

FINECOBANK GROUP PUBLIC DISCLOSURE – PILLAR III

AS AT 31 DECEMBER 2025

FINECO

Contents

Introduction	3
Risk management objectives and policies	9
Scope of application	23
Key metrics	29
Own Funds	33
Own funds requirements and risk-weighted exposure amounts	47
Countercyclical capital buffers	51
Exposures to credit risk and dilution risk	55
Disclosure of the use of the Standardised Approach	67
Disclosure of the use of credit risk mitigation techniques	73
Exposures to counterparty credit risk	77
Operational risk management	83
Market risk	87
Exposures to interest rate risk on positions not held in the trading book	89
Liquidity requirements	91
Encumbered and unencumbered assets	105
Leverage	107
Disclosure of environmental, social and governance risks	113
Remuneration policy	137
Glossary	149
Declaration of the nominated official in charge of drawing up company accounts	155
Statement of compliance with formal policy and internal processes, systems and controls	157

"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” 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 changes 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 in 2021 promoted a legislative proposal (i.e., the CRR III/CRD VI package) to implement the latest standards set by the Basel III framework. The new banking package, which includes Regulation (EU) 2024/1623 and Directive (EU) 2024/1619, implements the Basel Committee on Banking Supervision's post-crisis regulatory reforms, considering the specific aspects of the European Union banking sector. It has led to a profound overhaul of the prudential framework, which entered into force on 1 January 2025 with the first supervisory reporting due on 31 March 2025. The proposal aims to strengthen confidence in the representativeness of capital ratios and the soundness of the banking sector, including through measures to contain the volatility of the results of internal models used by institutions, thus also contributing to the transition to climate neutrality. Furthermore, the new banking package provides for further harmonisation of supervisory powers and 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 Commission, the European Parliament and the European Council, with subsequent publication in the Official Journal of the European Union on 19 June 2024 of Regulation (EU) 2024/1623 (CRR III), which amended Regulation (EU) No. 575/2013 with regard to disclosure requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and output floor, and Directive (EU) 2024/1619 (CRD VI), which amended Directive (EU) 2013/36/EU with regard to supervisory powers, sanctions, third-country branches and environmental, social and governance risks. CRR III also introduced new disclosure requirements for shadow banking, cryptocurrency activities, and extended disclosure requirements for non-performing loans and forbearance and ESG risks to all institutions, in compliance with the principle of proportionality. This regulation mandated the European Banking Authority (EBA) to develop IT solutions, including templates and instructions, for the disclosure requirements set forth in banking regulations.

FinecoBank Banking Group implemented the updated regulatory provisions through a dedicated project. This project developed the procedural implementations necessary to manage the new or modified information requirements, defining methodological settings and adapting the related internal regulations accordingly.

The EBA has decided to adopt a two-phase sequential approach to amending Pillar 3 disclosures, prioritising the mandates and changes necessary to implement and monitor the Basel III standards in the European Union. Other disclosure requirements not directly related to the implementation of Basel III, including disclosures on shadow banking, ESG risks, and non-performing exposures, will be developed in the second phase.

Pursuant to the mandate received and in implementation of the first phase, the EBA published implementing technical standards (EBA/ITS/2024/05) developed to repeal Commission Implementing Regulation (EU) 2021/637, with the aim of making the technical standards easier for institutions to use. Pursuant to Article 434a (1), as amended by CRR III, the uniform templates for the disclosure requirements under Titles II and III of Part Eight of the CRR will continue to be specified in the ITS but will be made available, including instructions, as IT solutions on the EBA website. The EBA technical standards were transposed by 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 the publication by institutions of the information referred to in Titles II and III of Part Eight of that Regulation, and repealing Commission Implementing Regulation (EU) 2021/637¹. That Regulation applies from 1 January 2025.

With the aim of improving the transparency and comparability of information disclosed to the public through the use of specific IT solutions, structured data exchange formats, and automated validation methods that also ensure greater efficiency in the management and publication of public disclosures, the initiative launched by the EBA under a direct mandate from Article 434bis of the CRR3, the so-called Pillar 3 Data Hub (P3DH), was finalised to centralise and make Pillar 3 disclosures available through a single electronic access point on the EBA website. According to the timeline reported in the Final Draft ITS (EBA/ITS/2025/01), a gradual transition to this new system is envisaged, with its adoption by large institutions (including FinecoBank S.p.A., hereinafter also FinecoBank or Fineco or Bank) starting from the accounting date of 30 June 2025, the first reference date for the implementation of the P3DH. This transitional period allows institutions to publish Pillar III disclosures on their websites for the reference dates of 30 June, 30 September, and 31 December 2025, and subsequently to comply with the requirement to submit the information to the EBA in the technical format required by the ITS. Disclosures after 31 December 2025 must be submitted to the EBA first, although the EBA has granted banks the option to continue publishing them on their websites as well. The information contained in Pillar III as at 31 December 2025, has been published on Fineco's website and subsequently transmitted to the EBA, in compliance with the deadlines established by current legislation.

The CRR requires institutions to publish the information set out in Title II and III of Part Eight in conjunction 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 qualifies as a “Large Institution” under Part Eight of the CRR and, therefore, all information required to them on an annual basis has been published in this Public Disclosure as at 31 December 2025.

¹ Regulation (EU) 2021/637 shall continue to apply until the entry into force of the “Fundamental Review of the Trading Book” (FRTB) with regard to Article 15 and Annexes XXIX and XXX, pursuant to Article 16 of Regulation (EU) 2024/3172 with reference to market risk disclosure.

Introduction

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.

The aforementioned European Union legislation is complemented by the provisions issued by the Bank of Italy, specifically Circular no. 285 "Supervisory provisions for banks" of 17 December 2013 (and subsequent updates), which regulates the matter in Chapter 13 of Part Two (public disclosure). The 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 by CRR, by the Regulations of the European Commission whose preparation may be delegated to the EBA (European Banking Authority) and by 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:
 - Commission Implementing Regulation (EU) 2024/3172 of 29 November 2024 laying down implementing technical standards for the application of the CRR with regard to the publication by institutions of the information referred to in Titles II and III of Part Eight of that Regulation and repealing Commission Implementing Regulation (EU) 2021/637 (EBA/ITS/2024/05 transposed by Implementing Regulation 2024/3172);
 - Commission Implementing Regulation (EU) 2021/763 of 23 April 2021 and subsequent amendments establishing implementing technical standards for the application of the CRR and of Directive 2014/59/EU of the European Parliament and of the Council (Bank Recovery and Resolution Directive – BRRD) regarding the supervisory reporting and public disclosure of the minimum requirement for own funds and eligible liabilities (MREL);
 - 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, starting from 9 July 2024, CRR III introduced a temporary treatment, applicable until 31 December 2025, aimed at mitigating the impact of unrealised profits and losses accumulated from 31 December 2019 on exposures to central governments, regional governments or local authorities measured at fair value through other comprehensive income. As at December 31, 2025, the Group did not exercise the option to apply this temporary treatment.

It should be noted that ECB Banking Supervision reviewed its medium-term strategy for the next three years based on a thorough assessment of the key risks and vulnerabilities of supervised institutions. Over the past year, the sector has continued to maintain solid capital and liquidity positions as well as low levels of non-performing loans, with profitability so far proving resilient to the decline in interest rates. Strong fundamentals have enabled the sector to withstand the economic challenges caused by escalating trade tensions and global conflicts, as well as subsequent periods of high volatility in financial markets.

Despite the solidity of banks, geopolitical tensions and evolving trade policies, climate and natural disasters, demographic changes, and the disruptive effects of technology are exacerbating structural vulnerabilities, increasing the likelihood of low-probability extreme events to an unprecedented degree. Uncertainty is high.

In light of this challenging outlook, supervisory priorities for the 2026-2028 period focus on:

- strengthening banks' resilience to geopolitical risks and macro-financial uncertainties (priority 1);
- strengthening banks' operational resilience and fostering robust information and communication technology (ICT) capabilities (priority 2).

Given the high degree of uncertainty in the external environment, it cannot be ruled out that the main risks outlined in this document may change depending on future scenarios in which the Group will operate.

Therefore, it shall be noted that the Disclosure of the Group is prepared in accordance with a formal policy adopted in the application of the CRR Article 431 (3) that sets out 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 in relation with the requirements applicable as at 31 December 2025);
- approval by the Board of Directors;
- publication on the FinecoBank website. In line with the previously mentioned P3DH, the Disclosure as at 31 December 2025 will also be made available on the EBA 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. In this regard, it should be noted that 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. The tables below report references to the location, in this document, of the required information.

Introduction

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 with annual frequency: Implementing Regulation (EU) 2024/3172

The table below shows the location in this document of the disclosures applicable to the Group on an annual basis. Therefore, the following templates/tables are excluded:

- EU LI3 as the Group has no differences between the scopes of accounting consolidation and prudential consolidation;
- EU INS1; EU INS2 as the Group has no holdings in insurance companies;
- EU CMS1; EU CMS2; EU CRE; EU CR6; EU CR6a; EU CR7; EU CR7a; EU CR8; EU CR9; EU CR9.1; EU CCR4; EU CCR7; EU MRB; EU MR2-A; EU MR2-B; EU MR3; EU MR4 as the Group does not use internal models, neither in the determination of credit and counterparty risk nor in the determination of market risks;
- EU CVAB; EU CVA2, EU CVA3, EU CVA4 as the Group does not use the standardised approach or the basic approach in determining credit valuation adjustment risk;
- EU CR10; EU CCR6; EU CQ7; EU SECA; EU SEC1; EU SEC2; EU SEC3; EU SEC4; EU SEC5; EU CAE1; EU SB1; Template 3 ESG; Template 4 ESG as the Group does not have any exposures that fall within the types indicated²;
- EU PV1 because the Group does not use the core approach to determine the additional valuation adjustment for the prudent valuation;
- EU CR2a; EU CQ2; EU CQ6; EU CQ8 as the Group does not have a ratio of the gross carrying amount of impaired loans and advances to the total gross carrying amount of loans and advances of 5% or more.

Finally, it should be noted that this document does not include the ESG Templates relating to the Green Asset Ratio (GAR) and the Taxonomy Regulation (Models 6 to 10 and column c of Models 1 and 4), for which the disclosure obligations are suspended until the amendments to the EBA Implementing Technical Standards (ITS) on disclosure are adopted and enter into force, in accordance with the EBA consultation document (EBA/CP/2025/07) published on 22 May 2025 and the EBA no-action letter published on 6 August 2025, which formalised the guidance provided in the consultation document.

TEMPLATE	TOPIC	CHAPTER
EU OVA	Institution risk management approach	Risk management objectives and policies
EU OVB	Disclosure on governance arrangements	Risk management objectives and policies
EU OVC	ICAAP information	Risk management objectives and policies
EU LI1	Differences between the accounting scope and the scope of prudential consolidation and mapping of financial statement categories with regulatory risk categories	Scope of application
EU LI2	Main sources of differences between regulatory exposure amounts and carrying values in financial statements	Scope of application
EU LIA	Explanations of differences between accounting and regulatory exposure amounts	Scope of application
EU LIB	Other qualitative information on the scope of application	Scope of application
EU OV1	Overview of total risk exposure amounts	Own funds requirements and risk-weighted exposure amounts
EU KM1	Key metrics	Key metrics
EU CCA	Main features of regulatory own funds instruments and eligible liabilities instruments	Own Funds
EU CC1	Composition of regulatory own funds	Own Funds
EU CC2	Reconciliation of regulatory own funds to balance sheet in the audited financial statements	Own Funds
EU CCyB1	Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer	Countercyclical capital buffers
EU CCyB2	Amount of institution-specific countercyclical capital buffer	Countercyclical capital buffers
EU AE1	Encumbered and unencumbered assets	Encumbered and unencumbered assets
EU AE2	Collateral received and own debt securities issued	Encumbered and unencumbered assets
EU AE3	Sources of encumbrance	Encumbered and unencumbered assets
EU AE4	Accompanying narrative information	Encumbered and unencumbered assets
EU LRA	Disclosure of LR qualitative information	Leverage
EU LR1 - LR Sum	Summary reconciliation of accounting assets and leverage ratio exposures	Leverage

² Derivative contracts with underlying crypto assets are subject to the calculation of capital requirements for counterparty and market risk.

