million.

3. Other events during the period

Please note that, following the completion of the administrative process for determining the Minimum Requirement for Own Funds and Eligible Liabilities (MREL), in December 2023, FinecoBank received an updated decision on the MREL requirement from the Bank of Italy and the Single Resolution Board, replacing the previous decision communicated to the public in March 2023.

From 1 January 2024, FinecoBank must comply, on a consolidated basis, with an MREL requirement of the Total Risk Exposure Amount (TREA) of 18.94% – 21.55% including the applicable Combined Buffer Requirement – and a MREL LRE (Leverage Ratio Exposure) requirement of 5.25%. For the purpose of compliance with the requirements and the calculation of other eligible liabilities issued by Fineco, no subordination requirement is at present imposed in the issuance of eligible MREL instruments (e.g., senior unsecured).

As of 31 March 2024 FinecoBank showed results that were above the requirements to be met.

With reference to the Minimum Own Funds and Eligible Liabilities Requirement (MREL), it should be noted that at the end of November 2024, FinecoBank received the updated decision on the determination of the Minimum Own Funds and Eligible Liabilities Requirement (MREL) from the Single Resolution Board, which replaces the previous decision communicated to the public in December 2023.

As of the date of notification, November 2024, FinecoBank must comply on a consolidated basis with an MREL TREA (risk exposure) requirement of 19.01% - to which the applicable Combined Buffer Requirement must be added - and an MREL LRE (total leverage exposure) requirement confirmed at 5.25%. For the purpose of compliance with the requirement and the calculation of other eligible liabilities issued by Fineco, there is no subordination requirement in the issuance of MREL eligible instruments (e.g. Senior unsecured). As of 31 December 2024, FinecoBank is well above the requirements to be met.

*

The FinecoBank Banking Group, as significant entity pursuant to Regulation 468/2014 (MVU), is subject as from 1 January 2022 to direct supervision by the European Central Bank (ECB). Accordingly, the annual Supervisory Review and Evaluation Process (SREP) is carried out by the Joint Supervisory Team (JST) assigned to Fineco, composed of analysts from the ECB DG 'Specialized Institutions & LSIs' as well as members of the "Banking Supervision 1 department" of the Bank of Italy.

At the end of the Supervisory Review and Evaluation Process (SREP), on 30 November 2023 the Supervisory Authority communicated the following capital requirements (Pillar 2 Requirement - P2R) applicable to the Group from 1 January 2024: 2.00% in terms of Total Capital Ratio, of which:

- 1.13% in terms of Common Equity Tier 1 ratio
- 1.50% in terms of Tier 1 Ratio.

As of 31 December 2024 the requirements are met.

In this context, it should be noted that the Pillar 2 Capital Requirements (Pillar 2 Requirement) required of the FinecoBank Group as of 1 January 2025 remain unchanged from those required for 2024.

A brief summary of the process undertaken during the reporting period 2024 is provided below.

On 7 October 2024, the Bank received the draft SREP 2024 letter, outlining the ECB's capital requirement assessment and specifying the P2R and P2G levels.

In accordance with the ECB's "right to be heard" process, the Bank was given two weeks from receipt of the draft SREP letter to submit any comments. However, it did not consider it necessary to provide any feedback.

On 4 December 2024, the Bank received the final SREP 2024 letter, which confirmed that the capital requirements remained unchanged from the previous SREP letter:

- P2R equal to 2.00% (previously 2.00%)
- P2G equal to 0.50% (previously 0.50%)

The corresponding Press Release was published on 5 December 2024.

Following the Board of Directors' resolution on 11 March 2025, all non-binding recommendations set out in the ECB's SREP 2024 Letter were incorporated into the Bank's ICAAP and ILAAP processes, in line with the requirements for the SREP 2025 process.

*

With reference to the Cronos (formerly Eurovita) transaction, aimed at safeguarding Eurovita policyholders, full details of the accounting impact of the transaction are available in the financial statements 2024. However, the Bank provided as of 31 December 2024 to Cronos Vita Assicurazioni S.p.A. total financing of €527.4 million

*

Regarding tax credits, further details can be found in the financial statements. In summary, tax credits acquired include the carrying amount of tax credits purchased under Decree-Law 34/2020 and subsequent updates, for a carrying amount of € 1,259.1 million, down from € 1,618.0 million outstanding as of 31 December 2023 mainly due to offsets made during 2024. It should be noted that as at 31 December 2023, there were also tax credits acquired by FinecoBank on the secondary market which, subsequent to their acquisition, were subject to preventive seizure under criminal law. In December 2024, the Bank reached a settlement agreement with the assigning counterparty under which the parties agreed to cancel by mutual consent FinecoBank's acceptance of the aforementioned tax credits as well as additional tax credits reported as not available by the same assigning counterparty. Pursuant to the agreement reached, the assigning counterparty returned to FinecoBank the assignment fee paid by the Bank for these credits.

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4. Atypical or unusual transactions

The Financial Statements, the information received during the Board of Directors' meetings and the information provided by the Chairperson, the Chief Executive Officer, Management, the Head of Internal Audit and the Statutory Auditor did not reveal any atypical and/or unusual transactions, including inter-group or with related parties.

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5. Intra-Group and Related-Party Transactions

FinecoBank has a "Global Policy Procedure for the management of transactions with parties in potential conflict of interest of the FinecoBank Group" (the "Global Policy") which aims to define, within the Bank and FinecoBank Group's transactions, the principles and rules to be observed in order to control the risk deriving from situations of possible conflict of interest determined by the proximity of certain parties to the decision-making centres of the Bank and of the other companies in the Group.

This Global Policy was last updated by the Board of Directors at its meeting of 17 September 2024, with the prior favourable opinions of the Risks and Related Parties Committee and the Board of Statutory Auditors.

During the 2024 reporting period, the Group entered into transactions with Italian and foreign related parties in general of a minor nature falling within the ordinary course of the Bank's operations and related financial activities, concluded on standard terms, i.e., terms similar to those applied for transactions concluded with independent third parties. No other transactions with related parties were implemented that would have a material impact on the financial position or results of the Bank and the FinecoBank Group, nor any atypical and/or unusual transactions, including inter-group or with related parties.

Inter-group or related party transactions are disclosed in the Consolidated Directors' Report and in the appropriate section of the Consolidated Notes to the Financial Statements - Part H - with an indication of the assets, liabilities, guarantees and commitments, costs and revenues outstanding at 31 December 2024, broken down by the different types of related parties pursuant to IAS 24.

The Board of Statutory Auditors, which attended all the meetings of the Risks and Related Parties Committee during the year, in which transactions with related parties and associated persons were also examined, monitored compliance with the procedural rules adopted by the Bank as well as compliance with the provisions on transparency and public information, and verified that, in the Consolidated Directors' Report and in the Notes to the Financial Statements, the Board of Directors provided adequate disclosure on transactions with related parties in accordance with the regulations in force.

6. Supervision of the Independent Auditors

The Board of Statutory Auditors, identified by Art. 19 of Legislative Decree 39/2010 in the updated version following the reform of external audits implemented by Legislative Decree 135/2016 "Internal control and external audit committee" supervised: (i) the financial reporting process; (ii) efficiency of internal control and risk management systems; iii) on the statutory audit of annual and consolidated accounts; and (iv) on the statutory auditor's independence, in particular as regards the provision of non-audit services.

The Board of Statutory Auditors has examined the Audit Reports issued on 24 March 2025 by the independent statutory audit firm, pursuant to Article 14 of Legislative Decree No. 39/2010 and Articles 39 and 10 of Regulation (EU) No. 537 16 April 2014, concerning the separate financial statements and the consolidated financial statements of the FinecoBank Group as at 31 December 2024. For further details, reference is made to these reports.

In summary, with regard to the separate financial statements of FinecoBank as of 31 December 2024, KPMG S.p.A. expressed the following opinion:

- "the separate financial statements give a true and fair view of the financial position of FinecoBank S.p.A. as at 31 December 2024 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".

In relation to other legal and regulatory requirements, KPMG S.p.A. also issued the following opinions:

- "the separate financial statements at 31 December 2024 have been prepared in XHTML format in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815";
- "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 separate financial statements at 31 December 2024.
  Moreover, in our opinion, excluding the section which includes the consolidated 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".

Similarly, with regard to the consolidated financial statements, KPMG S.p.A. expressed the following opinion:

- "the consolidated financial statements give a true and fair view of the financial position of the FinecoBank Group as at 31 December 2024 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".

In relation to other legal and regulatory requirements, KPMG S.p.A. also issued the following opinions:

- "the consolidated financial statements at 31 December 2024 have been prepared in XHTML format and have been marked up, in all material respects, in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815. Due to certain technical limitations, some information included in the notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML format";
- "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 group's consolidated financial statements at 31 December 2024.
  Moreover, in our opinion, excluding the section which includes the consolidated 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 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".

The Independent Auditor specifies to have carried out the audit in accordance with the international auditing standards (ISA Italia), and to have acquired sufficient and appropriate audit evidence on which to base his opinion.

On 24 March 2025, the Independent Auditors also issued the Supplementary Report, pursuant to Article 11 of Regulation (EU) No. 537/2014, from which no significant deficiencies in the internal controls system in relation to the financial reporting process that should be brought to the attention of those responsible for governance activities emerged.

Together with the Supplementary Report, the Independent Auditors provided the Board of Statutory Auditors with its annual confirmation of independence, in accordance with Article 6 paragraph 2) lett.a) of Regulation (EU) No. 537/2014 and paragraph 17 of International Standard on Auditing (ISA Italia) 260.

The Board of Auditors held periodic meetings, in accordance with Article 150, paragraph 3, of the Consolidated Law on Finance and the provisions of Legislative Decree no. 39/2010, with the Independent Auditors - examining the 2024 audit activity plan, verifying its adequacy, monitoring its execution and promptly exchanging data and information relevant to the performance of their respective tasks - without any particular findings having to be reported, nor any facts deemed reprehensible that required the formulation of specific reports pursuant to Article 155, paragraph 2, of the Consolidated Law on Finance.

In the Notes to the Consolidated Financial Statements, as well as in the Parent Company's Notes to the Financial Statements, pursuant to Article 149 - duodecies of the Issuers' Regulation, disclosure is made of the fees for the statutory audit of the accounts, as well as the fees for permitted services, other than auditing, provided in the reporting period ended 31 December 2024 to FinecoBank and the subsidiary Fineco Asset Management DAC by the Independent Auditors and the entities in the network to which the Independent Auditors belong.

Below are the fees for 2024 in euro units (net of VAT and expenses, but including the contractually agreed ISTAT adjustment):

- related to services provided to FinecoBank - including Corporate Sustainability Reporting (see section 7 below):

Type of service	*Service provider*	*Fees*
Audit	KPMG S.p.A.	202,091
Certification services	KPMG S.p.A.	313,364
Other Services	KPMG S.p.A.	55,640
TOTAL	**Euro**	**571,095**

- for services provided to the subsidiary Fineco Asset Management DAC

Type of service	*Service provider*	*Fees*
Audit	KPMG (Ireland)	31,429
Certification services	KPMG (Ireland)	48,571
TOTAL	**Euro**	**80,000**

At the consolidated level, Fineco Asset Management DAC's certification services refer to the audit of the reporting packages prepared by Fineco Asset Management DAC for the preparation of the consolidated financial statements of the FinecoBank Group at 31 March, 30 June and 30 September and the audit of Fineco AM's financial statements at 30 September each year.

In 2024, the Board of Statutory Auditors approved in advance the assignment to the auditing firm KPMG S.p.A. of professional assistance for the following activities:

- Comfort Letter in connection with the issuance of Tier1 instruments under the EMTN Programme in February 2024.

7. Adjustment of audit fees in relation to corporate sustainability reporting

With specific reference to non-financial reporting, the regulatory framework underwent significant changes in 2024 following the entry into force of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022, which amended Regulation (EU) No. 537/2014, Directive

2004/109/EC, Directive 2006/43/EC, and Directive 2013/34/EU with regard to corporate sustainability reporting (hereinafter the "CSRD" or "Directive").

The provisions of the CSRD were transposed into Italian law through Legislative Decree No. 125 of 6 September 2024, published in the "Gazzetta Ufficiale" on 10 September 2024, and in force from 25 September 2024.

The Directive significantly expands the scope of disclosures required under the new European Sustainability Reporting Standards (ESRS), which establish a common framework for addressing sustainability issues within the European Union.

In addition, that Directive requires the specially appointed auditor to issue a specific attestation containing conclusions based on an engagement designed to gain a limited level of assurance as to the compliance of the sustainability reporting with the requirements of the CSRD, including the compliance of the sustainability reporting with the ESRS, the procedures adopted to identify the information disclosed in accordance with the ESRS, compliance with the obligation to mark up the sustainability reporting in accordance with the provisions of Delegated Regulation 2019/815 as well as compliance with the disclosure requirements of Article 8 of Regulation (EU) 2020/852.

FinecoBank decided, as allowed by the law, not to terminate early the engagement awarded to KPMG under the shareholders' decision of 28 April 2021. Consequently, the Auditor, engaged for the nine-year period 2021–2030, performed the additional activities introduced by the new regulations, with reference to the reporting period as of 31.12.2024.

On 17 December 2024, in light of the urgent nature of the further required activities, the Board of Directors approved an adjustment of the fees payable to KPMG for 2024, following the favourable opinion issued by the Board of Statutory Auditors on 10 December 2024. The adjustment covered 650 additional hours, corresponding to €72,000 in additional fees (one-off charge) for CSRD Accompanying activities and number 1,180 additional hours, corresponding to €126,000 per year for the Group's sustainability reporting for the reporting period ending 31 December 2024; statutory charges adjustment.

In view of the increased regulatory requirements for the new audit procedures related to sustainability reporting assurance, on 25 February 2025, KPMG S.p.A. submitted a proposal, for each reporting period from 31 December 2025 to 31 December 2030, to adjust its fees for the additional statutory audit activities required by law. The proposal covered 1,180 additional hours per year, corresponding to €126,000 in additional annual fees, statutory charges and ISTAT adjustment.

On 26 February 2025, the Board of Statutory Auditors, based on the proposal of the 25 February 2025, finalised its Reasoned Proposal submitted to the shareholders, who were called to vote on the request for fee adjustment for each reporting period from 31 December 2025 to 31 December 2030, in accordance with applicable regulations (Article 13, p. 2-ter of Legislative Decree No. 39 of 27 January 2010).

