FINECOBANK GROUP PUBLIC DISCLOSURE – PILLAR III

AS AT 31 MARCH 2025

Contents

Introduction ... 3
Key metrics ... 7
Own funds requirements and risk-weighted exposure amounts ... 11
Liquidity requirements ... 15
Declaration of the nominated official in charge of drawing up company accounts ... 21
Statement of compliance with formal policy and internal processes, systems and controls ... 23

"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

The Group FinecoBank public disclosure Pillar III – (hereafter “Disclosure”) has been prepared in accordance with the prudential rules for banks and investment firms, which came into force on 1 January 2014 and is contained in Directive 2013/36/EU (Capital Requirements Directive, CRD IV) and in Regulation 575/2013/EU (Capital Requirements Regulation, CRR), and subsequent Directives and Regulations amending its content. In the rest of this document, the term "CRR" or “Regulation” refers to Regulation no. 575/2013/EU as subsequently amended, while the term "Directive" refers to the Capital Requirements Directive as subsequently amended.

With reference to the amendments to the CRR and CRD, it should be noted that, in accordance with the principles and guidelines formalised by the Basel Committee, the European Commission promoted in 2021 a legislative proposal (i.e. CRR III/CRD VI package) to implement the latest standards set by the Basel III framework. The new banking package, which comprises Regulation (EU) 2024/1623 and Directive (EU) 2024/1619, implements the post-crisis regulatory reforms of the Basel Committee on Banking Supervision, considering the specific aspects of the EU banking sector, and has led to a profound revision of the prudential framework, which came into force on 1 January 2025 with the first supervisory report referring to 31 March 2025. The proposal aimed to strengthen the level of confidence in the capital ratios and in the soundness of the banking sector, also through measures aimed at containing the volatility of the results of the internal models used by the institutions, even contributing to the transition to the climate neutrality. In addition, the new banking package includes further harmonization of supervisory powers and supervisory tools and increased transparency and proportionality of Pillar 3 disclosure requirements.

The final text was promulgated on 6 December 2023, following the completion of the negotiation process within the trilogue between the European Commission, the European Parliament and the European Council with the publication in the Official Journal of the European Union on 19 June 2024, of the Regulation (EU) 2024/1623 (CRR III) which made amendments to Regulation (EU) No. 575/2013 regarding disclosure requirements for credit risk, credit assessment adjustment risk, operational risk, market risk, and output floor and of the Directive (EU) 2024/1619 (CRD VI) which made amendments to Directive 2013/36/EU as regards supervisory powers, sanctions, third-country branches, and environmental, social and governance risks. In addition, the CRR III introduced new disclosure requirements on shadow banking, cryptocurrency activities, and an extension of disclosure requirements on non-performing exposures and forbearance and ESG risks to all institutions, subject to the proportionality principle. This Regulation mandated the EBA to develop IT solutions, including templates and instructions, for disclosure requirements under banking regulations.

The Group has implemented the updated regulatory provisions through a dedicated project, developing procedural implementations necessary for the management of the new or modified requested information, defining methodological settings and consequently adapting the related internal regulations.

The EBA has decided to adopt a two-step sequential approach to amend Pillar 3 disclosures by prioritizing those mandates and changes that are necessary to apply and monitor the Basel III standards in the EU. Other disclosure requirements not directly linked to Basel III implementation, including disclosures on shadow banking, ESG risks and non-performing exposures will be consulted later this year in the step 2.

Pursuant to its mandate and as part as the step 1, EBA has published implementing technical standards (EBA/ITS/2024/05) designed to repeal the Commission Implementing Regulation (EU) 2021/637, with a view to make the technical standards more user-friendly for institutions. Following Article 434a (1) of the CRR III, the uniform formats for the disclosure requirements under Titles II and III of Part Eight of the Regulation (EU) No 575/2013 (CRR) will continue to be specified in the ITS, but they will be made available in the form of IT solutions on the EBA website. EBA standards have been transposed by the Commission Implementing Regulation (EU) 2024/3172 of 29 November 2024 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to public disclosures by institutions of the information referred to in Part Eight, Titles II and III, of that Regulation, and repealing Commission Implementing Regulation (EU) 2021/637. This regulation applies from 1 January 2025.

The CRR requires Institutions to publish the information set out in Title II and III of Part Eight along with the financial statements. The purpose of this disclosure requirement is to integrate the minimum capital requirements (Pillar 1) and the prudential control process (Pillar 2), by identifying a set of disclosure transparency requirements that allow market participants to have relevant, complete and reliable information about capital adequacy, risk exposure and the general characteristics of the systems in place to identify, measure and manage those risks.

FinecoBank S.p.A. (hereinafter also FinecoBank or Fineco or Bank) qualifies as a "Large Institution" under Part Eight of the CRR and, therefore, all information required on a quarterly basis has been published in this Public Disclosure as of 31 March 2025.

In line with the CRR, FinecoBank S.p.A., as the Parent Company of the FinecoBank Banking Group (hereinafter the "Group"), publishes its Public Disclosure at a consolidated level.

In addition to the above-mentioned European Union regulations, there are also the provisions issued by the Bank of Italy, in particular with Circular no. 285 "Supervisory provisions for banks" of December 17, 2013 (and subsequent updates), which in Chapter 13 of Part Two (public disclosure) governs the matter. The aforementioned circular does not lay down specific rules for the preparation and publication of Pillar III but refers to the provisions for this purpose provided for in the CRR, the Regulations of the European Commission whose preparation may be delegated to the EBA (European Banking Authority) and the EBA Guidelines.