Introduction

continued: Reference to regulatory reporting requirements with annual frequency: Implementing Regulation (EU) 3172/2024 and subsequent amendments

TEMPLATE	TOPIC	CHAPTER
EU LR2 - LR Com	Leverage ratio common disclosure	Leverage
EU LR3 - LR Spl	Split-up of on-balance sheet exposures (excluding derivatives, SFTs and exempted exposures)	Leverage
EU LIQA	Liquidity risk management	Liquidity requirements
EU LIQ1	Quantitative information of LCR	Liquidity requirements
EU LIQB	Qualitative information on LCR, which complements template EU LIQ1	Liquidity requirements
EU LIQ2	Net Stable Funding Ratio	Liquidity requirements
EU CRA	General qualitative information about credit risk	Risk management objectives and policies
EU CRB	Additional disclosure related to the credit quality of assets	Exposures to credit risk and dilution risk
EU CR1-A	Maturity of exposures	Exposures to credit risk and dilution risk
EU CR2	Changes in the stock of non-performing loans and advances	Exposures to credit risk and dilution risk
EU CR1	Performing and non-performing exposures and related provisions	Exposures to credit risk and dilution risk
EU CQ1	Credit quality of forborne exposures	Exposures to credit risk and dilution risk
EU CQ3	Credit quality of performing and non-performing exposures by past due days	Exposures to credit risk and dilution risk
EU CQ4	Quality of non-performing exposures by geography	Exposures to credit risk and dilution risk
EU CQ5	Credit quality of loans and advances to non-financial corporations by industry	Exposures to credit risk and dilution risk
EU CRC	Qualitative disclosure requirements related to CRM techniques	Disclosure of the use of credit risk mitigation techniques
EU CR3	CRM techniques overview: Disclosure of the use of credit risk mitigation techniques	Disclosure of the use of credit risk mitigation techniques
EU CRD	Qualitative disclosure requirements related to standardised approach	Disclosure of the use of the Standardised Approach
EU CR4	Standardised approach – Credit risk exposure and CRM effects	Disclosure of the use of the Standardised Approach
EU CR5	Standardised approach	Disclosure of the use of the Standardised Approach
EU CCRA	Qualitative disclosure related to CCR	Exposures to counterparty credit risk
EU CCR1	Analysis of CCR exposure by approach	Exposures to counterparty credit risk
EU CCR3	Standardised approach – CCR exposures by regulatory exposure class and risk weights	Exposures to counterparty credit risk
EU CCR5	Composition of collateral for CCR exposures	Exposures to counterparty credit risk
EU CCR8	Exposures to CCPs	Exposures to counterparty credit risk
EU CVAA	Qualitative disclosure requirements on the credit valuation adjustment risk	Exposures to counterparty credit risk
EU CVA1	Credit valuation adjustment risk under the reduced basic approach	Exposures to counterparty credit risk
EU MRA	Qualitative disclosure requirements related to market risk	Risk management objectives and policies; Market risk
EU MR1	Market risk under the standardised approach	Market risk
EU ORA	Qualitative information on operational risk	Risk management objectives and policies; Operational risk management
EU OR1	Operational risk own funds requirements and risk-weighted exposure amounts	Operational risk management
EU OR2	Business Indicator components and subcomponents	Operational risk management
EU OR3	Own funds requirements for operational risk and risk exposure amounts	Operational risk management
EU REMA	Remuneration policy	Remuneration policy
EU REM1	Remuneration awarded for the financial year	Remuneration policy

Introduction

continued: [Reference to regulatory reporting requirements with annual frequency: Implementing Regulation \(EU\) 3172/2024 and subsequent amendments](#)

TEMPLATE	TOPIC	CHAPTER
EU REM2	Special payments to staff whose professional activities have a impact on institutions' risk profile (identified staff)	Remuneration policy
EU REM3	Deferred remuneration	Remuneration policy
EU REM4	Remuneration of 1 million EUR or more per year	Remuneration policy
EU REM5	Information on remuneration of staff whose professional activities terial impact on institutions' risk profile (identified staff)	Remuneration policy
IRRBBA	Qualitative information on interest rate risk on positions not included in the trading book	Exposures to interest rate risk on positions not included in the trading book
IRRBB1	Interest rate risk on positions not included in the trading book	Exposures to interest rate risk on positions not included in the trading book
Table 1	Qualitative information on environmental risk	Disclosure of environmental, social and governance risks
Table 2	Qualitative information on social risk	Disclosure of environmental, social and governance risks
Table 3	Qualitative information on governance risk	Disclosure of environmental, social and governance risks
Template 1	Banking book- Indicators of potential climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Disclosure of environmental, social and governance risks
Template 2	Banking book - Indicators of potential climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral	Disclosure of environmental, social and governance risks
Template 5	Banking book - Indicators of potential climate change physical risk: Exposures subject to physical risk	Disclosure of environmental, social and governance risks

[Reference to regulatory reporting requirements with annual frequency: Implementing Regulation \(EU\) 2021/763 and subsequent amendments](#)

The following table shows the location in this document of the disclosure on Minimum Own Funds Requirements and Eligible Liabilities introduced by Regulation (EU) 2021/763 with reference to Entities identified as entities subject to resolution that are neither Global Systemically Important Institutions (G-SIIs) nor part of a G-SII, applicable to the FinecoBank Group as at 31 December 2025.

TEMPLATE	TOPIC	CHAPTER
EU KM2	Key metrics - MREL	Own Funds
EU TLAC1	Composition - MREL	Own Funds
EU TLAC3b	Creditor ranking - resolution entity	Own Funds

Introduction

Reference to the information required by the Part Eight of CRR

The table shows the information required, on annual basis, by Regulation (EU) n.575/2013 and subsequent amendments.

ARTICLE	TOPIC	CHAPTER
435	Disclosure of risk management objectives and policies	Risk management objectives and policies
436	Disclosure of the scope of application	Scope of application
437	Disclosure of own funds	Own Funds
437a	Disclosure of own funds and eligible liabilities	Not applicable
438	Disclosure of own funds requirements and risk-weighted exposure amounts	Risk management objectives and policies; Own funds requirements and risk-weighted exposure amounts; Key metrics
439	Disclosure of exposures to counterparty credit risk	Risk management objectives and policies; Exposures to counterparty credit risk
440	Disclosure of countercyclical capital buffers	Countercyclical capital buffers
441	Disclosure of indicators of global systemic importance	Not applicable
442	Disclosure of exposures to credit risk and dilution risk	Risk management objectives and policies; Exposures to credit risk and dilution risk
443	Disclosure of encumbered and unencumbered assets	Encumbered and unencumbered assets
444	Disclosure of the use of the Standardised Approach	Disclosure of the use of the Standardised Approach
445	Disclosure of exposure to market risk	Risk management objectives and policies; Market risk
445a	Disclosure of CVA risk	Counterparty risk exposures
446	Disclosure of operational risk management	Risk management objectives and policies; Operational risk management
447	Disclosure of key metrics	Key metrics
448	Disclosure of exposures to interest rate risk on positions not held in the trading book	Exposure to interest rate risk on positions not held in the trading book
449	Disclosure of exposures to securitisation positions	Not applicable
449a	Disclosure of environmental, social and governance risks (ESG risks)	Disclosure of environmental, social and governance risks
449b	Disclosure of aggregate exposures to shadow banking entities	Not applicable
450	Disclosure of remuneration policy	Remuneration policy
451	Disclosure of the leverage ratio	Leverage ratio
451a	Disclosure of liquidity requirements	Liquidity requirements
451b	Disclosure of crypto-assets exposures	Not applicable
452	Disclosure of the use of the IRB Approach to credit risk	Not applicable
453	Disclosure of the use of credit risk mitigation techniques	Disclosure of the use of credit risk mitigation techniques; Disclosure of the use of the Standardised Approach
454	Disclosure of the use of the Advanced Measurement Approaches to operational risk	Not applicable
455	Use of internal market risk models	Not applicable

Please note that the information referred to in the sections of the articles listed above for which annual frequency is required for "Large institutions", a category to which Fineco belongs, as punctually detailed in the article 433a of CRR, is published in this document.

Risk management objectives and policies

Below is the information referred to in the EU OVA table on the institution's risk management method, required in Article 435, paragraph 1, of the CRR; in particular:

- risk management strategies and processes, the risk governance structure, the scope and characteristics of the reporting systems;
- the statement approved by the Board of Directors regarding the Group's risk profile associated with the corporate strategy and the adequacy of the implemented risk management framework.

With regard to risk measurement systems, please refer to the chapters dedicated to individual risks, namely "Credit and dilution risk exposures", "Exposures to counterparty risk", "Operational risk management" and "Market risk".

In order to ensure that business activities are in line with corporate strategies and policies and based on sound and prudent management, FinecoBank, as the Parent Company of the FinecoBank Group, has equipped the Group with an single Internal Control System that allows effective control over both the strategic choices of the Group as a whole and the managerial balance of the individual Group entities.

Specifically, in accordance with the provisions of Supervisory Authorities, the Group's Internal Control System (ICS) consists of all the rules, functions, structures, resources, processes and procedures aimed at ensuring that the following objectives are achieved:

- containment of risk within the limits set out in the Group Risk Appetite Framework - "RAF";
- verification of the implementation of the Bank's strategies and policies;
- protection of assets value and loss prevention;
- effectiveness and efficiency of corporate processes;
- security and reliability of corporate data and ICT procedures;
- prevention of the risk that the Group may be involved, even involuntarily, in illegal activities (with particular reference to those connected with money laundering, usury and terrorist financing);
- compliance of transactions with the law and supervisory regulations, as well as with internal policies, regulations and procedures, both global and local.

From a methodological point of view, the Internal Control System of the FinecoBank Group, which comprises the parent company Fineco and Fineco Asset Management DAC, envisages three types of controls:

- first level controls ("line controls"): these are controls related to the execution of individual activities and are carried out according to specific operational procedures based on internal regulation. Monitoring and continuously updating these processes are entrusted to "process owners" who are responsible 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 both to units dealing with customers, and non-customers related units;
- second level controls: these are controls related to daily operations connected with the process of measuring quantifiable risks and are carried out continuously by non-operating units. The CRO Department, as the risk management function, controls market, credit and operational risks, as regards compliance with limits assigned to operating functions and the consistency of operations of individual production areas with established risk/return objectives; the Compliance unit is responsible for controls on non-compliance risks; for several regulatory areas which already have types of control performed by the specialised structures, monitoring of compliance risk is assigned to these structures according to the 'Indirect Coverage' operating 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. In order to verify the compliance of the Group's Legal Entities with Parent Company guidelines as well as the effectiveness of the internal control framework, the internal audit function of FinecoBank, on a consolidated level, periodically carries out on-site controls on the Group's Legal Entities, taking into account the importance of the different types of risk assumed by the entities.

The Parent Company is also subject to Institutional supervisory controls: such controls are carried out 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 8 June 2001.

Risk governance

The requirement for a comprehensive and functional internal control framework is the existence of an appropriate business organization suited to ensure sound and prudent management.

On March 11, 2025, in the context of the ICAAP and ILAAP 2024 annual report, the Board of Directors of the Parent Company FinecoBank has approved the final version of the declaration called "Capital Adequacy Statement". The statement certifies that the risk governance, the risk management systems and the Group's Internal Capital are adequate to cover the Group's risk profile and the activities deriving from its business model.

The Group's internal control system provides for the involvement of the following control bodies and functions, each for their respective competences:

- 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;

Risk management objectives and policies

- the Appointments Committee;
- the Corporate Governance, Environmental and Social Sustainability Committee;
- the Supervisory Body established pursuant to Legislative Decree 231/01;
- the corporate control functions (CRO, Compliance, Internal Audit) as well as other corporate functions in charge of specific control tasks.

Corporate bodies and control functions collaborate and coordinate with each other both through specific information flows formalized in internal regulations, and through the establishment of managerial committees focused on control topics.

The Board of Directors of the Parent Company is in charge of setting strategic, organizational and operational guidelines, overseeing and monitoring their timely execution within the assigned risk profiles. The Board of Directors is responsible for setting and approving the methods through which risks are detected and assessed, as well as risk management strategies and policies. The Board of Directors also verifies that the internal control system is consistent with the established risk appetite and approves risk governance policies.

The Chief Executive Officer and General Manager has been assigned specific powers by the Board of Directors in all the Group's areas of activity. These powers shall be exercised according to the applicable regulation and within the limits established by strategies, guidelines, ceilings, risk taking modes and operational modes described by the related disclosures. The Chief Executive Officer and General Manager puts in place the necessary measures aimed at ensuring the establishment and maintenance of an efficient and effective internal control framework. As the corporate Body responsible for the internal control system, the Chief Executive Officer annually approves the document "Managerial Assessment of the Internal Control System and Risks", aimed at evaluating the adequacy of the Group's risk management measures. Eventually, as a member of the Board of Directors, the Chief Executive Officer and General Manager approves the annual report on the Group's Risks Exposures, a document prepared by the Parent Company's CRO Department that summarizes the Group's overall risk profile, with a specific focus on risk indicators included in the Risk Appetite Framework.

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. The Board of Statutory Auditors has also been assigned the responsibility of the Internal Control and Accounting Review Committee, referred to in art. 19 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 investigation, the assessments and decisions of the Board of Directors concerning risk management and the Internal Controls 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 an adequate preliminary activity, 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 and the General Manager, as well as for the other Executives with strategic responsibilities and the other identified Staff; in examining the stock or monetary incentive plans for employees and personal financial advisors of the Company and the Group and the strategic development policies of human resources.

The Appointment Committee is composed of three non-executive and independent Directors and has the task of supporting, with an adequate preliminary activity, the Board of Directors in appointing and co-opting Directors and the Chief Executive Officer and/or General Manager and other Executives with strategic responsibilities.

The Corporate Governance, Environmental and Social Sustainability Committee is composed of three non-executive and independent Directors and has the task of supporting, with an adequate preliminary activity, the Board of Directors in the following main tasks: setting FinecoBank Corporate Governance, as well as the Group governance framework and guidelines; supervising environmental and social issues involving FinecoBank and interactions with stakeholders.