After reviewing the proposal from KPMG S.p.A. and verifying that the new audit activities were legally required, the Board of Statutory Auditors, in consultation with the relevant corporate functions, assessed the reasonableness of the proposed number of hours required for the additional activities and confirmed the fairness and appropriateness of the requested fees.

8. Supervisory activity on the adequacy of the administrative-accounting system and its reliability in correctly representing management events

At the introduction, it should be noted that, by decision of 11 June 2024, the Board of Directors appointed a new Financial Reporting Officer, in accordance with Article 154-bis of the Consolidated Law on Finance (TUF) and Article 28 of the Articles of Association. The Board postponed the effective date of the appointment to its subsequent meeting on 17 September 2024, in order to allow the Supervisory Authority to complete its assessment of the suitability requirements necessary for the role.

On 6 August 2024, the European Central Bank informed FinecoBank of its decision regarding the positive assessment of the new Financial Reporting Officer, confirming compliance with the prescribed competence, integrity, and honourability requirements for the role.

On 17 September 2024, the Board of Directors formally resolved that the appointment of the new Financial Reporting Officer would take effect from 18 September 2024.

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The Board of Statutory Auditors supervised compliance with the regulations governing the structured administrative and accounting process, by virtue of which the Financial Reporting Officer in charge of drawing up company accounts and the Chief Executive Officer and General Manager issue the certifications required by Art. 154-bis of the TUF.

The Board of Statutory Auditors, in its capacity as Internal Control and Audit Committee, also monitored the financial reporting process, without encountering any problems or critical concerns.

The administrative and accounting procedures governing the preparation of the Company's Financial Statements, the Consolidated Financial Statements, and all other financial disclosures were established under the responsibility of the Financial Reporting Officer. Together with the Chief Executive Officer and General Manager, the Financial Reporting Officer attested to the adequacy and effective application of these controls in the periodic reporting and in the "Report on the system of internal controls on financial reporting," in compliance with Law No. 262/2005 and Article 154-bis of the Consolidated Law on Financial Intermediation. The Board of Directors was informed of these assessments on 30 July 2024 (covering the economic and financial position as at 30 June 2024) and on 5 February 2025 (covering the economic and financial position as at 31 December 2024). The Financial Reporting Officer confirmed the adequacy and effective implementation of the administrative and accounting procedures for the preparation of both the Consolidated Financial Statements and the Company's Financial Statements during the period ending at 31 December 2024.

During the meetings with the Board of Statutory Auditors, the Financial Reporting Officer of the Parent Company did not report any shortcomings in the operating and control processes that could invalidate the aforementioned judgment of adequacy and effective application of the administrative and accounting procedures for the purpose of correct economic, equity and financial representation of the management facts in compliance with the adopted accounting standards.

On a regular basis, the Financial Reporting Officer submits to the Board of Directors an update of the situation of the activities carried out and the progress of the activities aimed at improving the Internal Controls System relating to Financial Reporting.

During the periodic meetings aimed at the exchange of information, the External Auditor did not report significant critical aspects of the internal controls system regarding the financial reporting process. In the report on the financial statements, External Auditor did not report significant critical aspects of the internal controls system regarding the financial reporting process.

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The financial statements at 31/12/2024 include the Consolidated Financial Statements of the FinecoBank Group (hereinafter, the "Group") and the Company's Financial Statements of FinecoBank S.p.A., both prepared in accordance with Legislative Decree No. 38 of 28 February 2005, applying the International Financial Reporting Standards issued by the International Accounting Standards Board (IASB), including the related SIC and IFRIC interpretative documents, as endorsed by the European Commission pursuant to Regulation (EU) No. 1606/2002 of 19 July 2002, and applicable to financial statements for reporting periods beginning on 1 January 2024.

From the reporting period ended 31 December 2024, the financial statements also include, in a dedicated section of the Consolidated Report on operations, the Consolidated Sustainability Reporting, prepared in accordance with the reporting standards applicable under Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013, and the Legislative Decree implementing Article 13 of Law No. 15 of 21 February 2024, as well as the specifications adopted under Article 8(4) of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 (Corporate Sustainability Reporting Directive – CSRD).

The Financial Statements also form an integral part of the Annual Financial Report pursuant to paragraph 1 of Article 154-ter of the Consolidated Finance Act (TUF, Legislative Decree No. 58 of 24/2/1998).

The financial statement schedules and the Notes to the Financial Statements used by the Bank in preparing both the Consolidated Financial Statements and the Company's Financial Statements for the reporting period ended 31 December 2024 comply with the provisions of Circular No. 262 of 22 December 2005, issued by the Bank of Italy, in accordance with the powers established under Article 43 of Legislative Decree No. 13 of 18 August 2015, concerning the financial statements of banks and parent companies of banking groups.

To support the discussion of financial results, the Consolidated Directors' Report presents and explains reclassified income statement and statement of financial position schedules, with a reconciliation to the Consolidated Financial Statement schedules provided in the Annexes, in line with Consob Communication No. 6064293 of 28 July 2006. Additionally, Alternative Performance Measures (APMs) are used, with a description of their content and, where applicable, the calculation methods detailed in the Glossary, in accordance with the guidelines issued on 5 October 2015 by the European Securities and Markets Authority (ESMA/2015/1415).

The Consolidated Annual Financial Statements include:

- the Certification of the consolidated financial statements pursuant to Article 81-ter of Consob Regulation No. 11971 of 14 May 1999 as amended and supplemented;
- the Certification of the sustainability report pursuant to Article 81-ter, paragraph 1 of Consob Regulation No. 11971 of 14 May 1999 as amended and supplemented issued by the Financial Reporting Officer and the Chief Executive Officer and General Manager.

The Company's Annual Financial Statements include:

- the Company's Financial Statement Schedules, consisting of the Statement of Financial Position, Income Statement, Statement of Comprehensive Income, Statement of Changes in Shareholders' Equity and Statement of Cash Flows, shown in comparison with the corresponding schedules for the reporting period 2023;
- the Notes to the financial statements;

and include the Certification of the Financial Statements, pursuant to Article 81-ter of Consob Regulation No. 11971 of 14 May 1999, as subsequently amended issued by the Financial Reporting Officer and the Chief Executive Officer and General Manager.

On 11 March 2025, the Board of Directors of FinecoBank approved the taxonomy to be used for the mark-up of the financial statement schedules and Notes to the Consolidated Financial Statements for 2024, which forms an integral part of FinecoBank's Annual Financial Report. It also approved the XHTML version of the financial statements, included in the ESEF package, which will be published in XHTML format on FinecoBank's website, in compliance with the European Single Electronic Format (ESEF) mandated by the European Securities and Markets Authority (ESMA), in fulfilment of the disclosure obligations set out in Directive 2004/109/EC (Transparency Directive).

The Financial Statements documents in PDF format, made available by FinecoBank as a courtesy copy, do not constitute compliance with the obligations arising from the "Transparency Directive" and the Delegated Regulation (EU) 2019/815 (the ESEF - European Single Electronic Format - Regulation) for which a special XHTML format has been developed.

Based on the evidence found and the information provided by the Financial Reporting Officer, as well as the observations of the Auditing Company, the Board of Statutory Auditors has reason to believe that the administrative and accounting system of the Bank is reliable and adequate to ensure a complete, timely and reliable representation of management events, in compliance with the adopted accounting standards.

9. Sustainability Reporting under Directive (EU) 2022/2464 – *Corporate Sustainability Reporting Directive* (CSRD) and Legislative Decree No. 125/2024

The Consolidated Sustainability Reporting (hereinafter also the "Sustainability Report" or "Report") of the FinecoBank Group has been prepared in accordance with Legislative Decree No. 125/2024, which transposed into Italian law Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022. This Directive amended Regulation (EU) No. 537/2014, Directive 2004/109/EC, Directive 2006/43/EC, and Directive 2013/34/EU, with regard to corporate sustainability reporting (hereinafter, the "CSRD").

The European Sustainability Reporting Standards or ESRS were adopted by the European Commission pursuant to Article 29b of Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 ("Sustainability Reporting Standards"), supplemented by Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023, adopted by the European Commission pursuant to Article 29b by Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 ("Sustainability Reporting Principles").

As part of its legally assigned responsibilities, the corporate supervisory body:

- Monitors compliance with the provisions of the Decree;
- Reports on this matter in its annual report to the Shareholders' Meeting.

The FinecoBank Group's Consolidated Sustainability Reporting covers the period from 1 January 2024 to 31 December 2024 and aims to provide the necessary information to understand the Group's impact on sustainability issues, as well as the information required to understand how sustainability issues affect the Group's performance and results.

The Sustainability Report is prepared on a consolidated basis, using the same scope of consolidation as that applied for the preparation of the Consolidated Financial Statements at 31 December 2024, and therefore includes:

- the Parent Company, FinecoBank S.p.A.,
- and the subsidiary Fineco Asset Management DAC, a fully consolidated entity based in Ireland.

With regard to Vorvel SIM S.p.A., the only associate accounted for using the equity method, the Bank conducted an analysis that excluded the existence of operational control by the Group. As a result, Vorvel SIM S.p.A. has been included within the Value Chain rather than the scope of consolidation.

The Sustainability Report has been prepared in compliance with the CSRD requirements and represents a significant enhancement compared to the previous Consolidated Non-Financial Statement, the last publication of which referred to the reporting period 2023.

The SREP 2024 process, relating to data as of 31 December 2023, concluded successfully on 3 December 2024 with the communication of the additional supervisory requirements by the European Central Bank, without highlighting significant changes in the scope of sustainability risks identified in the Non-Financial Statement as of 31 December 2023.

The Chief Executive Officer and General Manager of FinecoBank S.p.A., together with the Financial Reporting Officer of FinecoBank S.p.A., certify, also in consideration of Article 154-bis, paragraph 5-ter of Legislative Decree No. 58 of 24 February 1998, that the Sustainability Report included in the Directors' Report has been prepared:

- in compliance with the sustainability reporting standards adopted under 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,
- and in accordance with the specifications set out in Article 8(4) of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

The Sustainability Reporting was submitted for examination and evaluation to the Corporate Governance and Environmental and Social Sustainability Committee and the Risks and Related Parties Committee on 28 February 2025 and 6 March 2025 and subsequently approved by the Board of Directors of FinecoBank S.p.A. on 11 March 2025.

The Sustainability Reporting was also subjected to a compliance assessment ("limited assurance engagement" according to the criteria indicated by the ISAE 3000 Revised principle) by KPMG S.p.A., which expressed its opinion with the "Report of the independent audit firm on the limited examination of the consolidated sustainability reporting pursuant to Article 14-bis of Legislative Decree 27 January 2010, No. 39" pursuant to articles 8 and 18, paragraph 1, of Legislative Decree 6 September 2024, no. 125, whose conclusions specify that:

"based on the work done, no elements have come to our attention that lead us to believe that:

- the consolidated sustainability reporting of the FinecoBank Group for the financial year ended 31 December 2024 has not been prepared, in all material respects, in accordance with the reporting principles adopted by the European Commission pursuant to Directive 2013/34/EU (European Sustainability Reporting Standards);
- the information contained in paragraph 2.1 "Disclosure pursuant to Article. 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)" of the consolidated sustainability reporting has not been prepared, in all material respects, in accordance with Article 8 of Regulation (EU) No. 852 of 18 June 2020".

The Board of Statutory Auditors, with particular reference to the aspects of the sustainability report, supervises the activity of certifying the conformity of the Sustainability Reporting, the independence of the auditing firm, the sustainability reporting process, as well as compliance with the provisions relating to Sustainability Reporting.

The Board of Statutory Auditors received periodic updates on the preparatory activities leading to the Sustainability Report's publication.

On the basis of the information acquired, the Board of Statutory Auditors notes that, during the examination relating to the Sustainability Report, no factors of non-compliance and/or breach of the relative regulatory provisions came to its attention.

10. Supervision of the adequacy of the internal control and risk management system and the adequacy of the control functions

FinecoBank, in its capacity as Parent Company, has provided the group with a coherent system of internal controls allowing for effective control of the strategic choices of the Group as a whole and the sound management of the individual Group entities.

The Bank has adopted an Internal Control System (ICS) model structured around the following types of controls.

First-level controls, also known as "line controls", relate to the execution of individual work activities and are carried out based on specific internal regulations and procedural guidelines.

The oversight of processes and their continuous updating is assigned to process owners, who are responsible for implementing controls to ensure the proper execution of daily activities by relevant personnel and compliance with delegated responsibilities.

Second-level controls are aimed at ensuring the proper implementation of the risk management process. Risk controls, which involve verifying compliance with limits assigned to various operational functions, are assigned to the Risk Management function; Controls over the Bank's compliance risks, including those related to self-regulation, fall under the Compliance function, while controls specifically related to anti-money laundering, counter-terrorism financing and anti-bribery regulations are assigned to the Anti-Money Laundering function (AML); these functions contribute to the development of the risk management policies and process.

Third-level controls, which are typical of internal audit, are based on data analysis, company reports, and on-site inspections. This type of control aims to identify any breaches of the procedures or of the regulations, as well as to periodically assess the completeness, suitability, functionality (in terms of efficiency and effectiveness) and reliability of the internal control and ICT Audit systems, at predetermined intervals to suit the nature and severity of the risks. These controls are assigned to the *Internal Audit* function.

Considering the functions and units involved, the Internal Controls System of FinecoBank is based on: - control functions and positions, which involve, each for their area of responsibility, the Board of Directors, the Risks and Related Parties Committee, the Chief Executive Officer and General Manager, the Board of Statutory Auditors, as well as the corporate functions with specific internal control duties; - procedures for entities involved in the internal control and risk management system to work together.

The Bank set up permanent and independent corporate control functions for: i) compliance with regulations; ii) risk management; iii) internal audit. A similar control system was defined for the subsidiary Fineco Asset Management DAC.

The 2nd and 3rd level control functions of the Parent Company annually submit a report to the corporate bodies that describes the checks carried out, the results, any weaknesses identified with reference not only to the Parent Company itself, but also to the banking group as a whole and recommend the actions to be taken to remove identified shortcomings.

At management level, the Bank has also established the Control Functions Coordination Committee (hereinafter also referred to as the 'CFC Committee') and the Internal Control Business Committee (ICBC). The CFC Committee is responsible for ensuring integration and coordination among the Control Functions in order to coordinate the risk mitigation measures identified by the functions and improve the Company's Internal Controls System. For the purpose of mitigating the related risks, the ICBC represents an interface between Business and Control Functions on issues related to internal controls, to ensure prompt and effective guidance on critical issues or actions on potential areas of weakness, also through the verification of management action plans for implementation and/or remediation prepared by the competent functions, to mitigate related risks.