The subject is therefore regulated:

- by the Part Eight of CRR, “Disclosure by institutions” (art. 431–455);
- by the Regulations of the European Commission, the preparation of which may be delegated to the EBA, containing the regulatory or implementing technical standards to govern the uniform models for publishing the various types of information. In particular, reference is made to the following guidelines and regulations:

Introduction

- Commission Implementing Regulation (EU) 2024/3172 of 29 November 2024 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to public disclosures by institutions of the information referred to in Part Eight, Titles II and III, of that Regulation, and repealing Commission Implementing Regulation (EU) 2021/637 (EBA/ITS/2024/25 transposed by the Implementing Regulation 2024/3172);
- Commission Implementing Regulation (EU) 2021/763 of 23 April 2021 laying down implementing technical rules for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council and Directive 2014/59/EU of the European Parliament and of the Council with regard to supervisory reporting and public disclosure of minimum own funds requirement and eligible liabilities;
- guidelines on materiality, proprietary and confidentiality and on disclosure frequency under Articles 432(1), 432(2) and 433 of Regulation (EU) No 575/2013 (EBA/GL/2014/14).

It should be noted that, as of 9 July 2024, the CRR introduced a temporary treatment, applicable until December 31, 2025, aimed at mitigating the impact of unrealized gains and losses accumulated as of 31 December 2019, on exposures to central governments, regional governments or local authorities measured at fair value recognized in other comprehensive income. As at 31 March 2025, the Group has not made use of the option to apply this temporary treatment.

Moreover, please note that the disclosure of the Group is prepared in accordance with a formal policy (Internal Regulation) adopted in the application of the CRR Article 431 (3) that sets out the internal controls and procedures.

The key elements of this policy are:

- identification of roles and responsibilities of the corporate bodies, departments and Legal Entities involved in the process of producing the disclosure;
- identification of the information to be published (in accordance with EBA GL/2014/14 and CRR Article 432 and 433 of CRR in relation with the requirements applicable as of 31 March 2025);
- approval by the Board of Directors;
- publication on the FinecoBank website.

This document has been prepared in accordance with the indications of the EBA guidelines in compliance with the proportionality principle and publishing only information that is material and not exclusive or confidential in accordance with Article 432 of the CRR. Finally, for the publication of qualitative and quantitative information, FinecoBank has adopted, firstly, the models provided by the EU Regulations or by the applicable EBA Guidelines mentioned above, secondly, free models. In this regard, the tables below report references to the location, in this document, of the required information.

Any discrepancies between data disclosed in this document are due to the effect of rounding. All amounts, unless otherwise specified, are expressed in thousands of euros.

Reference to regulatory reporting requirements on a quarterly basis: Implementing Regulation (EU) 3172/2024

The table below shows the templates required on quarterly basis, applicable to FinecoBank Group. Therefore, the following tables are excluded:

- EU CMS1 and EU CMS2 since the Group does not use internal models to calculate risk-weighted exposure amounts;
- EU CR8 since the Group does not use internal models (IRB) to calculate risk-weighted exposure amounts for credit risk;
- EU CCR7 since the Group does not use internal models (IMM) to calculate risk-weighted exposure amounts for counterparty credit risk;
- EU MR2-B since the Group does not use internal models (IMA) to calculate risk-weighted exposure amounts for market risk;
- EU CVA4 since the Group does not use the standardized model to calculate risk-weighted exposure amounts for credit valuation adjustments.

TABLE	TOPIC	CHAPTER
EU OV1	Overview of total risk exposure amounts	Own funds requirements and risk-weighted exposure amounts
EU KM1	Key metrics	Key metrics
EU LIQ1	Quantitative information of LCR	Liquidity requirements
EU LIQB	Qualitative information on LCR, which complements template EU LIQ1	Liquidity requirements

Introduction

Reference to the information required by the Part Eight of CRR

The table shows the information required, on a quarterly basis, by CRR.

ARTICLE	TOPIC	CHAPTER
438 letters d), da) and h)	Disclosure of own funds requirements and risk-weighted exposure amounts	Own funds requirements and risk-weighted exposure amounts
447	Disclosure of key metrics	Key metrics
451a paragraph 2	Disclosure of liquidity requirements	Liquidity requirements

It should be noted that the information referred to in the sections of the articles listed above for which a quarterly frequency is required to large institutions, as detailed in 433a of the CRR, is subject to publication in this document.

Key metrics

As previously described, with the publication in the Official Journal of the European Union on 19 June 2024 of CRR III, applicable from 1 January 2025 (first supervisory reporting referred to the accounting date of 31 March 2025), important amendments were introduced to Regulation (EU) No. 575/2013 with regard to the disclosure requirements on credit risk, credit valuation adjustment risk, operational risk, market risk and output floor.

The new regulation has reshaped the calculation of capital requirements for all the main types of risk (credit risk, market and counterparty risk, operational risk), as well as the reporting templates, also introducing the concept of "output floor", common to all types of risk, which entails the application of a minimum threshold to the values of RWA that are calculated through the application of internal models, in order to limit the possible breach of the 72.5% of the RWA (fully loaded) calculated through the application of the standardised methodology.

Considering that the Group does not apply internal models and, therefore, the provisions regarding the output floor do not apply, with reference to the provisions concerning the definition of capital requirements for credit risk, the main changes have entailed the revision of the measurement criteria based on the standardised approach with significant changes:

- to the logic of assigning weighting factors to the exposures of the Real Estate portfolio;
- to the logic of assigning weighting factors to the exposures of the Retail portfolio, with the possibility of assigning specific weighting factors in the event of compliance with certain conditions;
- to the calculation of the values of the Credit Conversion Factor (CCF) for off-balance sheet exposures, in which all exposures that fall within the definition of "commitment" have been included;
- to the process of assigning weighting factors to exposures to institutions.

Furthermore, the volatility adjustments to be applied to collateral received as part of credit risk mitigation have been modified, counterparty risk has been impacted by changes to the calculation of derivates and SFT exposures and a new framework for CVA risk has been introduced.

Regarding operational risks, until 31 December 2024 the Group used the standardized model to calculate the capital requirement. The new regulatory framework CRR III introduced a new common calculation method. This methodology provides for the determination of the requirement in accordance with an indicator that is based on the size of an entity's activity (Business Indicator Component), defined on the basis of accounting metrics, mainly using FinRep items (average of the last three years), weighted with regulatory coefficients by brackets.