The company Manager in charge for preparing the company's accounting documents ensures the adequacy of the administrative and accounting procedures for the preparation of the financial statements and the consolidated financial statements as well as any other financial communications, pursuant to Art. 154-bis of Legislative Decree 24 February 1998 n. 58 (TUF).

The Compliance Function oversees the management of non-compliance risk, i.e. the risk of incurring judicial or administrative sanctions, significant financial losses or damage to reputation because of violations of mandatory rules or self-regulation.

The Anti-Money Laundering and Anti-corruption function is responsible for continuously monitoring and identifying external regulations applicable to the Bank and 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, which reports to the Chief Risk Officer, is responsible for validating the internal models developed by the various functions of the Parent Company and is fully independent from them.

The CRO Department, as the risk management function, oversees the correct functioning of the Group's risk framework by defining the appropriate methodologies for identifying and measuring the overall current and future risks, in accordance with the regulatory provisions, the management decisions of the Bank identified in the Group's risk appetite (RAF) and the principles and policies defined by the CRO, carrying out a monitoring activity and verifying compliance with the established limits.

Risk management objectives and policies

The CRO, with the contribution of the Chief Lending Officer (CLO) and the Chief Financial Officer (CFO), each for their own areas of competence, is responsible for proposing the Group Risk Appetite Framework and defining, in line with the strategies and the corporate objectives, risk management guidelines and policies, coordinating and verifying their implementation by the units in charge, also in different corporate areas.

The risk management systems described in the following paragraphs are aligned with the Group's risk strategy and consistent with its risk profile.

Organization of the risk management function

The CRO Department, headed by the Chief Risk Officer (CRO), is independent from risk taking functions, and is responsible for the credit, market, operational and reputational risks to which the Group is exposed. The risk control activity also involves monitoring business, reputational, liquidity and sustainability risks.

In particular, the Parent Company CRO Department:

- is involved in the RAF setting, risk governance policies and the various steps of the risk management process as well as in setting operational limits for the exposure towards several types of risk. In this context, the CRO Department is responsible, among other things, for proposing the quantitative and qualitative parameters necessary for the definition of the RAF, which also refer to stress scenarios. In case of changes in the internal and external operational context of the Group, the unit provides the proper adjustments of the selected parameters;
- verifies the adequacy of RAF and carries out the related monitoring on a quarterly basis;
- assesses the risks arising from Relevant Transactions, ensuring their consistency with the RAF;
- ensures, together with the CFO Department, oversight of the ICAAP (capital adequacy assessment processes) and the ILAAP (liquidity adequacy assessment process) in compliance with regulatory provisions, ensuring effective liquidity risk management and consistency between available capital and the risk inherent in the Group's activities and positions both in a current and forward-looking perspective;
- develops and maintains managerial risk measurement models, including the internal calculation models used to determine Economic Capital with reference to the ICAAP process;
- defines and applies stress testing scenarios for areas under its jurisdiction and verifies the adequacy of Internal Capital;
- continuously verifies the adequacy of the risk management process and operating limits;
- is responsible for monitoring and controlling ICT and security risks, ensuring that they are identified, measured, assessed, managed, monitored, reported, and maintained within the limits of the bank's risk appetite;
- contributes to defining the information security policy for the area of responsibility, collaborating with the ICT & Security Department and the Compliance Department;
- defines common operational risk assessment metrics consistent with the RAF, coordinating with the regulatory compliance function, the ICT function, and the business continuity function;
- monitors and performs sensitivity analyses of the banking book in the context of interest rate risk measurement (IRRBB), consistent with current regulations and market best practices;
- systematically verifies compliance with operational limits relating to systematic internalization and the dealing on own account business;
- assesses the quality of the loan portfolio and defines the methodology for calculating expected credit losses;
- conducts second-level checks to verify the proper execution of the credit process at both the individual and portfolio levels;
- participates in the SRB Permanent Work Group to ensure the necessary sharing and contributions within its scope from time to time;
- defines risk assessment methodologies for assessing and controlling risks deriving from environmental, social and governance (ESG) factors, as well as reputational risks, coordinating with the compliance Function, the sustainability Function and other corporate functions involved;
- assists the corporate bodies in assessing strategic risk by monitoring significant variables;
- develops and maintains indicators capable of highlighting irregularities and inefficiencies in the risk measurement and control framework;
- analyzes the risks arising from new products and services. In particular, the identification of risks related to new products and services is guaranteed by the permanent participation of the CRO in the product committee;
- continuously monitors the actual risk assumed by the Group and its consistency with the risk objectives as well as compliance with the operating limits assigned to the operating structures in relation to the assumption of the several types of risk.

The Department carries out monitoring and reporting activities to corporate bodies (Chief Executive Officer and General Manager, Board of Directors and Board of Statutory Auditors) and to the Risks and Related Parties Committee. The information provided to corporate bodies is mainly covered by the report on the Group's risk exposures, prepared by the CRO Department on a quarterly basis; specific insights concerning risk management processes, methodologies and controls adopted are subject to examination by the Risks and Related Parties Committee.

The CRO Department is organized internally both in relation to the individual risk profiles considered to be of greatest importance for the Group, and in relation to the activities transversal to the various risk profiles. In particular, the Department is structured as follows:

- credit risks, including counterparty risk and country risk, as well as the development and maintenance of managerial risk models are the responsibility of the Credit Risk & Internal Capital structure;
- the validation of internally developed managerial risk models, including those developed by other Departments (e.g. CFO), is the responsibility of the Internal Validation structure;
- market risks, including liquidity risk, interest rate risk and exchange rate risk, are responsibility of the Market & Liquidity Risk Team;
- operational risks and reputational risks, are responsibility of the Operational & Reputational Risk Team;
- ICT e Security risk are responsibility of the ICT & Cyber risk Team;

Risk management objectives and policies

- the monitoring of the Risk Appetite, the relevant external legislation, the updating of the internal policies and the drafting of the Group ICAAP / ILAAP Report is responsibility of the Risk Integration and Reporting Team.

As an horizontal risk category, the risks deriving from Environmental, Social and Governance (ESG) factors are managed by each team for their own areas of competence.

Risk Culture

In January 2025, FinecoBank's Board of Directors approved the Global Policy "Risk Governance Principles and Risk Culture," which aims to define a comprehensive, coherent, and integrated framework across the organization, aimed at consolidating good governance practices and a robust risk culture, in line with supervisory and stakeholder expectations.

Risk Culture refers to the set of rules and behaviors that influence awareness regarding risk assumption and management, as well as the control activities that monitor and constrain risk-related decisions. Risk culture influences the decisions of corporate bodies and personnel in the daily conduct of their activities and thus affects the level of risk exposure of Group companies.

In the Fineco Group, risk culture is based on the following fundamental principles:

- Top-down direction and guidance: common standards for developing a risk culture are defined by the Parent Company's Board of Directors. These standards include, for example, the Global Policy "Risk Governance Principles and Risk Culture" and the Global Policy "Integrity Charter, Code of Conduct, and Compliance Culture";
- Effective communication and diversity protection: The Group promotes a work environment that is open to listening and allowing for free expression, based on the valorization of diversity (age, gender, education, etc.) and effective communication at all organizational levels. A work environment that is open to listening is one in which it is possible to raise questions and concerns during the decision-making process;
- Accountability: The Group promotes the adoption of a governance system aimed at clearly assigning responsibilities related to management, monitoring, and mitigation of risks (including emerging risks). This framework requires that all company functions have access to the information/data necessary to fully perform their roles and fulfill their responsibilities and assigned tasks;
- Definition of incentives: The Group adopts appropriate remuneration and incentive policies, consistent with the RAF, that encourage prudent risk-taking aimed at achieving long-term objectives/interests. These policies include risk adjustment mechanisms, as well as mechanisms designed to discourage behaviors that are not aligned with prudent risk-taking.

To foster a risk culture at every organizational level within the Group as a whole, Fineco adopts a series of practices and initiatives. These essentially involve governance practices, information-sharing initiatives, and staff training/induction activities for corporate bodies.

With regard to governance practices, the risk control function is involved in various corporate processes, precisely to ensure that the risks assumed by the Group and their potential implications are adequately addressed. This includes, in particular, the New Products process, Relevant Transactions³, and remuneration and incentive mechanisms.

Information sharing is essential for fostering a risk culture within the organization. Circulars issued by control functions assist line functions in understanding and carrying out their risk management duties. Sharing reports, on the other hand, improves the awareness of all personnel regarding the Group's overall exposure to various types of risk. The various reports shared by control functions include, for example, the Quarterly, Half-Yearly, and Annual Reports on the Group's Risk Exposure, the Summary Report on the ICT and Security Risk Situation, the Compliance Activities Report, and the Report on Internal Audit Activities.

Induction and training activities carried out within the Group include the following:

- the establishment of Management Committees aimed at ensuring a level of risk awareness across all organizational levels, involving both business and control functions (so-called "tone from the top");
- conducting periodic induction activities with the Board of Directors and in-depth discussions on risk-related issues with the Risk and Related Parties Committee (so-called "tone from the top");
- training for employees and the Financial Advisor network, through courses aimed at developing and standardizing risk understanding and knowledge (so-called "culture of effective communication and communication");
- shadowing activities between personnel belonging to different corporate control functions, aimed at ensuring the development of transversal skills and acquiring a comprehensive and integrated vision of the internal control system.

Risk appetite setting and relevant risk management processes

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 Group strategic guidelines, and the maximum risk capacity, the risk appetite, the tolerance thresholds, the risk limits, 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, which the Group decides to assume (or avoid) in a long-term perspective;

³ These are transactions that are potentially capable of significantly changing the Group's business context, leading to an impact on the Risk Appetite Framework defined by the Board of Directors.

Risk management objectives and policies

- specify 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, in compliance with current national and international regulations;
- support the evaluations on future strategic options concerning the risk profile;
- drive the vision of internal and external stakeholders on a risk profile consistent with the Group’s strategic positioning;
- provide qualitative information concerning risks hardly quantifiable (for example, strategic, reputational, compliance) in order to strategically stream 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 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 represents the amount of risk (overall and by type) that the Group is willing to take to achieve its strategic objectives.
- The Risk Tolerance defines the maximum tolerated deviation from the Risk Appetite; the tolerance threshold is set in such a way as to ensure in any case sufficient margins for the Group to operate, even in conditions of stress, within the maximum risk that can be assumed.
- The Risk Capacity represents the maximum level of risk assumption that the Group is technically able to assume without violating regulatory requirements or other constraints imposed by the Board of Directors or the Supervisory Authority.

Thresholds are set on a case-by-case basis, also through managerial decisions 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, a more stringent escalation process is adopted.

Metrics are regularly monitored and reported, at least quarterly. The monitoring, by competence, is carried out by the CRO Department and the CFO Department.

Intragroup and related parties transaction

As at 31 December 2025, FinecoBank does not have any transactions either with the subsidiary Fineco Asset Management, or with other related parties that could have a significant impact on its risk profile and / or the Group's risk profile.

It should be noted that an outsourcing agreement has been in force since June 30, 2023 between the Parent Company FinecoBank S.p.A. and the Legal Entity Fineco Asset Management DAC, whose purpose is the provision of risk metrics regarding a selection of UCI. The perimeter of the instruments being analyzed is made up of those UCIs whose Asset Management Companies adhere to a voluntary disclosure program which involves the sharing of data relating to the underlying assets with Fineco. The participation of to the voluntary disclosure program shall be considered a qualifying element in the Bank's offering of financial products. In fact, on these UCIs, the Group activates a set of risk control measures which are absent on UCIs not participating to the initiative. The choice to make FAM the Group's center of competence for carrying out risk analysis on UCIs is supported by the current greater specific skills and experience of FAM's Risk Management function in the risk assessment of Asset Management securities. The CRO Department of the Parent Company carries out an examination of the risk indicators produced by the FAM Risk Management Function.

Risk management objectives and policies

Relevant risks

Credit and counterparty risk

In carrying out its lending activities, the Group is exposed to the risk that loans and receivables may, due to the deterioration of the financial conditions of the obligor, not be repaid at maturity and must therefore be written down in whole or in part. This risk is always inherent in the traditional lending activity, regardless of the financial instrument.

The main causes of default lie in the lack of the borrower's autonomous ability to ensure the repayment of the debt, as well as the occurrence of macro-economic and political circumstances affecting the financial conditions of the debtor.

In addition to credit granting and origination activities, the Group is also exposed to counterparty risks. In fact, counterparty risk is defined as the risk that the counterparty of a transaction may not fulfill its financial obligations before the final settlement of the financial flows of the transaction itself.

Counterparty risk may arise from:

- over-the-counter (OTC) derivatives;
- *Securities Financing Transaction* (repurchase agreements and stock lending operations);
- transactions with medium / long-term settlement.

Counterparties to such transactions or the issuers of securities held by the Parent Company or its Legal Entities, may not fulfill their financial obligations due to insolvency, political and economic events, lack of liquidity, operational deficiency or for other reasons. Non-fulfillment of a large number of transactions or of one or more transactions of a significant amount would have a materially negative effect on the Group's business, financial condition and operating results.