The Board of Statutory Auditors acquired information, held meetings with the corporate functions and supervised the functioning and adequacy of the internal controls system.

For each of the control functions, the Board of Statutory Auditors briefly illustrates what has emerged from the control, on an ongoing basis, during the year.

Internal Audit

The Quarterly Reports and the Annual Report for 2024 were prepared by the Internal Audit function with the aim of providing information on the activities carried out, describing the audits performed, the findings identified, any weaknesses detected and the corrective actions planned for their resolution, as well as offering an overall evaluation of the Internal Control System. These reports were duly submitted to the Risks and Related Parties Committee, the Board of Statutory Auditors, and the Board of Directors, where they were discussed.

The Report as at 31/12/2024, submitted to the Board of Directors on 11 March 2025, provides an overview of the Bank's internal controls system, focusing - in detail - on the findings of significant risks and on the corrective actions planned by management and process owners.

The Report also provides information on the structure and staff of the Internal Audit function; furthermore, considering the role of the Parent Company's Internal Audit function, the Report includes a summary of the results of the activities carried out by the Internal Audit function of the subsidiary Fineco *Asset Management* DAC.

The overall rating of the Internal Control System of FinecoBank S.p.A. was confirmed as mostly satisfactory.

The Internal Audit Department also reported that the second-level controls performed by the Risk Management and Compliance functions in relation to the processes audited during 2024 were, overall, adequate.

The 2024 Annual Audit Plan, approved by the Board of Directors at its meeting on 16 January 2024, was developed on the basis of the annual Risk Assessment update, the analysis of emerging risks, the Group's internal guidelines, applicable regulatory requirements, and the need to follow up on past audits rated as unsatisfactory. The plan provided for 20 process audits, 450 audits of the network of Personal Financial Advisors (PFAs), and the preparation of three mandatory annual reports.

On 5 November 2024, the Board of Directors approved a revision to the 2024 Audit Plan, postponing two audits (one of them in its entirety), in response to a request from the Global Banking Services Department.

Over the course of the year, all audits included in the updated plan were completed. In addition to the 19 scheduled process audits, two audits related to the 2023 plan (one of which was specifically requested by the Board of Statutory Auditors) and two unscheduled audits were also completed. No critical findings were reported.

In the conduct of its activity, Board of Statutory Auditors monitored compliance with the Audit Plan - in relation to both the central structures and processes of the network of Personal Financial Advisors - verifying the timing of effective implementation.

In 2024, the gradual expansion of staffing levels continued in pursuit of the target sizing of 31 employees, approved by the Board of Directors at the end of 2022. Originally planned to be achieved by 31 December 2025, the target was brought forward following a request from the Corporate Bodies.

As at 31 December 2024, the Internal Audit Department had a total of 29, up from 23 as at 31 December 2023, thanks to the recruitment of six new staff members during the year. These are distributed across four structures:

- Governance and Business Processes Audit
- ICT, Security and Support Processes Audit Unit
- Network Audit Unit
- Quality and Remote Control *Team*

in addition to the Head and one direct report responsible for methodology oversight, updates, and reporting.

The Board of Statutory Auditors examined the Audit Reports published by Internal Audit in 2024 using the information contained therein and also asking for supplementary information, promptly provided by the function, that was deemed necessary to carry out its activity and monitor the implementation of the relevant recommendations and corrective actions. Special attention was also paid, in respect of the Head of the organisational areas concerned, that the deadlines for carrying out the planned remedial actions be complied with.

Risk Management

During 2024, the Board of Statutory Auditors periodically met with the Chief Risk Officer (CRO) in order to guarantee an ongoing control on the effectiveness, completeness, functionality and reliability of the risk management and internal control system and the Risk Appetite Framework, and more generally on the execution of the Plan of the activities 2024 submitted to the Board of Directors for appropriate information on 16 January 2024.

At the meeting of 5 March 2025, the CRO function anticipated the contents of the Annual Report on the Group's risk exposures as at 31 December 2024, which is currently being finalised, to the Board of Statutory Auditors, focusing on the general trend of risks in 2024 and on the activities carried out by the function during 2024, of which those of an extraordinary nature are recalled.

For the whole year, the activities conducted by the Control Function have been strongly shaped by priorities indicated by the supervisory authorities (IRRBB/CSRBB, operational, ICT and security risk), the implementation and preparation of regulatory stress tests (ordinary or extraordinary, that is to say the thematic one, called "One-off Fit for 55 climate risk scenario analysis" stress test and the extraordinary one dedicate to the resilience (Cyber resilience stress test), forthcoming regulatory developments, and areas for improvement identified by the ECB through the SREP and Asset Quality Review.

The CRO Department intervened with reference excess capital, emerged during meetings with the ECB's Joint Supervisory Team developing an excess capital analysis based on shared assumptions (continuous compliance with an adequate and prudent Leverage Ratio value and maintaining the Bank's business model) presented to the Board of Directors in June 2025 and whose methodologies were used in the 2025 RAF setting.

In connection with the 2023 SREP planning, the CRO focused on the issue of Unrealized Losses. More precisely, taking into account the decreased propensity for risk on Unrealized Losses, the objective to reduce the associated risks was included in the 2024 RAF Statement and in indicators in the RAF 2024 Quantitative Dashboard and, at the same time, specific stress tests were also carried out using scenarios of interest rate increases.

In relation to credit risk, the CRO Division updated its expected loss modelling. The continuation of the activity to develop a debtor-level scoring model for staging allocation is planned for 2025.

As regards ICT and security risk, the CRO Department is involved in the implementation of the legislation brought by the Digital Operational Resilience Act (DORA); to this end, the Global Policy on Service Provider Risk Management has been published and the preparation of the Global Policy "Digital Operational Resilience Framework," is underway, in conjunction with the other structures of the Bank.

In relation to funding and liquidity risk, the CRO Department contributed to the Joint Liquidity Exercise and to the preparation of the accompanying documentation for the related granular liquidity data reporting exercise.

With regard to interest rate risk in the banking book and credit spread risk in the banking book, the CRO Department developed new methodologies in 2024 to incorporate recent regulatory updates and upgraded the Bank's Asset & Liability Management system (ERMAS) keeping the corporate bodies constantly updated.

In the end, with reference to the new requirements introduced by the Corporate Sustainability Reporting Directive (CSRD) the CRO Department conducted a double materiality assessment (impact/opportunity) within its risk remit, integrating ESG risks into the Group Risk Map, in line with the CSRD project framework.

As regards the activity of the Internal Validation function, in addition to the ordinary activities (reviewing the Business Risk Model and the On-Demand Deposit Model), among the extraordinary ones, it has to be highlighted the validation of the internal transfer pricing model and the internal management models used by the Chief Financial Officer (Model Risk Management and interest rate derivative pricing models); this in line with the commitment of developing and maintaining independent risk measurement and control systems and to providing full disclosure to the corporate bodies, and more generally to the Top Management.

For the year 2024, the general framework of the stress tests as well as the schedule for conducting them was developed following on from the framework adopted in the previous year, including the feedback received from ECB within the SREP process and additional analyses in the ESG area.

Finally, during 2024, particular attention was dedicated to strengthening Risk Governance by intervening in the various areas involved (escalation processes, treasury committee regulation, RAF threshold declination, dissemination of risk culture).

At 31 December 2024, the CRO Department was composed of 22 staff members (excluding the CRO).

Compliance

The Compliance Function monitors the risk of non-compliance with regulations and provides the necessary support to the Bank and the Group Entities, Corporate Bodies and staff, according to a risk-based approach, with regard to all corporate activities, and contributing, together with the other Corporate Control Functions, to the completeness, adequacy, functionality and reliability of the internal controls system, providing proactive advice or on request, and verifying that internal procedures are adequate to prevent such risk through risk measurement.

With regard to the regulatory areas covered by the *Compliance* Department, it exercises:

- direct oversight of all major key regulatory areas: the provision of banking and financial services; banking transparency and consumer credit; consumer protection; credit intermediation; usury; payment services; privacy protection; corporate liability for offences committed in the interest of the company; antitrust and unfair commercial practices; the provision of investment services and activities; management of Group conflicts of interest; financial markets regulation; centralised management of financial instruments; market abuse; the promotion and distribution of insurance products; qualifying holdings; risk activities involving related parties; equity investments permitted for banks and banking groups; and incentive schemes (for employees and the PFA Network);
- indirect oversight of regulatory areas for which forms of control are already provided for by specialised structures within the Bank.

In terms of compliance oversight on Legal Entities, the Department plays the role of single point of contact towards the Group's subsidiary entities through the new technical structure of the same name on the Compliance Department's staff, guaranteeing an overall and coherent management of the internal regulations applicable to the entire Group for the direct oversight scope, ensuring the constant alignment of the structures within the Department.

In order to better represent from an organisational point of view the autonomy and independence of the Anti-Money Laundering Function, the Board of Directors approved (on 14 December 2023, effective 1 April 2024):

- the transfer of the Anti-Money Laundering and Anti-Bribery Unit reporting directly to the Chief Executive Officer and General Manager, and its renaming as the Anti-Money Laundering and Anti-Bribery Department;
- the establishment of the new Compliance Oversight technical structure with staff of the Compliance Department, to which the activities of supporting the Compliance Officer in coordinating the oversight activities of the Compliance function at the Group's Legal Entities have been assigned.

In line with the applicable regulatory framework, the Compliance Division prepared the "2024 Report on Compliance Function Activities at FinecoBank" (the "Report"), which was submitted to the Board of Directors to provide information on the verification and assessment activities carried out by the Compliance Function in 2024 and to outline the activities planned for 2025 set out in the 2025 Compliance Plan, approved by the Board on 21 January 2025.

The assessment of non-compliance risks, a key output of Compliance's activities, is presented by regulatory area and distinguishes between those under direct oversight and those managed through the indirect model (i.e., by means of Specialist Controls).

Report states that no regulatory area was assigned a "Critical" risk level during 2024.

As regards the corporate administrative liability regulatory area under Legislative Decree 231/01, compliance risk is continuously monitored, including through prior assessment of the impacts of changes in external and/or internal regulation (i.e., processes and circulars). Furthermore, as of 2024, the *Compliance* Department has defined a qualitative and quantitative methodological *framework* for assessing the exposure to the risk of incurring corporate administrative liability pursuant to Legislative Decree 231/01. Based on this framework, all fifteen "231/01 Decision Protocols" were found to carry low residual risk.

For areas under indirect oversight, the overall risk level remained stable throughout 2024, not exceeding the "Medium" rating as stated in the Report.

Points of attention stated in the Report primarily concern corrective actions still in progress, intended to address deficiencies identified through advisory and control activities which still need to be completed at the end of 2024 with evidence of the relative severity level.

During the year, the Board of Statutory Auditors examined on a quarterly basis the Compliance Activities Report, as well as the Annual Report of FinecoBank's Compliance Function with reference to activities in 2024 and planning for 2025.

During 2024, the Board of Statutory Auditors held periodic meetings with the Head of the Bank's Compliance function, to assess the planning of controls based on the risks identified and the results of the second-level controls carried out, as well as the implementation of the corrective actions under way.

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It should be recalled that, since July 2017, the Bank has been admitted to the so-called collaborative compliance scheme, provided for by Italian Legislative Decree No. 128 of 5 August 2015 (Articles 3 to 7), under which having an adequate tax risk management and control system in place is one of the essential requirements, not only for admission, but also for remaining in the aforementioned scheme.

* * *

In 2024, the Group initiated a project to update its ICT and Security Risk Management Framework, following the publication of the final version of the Digital Operational Resilience Act (DORA), applicable from 17 January 2025. In this context, the Group adopted the Global Policy "Framework for Managing and Controlling Risks Arising from Third-Party Providers", designed to ensure that risks from both third-party and intragroup service providers are consistently identified, mitigated, managed, and monitored across all financial entities within the Group. The policy applies to all contractual agreements with service providers - whether suppliers or outsourcers - with a particular focus on ICT services, especially those supporting critical or important functions.

Data Protection Officer

From 1st January 2022, FinecoBank established within the Compliance function the "DPO, Outsourcing, ICT & Security Compliance" Unit (hereinafter, the "Unit"), to underscore the importance the Bank places on privacy regulations and ICT risk management, by assigning dedicated resources to oversee these areas. In 2024, the Unit's remit was expanded to include Artificial Intelligence (AI), in recognition of its close connection to data protection matters.

The Unit therefore worked during the year to strengthen the analysis methodologies and processes already implemented in past years, spreading the culture of protecting the Bank's personal data as practically and effectively as possible.

The Data Protection Officer (DPO) of FinecoBank prepared the "2024 Annual Report of the Data Protection Officer of FinecoBank S.p.A." (the "Report"), which was presented to the Board of Directors on 11 March 2025, following its review by the Risks and Related Parties Committee on 7 March 2025 and presented to the Board of Statutory Auditors on 10 March 2025. The report outlines, by area, the topics addressed by the DPO during the year, including support and advisory services provided to the Bank's departments. Specifically, the activities covered: updates to internal regulations; exercise of the rights of data subjects; requests of the competent authority; updates to data privacy notices for different categories of data subjects; management of personal data breaches; complaints handled; privacy-related advisory requests; reviews of agreements and supplier contracts; involvement in the internal regulatory sharing process; evaluations of projects/products relating to banking and investment services; assessments concerning data processing impacts, legitimate interest, and international data transfers outside the EU/EEA.

During 2024, the DPO carried out these tasks reporting directly to FinecoBank's Compliance Officer and in full autonomy interacts, where necessary, with the Data Controller's Delegate for processing. In order to fulfil the above, the DPO has been allocated resources in terms of people and applications to support it.

During 2024, as stated in the Report, second-level controls were carried out during the year in accordance with the established catalogue. Overall, the checks carried out did not reveal any particular anomalies.

In 2025, a Data Protection Risk Assessment will be conducted, and the control catalogue will be updated accordingly.

To raise awareness among FinecoBank personnel, the Bank launched a mandatory online training course in 2024 titled "Consent for Personal Data Processing," aimed at reinforcing the importance of identifying the correct legal basis for processing personal data in the context of project and product design (by default), and ensuring ongoing compliance with any consent given by data subjects.

As of the date of this report, the course completion rate stands at 99.19% for employees and 97.75% for personal financial advisors.