Finally, with reference to the changes introduced in the regulatory framework for the calculation of capital requirements for market risk (Fundamental Review of Trading Book – FRTB), it should be noted that on 12 June 2025, the European Commission adopted a delegated act, currently under consideration by the European Parliament and the Council, postponing its application to 1 January 2027, after Commission Delegated Regulation (EU) 2024/2795 of 24 July 2024 had already postponed its application by one year to 1 January 2026.

Below is reported the EU KM1 table on key metrics, the details and qualitative information of which are reported within the document, if requested on quarterly basis, in the specific dedicated sections.

The following table EU KM1 reports information required by article 447 letters from a) to g) of CRR, in particular:

- the composition of own funds and own funds requirements;
- the total amount of risk exposure;
- the amount and composition of additional own funds that institutions are required to hold;
- the combined buffer requirement that institutions are required to hold;
- the leverage ratio and exposure measure;
- information in relation to liquidity coverage ratio;
- information in relation to net stable funding requirement.

All minimum requirements applicable to the FinecoBank Group as at 31 March 2025 are met. The calculation of Own Funds, and in particular of CET1 capital as at 31 March 2025, took into account foreseeable dividends and charges for a total amount of 132,847 euro thousand, assuming the conditions of Article 26(2) of the CRR are met.

Consistent with Implementing Regulation (EU) 2024/3172, data published for the first time, due to the changes introduced by the Regulation (EU) 2024/1623, are not reported at previous reporting periods. The remaining data to previous reporting periods are consistent with those published in past documents and therefore do not consider the changes introduced by CRR III.

Key metrics

EU KM1 – Key metrics

(Amounts in € thousand)

		a	b	c	d	e
		03.31.2025	12.31.2024	09.30.2024	06.30.2024	03.31.2024
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	1,341,370	1,311,917	1,278,758	1,230,960	1,186,759
2	Tier 1 capital	1,841,370	1,811,917	1,778,758	1,730,960	1,686,759
3	Total capital	1,841,370	1,811,917	1,778,758	1,730,960	1,686,759
	Risk-weighted exposure amounts					
4	Total risk exposure amount	5,590,726	5,064,224	4,686,150	4,775,778	4,693,517
4a	Total risk exposure pre-floor	5,590,726				
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	23.99%	25.91%	27.29%	25.78%	25.29%
5b	Common Equity Tier 1 ratio considering unfloored TREA (%)	23.99%				
6	Tier 1 ratio (%)	32.94%	35.78%	37.96%	36.24%	35.94%
6b	Tier 1 ratio considering unfloored TREA (%)	32.94%				
7	Total capital ratio (%)	32.94%	35.78%	37.96%	36.24%	35.94%
7b	Total capital ratio considering unfloored TREA (%)	32.94%				
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
EU 7d	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.00%	2.00%	2.00%	2.00%	2.00%
EU 7e	*of which: to be made up of CET1 capital (percentage points)*	*1.13%*	*1.13%*	*1.13%*	*1.13%*	*1.13%*
EU 7f	*of which: to be made up of Tier 1 capital (percentage points)*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*
EU 7g	Total SREP own funds requirements (%)	10.00%	10.00%	10.00%	10.00%	10.00%
	Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-	-	-	-
9	Institution specific countercyclical capital buffer (%)	0.13%	0.13%	0.14%	0.11%	0.11%
EU 9a	Systemic risk buffer (%)	0.21%	0.26%	-	-	-
10	Global Systemically Important Institution buffer (%)	-	-	-	-	-
EU 10a	Other Systemically Important Institution buffer (%)	-	-	-	-	-
11	Combined buffer requirement (%)	2.84%	2.88%	2.64%	2.61%	2.61%
EU 11a	Overall capital requirements (%)	12.84%	12.88%	12.64%	12.61%	12.61%
12	CET1 available after meeting the total SREP own funds requirements (%)	18.36%	20.28%	21.66%	20.15%	19.66%
	Leverage ratio					
13	Total exposure measure	34,460,784	34,736,372	33,226,497	32,362,312	32,719,690
14	Leverage ratio (%)	5.34%	5.22%	5.35%	5.35%	5.16%
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-	-	-	-
EU 14b	*of which: to be made up of CET1 capital (percentage points)*	-	-	-	-	-
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d	Leverage ratio buffer requirement (%)	-	-	-	-	-
EU 14e	Overall leverage ratio requirement (%)	3.00%	3.00%	3.00%	3.00%	3.00%

Key metrics

Continued EU KM1 – Key metrics

(Amounts in € thousand)

		a	b	c	d	e
		03.31.2025	**12.31.2024**	**09.30.2024**	**06.30.2024**	**03.31.2024**
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	22,118,611	21,554,971	20,832,702	20,244,236	19,832,980
EU 16a	Cash outflows - Total weighted value	3,792,887	3,725,681	3,705,993	3,719,809	3,744,080
EU 16b	Cash inflows - Total weighted value	1,295,140	1,328,067	1,357,047	1,396,196	1,415,183
16	Total net cash outflows (adjusted value)	2,497,748	2,397,614	2,348,946	2,323,613	2,328,897
17	Liquidity coverage ratio (%)	887.96%	909.11%	896.53%	881.85%	864.19%
	Net Stable Funding Ratio					
19	Total required stable funding	7,629,755	7,886,730	7,823,390	7,659,844	7,674,795
20	NSFR ratio (%)	389.69%	382.15%	368.91%	369.36%	369.41%

Please note that the information on the Liquidity Coverage Ratio refers to the weighted average values, consistent with the representation provided in the EU LIQ1 template.