In addition, the Group is also exposed to "Non-Traditional Credit Risk" through leverage / short transactions carried out with securities lending (securities lending transactions guaranteed by cash collateral). Such transactions, even if mitigated by automatic stop losses placed within the margins, may generate credit risk in case of liquidity shortages of the security (for example, in case of market turmoil) and / or in case the client's margin is insufficient to cover the losses. To prevent such events, scenario analyzes are periodically developed 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 of the credit portfolio through processes, structures and rules aimed at directing, controlling and standardizing the assessment and management of this risk.

As previously mentioned, credit and counterparty risk management and control activities are the responsibility of the Credit Risk & Internal Capital structure. The latter in particular is responsible for:

- monitor, through second-level controls, the credit granted to customers, focusing more generally on the overall quality of the Bank's loan portfolio, promptly detecting any irregularities;
- support the CLO Department in the development and maintenance of the scoring models used by the Bank to assess the creditworthiness of its retail customers;
- verify, through second-level controls, the correct execution of the performance monitoring on individual exposures, assessing the consistency of prudential classifications and the adequacy of value adjustments;
- monitor, through second-level controls, the degree of concentration of financial collateral towards individual issuers, and real estate collateral in areas with high climate and environmental risk;
- analyze the riskiness of individual products, periodically verifying the consistency of retail customer's default rates calculated by the CLO Department;
- define a reporting model for the Group by specifying the rules for identifying stocks and flows;
- define credit parameters (PD and LGD) useful for product pricing, as part of the launch of new credit products;
- develop and update the methodologies for calculating expected losses in accordance with the IFRS9 accounting standard and in consistency with the Guidelines concerning emerging risks, released by supervisors as well as international and European standard setter;
- carry out data quality controls on provisions;
- carry 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 maintaining the models for calculating the Internal Capital of credit and business risks and applying the related stress scenarios;
- carry out consistency checks on the risk parameters of FIBS and corporate counterparties, used both for the calculation of expected credit losses and for the calculation of the credit risk internal capital, provided by the external data provider, in order to verify their consistency with historical and market data;
- monitor credit risk and country risk deriving from the Group's strategic investments, taking into adequate consideration the exposure of counterparties to environmental, social and governance (ESG) risks, and their ability to deal with them;
- systematically verify compliance with the operating limits relating to margin trading activities and formulate scenario analyzes (stress tests) for assessing the sustainability of operations from an economic and capital point of view;
- support the CFO Department in formulating forecast and budget data relating to credit provisioning.

Risk management objectives and policies

As at 31 December 2025, the FinecoBank Group did not experience significant impacts in terms of deterioration of the credit portfolio⁴ directly connected to the military conflict between Russia and Ukraine. In fact, the Group is not directly exposed to the Russian assets affected by the conflict or by the sanctions imposed by the EU and the USA. It should also be noted that the Group has no direct exposure to commodities and has limited exposure in Russian rubles. The only indirect exposures to the aforementioned assets, albeit of insignificant amounts, are represented by the collateral received for secured overdraft granted to retail customers (Lombard credit and loan with pledge).

For the reasons outlined above, the Group did not deem it necessary to change either its credit strategies or its credit risk management, measurement and control policies.

Market and liquidity risk

Market risk derives from the effect that changes in market variables (interest rates, securities prices, exchange rates, etc.) can generate on the economic value of the Group's portfolio, where the latter includes assets held both in the trading book, and the banking book, or the operations connected with strategic investment choices.

The Group's strategic approach is to maintain the minimum level of market risk consistent with business needs and the limits established by the Risk Appetite Framework approved by the Board of Directors.

No legal entity carries out proprietary trading or takes on speculative positions. For this reason, the trading portfolio is made of financial instruments strictly deriving from the brokerage activity with retail customers. In particular, the transactions relate to the purchase and sale of OTC instruments or the internalization activity. Such activity is expressly envisaged by MiFID legislation and allows the Bank to settle transactions directly with customers (dealing on own account), significantly reducing execution costs.

The main components of market risk in the banking book, on the other hand, are credit spread risk, interest rate risk and exchange rate risk.

The first component derives mainly from investments in bonds held for liquidity purposes. Market risk related to the bond portfolio is bound and monitored through limits on the notional, measures of sensitivity to the Economic Value and limits on the Value at Risk.

The second component, interest rate risk, is managed with the aim of stabilizing the interest margin. The measure of interest rate risk for the banking book concerns the double aspect of value and net interest margin of the Group. The Group measures and monitors interest rate risk every day within the methodological framework and the related limits or thresholds approved by the Board of Directors. These concern the sensitivity of the interest margin and the economic value. Interest rate risk affects all positions resulting from strategic investment decisions (banking book)

The third component, the exchange rate risk, is hedged through the balance of assets and liabilities in foreign currency or through forward currency transactions.

Liquidity risk can be briefly defined as the risk that the Group, due in part to unexpected future events, will be unable to meet its payment obligations or to efficiently manage the matching of expected cash inflows and outflows.

The different types of liquidity risk managed by the Group are:

- the short-term liquidity risk, which refers to the risk of imbalance between the amount and / or maturity of short term cash inflows and outflows (less than one year);
- market liquidity risk, which represents the risk that the Group may face a significant and adverse price change, generated by exogenous and endogenous factors leading to losses, in the sale of liquid assets. In the worst case scenario, the Group may not be able to sell these positions;
- structural liquidity risk, defined as the Group's inability to procure, in a stable and sustainable manner, the funds necessary to maintain an adequate ratio between assets and liabilities in the medium / long term (beyond the year) for a reasonable price without impacting on the daily operations or the Group financial situation;
- the risk of stress or contingency, which is linked to future and unexpected obligations (for example withdrawal of deposits) and could require the Group to have a greater amount of liquidity than the one currently considered necessary to manage ordinary business;
- funding risk, which refers to the event that the Group is not able to effectively deal with any expected cash outflows.

To deal with its exposure to liquidity risk, the Group invests its liquidity core component, i.e. the liquidity component estimated as persistent and stable by the sight items behavioral model, in medium / long-term investments. The non-core liquidity is used in liquid or easily salable assets, such as, for example, sight deposits, short-term loans or government securities eligible for short-term financing at the Central Bank. The model is regularly submitted to back-testing and updating activities in case of changes in the business or market context capable of reducing its reliability.

The Group has a "Group Liquidity Policy", which establishes the principles and rules that the Group applies in liquidity ordinary and emergency management. The document also describes first and second level control activities and the liquidity governance, defining roles and responsibilities of the Parent Company's internal bodies and functions, which envisage the involvement of the Finance Team, the CRO Department, and the subsidiary. The Policy is consistent with the Liquidity Risk Contingency Plan, the Capital Contingency Plan, the Group RAF and the Group Recovery Plan.

⁴ The credit portfolio is in fact mainly made up of loans granted to retail customers, mainly backed by financial and real estate collateral, and disbursed in application of a careful and prudent lending policy.

Risk management objectives and policies

Annually, the Group assesses the adequacy of the liquidity risk governance and management system (ILAAP process) and informs the supervisory authority according to the terms set out in the relevant legislation.

The supervision of market and liquidity risks is assigned to the Market & Liquidity Risk Team, which is responsible for:

- define, implement, and refine appropriate global metrics for measuring exposure to market and liquidity risk;
- propose, based on the defined metrics, risk limits consistent with the risk appetite framework approved by the Board of Directors;
- calculate risk metrics for global and granular measures for the Group's portfolios;
- verify that the metrics are consistent with the approved limits;
- initiate the escalation process in the event of thresholds breach, involving the Group's top management;
- discuss and approve new products with innovative or complex market risk profiles;
- develop and maintain the model for calculating Internal Capital for market risks;
- define and apply the methodology for calculating the liquidity classes of financial instruments;
- monitor and perform sensitivity analyses of the banking book in the context of interest rate risk measurement, consistent with the current regulations and the best market practices;
- define/review the pricing limits for financial instruments and perform the related periodic monitoring;
- systematically verify compliance with the operating limits relating to systematic internalization and the dealing on own account business.

The Treasury Unit, as part of the controls related to liquidity risk, defines, in coordination with Planning, Capital Management, CRO, Regulatory Affairs, the Investment Plan, the Funding Plan and the Contingency Funding Plan. The Team also carries out first line controls, i.e. controls inherent in the operational processes and aimed at ensuring compliance with liquidity risk limits through the correct performance of management from an operational and regulatory point of view.

First level controls consist of monitoring and analysing regulatory and managerial liquidity metrics and in particular:

- daily analysing of the Operative Maturity Ladder report to ensure that the cumulative liquidity balance is positive in all time buckets;
- monthly monitoring of the Liquidity Coverage Ratio index to verify compliance with both the regulatory limit and internally set prudential thresholds, analyzing where necessary any significant deviations due to endogenous or exogenous events;
- quarterly analysis of the Net Stable Funding Ratio index to verify the adequate availability of stable funding and evaluate any investment, modeling and collection operations in order to ensure the consistency of the index with the thresholds defined in the Risk Appetite Framework.

The regulatory indicator Net Stable Funding Ratio is also supported by a managerial indicator called "Structural Ratio", which shares its objectives and most of the logics. This indicator has been developed by the Parent Company's CRO Department with the aim of monitoring the risk of maturity transformation, considering the specific features of Fineco's funding represented in the Bank's sight items model.

As at 31 December 2025 there are no potential cash outflows "Contingent liquidity and funding needs", such as, for example, accelerated repayment clauses or the release of further collateral connected with a downgrade of the Group itself.

During 2025, no impact on the market risk profile deriving from the military conflict between Russia and Ukraine was recorded, neither on the banking book nor on the trading book, and the Group's liquidity position is stable. Consequently, the Group has not changed the strategies, objectives or policies for liquidity and market risk management, measurement and control.

Operational and reputational risk

Operational risk is defined as the risk of losses due to errors, violations, interruptions, damages caused by internal processes, personnel, financial consultants, systems or caused by external events. This definition includes ICT and Cyber Risk, legal and compliance risk, but excludes strategic and reputational risk. For example, operational losses may be losses deriving from internal or external fraud, employment relationship and workplace safety, customer complaints, product distribution, fines and other penalties deriving from regulatory violations, damage to the company's assets, interruptions of the operation and dysfunction of the systems, management of the processes.

The exposure to Operational and Reputational Risks is measured by the Group through a series of indicators called Key Risk Indicators (KRI), maintained by the Operational & Reputational Risk Team. Key Risk Indicators are divided into control areas (Payment Cards, Compliance, HR, Legal, Securities Operations, Payment Systems, Complaints, Risk management, IT systems, Security, Administration, Audit, Reputation, Transparency, AML / CFT). Any anomalous values registered by indicators is brought to the attention of the Board of Directors through the quarterly report on the Group's risk exposures.

Within the operational and reputational risk monitoring dashboard, a set of ESG relevant indicators has been identified, as their anomalous value could signal specific risks relating to the relationship with customers (e.g. complaints received from customers, problems availability or security in IT systems), with personnel (e.g. turnover) or with Regulators with consequences on the sustainability of the business.

In the area of ICT and Cyber risk management and supervision, in accordance with Regulation 2554/2022 (Digital Operational Resilience Act – DORA), effective January 17, 2025, the Group has established a digital operational resilience framework, formalized within the Global Policy "Digital Operational Resilience Framework," approved by the Board of Directors in March 2025. The Global Policy defines the key principles of the IT risk management framework and serves as a liaison for the internal regulations issued by the first- and second-level functions that comprise it. The key pillars of the framework include the following:

- definition of a methodology for classifying Critical or Important Functions (CIF), for which greater controls and safeguards are ensured;

Risk management objectives and policies

- definition of a digital operational resilience strategy, which is composed of several strategic documents (including the RAF and the ICT strategy), which are consistent with each other and approved by the Parent Company's Board of Directors with the support of various corporate functions;
- definition of an ICT and security risk management framework, consisting of various global and local rules issued by the functions belonging to the three lines of defense, covering various areas related to ICT and security risks, including the management of ICT resources, information assets and ICT systems, the identification and assessment of ICT risks, data and network security, ICT change and project management, business continuity and response and recovery plans, the management, classification and reporting of IT and security incidents, and digital operational resilience testing;
- definition of a framework for managing IT risks arising from third parties, formalized within the Global Policies "Management and Control Framework for Risks Arising from Third-Party Suppliers" and "Third Party Management Framework," approved by the Parent Company's Board of Directors in December 2024 and March 2025, respectively.

The IT risk management framework is reviewed at least annually, or more frequently shall serious ICT incidents occur, or if instructions are provided by the supervisory authorities or the internal audit function (in the Parent Company, the Internal Audit function).

The annual ICT and Cyber risk assessment activity, carried out with the collaboration of the Group's business, ICT and Organization structures, was approved by the CEO and General Manager of the Parent Company in November 2025. The analysis highlighted that, compared to the business volumes handled and the complexity of the processes involved, FinecoBank's residual ICT risk is on average low. The residual risk exposure was formally accepted by Fineco process managers without the need to identify further mitigation measures.

To calculate the regulatory requirement for operational risk, FinecoBank uses the Standardized Measurement Approach (SMA), established by the CRR III regulatory package. According to the latter, the capital requirement for operational risk is equal to the Business Indicator Component (BIC), which measures the bank's exposure to operational risk through the weighted value of the institution's business size. For more information, please refer to the section on operational risk management.