* *

Anti-Money Laundering and Anti-Bribery

To ensure the independence of the Anti-Money Laundering and Anti-Bribery Department (AML), the function reports directly to the Chief Executive Officer and General Manager.

The *Department* is structured as follows:

- Governance and Controls for Anti-Money Laundering and Anti-Bribery;
- Anti-Money Laundering and Anti-Bribery Service;
- Reporting of Suspicious Transactions.

The organisational change took effect on 1 April 2024.

At 31 December 2024, the total number of staff in the AML and Anti-Bribery Function remained steady at 20.

In December, a right-sizing exercise of the Anti-Money Laundering and Anti-Bribery Department was completed. Due to evolving needs in data governance and the increasing need for oversight of the datasets used in second-level controls, a decision was made to reinforce the structure.

The Annual Report at 31 December 2024, including the self-assessment, is currently being prepared, while the information report for the fourth quarter of 2024 was submitted to the Board of Directors on 11 March 2025 and stated that all second-level controls scheduled for Q4 had been completed. A disclosure was made regarding the latest action, still in progress, of the Remedial Plan approved by the Board of Directors following the Bank of Italy's 2023 inspection is nearly complete, having strengthened both first- and second-level controls and the overall function.

The implementation of the Remedial Plan has been subject to regular reviews by the Internal Audit function, which has kept the Bank of Italy informed of progress.

The quarterly information reports on the company's anti-money laundering and terrorism controls, submitted to the Board of Directors, after having been examined by the Risk and Related Parties Committee, describe the trend in the management of money laundering and terrorist financing risks; they also certify that all second level controls planned in each half-year period have been carried out.

The Anti-Money Laundering and Anti-Bribery Plan 2025, prepared by the Anti-Money Laundering and Anti-Bribery Function, contains the annual plan of activities for the year 2025. This plan was presented to the Board of Directors, which approved it on 5 February 2025.

Complaints

The Board of Statutory Auditors has acknowledged the "Report of the Complaints and Litigation Unit on the overall FinecoBank S.p.A.'s Complaints and Litigation situation for the period 1 January - 31 December 2024" prepared by the Complaints and Litigation Unit in accordance with the *Global Policy* "Complaints Management" and the Processes "*Complaints* Management" and "*Management and assessment of lawsuits brought by and against the bank"* in force.

The Report describes the activity carried out in 2024 and provides, in aggregate form, information on complaints and litigation and associated quantitative analyses.

This information - also following a specific communication from the Unit - is continuously analysed by the relevant functions to identify any recurrent issues and take the necessary remedial actions.

The assessments of the main critical issues identified and the adequacy of the procedures and organisational solutions identified are carried out by the *Compliance* function.

In 2024, Fineco received 2,736 complaints, a decrease of 17.79% compared to the 3,328 complaints received in 2023. This reduction is primarily attributable to the significantly lower number of complaints related to the transfer of tax credits.

The average handling times for complaints remained within the limits set by regulations.

The total disbursements in euro decreased compared to 2023 and mainly concerned the implementation of decisions issued by the "Arbitro per le Controversie Finanziarie" (ACF) that were unfavourable to the Bank, as well as the settlement of certain disputes through amicable agreements with customers, most notably in relation to investment services.

On the basis of the analysis and controls carried out by the Board of Statutory Auditors, the complaints received did not reveal significant shortcomings in the internal procedures and organisation of the Company. The focus remains on the workload for adequate update of the right sizing.

Whistleblowing

In compliance with the Supervisory Provisions of the Bank of Italy (Circular No. 285/2013 and subsequent updates) and with Law No. 179/2017, which introduces new provisions to protect those who report crimes or irregularities of which they have become aware in the context of a public or private employment relationship, the FinecoBank S.p.A. Group has defined, and governs with internal regulations (Global Compliance Policy - Whistleblowing), finally approved by the Board of Directors on 17 December 2024, a process aimed at allowing Personnel and Third Parties to report acts or facts that may constitute a breach of the rules governing banking activities, making reporting channels available and undertaking to maintain the confidentiality of the personal data of the Whistleblower and the Reported party.

The "2024 Report on the internal system for reporting breaches (so-called Whistleblowing)" was approved by the Board of Directors on 11 March 2025, after examination by the Risks and Related Parties Committee, and submittal to the Board of Statutory Auditors.

On 29 November 2024, an Audit Report on the whistleblowing process was issued, with an overall assessment of "Mostly Satisfactory", following a review of the Bank's implementation of whistleblowing regulations and the practical application of its internal reporting procedures for suspected misconduct by employees or third parties.

Furthermore, starting from 1 March 2025, the Bank has made available a new digital platform for whistleblowing reports, simultaneously deactivating the email reporting channel, in line with the latest ANAC (Italian National Anti-Corruption Authority) draft guidelines currently under consultation.

In 2024, a total of five reports were received via the internal whistleblowing channels, including linked or duplicate reports. Of these, three were managed by the Compliance Officer in their role as Whistleblowing System Manager, and two were handled by the Internal Audit function.

All reports received were processed within the required timeframe, and the outcomes were duly communicated to the whistleblowers.

Supervisory Board

FinecoBank avails itself of a body specifically set up to carry out the functions of the Supervisory Board pursuant to Legislative Decree No. 231/2001. The current Supervisory Board (SB or Board), which consists of three members, two external and one internal to the Bank, i.e. the Head of Internal Audit, will remain in office until the approval of the Financial Statements at 31/12/2025.

In 2024, the Board of Statutory Auditors met with the Supervisory Board for a mutual exchange of views on the activities carried out by both bodies.

The Board of Statutory Auditors also examined the "Information Report on the activity performed by the Supervisory Board (SB) pursuant to Italian Legislative Decree no. 231 of 08 June 2001, as at 31 December 2024," which details activities in 2024. The Report was submitted to the Board of Directors on 11 March 2025.

The Report highlights, in particular, that the Supervisory Board, vested with autonomous powers of initiative and control, monitored the functioning and compliance of the Organisational, Management and Control Model with respect to the prevention of the offences set out in Legislative Decree No. 231 of 2001, and was responsible for updating the model accordingly. The SB also considered it appropriate to intensify dialogue with supervisory authorities over the course of the year.

No breaches of the relevant legislation were found as a result of the activities carried out by the SB.

* * *

The Board of Directors, called upon to assess, after consulting the Risks and Related Parties Committee, the adequacy, functionality and effectiveness of the company's internal controls system, at its meeting on 11 March 2025, examined, among other things, the integrated Dashboard of the control functions year 2023, also forwarded to the Risks and Related Parties Committee and to the Board of Statutory Auditors, document which highlights the main shortcomings detected by the Control Functions (Internal Audit, Risk Management, Compliance, Anti-Money Laundering and Anti-Terrorism, Data Protection Officer and Financial Reporting Officer pursuant to Law No. 262/2005) with an indication of the risks, impacts, recommendations and corrective measures; the document includes the contribution of the Chief Executive Officer and General Manager, in his capacity as the Body with Management Function, called upon to identify any further initiatives and actions necessary to ensure the ongoing completeness, adequacy, functionality and reliability of the internal controls system, as well as a brief section on the shortcomings identified by the similar control functions of the subsidiary Fineco Asset Management DAC.

The document was prepared in implementation of the provisions of Global Policy "2023 Group ICS Evaluation, "as well as the Regulation of the Control Functions Coordination Committee.

The Dashboard is therefore one of the elements supporting the activity of assessing the adequacy and effectiveness of the Internal Controls System, together with the other contributions brought to the attention of the Body with Strategic Supervision Function by the various players in the Internal Control System.

* * *

Based on the documentation reviewed, the information received, and the checks carried out in the course of its supervisory activities, the Board of Statutory Auditors, while noting the existence of certain corrective and enhancement measures currently underway, including the strengthening of staffing to ensure adequate risk oversight, considers the Internal Control System as a whole to be adequate.

11. Oversight of the adequacy of the Organisational Structure

The Board of Statutory Auditors continuously monitors the adequacy of the organisational structure and its proper functioning by holding regular meetings with top management and the heads of the various areas and functions; Such monitoring activity did not discover any significant organisational deficiencies.

During the reporting period 2024, several organisational changes were introduced, as noted throughout this report in reference to specific functions. The following is a summary of the further changes to the corporate organisation and function charts for 2024, along with an overview of the Parent Company's overall organisational model.

On 14 December 2023, the Board of Directors resolved to:

- establish, effective 1 January 2024, a new structure within the Global Business Department, focused on monitoring emerging fintech and brokerage technology trends;
- transfer the Anti-Money Laundering and Anti-Bribery Function to report directly to the Chief Executive Officer and General Manager, effective 1 April 2024.

In the second half of 2024, the Board of Directors further resolved to:

- in July 2024, with effect from 1 September 2024, enhance the *Data Governance* model, assigning new responsibilities including those relating to *Risk Data Aggregation & Risk Reporting*; establish a credit risk monitoring unit within the *Chief Lending Officer* Department; and reorganise certain structures within marketing and corporate/retail event management in the Global Business Department to improve efficiency;
- in September 2024, update the functional structure following the appointment of a new Financial Reporting Officer, and establish a new Artificial Intelligence unit within the ICT & Security Office (CIO);
- in December 2024, revise the structure of the Regulatory Affairs & Resolution Unit to strengthen engagement with supervisory authorities and improve the quality of reporting to corporate bodies; these changes will take effect on 1 January 2025.

The current organisational model of the Parent Company is based on a functional structure, whereby activities are grouped by function and common processes, in order to promote economies of scale.

In the Parent Company's organisational model, despite the emphasis on functional specialisation, horizontal integration across departments is ensured, thanks in part to a project-based approach applied in all phases of product and service development: Project teams include representatives from all relevant functions, each contributing their subject matter expertise. Horizontal coordination is further supported by dedicated managerial committees, which monitor the progress of strategic initiatives. Synergies between distribution channels and oversight of transversal decision-making processes across departments are ensured through the activities of the Management Committee.

The Bank's model clearly identifies the following internal control functions: i) compliance; ii) risk management; iii) internal audit and iv) anti-money laundering Function[1]. It also includes other specialist roles, such as the Chief Financial Officer (CFO), who also serves as the Financial Reporting Officer, Legal function, Chief People Officer, Corporate Identity and the function that oversees the network personal financial advisors.

In addition, the model identifies three further functional lines, which govern:

- sales network (PFA Network & Private Banking Department);
- *business* (*Global Business Department*);
- operational functioning (*Global Banking Services Department*).

In addition to the three Deputy General Managers and their respective departments, the following organisational structures report directly to the Chief Executive Officer and General Manager: Chief Financial Officer (CFO) Department, Chief Lending Officer (CLO) Department, Chief Risk Officer

[1] The corporate control functions also include the validation function, as governed by the applicable regulatory provisions, and the ICT and Security Risk Control Function, as set out in Chapter 4, Section II, paragraph 4 of Bank of Italy Circular No. 285/2013.

(CRO) Department, Network Controls, Monitoring & Services Department, Legal & Corporate Affairs Department, Chief People Officer Department, Compliance Department, Anti-Money Laundering and Anti-Bribery Department, Regulatory Affairs & Resolution Unit, and Identity & Communications Team.

The Internal Audit Function reports directly to the Board of Directors, the body responsible for Strategic Supervision.

* * *

On the basis of the documentation examined and the information received in carrying out the supervisory activities, in the presence of an organisation chart and the related company regulations that detail the roles and responsibilities of the continuously evolving organisational structures and the definition, application and monitoring of precise company regulations aimed at carrying out the activities of each function of FinecoBank, as well as the implementations already put in place or ongoing, the Board of Statutory Auditors assessed the overall organisational structure of the Bank as adequate.

12. Supervisory activity on the adequacy of the instructions given to subsidiaries

FinecoBank, registered as the "Parent Company" of the "FinecoBank Banking Group" in the Register of banking groups (together with the subsidiary Fineco *Asset Management* DAC) exercises management and coordination activities over the Group in accordance with current legislation.

With regard to the subsidiary Fineco Asset Management DAC, from the analysis of the information requested by the Board of Statutory Auditors from the CEO pursuant to Art. 151, paragraph 2, of the TUF and the audit results, no critical issues emerged.

13. *Business Continuity* and *Crisis Management*

In accordance with the applicable regulatory framework on operational continuity -including the Supervisory Provisions of the Bank of Italy (Circular No. 285 of 17 December 2013 and subsequent updates) - the Bank has implemented a Business Continuity and Crisis Management framework, which includes: (i) the Emergency and Crisis Management Plan (ECM Plan), (ii) the Business Continuity Plan (BC Plan or BCP) - of which the Disaster Recovery Plan (DRP, which establishes measures for the recovery of applications and information systems affected by a 'disaster') and the Cyber Attack Plan (which sets out strategies for the management of large-scale cyber-attacks) are an integral part (iii) the Pandemic Management Plan (which incorporates the experience gained during the health emergency caused by the COVID-19 pandemic).

The updated version of Fineco's Emergency and Crisis Management Plan (ECMP or ECM Plan) and the related ECM Global Policy, approved by the Board of Directors on 17 December 2024, reflects the new provisions introduced by the Digital Operational Resilience Act (DORA) – Regulation (EU) 2022/2554 and its implementing Delegated Regulations (RTS2), which enter into force on 17 January 2025. These provisions establish the criteria and materiality thresholds for identifying major operational or security incidents that must be reported to the competent authority.

In line with the Group's governance guidelines and the evolution of the business, the Irish subsidiary Fineco Asset Management DAC has its own ECM, BC and DR plans; measures include remote working as a contingency solution in their business continuity plan.

The Board of Statutory Auditors acknowledges the continuous supervision, in line with the current Provisions referred to in the Circular of the Bank of Italy No. 285 and with internal regulations, Business Continuity and Crisis Management framework and the successful execution of the Business Continuity and Disaster Recovery tests planned annually.

14. Remuneration policies

The Group is committed to fostering the well-being and satisfaction of its employees, including through specific welfare and wellbeing initiatives, and to creating an inclusive work environment in which diversity and equal opportunities are valued, with a fair work-life balance. As part of its commitment to diversity and inclusion, Fineco implemented the initiatives planned for 2024 under the Gender Equality Certification scheme, obtained in 2023 in accordance with UNI/PdR 125:2022, with a strong focus on addressing gender pay gaps.

The Fineco Group's remuneration approach aligns with both the regulatory framework and market best practices, ensuring consistency with business strategy, market context, long-term shareholder interests, and risk management principles.