Own funds requirements and risk-weighted exposure amounts

The Group deems as a priority the activities of capital management and allocation based on the risk assumed in order to expand its operations and create value. These activities involve the various planning and control stages and, specifically, the planning, budgeting and monitoring processes (analysis of expected and actual performance, analysis and monitoring of limits, performance analysis and monitoring of capital ratios).

In the dynamic management of capital, the Group draws up the financial plan and monitors the regulatory capital requirements, anticipating the appropriate actions to achieve the targets.

On the basis of the EU regulations set out in Directive and CRR, collated and implemented by the Bank of Italy through Circular No. 285 of December 17, 2013 "Supervisory Regulations for Banks" as amended, the Bank must satisfy the following own funds requirements established in Article 92 of the CRR, expressed as a percentage of the total risk exposure amount (RWA – Risk Weighted Assets):

- a Common Equity Tier 1 capital ratio of at least 4.5%;
- a Tier 1 capital ratio of at least 6%;
- a Total capital ratio of at least 8%.

Furthermore, in addition to these minimum requirements, banks are required to meet the combined buffer requirement, according to the article 128(6) of the Directive. Failure to comply with such combined buffer requirement triggers restrictions on distributions, requiring the calculation of the Maximum Distributable Amount (MDA), and the need to adopt a capital conservation plan.

The combined buffer requirement applicable to FinecoBank includes the following buffers:

- Capital Conservation Buffer (CCB) according to the article 129 of CRDIV, which is equal to 2.5% of the total Group risk weighted assets;
- Institution specific countercyclical capital buffer (CCyB) to be applied in periods of excessive credit growth, coherently with the article 160 of CRDIV (paragraphs 1 to 4) which for the Bank is equal to 0.13% as of 31 March 2025. This buffer is calculated depending on the geographical distribution of the relevant Group's credit exposures and on the national authorities' decisions, which define country-specific buffers;
- 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 equal to 0.21% as of 31 March 2025. It should be noted that the target rate of 1% is to be achieved gradually by setting aside a reserve equal to 0.5% of material exposures by 31 December 2024 and the remaining 0.5% by 30 June 2025.

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 3 December 2024 the Supervisory Authority communicated the following capital requirements (Pillar 2 Requirement - P2R) applicable to the Group from 1 January 2025: 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.

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 following the outcomes of the SREP conducted in 2024 and applicable for 2025 mentioned above.

Capital requirements and buffers for FinecoBank Group

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:	2.84%	2.84%	2.84%
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)	0.21%	0.21%	0.21%
E) Overall Capital Requirement (C+D)	**8.47%**	**10.34%**	**12.84%**

As at 31 March 2025, FinecoBank ratios are compliant with the above requirements.

To calculate regulatory requirements for credit and market risks the Group applies standardised approaches, in accordance with Part Three, Title II, Chapter 2 and Part Three, Title IV, Chapters 2, 3 and 4. As regards operational risks, the CRR III provides for a common calculation model in accordance with Part Three, Title III, Chapter 1 of CRR. Finally, for the calculation of the regulatory requirement for credit valuation adjustment risk (CVA), the Group applies the reduced basic approach (R-BA), in accordance with Part Three, Title VI of CRR.

The Group assesses capital adequacy by managing and allocating (regulatory and economic) capital according to the risks assumed and with the aim of directing its operations towards the creation of value. The Group has the goal of generating income in excess of that necessary to remunerate risk

Own funds requirements and risk-weighted exposure amounts

(cost of equity). This goal is pursued by allocating capital according to specific risk profiles and ability to generate sustainable earnings, measured as EVA (Economic Value Added) and ROAC (Return on Allocated Capital), which are the main risk-related performance indicators.

Capital and its allocation are therefore extremely important in defining strategies, since on the one hand it represents the shareholders' investment in the Group, which must be adequately remunerated, while on the other hand it is a scarce resource on which there are external limitations imposed by supervisory regulations.

The definitions of capital used in the allocation process are as follows:

- Risk or employed capital: this is the equity component provided by shareholders (employed capital) for which a return that is greater than or equal to expectations (cost of equity) must be provided;
- Capital at risk: this is the portion of capital and reserves that is used (the budgeted amount or allocated capital) or was used to cover (at period-end - absorbed capital) risks assumed to pursue the objective of creating value.

Capital at risk is measured according to risk management techniques, for which risk capital is defined as internal capital, on the one hand, and supervisory regulations, for which risk capital is defined as regulatory capital, on the other.

Internal capital and regulatory capital differ in terms of their definition and the categories of risk covered. The former is based on the actual measurement of exposure assumed, while the latter is based on templates specified in regulatory provisions. Internal capital is set at a level that will cover adverse events with a certain probability (confidence interval), while regulatory capital is quantified based on a target ratio higher than that required by the supervisory regulations in force.

The process of capital allocation is based on a "dual track" logic, considering both Internal capital, measured through the full evaluation of risks via risk management models, and regulatory capital, quantified applying internal capitalisation targets to regulatory capital requirements.

The Group dynamically manages its capital base by monitoring regulatory capital ratios, anticipating the appropriate changes necessary to achieve its defined targets, and optimising the composition of its assets and equity. The capital monitoring and planning is performed by the Group in relation to regulatory capital (Common Equity Tier 1, Additional Tier 1 and Tier 2 Capital and Own funds), and in relation to risk-weighted assets (RWAs). Planning is also carried out taking into account other dimensions relevant to the Group, such as exposures for leverage purposes.

The monitoring is complemented by an efficient and appropriate communications system, both for management purposes and communications with the supervisory authorities.

The following EU OV1 table shows the information required on a half-yearly basis under Article 438 letter d) of the CRR. In particular, it shows the total amount of risk-weighted exposure and the corresponding total own funds requirements, broken down by the different risk categories or risk exposure classes.