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 for more than ten years into the 7 Event Types (ET) described below:

- Internal fraud: losses due to unauthorized activity, fraud, misappropriation or violation of laws, regulations or company directives involving at least one internal resource of the Group or linked by agency contract (financial consultant);
- External fraud: losses due to fraud, misappropriation or violation of laws by parties external to the Group;
- Employment relationship and safety at work: losses deriving from acts that do not comply with laws or agreements on labor, health and safety at work, from the payment of compensation for personal injuries or from episodes of discrimination or failure to apply equal conditions;
- Customers, products and professional practices: losses resulting from failures to fulfill professional obligations towards customers or from the nature or characteristics of the product or service provided;
- Damage from external events: losses resulting from external events, such as natural disasters, terrorism, vandalism;
- Operational interruptions and system malfunctions: losses due to operational interruptions, malfunctions or unavailability of systems;
- Process execution, delivery and management: losses due to shortcomings in perfecting operations or managing processes, as well as losses due to relationships with business 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.

Among the various event types, those assuming more relevancy for the Group in terms of operational losses are the one related with conduct risks, which includes the event type "internal fraud", which mainly consist of frauds to clients perpetrated by financial advisors who are part of the sales network, and the event type "customers, products and professional practices", which takes on relevance through misselling practices carried out by the sale network (voluntary or involuntary). In order to mitigate such risks, the sale network is subject to many controls by several departments (Network Controls Department, Internal Audit, Compliance and CRO Department). In addition, in order to mitigate internal fraud risk, an insurance policy has been agreed against financial advisors unfaithful behavior.

Monitoring of operational and reputational risks is the responsibility of the Operational & Reputational Risk Team, which is in charge of:

- define the operational risk mitigation and control system, in compliance with the provisions of external legislation and, in accordance with the indications of the Board of Directors, with the operational evolution of the Group;
- support the Board of Directors in defining the operational risk appetite, and appropriately break it down into specific measures, metrics and indicators aimed at measuring the risk
- regularly prepare reports on exposure to operational and reputational risks aimed at informing and supporting management decisions;
- define the methods for assessing the riskiness of the Group's third-party suppliers, including concentration risks;
- monitor the overall riskiness of the Group's third-party suppliers in relation to the risk appetite defined by the Parent Company's Board of Directors;
- predisporre un sistema di Indicatori di Rischio per prevenire i rischi operativi e reputazionali, anche derivanti da fattori ambientali, sociali e di governance (ESG);
- ensure that operational loss data recorded by the different departments of the Group be regularly and promptly recorded;
- carry out, in collaboration with the other company functions, scenario analysis aimed at identifying and preventing potentially high impact losses, even if unlikely;

Risk management objectives and policies

- propose operational risk mitigation strategies to the CRO;
- provide support and training on the control of operational risks to the Group's structures;
- ensure the monitoring of reputational risk within the perimeter defined by the Group;
- carry out systematic remote controls, through Risk Indicators, on the entire network of financial advisors, in order to mitigate fraud risk arising from financial advisors operations;
- carry out ex-post controls on the monitoring carried out by the Control Network, Monitoring and Network Services Department in relation to internal frauds perpetrated by financial advisors against customers, in order to identify areas for improvement;
- implement and update the early warning indicators management system also in relation to new company activities and regulations;
- evaluate the effectiveness of insurance coverage on financial advisors bad behavior, considering renewals, limits and deductibles;
- assess the operational and / or reputational risks resulting from the most significant transactions (e.g. significant outsourcing agreements), ensuring their consistency with the RAF;
- ensure the effective implementation of the IT risk assessment methodology, supporting and coordinating the individual functions involved, each within their competence, during the ICT risk assessment process;
- ensure, through the calculation and monitoring of the ICT & Cyber Risk Index (ICRI), that the exposure to ICT and Cyber risks remains within the risk appetite defined by the Parent Company's Board of Directors.

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 and with the participation in the Products Committee of the Chief Risk Officer.

In accordance with Bank of Italy Circular 285/2013 and Regulation 2554/2022 (DORA), the responsibility for managing IT risks is assigned to the CRO Department, as the risk control function, and to the Compliance Department, each for their respective areas of responsibility.

Specifically, the ICT & Cyber Risk structure is responsible for:

- supporting the Board of Directors in defining the ICT and security risk appetite;
- supporting the Board of Directors in defining and updating the principles that constitute the digital operational resilience framework, in collaboration with Compliance;
- monitoring and controlling ICT and security risks, ensuring that they are identified, measured, assessed, managed, monitored, reported, and maintained within the limits of the bank's risk appetite.
- contributing to the definition of the information security policy for the area of responsibility, collaborating primarily with the ICT & Security Department and the Compliance Department;
- supporting the CEO and General Manager in defining and updating, at least annually, the ICT and security risk management methodology, for subsequent submission to the Board of Directors for approval.

The Compliance Department, with the support of the DPO, Outsourcing, and ICT & Security Compliance units, ensures the compliance of ICT systems and projects, as well as all activities carried out within the information system, with legal, regulatory, and statutory provisions and the internal regulations and codes applicable to the bank. Collaborating with the CPO and CIO departments, they develop the ICT and security risk and information security awareness training plan.

The CRO and Compliance departments are also informed of any activity or event that significantly affects the bank's risk profile (e.g., significant operational or security incidents) and are actively involved in projects involving substantial changes to the information system.

Other relevant risks

The types of risk described above, while constituting the main types, are not the only one relevant for the Group. As part of Pillar II regulatory provisions, the Group annually carry out the risk inventory process, aimed at identifying the significant risks to which it is exposed, in addition to those of already covered by pillar I (credit, market and operational).

After identifying all relevant risks, the best method for analyzing them is defined: qualitative and quantitative. Quantitative measurement can be carried out using multiple tools, such as scenario analysis (in particular for risks that are difficult to quantify, such as reputational risk or compliance risk), VaR or by calculating Internal Capital. The latter represents the capital necessary for possible losses relating to the Group's activities and takes into account all risks defined by the Group as quantifiable in terms of Internal Capital in line with pillar II regulatory requirements. As of December 2025, the main risks included within the Overall Internal Capital of the Group are those of default, concentration, migration, market, interest rate, credit spread, operating and business. The Total Internal Capital is periodically subject to stress test exercises; this tool makes it possible to assess the vulnerability of the Group to "exceptional but plausible" events and provides additional information with respect to monitoring activities.

Risk management objectives and policies

Disclosure on governance arrangements

The information in the EU OVB table on governance systems as required by Article 435(2) (a) to (e) of the CRR is provided below.

For information on the number of director positions held by members of the governance body, see section 4.3.2 of the Corporate Governance Report published on the bank's website www.finecobank.com under "governance".

Information regarding the recruitment policy for the selection of members of the management body and their actual knowledge, skills and expertise

In order to adopt the highest market standards, and based on the principles of efficiency and transparency, FinecoBank has approved the process to regulate the selection of candidates for the position of member of the Bank's board of directors, by the board itself (the "**Selection Process**").

In particular, the selection process applies to cases in which:

- the Board decides to submit a list of candidates to the Shareholders' Meeting;
- the Board is asked to substitute one or more directors in accordance with Article 2386 Civil Code;
- when publishing the qualitative-quantitative profiles on its website, the Board identifies possible names for the position of Director.

The Process also applies to the selection of candidates for the position of Chairman and Chief Executive Officer.

In the context of the selection process, the Nomination Committee, as required by the applicable laws and regulations, plays a central role and assists the Board of Directors in defining the roles and ability/experience and skills required for the position, and in identifying candidates for directorships.

The main entities involved in the process are:

The Board of Directors:

- approves the process for selecting candidates for membership of the Board of Directors;
- approves the Quali-Quantitative Profile;
- identifies the profile of the candidates, appoints the directors who will replace the outgoing board members and identifies candidates for the position of director where lists are submitted by the board to the Shareholders' Meeting, or potential candidates for the position of director where quali-quantitative profiles are published on the website.

The Nomination Committee:

- assists the Board of Directors in the various phases of the selection process;
- identifies the External Consultant on which the Committee Chairman confers the assignment;
- carries out the preliminary investigation for drafting of the Quali-Quantitative Profile;
- proposes the profile of ideal candidates and the proposed short list of candidates.

The Chairman of the Nomination Committee: ensures that the methods with which the process is carried out are effective and consistent with the aims of the Selection Process itself.

The External Consultant is one or more companies that:

- supports the Nomination Committee in the drafting of the Quali-Quantitative Profile;
- collaborates in defining the profile of candidates to be sought;
- provides support for the search for potential candidates ("head hunting").

If a list is submitted, or if the Board is called upon to replace one or more Directors pursuant to art. 2386 of the Italian Civil Code, or if it is called upon to identify, upon publication of the Quali-Quantitative Profile on the website, the possible candidates it deems suitable to hold the office of Director, the Nomination Committee:

- takes into account the results:
 - of the most recent self-assessment in order to assess the necessary updates to the Board's Quali-Quantitative Profile, where required;
 - in the case of submission of the List, of the peer to peer assessment, in order to identify a selection criterion and constitute the shortlist of members in office to be reappointed;
- constructs the "skills matrix" of the Board in order to highlight those skills to be sought in order to achieve the Board's Quali-Quantitative Profile;
- defines the profile of the people to be sought and formulate the proposal to be submitted to the Board of Directors for approval.

The Board of Directors approves the profile of the ideal candidate(s) to be sought.

For more information on the process for selecting candidates to the position of director and appointing the board, please refer to Annex B to FinecoBank's Corporate Bodies' Regulation, as well as to sections 4.2, 4.3 and 7 of the Corporate Governance Report and Ownership Structures, published on the bank's website www.finecobank.com under the section "governance".

With reference to the knowledge, skills and experience of the members of the Board of Directors as of the date of 31 December 2025, reference should be made to the curricula vitae annexed to the Corporate Governance Report and Ownership Structures, published on the bank's website www.finecobank.com under the section "governance", as well as to the document entitled "List of skills possessed by the Directors" in compliance with

Risk management objectives and policies

the provisions of the relevant document “Qualitative and quantitative composition of FinecoBank Board of Directors” available on the bank’s website www.finecobank.com under the section “corporate – governance – company boards”.

Information on the diversity policy with regard of the members of the management body

Pursuant to the Corporate Bodies' Regulation, the number of Directors must be commensurate with the size and complexity of the Bank's organizational structure, and allow for the supervision of all corporate operations, as far as management and control are concerned. Furthermore, this number should ensure that the Board of Directors includes (i) various representatives of the shareholder body, (ii) the professional expertise necessary to foster internal dialogue, and (iii) a sufficient number of independent members in accordance with the Corporate Governance Code. With particular reference to money laundering risks, the composition of the Board of Directors must be such as to ensure the presence of adequate knowledge, skills and experience to understand such risks related to the bank's business and business model. Finally, the Board's composition shall ensure the gender balance provided for by the applicable legislation and reflect an adequate degree of diversification in terms of, inter alia, skills, experience, age and international outlook, which will be decided, on the occasion of each renewal of the body, following the completion of the self-assessment process of the Board of Directors as set out in Annex A to the Corporate Bodies' Regulation and communicated to shareholders and the market by publishing the document on the qualitative and quantitative composition of the body. Please bear in mind that in order to ensure that the Board functions properly, the Board of Directors has established requirements that FinecoBank Directors must possess, in addition to those envisaged under applicable legal and regulatory provisions, and the number of directorships positions they may hold in other companies, as illustrated in the document entitled “Qualitative and quantitative composition of the Board of Directors of FinecoBank S.p.A.”, which is published on FinecoBank's website under the section “corporate – governance – shareholders' meeting”.

It is good practice, as far as is consistent with the skills required to hold the positions and the need to ensure the effective performance of the relevant tasks, that the positions of Chairman of the Board of Directors, Chairman of the Board of Statutory Auditors, Chief Executive Officer and General Manager are not held by members of the same gender. For any other details, please refer to the Corporate Bodies' Regulation available on FinecoBank's website under section “corporate – governance – company boards”.

With reference to information on the diversity of the Board and in particular on the issue of gender equality, reference should be made to the section 4.3.1 of the Corporate Governance Report published on the bank's website www.finecobank.com under the section “governance”.

Risk and Related Parties Committee

The Board of Directors has set up an internal Risk and Related Parties Committee whose composition, functioning, organisation and activities are governed by the Corporate Bodies' Regulation.

During the year 2025, the Committee met a total of 24 times; the meetings lasted an average of about five hours, analysing the results of the activities carried out by the control functions (e.g., audit, compliance, anti-money laundering and risk management) and by the IT manager through an in-depth review of the periodic and/or ad-hoc reports drawn up by the functions. Minutes were taken for each meeting by the designated Secretary.

For more information on the role of the Risks and Related Parties Committee and on its activities, please refer to FinecoBank's Corporate Bodies' Regulation, as well as to section 9.2 of the Corporate Governance Report and Ownership Structures, published on the bank's website www.finecobank.com under the section “governance”.

Description on the information flow on risk to the management body

The corporate control functions (Compliance, Risk Management, Internal Audit and Anti-Money Laundering) send periodic flows directly to each of the Corporate Bodies, for the aspects falling within their remit.

These reports are typically prepared on the basis of specific requirements according to the applicable rules and regulations or internal self-regulations as identified by the Board of Directors in accordance with the Supervisory Regulations.