The principles set out in the Report on Remuneration Policy 2025, Section I, reflect the most recent regulatory developments in remuneration and incentive policies and practices, with the aim of defining - in the interest of all stakeholders - remuneration systems aligned with the Group's *Multi-Year Plan* 2024-2026, consistent with corporate values and objectives, including ESG objectives, with long-term strategies linked to corporate results and with prudent risk management policies.

On 11 March 2025, the Board of Directors of FinecoBank, taking into account the favourable opinion of the Remuneration Committee, approved the "Report on the remuneration policy and remuneration paid" by FinecoBank, formulated by the Human Resources function with the contribution, for the parts within their remit, of the *Compliance*, CRO, CFO and Network Controls, Monitoring and Network Services functions, which describes the elements of the remuneration approach adopted for 2025 and the main results for 2024, highlighting, inter alia, the data on the variable and fixed remuneration of the Chief Executive Officer and General Manager. Beyond mandatory regulatory requirements, the report takes into account the EBA Guidelines on sound remuneration policies, ESMA Guidelines on certain MiFID II remuneration requirements (ESMA35-43-3565), ESMA product governance guidelines, and the ECB's Draft Guide on governance and risk culture.

As required by EU Directive No. 2017/828, the document consists of two separate sections: Section I "Report on the 2025 remuneration policy" and Section II "Annual report on the remuneration paid in 2024". Pursuant to Article 123-ter of Legislative Decree no. 58/1998, "Section I - Report on the 2025 remuneration policy" is subject to the binding resolution of the Shareholders' Meeting, while the shareholders are required to express a non-binding advisory vote on "Section II - Annual report on the remuneration paid in 2024".

The Report on the Remuneration Policy and on Compensation Paid sets out the principles underlying FinecoBank Group's remuneration systems, ensuring their consistency with regulatory requirements and market best practices, and their alignment with performance, market context, business strategies, and the long-term interests of shareholders.

The 2025 Remuneration Policy, including the "Annual Report on the remuneration paid in 2024" with the attached "market disclosure pursuant to art. 450 of Regulation (EU) no. 575/2013 and Implementing Regulation (EU) no. 637/2021" and the "Remuneration plans based on financial instruments", is made available to the public pursuant to Consob Regulation No. 11971/1999. The Report simultaneously fulfils the disclosure obligations pursuant to articles 114-bis and 123-ter of the TUF and the obligations established by banking legislation.

The structure and content of the 2025 Remuneration Policy were positively assessed by the independent external advisor to the Remuneration Committee and by the relevant corporate functions, including Compliance, Risk Management, Network Controls, Network Controls, Monitoring and Network Services, Sustainability, and the Chief Financial Officer Department.

The Internal Audit Department examined the remuneration and incentive system adopted by FinecoBank and the Group for the determination and disbursement of remuneration to members of the Corporate Bodies and variable remuneration to employees and the sales network, in order to ascertain its compliance with the supervisory regulations issued by the Bank of Italy and the Remuneration Policy set out for 2024 and approved by the Shareholders' Meeting.

The audit concluded with the formulation of a "Good" evaluation considering the correct application of the 2024 remuneration and incentive system and the compliance of the 2025 Remuneration Policy with the relevant external legislation.

During 2024, in accordance with the provisions of the Supervisory Authorities on "Remuneration and incentive policies and practices", the Board of Statutory Auditors verified the adequacy and compliance with the regulatory framework of the remuneration policies and practices adopted and the related business processes, issuing, where necessary, their favourable opinions to the Board of Directors.

15. Opinions issued in accordance with the law

The Board of Statutory Auditors expresses its observations with regard to: Internal Audit Report on investment services; Annual report on the Group's risk exposures; Annual report by the Internal Audit Function on the controls carried out on important operational or outsourced control functions, any deficiencies found and the consequent corrective actions taken; Annual report on the activities of the Compliance function.

In addition, it also expressed its opinion on the Action Plan of the internal audit function for 2025, in view of the resolutions to be taken by the Board of Directors, as required by the Corporate Governance Code in force – Article 6, recommendation 33, letter C.

16. Observations on compliance with the principles of correct administration

The Board monitored compliance with the law and the Articles of Association and compliance with the principles of correct administration both in carrying out its activities, including participation in the meetings of the Board of Directors and the Board Committees, and during meetings with management and with the Heads of the various Areas and Functions of the Bank.

Participation in the meetings of the Board of Directors made it possible to periodically obtain information from the Directors on the activities carried out and on the transactions approved during the year.

Participating in the Board of Directors' Meetings enabled the Board of Statutory Auditors to ascertain, inter alia, that the delegated parties reported on transactions executed based on the powers granted to them, pursuant to art. 150, paragraph 1, of the TUF.

The frequency of the meetings of the Board of Directors, the information provided during the meetings and, in general, the set of information flows, put in place, are in the opinion of the Board of Statutory Auditors exhaustive with respect to the obligations of law, the Articles of Association and the applicable regulations.

The Board of Statutory Auditors verified compliance with information obligations for regulated and privileged information, or information requested by the Supervisory Authorities.

During the meetings of the Risks and Related Parties Committee and of the Board of Directors, as well as during its own meetings, the Statutory Auditors examined the quarterly reports of the Bank's control functions and the reports of the Nominated Officer, and confirm that the reports and information required by supervisory regulations were respected.

The members of the Board of Directors regularly participated in the 2024 *induction programme*, with the presence of the entire Board of Statutory Auditors, carried out in some cases with the support of external consultants, including recurring training sessions in order to preserve over time the wealth of technical skills necessary to perform their role in an informed manner.

On 11 March 2025, the FinecoBank Board of Directors approved, with reference to 2024, the Report on corporate governance and ownership structures pursuant to Art. 123-bis of the TUF.

FinecoBank has adopted a process for defining the succession plan, last updated by the Board of Directors on 11 March 2025, following the favourable opinion of the Appointments Committee reunited on 6 March 2025, in line with the relevant regulatory provisions.

On the basis of the information acquired, the Board of Statutory Auditors did not become aware of any transactions in conflict with the principles of correct administration or approved and implemented not in compliance with the law, the Articles of Association, or in conflict with the resolutions passed by the Shareholders' Meeting, or manifestly imprudent or risky or such as to compromise the integrity of the corporate assets.

17. Company's adoption of the Corporate Governance Code for listed companies

FinecoBank subscribes to the Corporate Governance Code for listed companies ("Code") and, in compliance with the Code, the Corporate Governance and Environmental and Social Sustainability Committee, the Appointments Committee, the Remuneration Committee and the Risks and Related Parties Committee operate within the Board of Directors, with proposal, advisory and coordination functions. The Committees consist of independent non-executive Directors.

In December 2024, the Chair of the Corporate Governance Committee (the "Committee") sent a letter to the Chairmen of the administrative bodies of the issuing companies in order to follow up on the practice of providing evidence of the monitoring of the state of application of the Corporate Governance Code, encouraging their increasingly conscious application by the issuers adhering to it and, more generally, to promote the evolution of corporate governance by all Italian listed companies according to the principles of the Code.

The contents of the aforementioned letter from Mr. Massimo Tononi, Chairman of the Italian Corporate Governance Committee (promoted by ABI, Ania, Assogestioni, Assonime, Borsa Italiana and Confindustria), as well as the related annex "2024 Report on the evolution of corporate governance of listed companies" (the "Report"), provide indications on the process of adherence to the new Code and therefore constitute an important parameter for assessing the relative degree of adherence by FinecoBank.

As called for in the Letter, the recommendations contained therein have been appropriately brought to the attention of the Board of Directors and the relevant committees in order to identify, also in the context of self-assessment, possible developments in governance or to fill any gaps in the application or explanations provided. The content of the Letter was submitted, to the extent applicable, to the attention of the issuers' supervisory bodies.

At its meeting of 11 March 2025, following the disclosures made, the Board of Directors of FinecoBank approved the assessments made on the Recommendations formulated in the Letter and on the degree of adherence to it, as previously illustrated and discussed in the relevant Board Committees and the Board of Statutory Auditors. The Board of Statutory Auditors found that the corporate governance rules set out in the aforementioned Corporate Governance Code had been consistently implemented.

The Board of Directors was appointed by the Ordinary Shareholders' Meeting of FinecoBank on 27 April 2023 and will remain in office until the next Shareholders' Meeting, held to approve the Financial Statements at 31 December 2025.

It should be noted that in accordance with current legislation and the Corporate Governance Code for listed companies the Board of Directors, after consulting the Appointments Committee, carried out the annual verification of the existence of the independence requirement for the majority of Directors, reporting the results in the Report on corporate governance and ownership structures for the reporting period 1/1/2024 - 31/12/2024, in addition to maintaining the suitability requirements and compliance with the prohibition on interlocking. The Board of Statutory Auditors verifies the correct application of the criteria and procedures adopted by the Board of Directors to assess the independence of its members.

18. Further activities of the Board of Statutory Auditors and disclosures required by Consob

18.1 Complaints pursuant to Art. 2408 of the Italian Civil Code

During 2024, the Board of Statutory Auditors received no complaints pursuant to Article 2408 of the Civil Code.

18.2 Details of any initiatives undertaken and related outcomes

During the year, the Board of Statutory Auditors received no complaints.

19. Significant events after the end of the Financial Year

In this regard, the Financial Statement illustrates the 2025 Incentive Plans approved by the Board of Directors in January 2025 which will be submitted to the Shareholders' Meeting of 29 April 2025, as well as the implementation of the incentive/loyalty systems analytically described therein and fully referred to here, approved by the Board of Directors on 5 February 2025, taking into account the favorable opinion of the Remuneration Committee which met on 4 February 2025.

20. Concluding remarks and considerations

In its supervisory activity, the Board of Statutory Auditors did not find significant irregularities or omissions and/or facts worthy of censure, nor did it become aware of transactions not compliant with the principles of proper administration, resolved and implemented not in compliance with the law or company Articles of Association, not in the interests of FinecoBank, in conflict with the resolutions taken by the Shareholders' Meeting, or manifestly imprudent or risky, such as to compromise the integrity of the company's assets.

Adequate information exchanges also took place with regard to the investee Fineco Asset Management DAC.

20.1 Going concern declaration

Recalling what was stated in the Financial Statements as at 31.12.2024, in evaluating the significant items in the financial statements, the directors indicate that they have considered all relevant elements.

With regard to the foreseeable outlook of operations, the Board of Directors note that ongoing geopolitical tensions continue to create considerable uncertainty around macroeconomic forecasts particularly in relation to GDP, inflation and interest rate trends. Nevertheless, FinecoBank does not believe there is any doubt as to the Bank's going concern over the foreseeable future, nor are there uncertainties that would give rise to material adjustments to the carrying amounts of assets or liabilities within the following reporting period. The Board of Directors acknowledge, however, that - by their nature - the reasonable assumptions applied may ultimately not be borne out by the actual scenarios in which the Bank operates. In performing this assessment, key regulatory indicators were also considered, in terms of period-end figures at 31 December 2024, the related buffers with respect to minimum regulatory requirements and their evolution in the foreseeable future.

At consolidated level, the Parent Company has issued guidelines on emergency and crisis management and business continuity management, which provide for a decentralised model of emergency management, based on the plans of individual companies according to the peculiarities of each.

The Directors have considered these circumstances and are reasonably confident that the Group will continue to operate profitably in the foreseeable future and, accordingly, in accordance with IAS 1, the consolidated financial statements for the period ended 31 December 2024 have been prepared on a going concern basis.

20.2 Considerations regarding the Consolidated Financial Statements

With regard to the Group's Consolidated Financial Statements, the Board of Statutory Auditors, having considered the content of the report issued by the Independent Auditors, confirms that the statements have been prepared in accordance with the measures adopted pursuant to Article 9 of Legislative Decree No. 38/2005 and Article 43 of Legislative Decree No. 136/2015, and are in conformity with the International Financial Reporting Standards as adopted by the European Union.

The Consolidated financial statements have also been prepared on the basis of the "Instructions for the preparation of the financial statements of companies and the consolidated financial statements of banks and financial companies of banking groups" issued by the Bank of Italy, as well as the supplementary provisions to Circular 262/2005.

The scope of consolidation, which did not change from the previous year, includes FinecoBank and Fineco Asset Management DAC as the only company directly controlled by it. There are no companies indirectly controlled by FinecoBank.

For the line-by-line consolidation the following documents were used:

- the draft accounts at December 31, 2024 of FinecoBank S.p.A.;
- the draft accounts at 31 December 2024 of Fineco Asset Management DAC, which is consolidated on a line-by-line basis and is a wholly-owned subsidiary; said accounts are prepared in accordance with IAS/IFRS and items have been appropriately reclassified and adjusted to meet consolidation requirements.

For the purposes of equity consolidation, preliminary data as at 31 December 2024 provided by Vorvel SIM S.p.A.—the only associate over which the Group exercises significant influence and the sole entity included in the consolidation scope under this method—have been used.

The Consolidated Management Report, which for the first time includes the Sustainability Reporting, also provides information on the performance of the subsidiary.

With regard to Fineco International Ltd, it should be noted that the company's dissolution filing with the UK Companies House became effective on 12 March 2024.

20.3 Observations on the Financial Statements of FinecoBank at 31 December 2024 and on their approval, as well as on the allocation of profit

The financial statement of FinecoBank (hereinafter also the "Company") at 31 December 2024 was approved by the Board of Directors on 11 March 2025, which also authorised their public disclosure in accordance with IAS 10.

The Company's Financial Statements It is made up of:

- the Financial Statement Schedules of FinecoBank S.p.A., consisting of the Balance Sheet, Income Statement, Statement of Comprehensive Income, Statement of Changes in Shareholders' Equity and Statement of Cash Flows, shown in comparison with the corresponding statements for the 2023 reporting period
- Notes to the consolidated financial statements

and it includes the certification of the financial statements pursuant to Article 81-ter of Consob Regulation No. 11971 of 14 May 1999 as amended and supplemented.

For the Directors' Report on the Financial Statements of FinecoBank S.p.A., please refer to the Consolidated Directors' Report, in which the reclassified financial statements, comments on the Bank's results for the year and the Sustainability Report are provided in specific sections.