Own funds requirements and risk-weighted exposure amounts

EU OV1 – Overview of total risk exposure amounts

(Amounts in € thousand)

		Total risk exposure amounts (TREA)		Total own funds requirements
		a	b	c
		03.31.2025	12.31.2024	03.31.2025
1	Credit risk (excluding CCR)	2,728,695	2,960,284	218,296
2	*Of which the standardised approach*	*2,728,695*	*2,960,284*	*218,296*
3	*Of which the Foundation IRB (F-IRB) approach*	-	-	-
4	*Of which slotting approach*	-	-	-
EU 4a	*Of which equities under the simple risk weighted approach*	-	-	-
5	*Of which the Advanced IRB (A-IRB) approach*	-	-	-
6	Counterparty credit risk - CCR	73,052	108,850	5,844
7	*Of which the standardised approach*	*23,852*	*32,081*	*1,908*
8	*Of which internal model method (IMM)*	-	-	-
EU 8a	*Of which exposures to a CCP*	*2,965*	*4,646*	*237*
9	*Of which other CCR*	*46,235*	*72,124*	*3,699*
10	Credit valuation adjustments risk - CVA risk	160	311	13
EU 10a	*Of which the standardised approach (SA)*	-		-
EU 10b	*Of which the basic approach (F-BA and R-BA)*	*160*		*13*
EU 10c	*Of which the simplified approach*	-		-
15	Settlement risk	661	1,015	53
16	Securitisation exposures in the non-trading book (after the cap)	-	-	-
17	*Of which SEC-IRBA approach*	-	-	-
18	*Of which SEC-ERBA (including IAA)*	-	-	-
EU 19a	*Of which 1250%*	-	-	-
	Of which Specific treatment for senior tranches of qualifying NPE securitisations	-	-	-
20	Position, foreign exchange and commodities risks (Market risk)	101,817	102,808	8,145
21	*Of which the Alternative standardised approach (A-SA)*	-	-	-
EU 21a	*Of which the Simplified standardised approach (S-SA)*	-	-	-
22	*Of which Alternative Internal Model Approach (A-IMA)*	-	-	-
EU 22a	Large exposures	-	-	-
23	Reclassifications between the trading and non-trading books	-		-
24	Operational risk	2,686,341	1,890,956	214,907
EU 24a	Exposures to crypto-assets	-		-
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	94,657	146,273	7,573
26	Output floor applied (%)	-		-
27	Floor adjustment (before application of transitional cap)	-		-
28	Floor adjustment (after application of transitional cap)	-		-
29	**Total**	**5,590,726**	**5,064,224**	**447,258**

The increase in risk exposure (TREA) during the first quarter of 2025 is due to the impact of the introduction of CRR III before mentioned and, in particular, to the introduction of the new calculation methodology for operational risk, considering gross fee income (instead of net fee income under the standardized CRR II methodology), which is the main component of Fineco's Business Indicator.

On credit risk, the main impacts of CRR III on Fineco TREA are due to the new treatment of exposures secured by mortgages on immovable property, which led to a reduction in RWA, and to the change in the Credit Conversion Factor (CCF) of off-balance sheet exposures, mainly represented by undrawn credit lines which led to an increase in RWA.

As previously described, in accordance with the Implementing Regulation (EU) 2024/3172, the data whose publication is required for the first time due to the changes introduced by the Regulation (EU) 2024/1623 are not reported in correspondence with the previous periods; the remaining data referring to the previous periods, however, correspond to those published in the public disclosure document – Pillar 3 as at 31 December 2024 and therefore do not adopt the changes introduced by CRR III.

Own funds requirements and risk-weighted exposure amounts

As regarding market risk, it should be noted that the Fundamental Review of the Trading Book is not currently applicable. On 12 June 2025, the European Commission adopted a delegated act, currently under consideration by the European Parliament and the Council, postponing its application to 1 January 2027, after Commission Delegated Regulation (EU) 2024/2795 of 24 July 2024 had already postponed its application by one year to 1 January 2026.

FinecoBank Group does not exceed the thresholds for deduction from Common Equity Tier 1 Capital; therefore, the above numbers include TREA related to DTA and significant investments weighted at 250%.

Liquidity requirements

Liquidity Coverage Ratio – LCR

The Liquidity Coverage Ratio (LCR) is the regulatory metric of liquidity under stress introduced by the Basel Committee. The indicator is calculated as the ratio of high-quality liquid assets (HQLA) to expected net cash flows for the next 30 days under stress conditions. Compliance with this regulatory requirement is constantly monitored by setting internal limits within the risk appetite framework that are above the minimum regulatory level of 100%. The Liquidity Coverage Ratio (LCR), introduced by Basel 3 prudential regulation, is a short time indicator, which aims to ensure that credit institutions maintain an adequate liquidity buffer to cover the net liquidity outflows under severe conditions of stress over a period of 30 days. The regulatory framework applied is represented by:

- with reference to the requirements to be met:
  - CRR article 412 "Liquidity coverage requirement";
  - Delegated Regulation (EU) 2015/61 of 10 October 2014 and subsequent amendments, which establishes the rules specifying in detail the liquidity coverage requirement set forth in Article 412(1) of the CRR. Specifically, the minimum requirement that all banks authorized in Italy must comply with is 100%;
  - Commission Implementing Regulation (EU) 2021/451 of 17 December 2020 and subsequent amendments laying down implementing technical standards for the application of CRR with regard to the reporting by institutions for supervisory purposes and repealing Implementing Regulation (EU) No 680/2014.
- with reference to the disclosure information to be published:
  - CRR article 451a paragraph 2 defining disclosure of liquidity requirements;
  - Article 8 of Implementing Regulation (EU) 3172/2024 laying down implementing technical for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to public disclosures by institutions of the information referred to in Part Eight, Titles II and III, of that Regulation, and repealing Commission Implementing Regulation (EU) 2021/637.