These reports must be sent directly to the Board of Statutory Auditors by the heads of these functions.

Furthermore, in order to implement the necessary organisational controls for the proper management of information flows and to provide the necessary information on other aspects (forms, tasks and duties and other content), specific organisational procedures have been adopted that accurately describe the activities and controls related to the “Management of the Board of Directors”, the “Management of confidential information”, based on the complexity of the information in question, as well as the “Global Policy for the management of transactions with parties in potential conflict of interest of the FinecoBank Group”.

For more information, please refer to FinecoBank's Corporate Bodies' Regulation, as well as to section 9 of the Corporate Governance Report and Ownership Structures, published on the bank's website www.finecobank.com under the section “governance”.

Risk management objectives and policies

ICAAP Information

Below is the qualitative information referred to in the EU OVC table on the ICAAP (Internal Capital Adequacy Assessment Process), required in Article 438, letter a) of the CRR and relating to the method for assessing capital adequacy.

The internal capital adequacy assessment process (ICAAP) represents the process by which Entities carry 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 from 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 the specific EBA RTS mandated by 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.

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.

Risk management objectives and policies

With reference to the 2024 ICAAP process, concerning the data as at 31 December 2024, 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.

SREP information

The ICAAP process, together with the ILAAP process, i.e. the internal process for assessing the adequacy of the liquidity risk governance and management system, is subject to review by the supervisory authorities as part of the Supervisory Review and Evaluation Process (SREP). This process is aimed at formulating an overall assessment on the Bank and implementing corrective measures, where necessary.

The elements subject to assessment in the SREP process are the feasibility and sustainability of the business model, the adequacy of governance and risk management, capital risk assessment, liquidity and funding risk assessment. The final SREP assessment may result into:

- additional quantitative capital measures. Specifically, Banks are required to hold an additional Pillar 1 regulatory requirement aimed at capturing underestimated risks or those not included in Pillar 1 (so-called Pillar 2 Requirement, P2R). In addition, the Supervisory Authority may ask to hold an additional buffer aimed at maintaining sufficient capital in stressed situations (Pillar 2 Guidance, P2G);
- additional quantitative liquidity measures;
- other supervisory measures.

FinecoBank, as a significant institution⁵, is subject to the direct supervision of the European Central Bank. Therefore, the annual supervisory review and evaluation process (SREP) is carried out by a Joint Supervisory Team (JST), composed of analysts from the ECB's DG "Specialized Institutions & LSIs" and the "Banking Supervision 1 Service" of the Bank Italy. For details on the capital requirements and reserves applicable to the FinecoBank Group as at 31 December 2025, please refer to the chapter "Own Funds Requirements and Risk-Weighted exposures amounts".

⁵ On 15 September 2021, the European Central Bank notified its intention to adopt a decision relating to the classification of FinecoBank as a Significant Institution, starting from 1 January 2022. This decision was justified by the overcoming, at 31 December 2020, of the significance threshold in the total value of assets, equal to 30 billion euro, identified by regulation 468/2014 (SSM).

Scope of application

Name of the bank to which the disclosure requirements apply

FinecoBank S.p.A. Parent Company of FinecoBank Banking Group.

As provided for by Article 13 of Regulation (EU) No. 575/2013 ("CRR") subsequently updated by Regulation (EU) 2019/876 of the European Parliament and of the Council (so-called CRR 2), FinecoBank S.p.A. - as an "EU parent institution" - complies with the obligations set out in Part 8 on consolidated basis. This document therefore refers to the FinecoBank Banking Group registered in the Banking Groups Register, consisting of the Parent Company FinecoBank S.p.A. and Fineco Asset Management DAC (hereinafter Fineco AM), a UCITS management company under Irish law.

Lastly, it should be noted that FinecoBank holds a 20% stake in the capital of Vorvel SIM S.p.A⁶; this investment, which is subject to significant influence, has been consolidated using the equity method.

Differences in the basis of consolidation for accounting and prudential purposes

The information contained in this document refers only to the "Banking Group", as defined by current supervisory regulations.

EU LI1 and EU LI2 templates on the differences between the scope of accounting consolidation and the scope of regulatory consolidation and the association of balance sheet categories with regulatory risk categories and the sources of differences between exposure amounts determined for regulatory purposes and the carrying amounts in the balance sheet, required by Article 436(c) and (d) of the CRR, are provided below. Please note that columns (a) and (b) of EU LI1 are merged as the scope of accounting consolidation and the scope of prudential consolidation are the same.

In addition, the qualitative disclosures in the EU LIA table on the main sources of differences between the carrying value amounts in the financial statements under the regulatory scope of consolidation and the exposure amount used for regulatory purposes and in the EU LIB table on any impediment to the prompt transfer of own funds required by Article 436(b), (d) and (f) of the CRR are provided below.

⁶ Vorvel SIM S.p.A. adopted the current company denomination with effect from 12 December 2022, replacing the previous name Hi-MTF SIM S.p.A.

Scope of application

EU LI1 - Differences between the accounting scope and the scope of prudential consolidation and mapping of financial statement categories with regulatory risk categories

(Amounts in € thousand)

		a-b	c	d	e	f	g
		Valori contabili riportati nel bilancio pubblicato e nell'ambito del consolidamento prudenziale	Carrying values of items				Not subject to own funds requirements or subject to deduction from own funds
			Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	Subject to the market risk framework	
Breakdown by asset classes according to the balance sheet in the published financial statements							
1	10. Cash and cash balances	1,874,598	1,874,598	-	-	-	-
2	20. Financial assets at fv with effects on p&l	61,385	6,384	4,453	-	50,548	-
	a) financial assets held for trading	55,001	-	4,453	-	50,548	-
	c) other financial assets mandatorily at fair value	6,384	6,384	-	-	-	-
3	30. Financial assets designated at fair value with effects on comprehensive income	297,186	297,186	-	-	-	-
4	40. Financial assets valued at amortized cost	32,696,002	32,424,503	144,978	-	-	126,521
	a) loans and receivables with banks	2,629,445	2,629,445	-	-	-	-
	b) loans and receivables with customers	30,066,557	29,795,058	144,978	-	-	126,521
5	50. Derivatives used for hedging	610,407	-	610,407	-	-	-
6	60. Fair value changes of the hedged items in portfolio hedge (+/-)	(170,443)	-	-	-	-	(170,443)
7	70. Equity investments	1,756	1,504	-	-	-	252
8	90. Property, plant and equipment	152,035	152,035	-	-	-	-
9	100. Intangible assets	123,615	6,144	-	-	-	117,471
	- of which: goodwill	89,602	-	-	-	-	89,602
10	110. Tax assets	60,179	66,083	-	-	-	(5,904)
	b) deferred tax assets	25,543	31,448	-	-	-	(5,904)
11	130. Other assets	1,589,180	1,589,180	-	-	-	-
	Total assets	37,295,900	36,417,617	759,838	-	50,548	67,897

Scope of application

continued: EU LI1 - Differences between the accounting scope and the scope of prudential consolidation and mapping of financial statement categories with regulatory risk categories

(Amounts in € thousand)

	a-b	c	d	e	f	g					
							Carrying values of items				
							Valori contabili riportati nel bilancio pubblicato e nell'ambito del consolidamento prudenziale	Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	Subject to the market risk framework
Breakdown by liability classes according to the balance sheet in the published financial statements											
12	10. Financial liabilities valued at amortized cost	34,114,247	-	1,392,442	-	-	32,721,805				
	a) deposits from banks	849,969	-	845,684	-	-	4,285				
	b) deposits from customers	32,453,115	-	546,758	-	-	31,906,357				
	c) debt securities in issue	811,163	-	-	-	-	811,163				
13	20. Financial liabilities held for trading	23,510	-	-	-	23,510	-				
14	40. Derivatives used for hedging	26,469	-	26,469	-	-	-				
15	50. Fair value changes of the hedged items in portfolio hedge (+/-)	(2,329)	-	-	-	-	(2,329)				
16	60. Tax liabilities	24,538	-	-	-	-	24,538				
	a) current tax liabilities	24,538	-	-	-	-	24,538				
17	80. Other liabilities	375,994	-	-	-	-	375,994				
18	90. Reserve for employee severance pay	4,066	-	-	-	-	4,066				
19	100. Reserve for risks and charges	176,083	-	-	-	-	176,083				
	a) commitments and guarantees given	22	-	-	-	-	22				
	c) other provisions for risks and charges	176,061	-	-	-	-	176,061				
20	120. Revaluation reserves	(18,912)	-	-	-	-	(18,912)				
21	140. Equity instruments	500,000	-	-	-	-	500,000				
22	150. Reserves	1,222,720	-	-	-	-	1,222,720				
23	160. Share premium	1,934	-	-	-	-	1,934				
24	170. Share capital	201,820	-	-	-	-	201,820				
25	180. Treasury shares	(1,280)	-	-	-	-	(1,280)				
26	200. Net profit or loss (+/-)	647,041	-	-	-	-	647,041				
	Total liabilities	37,295,900	-	1,418,911	-	23,510	35,853,479				

The allocation of the amounts in column a-b) across columns from c) to f) is based on the following approach:

- for balance sheet assets' items such amount depends on the risk categories, they may be subject to, including also those items which do not involve own funds requirement;
- the liability items have been classified by taking into account the amount of liabilities involved in the calculation of risk-weighted assets or used to offset asset items;
- derivative contracts that are included in financial assets and liabilities held for trading have been included in column d) and subject to the CCR framework, but are also subject to market risk framework (column f)
- with reference to tax assets and liabilities, the amounts disclosed are calculated net of deferred tax liabilities according to CRR netting rules, which are different from the accounting netting rules reflected into the carrying values under column a-b).

The amount of Total assets disclosed under the column g) includes the following items:

- items subject to deduction from own funds of 111,567 euro thousand, primarily due to "Intangible assets" (amounting to 117,471 euro thousand), deferred tax liabilities (amounting to 5,904 euro thousand) used to reduce the amount of "Intangible assets" and implicit goodwill related to the equity investment Vorvel SIM S.p.A. (amounting to 252 euro thousand);

Scope of application

- items not subject to own funds requirements amounting to 126,498 thousand euros, mainly due to assets provided as collateral to a CCP that cannot be claimed in the event of insolvency proceedings, should the CCP become insolvent (art. 306 of the CRR);
- item "Changes in fair value of portfolio hedged financial assets" (amounting to -170,443 euro thousand), not subject to capital requirements, as it is negative.

Liability items are not part of the framework for calculating risk-weighted assets and are not subject to deduction from Own Funds with the exception of directly held common equity tier 1 capital instruments in the amount of 1,280 euro thousand (item 180: Treasury shares).

EU LI2 - Main sources of differences between regulatory exposure amounts and carrying values in financial statements

(Amounts in € thousand)

	a	b	c	d	e
	Total	Items subject to			
		Credit risk framework	Securitisation framework	CCR framework	Market risk framework
1 Assets carrying value amount under the scope of prudential consolidation (as per template LI1)	37,228,003	36,417,617	-	759,838	50,548
2 Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)	1,442,421	-	-	1,418,911	23,510
3 Total net amount under the scope of prudential consolidation	35,785,582	36,417,617	-	(659,073)	27,037
4 Off-balance-sheet amounts	4,072,082	4,072,082	-	-	
5 Differences in valuations	-	-	-	-	
6 Differences due to different netting rules, other than those already included in row 2	-	-	-	-	
7 Differences due to consideration of provisions	-	-	-	-	
8 Differences due to the use of credit risk mitigation techniques (CRMs)	(3,664,060)	(3,664,060)	-	-	
9 Differences due to credit conversion factors	(2,538,717)	(2,538,717)	-	-	
10 Differences due to Securitisation with risk transfer	-	-	-	-	
11 Other differences	1,592,377	-	-	1,592,377	
12 Exposure amounts considered for regulatory purposes	35,247,263	34,286,921	-	933,304	27,037

EU LIA - Explanations of differences between accounting and regulatory exposure amounts

The template EU LI2 provides the reconciliation between the carrying value amount under the scope of regulatory consolidation (as reported in template EU LI1), and the exposure amount considered for regulatory purposes (i.e. EAD) for the exposures subject to credit risk, CCR and market risk.

With reference to rows 1 and 2, the amounts disclosed in columns from b) to e) correspond to the carrying value under the scope of regulatory consolidation of the balance sheet assets and liabilities, as reported in columns from c) to f) of template EU LI1 in the present section.

The amount shown in line 3 is equal to the value of line 1 reduced by the value of line 2 of this model.

Off-balance sheet amounts and differences due to credit conversion factors mainly relate to available margin on overdraft facilities that are subject to more favorable credit conversion factors for the purpose of calculation of exposure subject to the regulatory requirements.

In the calculation of the exposure subject to the regulatory requirement for credit risk, the change due to CRM techniques refers to the effects recognised, pursuant to the CRR, to collateral received as pledges, in particular units of CIUs.

Within the counterparty risk framework, the other differences are due to the application of the SA-CCR methodology for derivative exposures and the application of master netting agreements and credit risk mitigation techniques for SFT transactions.