The Shareholders' Meeting of 29 April 2025, in line with the resolutions adopted by the Board of Directors on 11 March 2025, will be invited to approve:

- the FinecoBank's Financial Statements for the year 2024;
- the allocation of the profit for the year 2024 of € 648,766,328.67 as follows:
    - to the 611,575,321 ordinary shares with a par value of € 0.33, constituting the share capital including 575,894 shares relating to the capital increase to support the employee incentive system approved by the Board of Directors on February 5th, 2024, a unit dividend of € 0.74 for a total of € 452,565,737.54;
    - € 38,009.01 to the Legal Reserve, corresponding to 0.006% of the profit for the year, having reached the limit of a fifth of the share capital;
    - € 196,162,582.12 to the Extraordinary Reserve

  as proposed by the Board of Directors.

The Board of Statutory Auditors, having reviewed the content and conclusions of the report issued by the Independent Auditors, as well as having acknowledged the certifications issued jointly by the Chief Executive Officer and General Manager and by the Financial Reporting Officer, the Board of Statutory Auditors does not find, to the extent of its competence, any elements preventing the approval of the Company's Financial Statements for the period ended 31 December 2024, which showed a profit of € 648,766,328.67, as well as its allocation as proposed by the Board of Directors.

There were no conditions for the Board of Statutory Auditors to exercise the faculty to make proposals to the Shareholders' Meeting pursuant to Art. 153, paragraph 2 of the TUF.

* * *

Milan, 25 March 2025

The Board of Statutory Auditors of FinecoBank S.p.A

Luisa Marina Pasotti (Chairperson)

Massimo Gatto (Standing Auditor)

Giacomo Ramenghi (Standing auditor)

Glossary

ABS – Asset Backed Securities

Financial instruments whose performance and redemption are guaranteed by a portfolio of assets (collateral) of the issuer (usually a Special Purpose Vehicle - SPV), earmarked exclusively for the satisfaction of the rights embedded in the financial instruments.

Additional Tier 1

Equity instruments in line with the provisions of Regulation (EU) No.575/2013 (CRR) on prudential requirements for credit institutions and investment firms, which have the following characteristics:

- full discretion of the issuer in coupon payments and redemptions, also advanced, of the principal outstanding;
- the instrument is perpetual or has a maturity equal to duration of the entity;
- it maintains within the full discretion of the issuer the possibility to perform a write-up of the nominal value after the occurrence of a capital event that has determined a write-down;
- no provisions that force the issuer to provide for payments (must-pay clauses) following genuine events under the direct control of the parties.

Audit

Audit Process of controlling a company's activities and accounting, carried out either by an internal body (internal audit) or by an external firm of auditors (external audit).

Bad exposure or Bad loans

Exposures to borrowers in a state of insolvency (even when not recognised in a court of law) or in an essentially similar situation, regardless of any loss forecasts made by the bank (i.e. irrespective of whether there are any – secured or personal – guarantees covering the exposures).

Banking book

Used in relation to financial instruments, particularly securities, this term identifies the portion of those portfolios intended for "proprietary" activities, other than those classified in the Trading book.

Bail-in

Resolution measures adopted by the competent authorities that can involve the conversion of debt instruments into shares or the reduction in the value of liabilities, imposing losses on certain categories of creditors in accordance with the BRRD.

Basel 2

International agreement on the capital requirements of banks in relation to the risks assumed by them. This agreement has been adopted, at national level, by the respective competent supervisory authorities, including, with reference to the Italian Republic, the Bank of Italy. The new prudential regulations, which came into force in Italy in 2008, are based on three pillars.

- Pillar 1: while the objective of a level of capitalisation equivalent to 8% of the risk-weighted exposures remains unchanged, a new set of rules has been defined for measuring the typical risks associated with banking and financial activities (credit risk, counterparty risk, market risk and operational risk) which provides for alternative calculation methods characterised by different levels of complexity, with the ability to use internally developed models subject to prior authorisation by the Regulatory Authority;
- Pillar 2: requires banks to have processes and tools for determining the adequate level of total internal capital (Internal Capital Adequacy Assessment Process - ICAAP) for covering all types of risk, including risks other than those covered by the overall capital requirement (Pillar I), within the framework of an evaluation of current and future exposure that takes account of strategies and of changes in the reference context. It is the Supervisory Authority's task to examine the ICAAP process, formulate an overall judgement and, where necessary, apply the appropriate corrective measures;
- Pillar 3: introduces obligations to publish information concerning capital adequacy, exposure to risks, and the general characteristics of the systems used for identifying, measuring and managing those risks.

Basel 3

International agreement amending Basel 2 adopted in December 2010, containing amendments to the prudential rules on the capital and liquidity of banks, with the gradual entry into force of the new capital requirements from January 1st. These rules have been implemented at European level through the CRD IV "Package".

Bank Recovery and Resolution Directive or BRRD

Refers to the Directive approved by the European Parliament and the Council, respectively. On April 15th and May 6th, 2014, regarding the establishment of a recovery and resolution framework for the crisis affecting credit institutions and investment firms.

Glossary

Basis point

The b.p. or basis point represents 0.01% of a particular amount, or one hundredth of a percentage point. 100 basis points are equivalent to 1%.

Best practice

Behaviour commensurate with the most significant experience and/or the best level of knowledge achieved in relation to a given technical or professional field.

Budget

The budget is a financial forecast plan with a time horizon of 12 months whose essential aims are establishing the long-term/annual objectives that the Group must reach (in terms of management drivers, economic and financial results and supervisory indicators and in consideration of the current and expected macro-economic scenario), as well as defining the necessary resources and their more efficient allocation, in order to achieve expected results.

Capital conservation buffer

According to the definition contained in Article 128 of the CRD IV, this is a capital reserve whose establishment is required by the regulations – as also specified in the Supervisory Provisions – aimed at providing banks of a high quality capital buffer to be used in periods of market strain to prevent malfunctions of the banking system and avoid disruptions in the credit granting process, amounting to 2.5% of risk-weighted assets, calculated in accordance with Article 92, sub-section 3, of the CRR on an individual and consolidated basis.

CDS – Credit Default Swap

A derivative contract in which a seller of protection engages, for a fee, to pay the buyer of protection a fixed amount if a certain event indicating a deterioration of the creditworthiness of a reference entity occurs.

CFD (*Contract For Difference*)

Derivative financial instruments whose value is directly linked to that of the underlying asset (securities, indexes, currencies, bond futures, volatility index futures and commodity futures) and therefore follows its trend. In particular, the CFD provides for the payment of the price differential recorded between the moment the contract is opened and the moment it is closed.

CFO

Chief Financial Officer.

CGU – Cash Generating Unit

A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

CIO

Chief Information Officer.

Common Equity Tier 1 or CET 1

The Common Equity Tier 1 under Basel 3, mainly consisting of ordinary paid-up capital, the related share premium, operating profit, reserves and other regulatory adjustments, as provided for by the CRR regulation and the Supervisory Regulations.

Clawback clause

Action of repayment of the bonus received when, after its disbursement, intentional or negligent conduct of the employee emerges that, if it had been known at the time of disbursement, would have been sufficient not to satisfy the assessment of compliance, or that disbursement has been made in breach of legal or regulatory provisions.

CLO

Chief Lending Officer.

Commercial Loans

Loans and receivables from ordinary customers, i.e., loans granted to customers relating to drawdowns of overdraft facilities, credit cards, personal loans, mortgages and unsecured loans

Glossary

Corporate

Customer segment consisting of medium to large businesses.

Countercyclical capital buffer

The countercyclical capital buffer consisting of Common Equity Tier 1 pursuant to Supervisory Regulations, according to the concept contained in Articles 128 and 130 of the CRD IV, equal to the risk weighted assets, calculated in accordance with Article 92, paragraph 3, of the CRR by the Company's countercyclical capital buffer, determined according to the criteria established by the Supervisory Regulations at an amount ranging from 0% to 2.5%.

Covenant

A loan agreement clause whereby the lender is entitled to restructure or call in the loan upon occurrence of the events specified in the clause, which ties changes in the borrower's earnings and financial performance to default events/events modifying the contractual terms and conditions (maturity, interest rates, etc.).

Covered bond

Guarantee Bank Bond which, in addition to being guaranteed by the issuing bank, may also be covered by a portfolio of mortgages or other high-quality loans transferred, for that purpose, to a specific SPV – Special Purpose Vehicle (q.v.).

Credit quality class

A Step, based on external ratings, which is used to assign risk weights under the standardised approach for credit risk.

CRD (Capital Requirements Directives)

EU Directives 2006/48 and 2006/49, adopted by Bank of Italy circular 263/2006 of December 27th, 2006 as amended. The CRD IV "Package" has replaced the two aforementioned Directives and consists of the EU Directive 2013/36 on the taking up of the business of credit institutions and prudential supervision and the EU Regulation 575/2013 on prudential requirements, adopted by the Bank of Italy circular 285 of December 17th, 2013 as amended. CRD V is Directive (EU) 2019/878 of May 20th, 2019 amending Directive 2013/36/EU.

Credit risk

The risk that an unexpected change in the credit rating of a counterparty, the value of the collateral they have provided, or of the amount used in the event of insolvency generates an unexpected change in the lending position of the Bank.

Credit counterparty risk

The risk that the counterparty in a transaction in financial instruments may enter default before settling all the agreed cash flows.

CRM - Credit Risk Mitigation

Credit Risk Mitigation is a set of techniques, ancillary contracts to the loan or other instruments (e.g. securities, guarantees), which reduces credit risk capital requirements.

CRO

Chief Risk Officer.

Default

A party's declared inability to honour its debts and/or the payment of the associated interest.

EAD – Exposure At Default

Relating to the on-balance and off-balance sheet positions, EAD is defined as the estimation of the future value of an exposure at the time of the debtor's default. Only banks that meet the requirements for adopting the "IRB – Internal Rating Based" advanced approach are allowed to estimate EAD (q.v.). Other banks are required to refer to regulatory estimations.

EBA European Banking Authority

The European Banking Authority is an independent EU Authority which works to ensure effective and consistent prudential regulation and supervision across the European banking sector.

Glossary

ECA
Export Credit Agency.

ECAI
External Credit Assessment Institution.

ECB
European Central Bank. The ECB is the central bank for Europe's single currency, the euro.

Economic capital
Capital level that is required by a bank to cover the losses that may occur with at a time horizon of one year and a certain probability or confidence level. Economic Capital is a measure of the variability of the Expected Loss of the portfolio and depends on the degree of diversification of the portfolio itself.

EPS – Earnings Per Shares
An indicator of a company's profitability calculated by dividing the net profit by the average total outstanding shares (excluding treasury shares).

EPS – Diluted Earnings Per Shares
An indicator of a company's profitability calculated by dividing the net profit by the average total diluted outstanding shares (excluding treasury shares).

ESRS - European Sustainability Reporting Standards
European Sustainability Reporting Standards issued in July 2023 by the European Commission.

Expected Losses
The losses recorded on average over a one year period on each exposure (or pool of exposures).

Fair value
The price at which an asset can be traded or a liability settled in a free-market transaction between conscious and independent parties .

Forbearance/Forborne exposures
According to the EBA Implementing Technical Standard, forborne exposures are exposures in respect of which forbearance measures have been extended, consisting of concessions towards a debtor facing or about to face difficulties in meeting its financial commitments ("financial difficulties").

Funding
Provision, in various forms, of the funds necessary to finance business activities or particular financial transactions.

Futures
Standardised contracts through which parties undertake to exchange money, transferable securities or goods at a set price at a future date. These contracts are traded on regulated markets, where their execution is guaranteed.

Goodwill
The additional sum paid for the acquisition of an equity interest, equal to the difference between the cost and the corresponding share of net assets, for the portion not attributable to the identifiable assets of the acquired company.

Haircut
Difference between the value of the assets pledged as collateral and the amount of credit extended in a collateralised credit operation. In securities collateralised transactions, it represents the percentage of the market price (or nominal value) of a financial asset pledged as collateral which is to be deducted from the market price (or nominal value) in order to determine the collateralisation value.

HNWI
High Net Worth Individual, i.e. Private customers with TFA of over € 1 million.

Glossary

IAS/IFRS

International accounting standards issued by the International Accounting Standard Board (IASB), a private international body established in April 2001, involving representatives of the accounting professions of the principal countries and, as observers, the European Union, IOSCO (International Organization of Securities Commissions) and the Basel Committee. This body is the successor of the International Accounting Standards Committee (IASC), set up in 1973 to promote harmonisation of the rules for the preparation of company accounts. When the IASC became the IASB, it was decided, among other things, to name the new accounting principles "International Financial Reporting Standards" (IFRS). At international level, work is currently underway to harmonise the IAS/IFRS with the US GAAP – United States Generally Accepted Accounting Principles (q.v.).

ICAAP – Internal Capital Adequacy Assessment Process

See "Basel 2 – Pillar 2".

Impairment

Within the framework of the IAS/IFRS (q.v.), this refers to the loss of value of a balance sheet asset, recorded when the book value is greater than the recoverable value, i.e. the sum that can be obtained by selling or using the asset.

Impaired loans

Loans and receivables are reviewed periodically in order to identify those that, following events occurring after initial recognition (at market value, which is, usually, equal to the amount paid including transaction costs and income directly attributable to the disbursement of the credit) show objective evidence of possible impairment. These include a loans to which the status of bad loans, unlikely to pay and past due has been assigned, according to the Bank of Italy rules in line with the IAS/IFRS (q.v.).

Internal Capital

Represents the amount of capital required to cover potential losses and is required to support the business activities and positions held. Internal Capital is the sum of the aggregated Economic Capital and a cushion that considers the effects of the cycle and model risk.

(Internal) validation

Expert unit, internal but sufficiently independent, that verifies the adequacy of internal models for internal and regulatory purposes and issues a formal opinion about their usefulness and effectiveness. Usually a prerequisite for the validation process carried out by the authorities.

Index linked

Policies whose performance at maturity depends on a benchmark parameter that may be a share index, a basket of securities or another indicator.

IRB – Internal Rating Based

Method for determining the capital needed to cover credit risk within the framework of Pillar 1 of Basel 2 (q.v). The rules are applied to the exposures of the banking book. Furthermore, in the IRB methods the risk weightings of the assets are determined on the basis of the bank's own internal evaluations of the debtors (or, in some cases, of the transactions). Using systems based on internal ratings, the banks determine the weighted risk exposure. The IRB methods consist of a basic method and an advanced method, which differ in terms of the risk parameters that the bank must estimate: in the basic method, the banks use their own estimates for "PD – Probability of Default" and the regulatory values for the other risk parameters; in the advanced method, the banks use their own estimates for "PD – Probability of Default ", "LGD – Loss Given Default", "CCF – Credit Conversion Factors" and, where provided for, "M - Maturity" (q.v.). The use of IRB methods for the calculation of capital requirements is subject to authorisation from the Bank of Italy.