The following EU LIQ1 template and EU LIQB section report the information required under Article 451a paragraph 2 of the CRR. In particular:

- the average of the liquidity coverage ratio based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period;
- the average of total liquid assets, after applying the relevant haircuts, included in the liquidity buffer, based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period, and a description of the composition of that liquidity buffer;
- the averages of their liquidity outflows, inflows and net liquidity outflows, based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period and the description of their composition.

EU LIQ1 - Quantitative information of LCR

(Amounts in € thousand)

	Scope of consolidation: consolidated	a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on	03.31.2025	12.31.2024	09.30.2024	06.30.2024	03.31.2025	12.31.2024	09.30.2024	06.30.2024
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					22,118,611	21,554,971	20,832,702	20,244,236
CASH-OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	27,777,198	27,478,863	27,166,571	27,226,618	1,778,095	1,756,460	1,743,902	1,775,980
3	*Stable deposits*	*20,729,196*	*20,595,074*	*20,521,356*	*20,702,941*	*1,036,460*	*1,029,754*	*1,026,068*	*1,035,147*
4	*Less stable deposits*	*6,064,262*	*5,948,315*	*5,883,472*	*6,042,087*	*741,635*	*726,707*	*717,834*	*740,833*
5	Unsecured wholesale funding	*561,514*	*542,965*	*520,330*	*551,017*	*311,716*	*293,128*	*272,622*	*291,956*
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	-	-	-	-	-	-	-	-
7	*Non-operational deposits (all counterparties)*	*561,514*	*542,965*	*520,330*	*551,017*	*311,716*	*293,128*	*272,622*	*291,956*
8	*Unsecured debt*	-	-	-	-	-	-	-	-
9	Secured wholesale funding					*298,204*	*272,952*	*246,133*	*208,781*
10	Additional requirements	537,740	550,444	586,771	582,021	523,230	528,104	544,035	542,946
11	*Outflows related to derivative exposures and other collateral requirements*	*515,279*	*514,521*	*516,530*	*517,731*	*515,279*	*514,521*	*516,530*	*517,731*
12	*Outflows related to loss of funding on debt products*	-	-	-	-	-	-	-	-
13	*Credit and liquidity facilities*	*22,461*	*35,923*	*70,241*	*64,290*	*7,951*	*13,583*	*27,505*	*25,215*
14	Other contractual funding obligations	675,616	664,305	685,586	684,292	661,300	650,570	670,489	668,642
15	Other contingent funding obligations	4,198,573	3,922,566	3,660,173	3,497,259	220,341	224,467	228,812	231,504
16	TOTAL CASH OUTFLOWS					3,792,887	3,725,681	3,705,993	3,719,809
CASH-INFLOWS									
17	Secured lending (eg reverse repos)	2,156,124	2,030,552	1,792,953	1,566,231	44,536	49,976	48,632	49,549
18	Inflows from fully performing exposures	646,848	638,440	645,091	633,248	472,457	465,963	475,883	467,511
19	Other cash inflows	2,341,878	2,384,771	2,439,092	2,530,114	778,147	812,127	832,532	879,136
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
EU-19b	(Excess inflows from a related specialised credit institution)					-	-	-	-
20	TOTAL CASH INFLOWS	*5,144,851*	*5,053,763*	*4,877,136*	*4,729,593*	*1,295,140*	*1,328,067*	*1,357,047*	*1,396,196*
EU-20a	*Fully exempt inflows*	-	-	-	-	-	-	-	-
EU-20b	*Inflows subject to 90% cap*	-	-	-	-	-	-	-	-
EU-20c	*Inflows subject to 75% cap*	*5,144,851*	*5,053,763*	*4,877,136*	*4,729,593*	*1,295,140*	*1,328,067*	*1,357,047*	*1,396,196*
TOTAL ADJUSTED VALUE									
EU-21	LIQUIDITY BUFFER					22,118,611	21,554,971	20,832,702	20,244,236
22	TOTAL NET CASH OUTFLOWS					2,497,748	2,397,614	2,348,946	2,323,613
23	LIQUIDITY COVERAGE RATIO					887.96%	909.11%	896.53%	881.85%

Liquidity requirements

EU LIQB: qualitative information on LCR, which complements template EU LIQ1

Explanations of the main factors and changes that determine LCR results over time

The Group's LCR is driven by high-quality liquid assets (HQLA), mainly composed of bonds (mainly government bonds) and liquidity deposited with the Bank of Italy, thanks to the contribution of stable retail deposits, which remained constant over the period. Liquidity outflows are mainly driven by stable and less stable retail deposits, additional requirements related to derivative exposures and other collateral requirements and other contractual funding obligations, mainly represented by payment orders issued by customers. Inflows are mainly driven by revocable current account overdrafts.

The aggregates that contribute to the determination of the LCR indicators shown in the table above are calculated as the average of end-of-the-month observations over the preceding 12 months. Despite an increase in the average outflow of "Secured wholesale funding", as a result of the higher securities lending transactions collateralized by cash with retail and institutional customers, and a decrease in "Other cash inflows", as a result of the reduction of the inflows due to securities present in the banking portfolio with maturity within 30 days and not included in the liquidity buffer, there was an increase in the average "Liquidity buffer", determined both by greater availability invested in HQLA assets and by an increase in the related fair value, which allowed the LCR indicator to be kept substantially constant over the period.

Despite the ongoing geopolitical tensions, the reduction of inflationary pressures and the loosening of restrictive monetary policies implemented by the world's leading central banks have supported the Group's overall liquidity which, as mentioned before, remained solid and stable; all liquidity adequacy indicators and analyses, in fact, showed wide safety margins with respect to regulatory and internal limits. All liquidity adequacy indicators and analyses, in fact, showed wide safety margins with respect to regulatory and internal limits.

Finally, FinecoBank did not have any difficulties or worsening in the conditions of access to the markets and in the closing of the relative transactions (repurchase agreements, purchase and sale of securities) in terms of volumes and prices.

Concentration of liquidity and funding sources

The concentration risk of funding sources can arise when the Group leverages on a limited number of funding sources with characteristics that could cause liquidity problems in the event of outflows concentrated on a single channel.