Scope of application

Substantial or legal impediments, current or foreseeable, that hinder the rapid transfer of capital resources or funds within the Group

FinecoBank is a banking group subject to the prudential rules laid down in Directive 2013/36/EU on the "access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms" and Regulation (EU) 2013/575 on the "prudential requirements for credit institutions and investment firms" and subsequent Directives and Regulations amending its content. As at 31 December 2025, the only subsidiary included in the Group is Fineco AM, a company incorporated under Irish law which, although not subject to the CRR/CRD, is subject to local rules designed to preserve adequate capitalisation in relation to assets under management and operating expenses; therefore, the subsidiary's ability to distribute capital or dividends is subject to compliance with these rules in terms of capital requirements.

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 derivatives 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 19 September 2025, Delegated Regulation (EU) 2025/1496 was published, 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, in the specific dedicated sections.

The EU KM1 template on key metrics is presented below, the details and qualitative information of which are reported in the specific sections of this document.

The following EU KM1 template contains the information required by Article 447 of the CRR, in particular:

- the composition of their own funds and their 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 December 2025 are met.

The calculation of Own Funds, and in particular of CET1 capital, at 31 December 2025 took into account dividends to be distributed from 2025 profits for a total amount of 483,394 euro thousand, which the Board of Directors will propose for approval at the Shareholders' Meeting to be held on 29 April 2026.

In the EU KM1 template, comparative data referring to the periods of 2024 are reported on the basis of the regulations in force at the respective reference dates and have not been recalculated on the basis of the provisions contained in the regulation applicable from 1 January 2025 (Regulation (EU) 2024/1623).

Key metrics

EU KM1 - Key metrics

(Amounts in € thousand)

		a	b	c	d	e
		12.31.2025	09.30.2025	06.30.2025	03.31.2025	12.31.2024
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	1,445,203	1,391,422	1,362,025	1,341,370	1,311,917
2	Tier 1 capital	1,945,203	1,891,422	1,862,025	1,841,370	1,811,917
3	Total capital	1,945,203	1,891,422	1,862,025	1,841,370	1,811,917
Risk-weighted exposure amounts						
4	Total risk exposure amount	6,201,582	5,814,637	5,805,481	5,590,726	5,064,224
4a	Total risk exposure pre-floor	6,201,582	5,814,637	5,805,481	5,590,726	
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	23.30%	23.93%	23.46%	23.99%	25.91%
5b	Common Equity Tier 1 ratio considering unfloored TREA (%)	23.30%	23.93%	23.46%	23.99%	
6	Tier 1 ratio (%)	31.37%	32.53%	32.07%	32.94%	35.78%
6b	Tier 1 ratio considering unfloored TREA (%)	31.37%	32.53%	32.07%	32.94%	
7	Total capital ratio (%)	31.37%	32.53%	32.07%	32.94%	35.78%
7b	Total capital ratio considering unfloored TREA (%)	31.37%	32.53%	32.07%	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	<i>of which: to be made up of CET1 capital (percentage points)</i>	1.13%	1.13%	1.13%	1.13%	1.13%
EU 7f	<i>of which: to be made up of Tier 1 capital (percentage points)</i>	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 (%)	0.15%	0.14%	0.14%	0.13%	0.13%
EU 9a	Systemic risk buffer (%)	0.38%	0.40%	0.41%	0.21%	0.25%
10	Global Systemically Important Institution buffer (%)	-	-	-	-	-
EU 10a	Other Systemically Important Institution buffer (%)	-	-	-	-	-
11	Combined buffer requirement (%)	3.03%	3.04%	3.05%	2.84%	2.88%
EU 11a	Overall capital requirements (%)	13.03%	13.04%	13.05%	12.84%	12.88%
12	CET1 available after meeting the total SREP own funds requirements (%)	17.67%	18.30%	17.83%	18.36%	20.28%
Leverage ratio						
13	Total exposure measure	38,355,223	37,032,524	35,812,644	34,460,784	34,736,372
14	Leverage ratio (%)	5.07%	5.11%	5.20%	5.34%	5.22%
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	<i>of which: to be made up of CET1 capital (percentage points)</i>	-	-	-	-	-
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
		12.31.2025	09.30.2025	06.30.2025	03.31.2025	12.31.2024
Liquidity Coverage Ratio						
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	24,064,395	23,567,530	22,873,792	22,118,611	21,554,971
EU 16a	Cash outflows - Total weighted value	3,885,782	3,883,046	3,818,173	3,792,887	3,725,681
EU 16b	Cash inflows - Total weighted value	1,368,347	1,347,830	1,306,074	1,295,140	1,328,067
16	Total net cash outflows (adjusted value)	2,517,435	2,535,217	2,512,099	2,497,748	2,397,614
17	Liquidity coverage ratio (%)	957.85%	931.02%	912.15%	887.96%	909.11%
Net Stable Funding Ratio						
18	Total available stable funding	32,162,813	31,320,887	30,558,801	29,732,236	30,139,113
19	Total required stable funding	7,701,917	7,153,990	7,580,479	7,629,755	7,886,730
20	NSFR ratio (%)	417.59%	437.81%	403.12%	389.69%	382.15%

Please note that the information on the Liquidity Coverage Ratio in the EU KM1 template refers to the weighted average values, consistent with the representation provided in the EU LIQ1 template.

Own Funds

From 1 January 2024, the calculation of the capital requirements takes account of the "Basel 3" regulatory framework, transposed into Regulation 575/2013/EU on the prudential requirements for credit institutions and investment firms (Capital Requirements Regulation – "CRR") and subsequent Regulations amending its content, and into Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (Capital Requirements Directive 4 – "CRD IV"), and subsequent Directives that modify its content, which transpose into the European Union the standards defined by the Basel Committee for Banking Supervision (so-called Basel 3 framework), collected and implemented by the Bank of Italy through Circular no. 285 of 17 December 2013 "Supervisory Provisions for Banks" and subsequent updates.

Those regulations establish the following structure for Own Funds (Total Capital):

- Tier 1 Capital, in turn composed of:
 - Common Equity Tier 1 – CET1 and
 - Additional Tier 1 – AT1;
- Tier 2 Capital – T2;

the sum of Tier 1 capital and Tier 2 capital makes up the Own Funds (Total Capital).

Common Equity Tier 1 is mainly composed of equity instruments (e.g. ordinary shares net of treasury shares), share premium reserves, retained earnings reserves, undistributed profit for the period and valuation reserves, net of the deducted items. The Additional Tier 1 category includes equity instruments other than ordinary shares, which meet the regulatory requirements for inclusion in that level of own funds once the deductions of items provided for in CRR have been applied. Finally, Tier 2 Capital is mainly composed of items such as eligible subordinated liabilities, once the deductions of items provided for in CRR have been applied.

Own funds, which amounted to 1,945,203 euro thousand as at 31 December 2025, consisted of Common Equity Tier 1 (CET1) and Additional Tier 1 capital, there were no Tier 2 items. The retained earnings included in Common Equity Tier 1 Capital as at 31 December 2025 were calculated considering dividends to be distributed for a total of 483,394 euro thousand, which the Board of Directors will propose to approve to the Shareholders' Meeting called for 29 April 2026, and foreseeable charges of 8,201 euro thousand represented by the coupons, net of the related taxation, accrued on the Additional Tier 1 financial instruments issued by FinecoBank.

The following EU CC1 and EU CC2 templates show the information required by article 437 letters a) d), e) and f) of the CRR. Specifically, the composition of regulatory capital is reported (elements of Common Equity Tier 1 capital, Additional Tier 1 capital and Tier 2 capital, filters and deductions applied to the institution's own funds) as well as a reconciliation of these elements to the balance sheet in the audited consolidated financial statements as at 31 December 2025. In addition, the EU CCA table shows the characteristics of capital instruments and eligible liabilities issued by Fineco, as required by Article 437 (b) and (c) of the CRR.

Own Funds

EU CC1 - Composition of regulatory own funds

(Amounts in € thousand)

	(a)	(b)
	Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	12.31.2025	
Common Equity Tier 1 (CET1) capital: instruments and reserves		
1	202,255	23-24-28
	202,255	23-24-28
2	1,166,078	20-22
3	37,730	20
EU-3a	-	
4	-	
5	-	
EU-5a	155,447	26-27
6	1,561,509	
Common Equity Tier 1 (CET1) capital: regulatory adjustments		
7	(1,760)	30
8	(111,819)	7-9-10
10	-	
11	-	
12	-	
13	-	
14	-	
15	-	
16	(2,728)	25-29-31
17	-	
18	-	
19	-	
EU-20a	-	
EU-20b	-	
EU-20c	-	
EU-20d	-	
21	-	
22	-	
23	-	

Own Funds

continued: EU CC1 - Composition of regulatory own funds

(Amounts in € thousand)

	(a)	(b)
	Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	12.31.2025	
25	-	
of which: deferred tax assets arising from temporary differences		
EU-25a	-	
Losses for the current financial year (negative amount)		
EU-25b	-	
Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)		
27	-	
Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)		
27a	(0)	32
Other regulatory adjustments		
28 Total regulatory adjustments to Common Equity Tier 1 (CET1)	(116,307)	
29 Common Equity Tier 1 (CET1) capital	1,445,203	
Additional Tier 1 (AT1) capital: instruments		
30	500,000	21
Capital instruments and the related share premium accounts (H)		
31	500,000	21
of which: classified as equity under applicable accounting standards		
32	-	
of which: classified as liabilities under applicable accounting standards		
33	-	
Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1		
EU-33a	-	
Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1		
EU-33b	-	
Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1		
34	-	
Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties		
35	-	
of which: instruments issued by subsidiaries subject to phase out		
36 Additional Tier 1 (AT1) capital before regulatory adjustments	500,000	
Additional Tier 1 (AT1) capital: regulatory adjustments		
37	-	
Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)		
38	-	
Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		
39	-	
Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
40	-	
Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		
42	-	
Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)		
42a	-	
Other regulatory adjustments to AT1 capital		
43 Total regulatory adjustments to Additional Tier 1 (AT1) capital	-	
44 Additional Tier 1 (AT1) capital	500,000	
45 Tier 1 capital (T1 = CET1 + AT1)	1,945,203	

Own Funds

continued: EU CC1 - Composition of regulatory own funds

(Amounts in € thousand)

	(a)	(b)
	Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	12.31.2025	
Tier 2 (T2) capital: instruments		
46	Capital instruments and the related share premium accounts	-
47	Amount of qualifying items referred to in Article 484(5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	-
EU-47a	Amount of qualifying items referred to in Article 494a(2) CRR subject to phase out from T2	-
EU-47b	Amount of qualifying items referred to in Article 494b(2) CRR subject to phase out from T2	-
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	-
49	<i>of which: instruments issued by subsidiaries subject to phase out</i>	-
50	Credit risk adjustments	-
51	Tier 2 (T2) capital before regulatory adjustments	-
Tier 2 (T2) capital: regulatory adjustments		
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-
EU-56b	Other regulatory adjustments to T2 capital	-
57	Total regulatory adjustments to Tier 2 (T2) capital	-
58	Tier 2 (T2) capital	-
59	Total capital (TC = T1 + T2)	1,945,203
60	Total Risk exposure amount	6,201,582
Capital ratios and requirements including buffers		
61	Common Equity Tier 1 capital	23.30%
62	Tier 1 capital	31.37%
63	Total capital	31.37%
64	Institution CET1 overall capital requirements	8.66%
65	<i>of which: capital conservation buffer requirement</i>	2.50%
66	<i>of which: countercyclical capital buffer requirement</i>	0.15%
67	<i>of which: systemic risk buffer requirement</i>	0.38%
EU-67a	<i>of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement</i>	0.00%
EU-67b	<i>of which: additional own funds requirements to address the risks other than the risk of excessive leverage</i>	1.13%
68	Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements	17.67%

Own Funds

continued: EU CC1 - Composition of regulatory own funds

(Amounts in € thousand)

	(a)	(b)	
	Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation	
	12.31.2025		
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	34,607	-
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	1,504	-
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	30,564	-
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	-
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	-	-
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-	-
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	-	-
Capital instruments subject to phase-out arrangements (only applicable between 1 January 2014 and 1 January 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	-	-
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	-
82	Current cap on AT1 instruments subject to phase out arrangements	-	-
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	-
84	Current cap on T2 instruments subject to phase out arrangements	-	-
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	-

Notes to the template "EU CC1 - composition of regulatory own funds" (Article 437, paragraph 1, letters d) e) of CRR)

Amounts and sub-amounts that are not applicable are not reported.

- A. This item is made up of the share capital, consisting of 611,575,321 ordinary shares with a nominal value of 0.33 euro, in the amount of 201,820 euro thousand, the share premium reserve, in the amount of 1,934 euro thousand, net of own CET1 instruments held by customers who simultaneously used a line of credit, even if not granted for this purpose, in the amount of 1,499 euro thousand, which due to Article 28 of European Regulation 575/2013 cannot be qualified as own funds.
- B. The item is made up of the legal reserve, consolidation reserve and other net profit reserves.
- C. The item includes reserves related to equity settled plans, positive for 56,642 euro thousand, and accumulated other comprehensive income (AOCI) consisted of the net negative reserve of debt securities issued by central governments held in the "Financial assets at fair value through profit or loss" portfolio, for 777 euro thousand, and the negative reserve of defined benefit plans for 18,135 euro thousand.
- D. The amount recognised in Own Funds as at 31 December 2025 was calculated considering dividends to be distributed for 2025 amounting to 483,394 euro thousand and foreseeable charges of 8,201 euro thousand.
- E. This item includes the filter for additional valuation adjustments (AVA) calculated on the balance sheet assets and liabilities measured at fair value, determined using the simplified method, and further additional value adjustments in the total amount of 1,760 euro thousand.