IRS – Interest Rate Swap

See "Swap".

Joint venture

Agreement between two or more companies for the conduct of a given economic activity, usually through the constitution of a joint stock company.

Ke

The cost of equity is the minimum return on investment required by the shareholder. It is the sum of a risk-free rate and an additional spread remunerating the shareholder for the credit risk and the volatility of the share price. The cost of capital is based on medium-long term averages of market parameters.

Glossary

KPI - “Key Performance Indicators”

Set of indicators used to evaluate the success of a particular activity or process.

Key Risk Indicators

The risk indicators are quantitative metrics that reflect exposure to Operational Risks of specific processes or products: the value expressed by an indicator should be related to changes in risk levels.

Knock Out Option

Knock Out Options are derivative contracts belonging to the category of barrier options. They are characterised by the fact that the option to buy or sell ceases to exist when the price of the underlying touches the predetermined Strike (also known as the “Barrier”).

Large exposures

The sum of all the exposures towards a counterparty that are equal to or more than 10% of the eligible capital of the Issuer, when: (i) the exposures are the sum of the on-balance-sheet risk assets and the off-balance-sheet operations with a counterparty, as defined by the regulations on credit risk, without applying the weighting factors established therein (these exposures do not include the risk assets deducted in the determination of the Own Funds); (ii) a counterparty is a customer or a group of connected customers.

LCR - Liquidity Coverage Ratio

The Liquidity Coverage Ratio (LCR) is structured in such a way as to ensure that an institution maintains an adequate level of high quality non-restricted liquid assets that can be converted into cash to meet its liquidity needs over a period of 30 calendar days in a particularly acute liquidity stress scenario specified by the supervisory authorities. The LCR is defined as the ratio between the stock of high quality liquid assets and the total cash outflows in the next 30 calendar days.

Leasing

Contract whereby one party (the lessor) conveys the right to use an asset to another party (the lessee) for a given period of time and in exchange for consideration.

LGD – Loss Given Default

Expected value (which may be conditional upon adverse scenarios) of the ratio, expressed as a percentage, between the loss giving rise to the default and the amount of exposure at the time of the default (“EAD - Exposure At Default”, q.v.).

LTV – Loan To Value

Loan To Value (LTV) is the ratio between the amount of the loan granted and the value of the real estate property, and is calculated on the entire property covered by the guarantee.

Liquidity risk

The risk of the company being unable to meet its payment commitments due to the inability to liquidate assets or obtain sufficient funding from the market (funding liquidity risk) or due to the difficulty/inability to easily liquidate positions in financial assets without significantly and unfavourably affecting the price because of insufficient depth or temporary malfunction of the financial market (market liquidity risk).

Long and Short Margining

Margining is a trading method that allows investors to buy (long leverage) or sell (short selling) by investing only a part of the liquidity required.

Mark to market

Process of valuing a portfolio of securities or other financial instruments on the basis of prices expressed by the market.

Market risk

Consists of the effect that changes in market variables (interest rates, securities prices, exchange rates, etc.) can cause to the economic value of the portfolio, when it includes assets held in the trading book, as well as those posted in the banking book, both on the operations characteristically involved in commercial banking and in the choice of strategic investments.

Glossary

Maturity Ladder

Instrument for managing and monitoring short-term liquidity (operational liquidity), which, by offsetting assets and liabilities whose maturity falls within each individual time band, enables the identification of mismatches (periodic and cumulative) between incoming and outgoing cash flows and, therefore, to calculate the net financial requirement (or surplus) over the period of the year.

Minimum Requirement for Eligible Liabilities (MREL)

The Minimum Requirement for Eligible Liabilities (MREL) is set by the Resolution Authorities to ensure that a bank maintains at all times sufficient tools to facilitate the implementation of the resolution strategy defined by the Resolution Authority in the event of a crisis. The MREL aims to prevent the resolution of a bank from being dependent on public financial support and, therefore, helps to ensure that shareholders and creditors contribute to loss absorption and recapitalisation.

NAV – Net Asset Value

This is the value of the unit into which the assets of a mutual fund are divided.

Non-performing exposures

According to the EBA Implementing Technical Standards, non-performing exposures are all on-balance-sheet and off-balance-sheet exposures that satisfy either or both of the following criteria:

- the debtor is more than 90 days in arrears in the payment of a material obligation, where the conditions for setting the materiality threshold are defined in Regulation (EU) 2018/171;
- exposures for which the debtor is assessed as unlikely to pay its credit obligations in full without realisation of collateral, regardless of the existence of any past-due amount or of the number of days past due.

NSFR - Net Stable Funding Ratio

The Net Stable Funding Ratio (NSFR) is structured to ensure that long-term assets are financed with at least a minimum amount of stable liabilities in relation to their respective liquidity risk profiles. The NSFR is aimed at limiting the excessive use of short-term wholesale deposits in periods of abundant market liquidity and encouraging a better assessment of liquidity risk based on all balance sheet and off-balance sheet items. The NSFR is defined as the ratio between the total available stable funding and the total required stable funding.

NSFR Adjusted

The NSFR Adjusted ratio is based on the regulatory ratio NSFR (Net Stable Funding Ratio) but is adjusted by maturity (i.e. by bucket) considering maturities of more than 3 and 5 years respectively. The NSFR Adjusted is therefore used to monitor and control the structural liquidity situation on maturities over the year. The NSFR is defined as the ratio between the cumulative liabilities over the year and the cumulative assets over the year.

Operational risk

The risk of losses due to errors, violations, interruptions, or damage caused by internal processes, personnel, systems or by external events. This definition includes legal and compliance risks, but excludes strategic and reputational risk. For example, losses resulting from internal or external fraud, employment relations and occupational safety, customer complaints, product distribution, fines and other penalties resulting from regulatory violations, damage to Company's physical assets, business disruptions and systems failures, and process management can be defined as operational.

Option

The right, but not the commitment, acquired by the payment of a premium, to buy (call option) or sell (put option) a financial instrument at a given price (strike price) by or at a determined future date (American option/European option).

OTC – Over The Counter

Over-the-counter (OTC) trading consists of the exchange of financial instruments such as shares, bonds, derivatives or goods directly between two counterparties. The OTC markets do not have standardised contracts or buying/selling procedures and are not associated with a set of rules (admissions, controls, obligations of information, etc.) like those that govern the official markets.

Own funds or Total Capital

The own funds of a bank consist of a series of regulatory defined items (excluding the negative items to be deducted), classified based on capital quality and loss absorbing capacity. From January 1st, 2014, after the CRR came into force, Own Funds consists of the sum of Tier 1 capital and Tier 2 capital.

Glossary

Past-due and/or overdrawn impaired exposures

On-balance sheet exposures, other than those classified as bad loans or unlikely to pay that are past due or overdrawn at the reporting date. They represent the total exposure to any borrower not included in the unlikely to pay and bad loans categories, who at the reporting date has expired facilities or unauthorised overdrafts that are more than 90 days past due and and exceeding the materiality thresholds defined in Delegated Regulation (EU) 2018/171.

Payout ratio

The percentage of net income that is distributed to shareholders. The percentage paid out is determined mainly on the basis of the company's self-financing needs and the return expected by shareholders.

PD – Probability of Default

Default Probability of a counterparty entering into a situation of "default" (q.v.) within a period of one year.

Private banking

Financial services aimed at "high-end" private customers for the global management of financial needs.

Rating

Evaluation of the quality of a company or its issues of debt securities on the basis of the company's financial soundness and prospects. This evaluation is made either by specialist agencies or by the bank on the basis of internal models.

Retail

Customer segment consisting principally of private individuals, self-employed professionals, traders and artisans.

Risk Taking Capacity

Ratio between Available Financial Resources and Internal Capital.

Risk-weighted assets

See the item "RWA - Risk-Weighted Assets".

RWA - Risk-Weighted Assets

It is the value of on-balance sheet and off-balance sheet risk-weighted assets on the basis of different weighting factors according to the class in which the exposure is classified and its credit quality, in accordance with the banking regulations issued by the regulatory authorities for the calculation of the solvency ratios.

Sensitivity

The greater or lesser degree of sensitivity with which certain assets or liabilities react to changes in rates or other reference parameters.

Sensitivity Analysis

Sensitivity analysis quantifies the change in value of a financial portfolio resulting from an unfavourable change in major risk factors (interest rate, exchange rate, equity).

Significant increase in credit risk "SICR"

Criterion used to check Stage transition. If the credit risk of the financial instrument is significantly increased after initial recognition, the value adjustments are equal to the expected losses over the life of the instrument (lifetime ECL).

Spread

This term is normally used to denote the difference between two interest rates, the spread between bid and ask prices in securities trading, or the mark-up that the issuer of securities pays in addition to a reference rate.

Glossary

SPV –Special Purpose Vehicle

An entity – partnership, limited company or trust – set up to pursue specific objectives, such as isolating financial risk or obtaining special regulatory or tax treatment for specific portfolios of financial assets. SPV's operations are accordingly limited by a set of rules designed for this purpose. In general the SPVs' sponsors (q.v.) do not hold equity in them. The equity is held by other entities in order to ensure that there is no shareholder relationship with the Sponsor (q.v.). SPVs are usually bankruptcy-remote, in that their assets cannot be claimed by the creditors of the sponsor, even if the latter becomes insolvent.

Swap

A transaction that generally consists of the exchange of financial streams between operators according to different contractual arrangements. In the case of an interest rate swap (IRS), the counterparties exchange payment streams that may or may not be linked to interest rates, calculated on a notional principal amount (for example, counterparty pays a stream on the basis of a fixed rate, while the other does so on the basis of a variable rate). In the case of a currency swap, the counterparties exchange specific amounts in two different currencies, with these amounts being exchanged back in due course according to predefined arrangements that may concern both the capital (notional) and the streams of interest payments.

Tier 1 Capital

Tier 1 capital (tier 1) includes Common Equity Tier 1 - CET1 and Tier 1 additional capital (Additional Tier 1 - AT1).

Tier 1 Capital Ratio

The percentage of a bank's Tier 1 Capital to its risk weighted assets "RWA – Risk Weighted Assets" (q.v.).

Trading Book

Positions held for trading are those held intentionally for a subsequent sale in the near term and/or assumed with the intention of benefiting, in the short term, from the differences between buying and selling prices, or other price or interest rate interest variations.

UCI – Undertakings for Collective Investment

This term includes "UCITS – Undertakings for Collective Investment in Transferable Securities" (q.v.) and collective investment funds (real estate collective investment funds, closed-end investment funds).

UCITS – Undertakings for Collective Investment in Transferable Securities

This term covers open-end real estate investment funds, both Italian and foreign, and investment companies with variable capital. The latter are joint stock companies that have the sole purpose of collective investment of the assets gathered through a public offer of their own shares.

Unlikely to pay

On-balance and off-balance sheet exposures that meet the definition of unlikely to pay, which do not meet the conditions to be classified as bad loans. The classification as "unlikely to pay" derives from the assessment of the debtor's unlikeliness (without actions such as realisation of collateral) to repay fully his credit obligation (principal and/or interest). This assessment is made independently of any past due and unpaid amount (or instalment). The classification of an exposure as unlikely to pay is not necessarily tied to evident issues (non-repayment), but is rather linked to indicators of a potential default of the borrower.

VaR – Value at Risk

A method used for quantifying risk. It measures potential future losses which will not be exceeded within a specified period and with a specified probability.

Glossary

Alternative Performance Measures ("APMs")

Alternative Performance Measures are used in the Consolidated Report on Operations, the content and, where applicable, the calculation methods used of which are described below, with the exception of the APMs presented in the reclassified income statement and balance sheet contained in the Consolidated Report on Operations, for which reference should be made to the reconciliation schedules with the consolidated and individual financial statements contained in the Annexes.

Advance Advisory Service

Advanced Advisory Services include those forms of advice for which there is a specific fee paid directly by the customer to the intermediary for providing the service offered, in fee only and fee on top modes.

Advance Advisory Service/TFA

This is the ratio of Advanced Advisory Services (q.v.) to TFAs (q.v.), as represented the table in in the section "Performance of total financial assets" presented in the Consolidated Interim Report on Operation to which reference should be made.

Items	12/31/2024	12/31/2023
Advanced Advisory Services (Amounts in €/000)	34,519,685	27,982,557
TFA average (Amounts in €/000)	131,661,137	114,557,186
Advanced Advisory Services/TFA	**26.2%**	**24.4%**

Assets under management

Investment funds, segregated accounts and insurance products. For a numerical reconciliation, please refer to the tables in the section "Performance of total financial assets" presented in the Consolidated Report on Operations.

Assets Under Custody

Government securities, bonds and shares. For a numerical reconciliation, please refer to the tables in the section "Performance of total financial assets" presented in the Consolidated Report on Operations.

Bad loans/Loans receivable with ordinary customers

Ratio of Bad exposures (q.v.), as represented in the table "Impaired assets" to which reference should be made, to Loans receivable to ordinary customers, as represented in the table "Loans and Receivables to Customers (Management Reclassification)" to which reference should be made.

Consolidated

Items	12/31/2024	12/31/2023
Bad exposures (Amounts in €/000)	793	1,110
Loans receivable to ordinary customers (Amounts in €/000)	5,242,769	5,535,383
Bad loans/Loans receivable to ordinary customers	**0.02%**	**0.02%**

Individual

Items	12/31/2024	12/31/2023
Bad exposures (Amounts in €/000)	793	1,110
Loans receivable to ordinary customers (Amounts in €/000)	5,242,769	5,535,383
Bad loans/Loans receivable to ordinary customers	**0.02%**	**0.02%**

Glossary

Cost/income ratio

The ratio of operating costs to revenues, as presented in the condensed income statement to which reference should be made. It is one of the main key performance indicators of the bank’s efficiency: the lower the ratio, the more efficient the bank.

Items		12/31/2024	12/31/2023
Operating costs (Amounts in €/000)		331,998	298,321
Revenues (Amounts in €/000)		1,316,475	1,237,631
	Cost/Income Ratio	**25.22%**	**24.10%**

Individual

Items		12/31/2024	12/31/2023
Operating costs (Amounts in €/000)		308,993	277,724
Revenues (Amounts in €/000)		1,267,731	1,195,412
	Cost/Income Ratio	**24.37%**	**23.23%**

Cost of Risk

The ratio of Net impairment losses of loans to customers in the last 12 months to loans receivable to ordinary customers (average of the averages of the last four quarters, calculated as the average balance at the end of the quarter and the balance at the end of the previous quarter). The scope only includes loans to ordinary customers. It is one of the risk indicators of bank assets: the lower the ratio, the less risky the bank assets.