The Group's funding is mainly made up of sight deposits of FinecoBank retail customers and is characterised by multi-channelling and the funding is therefore not threatened by the withdrawal of funds by a limited number of counterparties or by the disappearance of a funding channel.

Moreover, while confirming sight deposits as its predominant funding source, during the last years the Bank further diversified its liquidity sources in particular offering term deposit instruments (so called Cashpark) to its customers, by making use of passive repo trades to fulfil temporary funding needs and through the issuance of financial instruments in the Senior Preferred segment and Additional Tier 1 segment.

As far as the issuance activity (initiated for regulatory requirements despite having no specific funding needs) is concerned, the last relevant operations were conducted in March 2024, as per details provided in the previous versions of this document.

The EMTN program, which was functional to the above-mentioned issuance activity, expired in February 2025 and has not been renewed at this time, as the Bank has no imminent needs to issue Senior Preferred and/or Additional Tier 1 instruments.

Finally, FinecoBank has developed the Sight Deposit Model and the related controls, as well as specific stress tests and controls on current account stability. he Sight Deposit Model is a statistical model whose objective is to estimate the portion of available funds on accounts that customers decide to keep stably liquid. That share is calculated as the ratio among liquidity kept on current accounts and the overall financial position of the client with the Bank. At the same time, the Model estimates the amount of fixed-rate sight deposits considered stable ("Core insensible") that can be used to finance fixed-rate loans. The risk management function checks monthly that the liquidity held within the year complies with the results of the Sight Deposit Model.

Basing funding almost only on deposits, even if collected in a widespread and granular manner from customers, can nevertheless expose the Group to a concentration in terms of maturity. In order to control this risk, FinecoBank periodically monitors specific indicators, both regulatory (such as the Net Stable Funding Ratio) and managerial.

As for the regulatory indicators, the effectiveness of the funding measures provided by FinecoBank is demonstrated by the levels well above the regulatory limits of the calculated and monitored liquidity ratios (LCR and NSFR).

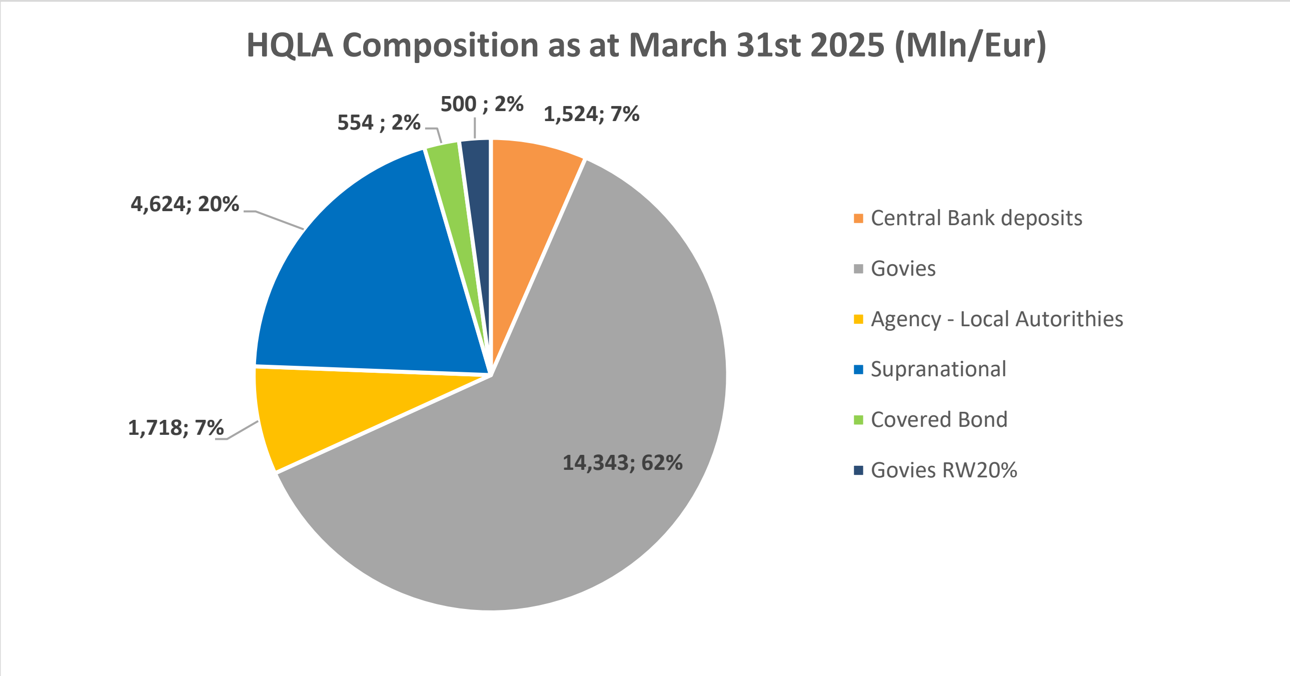
With reference to the managerial indicators, the Risk Management calculates the so-called Structural Ratio. This ratio was developed by the Parent Company's CRO Department with the aim of monitoring the risk of transformation of maturities, considering the specific features of Fineco's funding. In detail, the indicator considers the contractual maturities of the bank's assets and liabilities with the exclusion of sight deposits, represented according to the Sight Deposit Model.

Liquidity requirements

High-level description of the composition of the institution's liquidity buffer

The liquidity buffer consists mainly of securities classified as level 1 HQLA by art. 8 of Regulation 2015/61 and in particular of government bonds.

More specifically, the level of HQLA is equal to approximately 23.26 euro billion as of 31 March 2025 and is mainly composed of bonds part of Fineco proprietary portfolio (mostly government bonds) and of the liquidity deposited with the Bank of Italy.



Exposures in derivatives and potential requests for collateral

FinecoBank enters into derivative contracts both with central counterparties and third-party counterparties (OTC), with various underlying and hedging the following risk factors: interest rates, exchange rates and securities prices.

At the time of entering into new contracts and upon changes in market conditions the Group's liquidity position gets impacted by the obligation to provide margins proportional to the positions held and to the delta registered in market prices. The Group is in fact required to pay initial margins and daily variations margins in the form of cash or other liquid collateral.

FinecoBank is able to estimate and check the required margins on a daily basis using management applications and specific tools provided by clearing brokers. The correct execution of margin payments is also monitored on a daily basis, both in case of cash payment or in case of provision through the allocation of securities as collateral. In this second case, Treasury identifies the securities to be used which will then be included in the specific reports relating to the encumbered assets.

The sensitivity, calculated daily using Group's ALM tool, allows the estimation of the potential absorption of liquidity generated by specific market curve shocks.

Currency mismatch

The Group operates mainly in euro. EU regulations prescribe the monitoring and the communications of a foreign currencies LCR if the aggregated liabilities denominated in foreign currencies can be considered significant i.e. equal or higher than the 5% of the overall balance sheet liabilities of the Group. As at 31 March 2025, the only significant currency for the Group is euro.

Other elements in the calculation of the LCR that are not relevant in the LCR disclosure model, but that the institution considers relevant to its liquidity profile

As at 31 March 2025 FinecoBank is characterized by indirect participation to the European payment system and to its relevant ancillary system with the only exception of the instant payment infrastructure. Fineco in fact adhered directly to such sector by opening on the 22/11/2021 its own TIPS DCA which is adding up to previously available instant payment account on RT1. FinecoBank decided not to replace RT1 with TIPS but to keep both to achieve a wider reachability.

Participation in the payment systems, albeit mainly indirect as described above, in any case requires the availability of adequate procedures to manage intraday liquidity risk.

Liquidity requirements

The Treasury structure of the Parent Company, leveraging on available IT systems (both internal and systemic), actively manages all its intraday liquidity needs and guarantees the fulfilment of all payment and settlement obligations both in business as usual or contingency situations.

FinecoBank mainly faces intraday liquidity obligations towards:

- Central Bank, in relation to the activities processed on HAM and DCA TIPS accounts and consisting:
  - in the fulfilment of the request to keep on both accounts, individually and on a consolidated level, during the opening hours and especially at close of business, a positive balance sufficient to allow the respect of minimum reserve requirements on average balances held during the maintenance period;
  - in the execution of adequate and punctual daily funding and defunding transactions respecting specific system cut off times for each account;
  - in granting proper and sufficient funding on HAM and TIPS account, respectively to meet up with periodical debit postings by Central Bank and to manage the flows being processed 24/7;
- EBA clearing, in relation to the 24/7 activity on RT1 and consisting:
  - in the execution of adequate and punctual daily funding transactions to be estimated based on the expected daily flows and considering a top up suitable to create a prudential balance to manage overnight and weekend flows;
  - in the setup of upper limits representing operational balances cap thresholds that trigger automatic defunding transactions to bring back overall available liquidity to a prudential level able at the same to reduce cost opportunity and fragmentation of the payment capacity in euro;
- correspondent banks, in relation to the operational account and payment operation and consisting:
  - in the execution of adequate and punctual daily funding transactions to be estimated based on the expected daily flows and to be processed respecting daily cut off times specific of the counterparty or of the market, product, currency involved;
  - in the execution of close of business defunding transactions to keep balances within the credit lines granted to every single counterparty.

The Group in fact adopts a simplified cash management model in major currencies which implies the distribution of its payment capacity on main operational accounts held with Bank of Italy (HAM and TIPS DCA accounts) as far as euro is concerned and on specific operational accounts held with the correspondent banks offering payments and cash management services in relation to foreign currencies and to a residual part of Euro available liquidity.

The Treasury structure of the Parent Company monitors daily and in real time the balance of all the above-mentioned account (with specific focus on opening and close of business available liquidity) in order to guarantee:

- punctuality of ordinary and extraordinary cash flows with greater focus on time recurring and predictable payments;
- respect of assigned limits;
- respect of regulatory and operational obligations with greater focus on those related to the relationships with the Central Bank (as Minimum Reserve requirements).

Furthermore, in order to optimize the financial return of its excess liquidity (not operational), FinecoBank can rely also on term deposit facilities negotiated with third banks[1].

In order to guarantee operational continuity in contingency situations, the process relating to the management of intra-day liquidity is included in the company's Business Continuity Plan where appropriate back-up and operational contingency measures are identified.

[1] FinecoBank activated with a third bank an evergreen deposit account with a notice period of 95 days and since October 2022 is also active on the ECB deposit facility for liquidity in euro.

Declaration of the nominated official in charge of drawing up company accounts

The undersigned Erick Vecchi, as nominated official in charge of drawing up company accounts of FinecoBank S.p.A.

DECLARES

that, pursuant to article 154-bis of the “Consolidated Law on Financial Intermediation”, the information disclosed in this document corresponds to the accounting documents, books and records.

Milan, July 8, 2025

FinecoBank S.p.A.
The Manager Responsible for preparing
the Company's financial reports
Erick Vecchi

Statement of compliance with formal policy and internal processes, systems and controls

The undersigned, Alessandro Foti, as Chief Executive Officer and General Manager, and Lorena Pelliciari, as Chief Financial Officer of FinecoBank S.p.A.

CERTIFY

in accordance with the disclosure requirements pursuant to Part Eight of Regulation (EU) No. 575/2013 (as amended), that the information provided pursuant to the aforementioned Part Eight has been prepared in accordance with the internal control processes agreed upon at the level of the management body.

Milan, July 8, 2025

FinecoBank S.p.A.
The Chief Executive Officer and
General Manager
Alessandro Foti

FinecoBank S.p.A.
The Chief Financial Officer
Lorena Pelliciari

finecobank.com