Items		12/31/2024	12/31/2023
Net impairment losses of loans to ordinary customers (Amounts in €/000)		2,391	2,651
Loans receivable to ordinary customers (Amounts in €/thousand) (average of the averages of the last four quarters, calculated as the average balance at the end of the quarter and the balance at the end of the previous quarter)		5,263,064	5,787,703
	Cost of Risk (bps)	**5**	**5**

Coverage ratio

The Coverage ratio represents the percentage of a given aggregate of credit exposures covered by an impairment provision and is calculated as the ratio of the amount of the impairment provision to the gross exposure. For a numerical reconciliation of Coverage (Bad loans, Unlikely to pay, Past-due loans and Total impaired loans), please refer to the table "Impaired Assets" in the "Loans and receivable to Customers" section of the Consolidated Report on Operations.

Direct deposits

Current accounts, repos and time deposits. For a numerical reconciliation, please refer to the tables in the section “Performance of total financial assets” presented in the Consolidated Report on Operations.

Glossary

Direct deposits/Total liabilities and Shareholders' equity

Ratio of direct deposits (see item), as represented in the table "Total financial assets" to which reference should be made, to total liabilities and Shareholders' equity, as represented in the table of the condensed balance sheet to which reference should be made.

Consolidated

Items	12/31/2024	12/31/2023
Direct deposits (Amounts in €/000)	29,668,225	28,441,830
Total liabilities and Shareholders' equity (Amounts in €/000)	34,688,817	33,315,700
Direct deposits/Total liabilities and Shareholders' equity	**85.53%**	**85.37%**

Individual

Items	12/31/2024	12/31/2023
Direct deposits (Amounts in €/000)	29,668,225	28,441,830
Total liabilities and Shareholders' equity (Amounts in €/000)	34,616,797	33,251,116
Direct deposits/Total liabilities and Shareholders' equity	**85.71%**	**85.54%**

EVA (Economic Value Added)

EVA is an indicator of the value created by a company. It shows the Company's ability to create value; calculated as the difference between profit (loss) for the year excluding extraordinary net income from investments with related tax effects, and the figurative cost of the allocated capital; the latter was calculated using both regulatory capital and book equity as of the reporting date. The EVA published in the 2023 financial disclosure was calculated using the average book equity for the year (average of the year-end quarters) as the denominator, so the comparative figure for 2023 was restated and restated.

(Amounts in € thousand)

Items	12/31/2024	12/31/2023
+ Profit (Loss) for the year	652,285	609,101
- extraordinary net income from investments with related tax effects	-	(24)
+ Costo of regulatory capital	(82,915)	(70,714)
EVA (calculated on regulatory capital)	**569,370**	**538,363**

(Amounts in € thousand)

Items	12/31/2024	12/31/2023
+ Profit (Loss) for the year	652,285	609,101
- extraordinary net income from investments with related tax effects	-	(24)
- figurative cost of the book value of shareholders' equity	(270,552)	(239,439)
EVA (calculated on book value of shareholders' equity)	**381,733**	**369,638**

Glossary

Financial investments/Total assets

Ratio of Financial investments, as represented in the condensed balance sheet to which reference should be made, to Total Assets.

Consolidated

Items	12/31/2024	12/31/2023
Financial investments (Amounts in €/000)	23,425,447	21,403,026
Total assets (Amounts in €/000)	34,688,817	33,315,700
Financial investments/Total assets	**67.53%**	**64.24%**

Individual

Items	12/31/2024	12/31/2023
Financial investments (Amounts in €/000)	23,426,909	21,405,097
Total assets (Amounts in €/000)	34,616,797	33,251,116
Financial investments/Total assets	**67.68%**	**64.37%**

Financial margin/Revenues

Ratio of the financial margin to revenues, as represented in the condensed income statement, to which reference should be made.

Items	12/31/2024	12/31/2023
Financial margin (Amounts in €/000)	711,162	687,956
Revenues (Amounts in €/000)	1,316,475	1,237,631
Financial margin/Revenues	**54.02%**	**55.59%**

Income from brokerage and other income

Income from brokerage and other income include the items Net fee and commission income, Net trading, hedging and fair value income and Net other expenses/income, as represented in the condensed income statement to which reference should be made.

Items	12/31/2024	12/31/2023
Net commission	527,026	489,906
Net trading, hedging and fair value income	79,043	60,402
Net other expenses/income	(773)	(565)
Income from brokerage and other income	**605,296**	**549,743**

Income from brokerage and other income/Operating costs

Ratio of the Income from brokerage and other income (q.v.) and Operating costs, as represented in the condensed income statement to which reference should be made.

Items	12/31/2024	12/31/2023
Income from brokerage and other income (Amounts in €/000)	605,296	549,743
Operating costs (Amounts in €/000)	331,998	298,321
Income from brokerage and other income/Operating costs	**182.32%**	**184.28%**

Glossary

Income from brokerage and other income/Revenues

Ratio of the Income from brokerage and other income (q.v.) and Revenues, as represented in the condensed income statement to which reference should be made.

Items	12/31/2024	12/31/2023
Income from brokerage and other income (Amounts in €/000)	605,296	549,743
Revenues (Amounts in €/000)	1,316,475	1,237,631
Income from brokerage and other income/Revenues	**45.98%**	**44.42%**

Loans receivable to banks/Total assets

Ratio of the Loans receivable to banks, as represented in the table “Loans and Receivables to banks" presented in the Consolidated Report on Operation to which reference should be made, to the total assets.

Consolidated

Items	12/31/2024	12/31/2023
Loans and receivables to banks (Amounts in €/000)	370,733	376,373
Total assets (Amounts in €/000)	34,688,817	33,315,700
Loans and receivables to banks/Total assets	**1.07%**	**1.13%**

Individual

Items	12/31/2024	12/31/2023
Loans and receivables to banks (Amounts in €/000)	355,522	351,272
Total assets (Amounts in €/000)	34,616,797	33,251,116
Loans and receivables to banks/Total assets	**1.03%**	**1.06%**

Loans receivable to ordinary customers

Loans receivable to ordinary customers include solely to loans granted to customers (current account overdrafts, credit cards, personal loans, mortgages and unsecured loans). For a numerical reconciliation, please refer to the table in in the section “Performance of total financial assets” presented in the Consolidated Report on Operation.

Loans receivable to ordinary customers/Total assets

Ratio of the Loans receivable o ordinary customers (q.v.), as represented in the table “Loans and Receivables to Customers (Management Reclassification)" presented in the Consolidated Report on Operation to which reference should be made, to the total assets.

Consolidated

Items	12/31/2024	12/31/2023
Loans receivable to ordinary customers (Amounts in €/000)	5,242,769	5,535,383
Total assets (Amounts in €/000)	34,688,817	33,315,700
Loans receivable to ordinary customers/Total assets	**15.11%**	**16.62%**

Glossary

Individual

Items	12/31/2024	12/31/2023
Loans receivable to ordinary customers (Amounts in €/000)	5,242,769	5,535,383
Total assets (Amounts in €/000)	34,616,797	33,251,116
Loans receivable to ordinary customers/Total assets	**15.15%**	**16.65%**

Loans receivable to ordinary customers/Direct Deposits

Ratio of the Loans receivable to ordinary customers (q.v.), as represented in the table “Loans and Receivables to Customers (Management Reclassification)" presented in the Consolidated Report on Operation to which reference should be made, to Direct Deposits as represented in the table “Total financial assets (Management Reclassification)" presented in the Consolidated Report on Operation to which reference should be made.

Consolidated

Items	12/31/2024	12/31/2023
Loans receivable to ordinary customers (Amounts in €/000)	5,242,769	5,535,383
Direct deposits (Amounts in €/000)	29,668,225	28,441,830
Loans receivable to ordinary customers/Direct deposits	**17.67%**	**19.46%**

Individual

Items	12/31/2024	12/31/2023
Loans receivable to ordinary customers (Amounts in €/000)	5,242,769	5,535,383
Direct deposits (Amounts in €/000)	29,668,225	28,441,830
Loans receivable to ordinary customers/Direct deposits	**17.67%**	**19.46%**

Non-performing loans/Loans receivable with ordinary customers

Ratio of the Impaired loans (q.v.), as represented in the table “Impaired assets” to which reference should be made, to Loans receivable to ordinary customers, as represented in the table “Loans and Receivables to Customers (Management Reclassification)" presented in the Consolidated Report on Operation to which reference should be made.

Consolidated

Items	12/31/2024	12/31/2023
Impaired loans (Amounts in €/000)	4,116	3,965
Loans receivable to ordinary customers (Amounts in €/000)	5,242,769	5,535,383
Impaired loans/Loans receivable to ordinary customers	**0.08%**	**0.07%**

Individual

Items	12/31/2024	12/31/2023
Impaired loans (Amounts in €/000)	4,116	3,965
Loans receivable to ordinary customers (Amounts in €/000)	5,242,769	5,535,383
Impaired loans/Loans receivable to ordinary customers	**0.08%**	**0.07%**

Glossary

Operating costs/FTA

Ratio of operating costs, as presented in the condensed income statement to which reference should be made, to average Total Financial Assets (TFA, see item), calculated as the average between the TFA balance at the end of period and the balance as at the previous December 31st. It is one of the main ratios of the Bank's management efficiency: the lower the value expressed by this ratio, the greater the bank's efficiency.

Items	12/31/2024	12/31/2023
Operating costs (Amounts in €/000)	331,998	298,321
TFA average (Amounts in €/000)	131,661,137	114,557,186
Operating Costs/TFA	**0.25%**	**0.26%**

RARORAC - Risk adjusted Return on Risk adjusted Capital

An indicator calculated calculated both as the ratio between EVA (as described above) and the regulatory capital of the year and as the ratio between EVA (as described above) and book value of shareholders' equity for the year and expresses in percentage terms the capacity to create value per unit of risk taken. The RARORAC published in the 2023 financial report was calculated using the average shareholders' equity for the year as the denominator (average of single end quarters) as denominator, therefore, the comparative figure for 2023 was recalculated and restated.

(Amounts in € thousand)

Items	12/31/2024	12/31/2023
EVA (calculated on regulatory capital)	569,370	538,363
Regulatory Capital (Amounts in € thousand	719,120	648,161
RARORAC (calculated on regulatory capital)	**79.18%**	**83.06%**

Items	12/31/2024	12/31/2023
EVA (calculated on accounting capital) (Amounts in €/000)	381,733	369,638
Shareholders' equity (Amounts in €/000)	2,346,502	2,194,677
RARORAC (calculated on shareholders' equity)	**16.27%**	**16.84%**

ROA - Return on Assets

Ratio of profit (loss) for the year, as represented in the condensed income statement to which reference should be made, to total assets, as represented in the condensed balance sheet to which reference should be made.

Items	12/31/2024	12/31/2023
Profit (Loss) for the year (Amounts in €/000)	652,285	609,101
Total assets (Amounts in €/000)	34,688,817	33,315,700
ROA - Return on Assets	**1.88%**	**1.83%**

Glossary

ROAC – Return On Risk Allocated Capital

An indicator calculated calculated both as the ratio of profit (loss) for the year and the regulatory capital of the year, and as the ratio of profit (loss) for the year and book value of shareholders' equity for the year. The ROAC published in the 2023 financial report was calculated using the average regulatory capital of the year and the average shareholders' equity for the year as the denominator (average of single end quarters) as denominator, therefore, the comparative figure for 2023 was recalculated and restated.

Items	12/31/2024	12/31/2023
Profit (Loss) for the year (Amounts in €/000)	652,285	609,101
Regulatory Capital (Amounts in € thousand	719,120	648,161
ROAC (calculated on regulatory capital)	**90.71%**	**93.97%**

Items	12/31/2024	12/31/2023
Profit (Loss) for the year (Amounts in €/000)	652,285	609,101
Shareholders' equity (Amounts in €/000)	2,346,502	2,194,677
ROAC (calculated on shareholders' equity)	**27.80%**	**27.75%**

ROE

Ratio between profit (loss) for the year and the shareholders' equity for the year (excluding the revaluation reserves). The ROE published in the 2023 financial report was calculated using the average shareholders' equity for the year as the denominator (average of the balance at the end of the year and that of the previous 31 December 31st), therefore, the comparative figure for 2023 was recalculated and restated.

Items	12/31/2024	12/31/2023
Profit (Loss) for the year (Amounts in €/000)	652,285	609,101
Shareholders' equity (Amounts in €/000)	2,408,361	2,201,406
Return Of Equity (ROE)	**27.08%**	**27.67%**

Shareholders' equity (net profit included)/Total liabilities and Shareholders' equity

Ratio of Shareholders' equity (net profit included) and Total liabilities and Shareholders' equity, as represented in the condensed balance sheet, to which reference should be made.

Consolidated

Items	12/31/2024	12/31/2023
Shareholders' equity (net profit included) (Amounts in €/000)	2,389,312	2,194,676
Total liabilities and Shareholders' equity (Amounts in €/000)	34,688,817	33,315,700
Shareholders' equity (net profit included)/Total liabilities and Shareholders' equity	**6.89%**	**6.59%**

Individual

Items	12/31/2024	12/31/2023
Shareholders' equity (net profit included) (Amounts in €/000)	2,346,503	2,155,387
Total liabilities and Shareholders' equity (Amounts in €/000)	34,616,797	33,251,116
Shareholders' equity (net profit included)/Total liabilities and Shareholders' equity	**6.78%**	**6.48%**

Glossary

Total net sales

Sum of sales during the reporting period net of redemptions made during the same period with reference to Assets Under Management (see item), Assets Under Custody (see item) and Direct deposit from customers (see item). For a numerical reconciliation, please refer to the table in the section "Performance of total financial assets" presented in the Consolidated Report on Operation. Total net sales are also shown with reference to customers of the Financial Advisor Network only.

Total Financial Assets - TFA

Assets Under Management (q.v.), Assets Under Custody (q.v.) and Direct Deposits (q.v.). For a numerical reconciliation, please refer to the table in in the section “Performance of total financial assets” presented in the Consolidated Report on Operation. Total Financial Asset is also represented with reference to the clients of the Financial Advisor Network only.