Own Funds

- F. This item includes goodwill net of deferred taxation for 87,613 euro thousand and other intangible assets net of deferred taxation for 24,206 euro thousand.
- G. This item includes treasury shares directly held in the amount of 1,280 euro thousand, treasury shares that the Bank has an actual or contingent obligation to purchase in the amount of 1,250 euro thousand, equal to the maximum outlay provided by the repurchase of treasury shares in implementation of the long-term incentive plan authorized by the Supervisory Authority, and treasury shares synthetically held in the amount of 198 euro thousand.
- H. Additional Tier 1 consists of the Additional Tier 1 bond issued on 4 March 2024. In detail, the issue has the following characteristics: the bonds are perpetual with a call option for the issuer after 5.5 years and every six months thereafter on the coupon payment dates, placement public, intended for trading on the regulated market managed by Euronext Dublin, BB- rating (S&P Global Ratings), semi-annual coupon at a fixed rate of 7.5% for the first 5.5 years.

Please note that as of 31 December 2025 the amount of deferred tax assets (DTAs) that are based on future profitability and arise from temporary differences net of the related deferred tax liabilities (DTLs) do not exceed the threshold for deduction from Own Funds.

It should also be noted that, as at 31 December 2025, the Group did not make use of the option to apply the temporary treatment, applicable until 31 December 2025, aimed at mitigating the impact of unrealised gains and losses accumulated from 31 December 2019 on exposures to central governments, regional governments or local authorities measured at fair value recognised in other comprehensive income.

Own Funds

EU CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements

(Amounts in € thousand)

		a	b	c
		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
		12.31.2025	12.31.2025	
Assets				
1	10. Cash and cash balances	1,874,598	-	
2	20. Financial assets at fv with effects on p&I	61,385	-	
	a) financial assets held for trading	55,001	-	
	c) other financial assets mandatorily at fair value	6,384	-	
3	30. Financial assets designated at fair value with effects on comprehensive income	297,186	-	
4	40. Financial assets valued at amortized cost	32,696,002	-	
	a) loans and receivables with banks	2,629,445	-	
	b) loans and receivables with customers	30,066,557	-	
5	50. Derivatives used for hedging	610,407	-	
6	60. Fair value changes of the hedged items in portfolio hedge (+/-)	(170,443)	-	
7	70. Equity investments	1,756	(252)	8
8	90. Property, plant and equipment	152,035	-	
9	100. Intangible assets	123,615	(117,471)	8
	- of which: goodwill	89,602	(89,602)	
10	110. Tax assets	60,179	5,904	
	a) current tax assets	34,635	-	
	b) deferred tax assets	25,543	5,904	8
11	130. Other assets	1,589,180	-	
	Totale Attività	37,295,900	(111,819)	
Liabilities and Shareholders' Equity				
12	10. Financial liabilities valued at amortized cost	34,114,247	-	
	a) deposits from banks	849,969	-	
	b) deposits from customers	32,453,115	-	
	c) debt securities in issue	811,163	-	
13	20. Financial liabilities held for trading	23,510	-	
14	40. Derivatives used for hedging	26,469	-	
15	50. Fair value changes of the hedged items in portfolio hedge (+/-)	(2,329)	-	
16	60. Tax liabilities	24,538	-	
	a) current tax liabilities	24,538	-	
17	80. Other liabilities	375,994	-	
18	90. Reserve for employee severance pay	4,066	-	
19	100. Reserve for risks and charges	176,083	-	
	a) commitments and guarantees given	22	-	
	c) other provisions for risks and charges	176,061	-	
20	120. Revaluation reserves	(18,912)	(18,912)	2
21	140. Equity instruments	500,000	500,000	30
22	150. Reserves	1,222,720	1,222,720	2 - 3

Own Funds

continued: EU CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements

(Amounts in € thousand)

	a		b		c	
	Balance sheet as in published financial statements		Under regulatory scope of consolidation		Reference	
	12.31.2025		12.31.2025			
23	160. Share premium	1,934	1,934			1
24	170. Share capital	201,820	201,820			1
25	180. Treasury shares	(1,280)	(1,280)			16
26	200. Net profit or loss (+/-)	647,041	647,041			EU5a
	Totale altri elementi, di cui:		(496,302)			
27	Quota degli utili non inclusa nei Fondi Propri		(491,594)			EU5a
28	Strumenti propri di CET1 detenuti da clienti che contestualmente hanno utilizzato una linea di fido		(1,499)			1
29	Strumenti di CET1 sui quali l'ente ha obbligo reale o eventuale di acquisto		(1,250)			16
30	Filtri prudenziali (-) rettifiche di valore di vigilanza		(1,760)			7
31	Strumenti propri di capitale primario di classe 1 detenuti dall'ente sinteticamente		(198)			16
32	Copertura insufficiente per le esposizioni deteriorate		(0)			27a
	Totale Passivo e Patrimonio Netto	37,295,900				
33	Totale Fondi Propri		1,945,203			59

There are no differences in the accounting figures for the Balance Sheet Perimeter and the Prudential Perimeter.

The sign (+/-) represents the contribution (positive/negative) to Own Funds.

Own Funds

Own Funds evolution

(Amounts in € thousand)

	07.01.2025 /12.31.2025	01.01.2025 /06.30.2025
Common Equity Tier 1 - CET1		
Start of period	1,362,025	1,311,917
Instruments and Reserves		
Share capital and issue-premium reserves	2,287	(2,732)
<i>of which: own CET1 instruments held by customers who simultaneously used a line of credit</i>	2,287	(2,922)
CET1 instruments that the Bank has an actual or contingent obligation to purchase	-	(250)
Retained earnings and reserves	(19,244)	(3,147)
Accumulated other comprehensive income (AOCI) and other reserves	(925)	1,062
Net profit of the period	329,205	317,836
Dividends and other foreseeable charges	(229,035)	(262,559)
Regulatory adjustments		
Additional regulatory adjustments	96	(636)
Intangible assets net of related liabilities	616	1,011
Direct, indirect and synthetic holdings by an institution of own CET1 instruments	176	(474)
Insufficient coverage for non-performing exposures	1	(1)
End of period	1,445,203	1,362,025
Additional Tier 1 – AT1 Capital		
Start of period	500,000	500,000
Additional Tier 1 issued in the period	-	-
Additional Tier 1 not eligible in the period	-	-
End of period	500,000	500,000
TIER 2 – T2 Capital		
Start of period	-	-
End of period	-	-
TOTAL OWN FUNDS	1,945,203	1,862,025

Own Funds amounted to 1,945,203 euro thousand, showing an increase of 83,177 euro thousand compared to 30 June 2025, due, mainly to the portion of the profit for the second half of 2025 included in CET1 Capital net of dividends and foreseeable charges, amounting to 100,170 euro thousand. During the same period, Own Funds decreased largely due to the recognition of coupons, net of related taxes, paid on Additional Tier 1 instruments issued by the Bank, for a total amount of 13,594 euro thousand.

Own Funds

The following EU template KM2 shows the information required by Article 10(2) of EU Regulation 763/2021. In particular, the main metrics relating to own funds and eligible liabilities and the requirements for own funds and eligible liabilities are reported.

EU KM2 – Key metrics – MREL

(Amounts in € thousand)

		Minimum requirement for own funds and eligible liabilities (MREL)
		a
		12.31.2025
Own funds and eligible liabilities, ratios and components		
1	Own funds and eligible liabilities	2,742,718
EU-1a	Of which own funds and subordinated liabilities	1,945,203
2	Total risk exposure amount of the resolution group (TREA)	6,201,582
3	Own funds and eligible liabilities as a percentage of TREA	44.23%
EU-3a	Of which own funds and subordinated liabilities	31.37%
4	Total exposure measure (TEM) of the resolution group	38,355,223
5	Own funds and eligible liabilities as percentage of the TEM	7.15%
EU-5a	Of which own funds or subordinated liabilities	5.07%
6a	Does the subordination exemption in Article 72b(4) of Regulation (EU) No 575/2013 apply? (5% exemption)	
6b	Aggregate amount of permitted non-subordinated eligible liabilities instruments if the subordination discretion in accordance with Article 72b(3) of Regulation (EU) No 575/2013 is applied (max 3.5% exemption)	
6c	Se si applica la deroga per subordinazione con massimale conformemente all'articolo 72 ter, paragrafo 3, del CRR, l'importo di passività emesse che ha rango pari a quello delle passività escluse e incluso nella riga 1, diviso per le passività emesse che hanno rango pari a quello delle passività escluse e che sarebbero incluse nella riga 1 se non fosse applicato alcun massimale (%)	
Minimum requirement for own funds and eligible liabilities (MREL)		
EU-7	MREL expressed as a percentage of the TREA	19.16%
EU-8	Of which to be met with own funds or subordinated liabilities	0.00%
EU-9	MREL expressed as a percentage of the TEM	5.25%
EU-10	Of which to be met with own funds or subordinated liabilities	0.00%

With regard to the Minimum Own Funds and Eligible Liabilities Requirement (MREL), it should be noted that at the end of November 2025, 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 November 2024. As of the date of notification, November 2025, FinecoBank must comply on a consolidated basis with an MREL TREA (risk exposure) requirement of 19.16% - 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 2025, FinecoBank's results are well above the requirements to be met (MREL TREA equal to 44.23% and MREL LRE equal to 7.15%).

Own Funds

EU TLAC1 - Composition – MREL

(Amounts in € thousand)

	a	b	c
	Minimum requirement for own funds and eligible liabilities (MREL)	G-SII requirement for own funds and eligible liabilities (TLAC)	Memo item: Amounts eligible for the purposes of MREL, but not TLAC
Own funds and eligible liabilities and adjustments			
1	Common Equity Tier 1 capital (CET1)	1,445,203	-
2	Additional Tier 1 capital (AT1)	500,000	-
6	Tier 2 capital (T2)	-	-
11	Own funds for the purpose of Articles 92a of Regulation (EU) No 575/2013 and 45 of Directive 2014/59/EU	1,945,203	-
Own funds and eligible liabilities: Non-regulatory capital elements			
12	Eligible liabilities instruments issued directly by the resolution entity that are subordinated to excluded liabilities (not grandfathered)	-	-
EU-12a	Eligible liabilities instruments issued by other entities within the resolution group that are subordinated to excluded liabilities (not grandfathered)	-	-
EU-12b	Eligible liabilities instruments that are subordinated to excluded liabilities, issued prior to 27 June 2019 (subordinated grandfathered)	-	-
EU-12c	Tier 2 instruments with a residual maturity of at least one year to the extent they do not qualify as Tier 2 items	-	-
13	Eligible liabilities that are not subordinated to excluded liabilities (not grandfathered pre cap)	797,516	-
EU-13a	Eligible liabilities that are not subordinated to excluded liabilities issued prior to 27 June 2019 (pre-cap)	-	-
14	Amount of non subordinated instruments eligible, where applicable after application of Article 72b (3) CRR	797,516	-
17	Eligible liabilities items before adjustments	797,516	-
EU-17a	<i>Of which subordinated liabilities items</i>	-	-
Own funds and eligible liabilities: Adjustments to non-regulatory capital elements			
18	Own funds and eligible liabilities items before adjustments	2,742,718	-
19	(Deduction of exposures between multiple point of entry (MPE) resolution groups)	-	-
20	(Deduction of investments in other eligible liabilities instruments)	-	-
22	Own funds and eligible liabilities after adjustments	2,742,718	-
EU-22a	<i>Of which: own funds and subordinated liabilities</i>	1,945,203	-
Risk-weighted exposure amount and leverage exposure measure of the resolution group			
23	Total risk exposure amount (TREA)	6,201,582	-
24	Total exposure measure (TEM)	38,355,223	-
Ratio of own funds and eligible liabilities			
25	Own funds and eligible liabilities as a percentage of TREA	44.23%	-
EU-25a	<i>Of which own funds and subordinated liabilities</i>	31.37%	-
26	Own funds and eligible liabilities as a percentage of TEM	7.15%	-
EU-26a	<i>Of which own funds and subordinated liabilities</i>	5.07%	-
27	CET1 (as a percentage of TREA) available after meeting the resolution group's requirements	4.14%	-
28	Institution-specific combined buffer requirement	-	-
29	<i>of which: capital conservation buffer requirement</i>	-	-
30	<i>of which: countercyclical buffer requirement</i>	-	-
31	<i>of which: systemic risk buffer requirement</i>	-	-
EU-31a	<i>of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer</i>	-	-
Memorandum items			
EU-32	Total amount of excluded liabilities referred to in Article 72a(2) of Regulation (EU) No 575/2013	-	-

Please note that columns b and c of the above template are not filled in as there is no TLAC requirement for the Fineco Group.

Own Funds

EU TLAC3b - Creditor ranking - resolution entity

(Amounts in € thousand)

	Insolvency ranking					Sum of 1 to n
	1	2	3	4	5	
1 Description of insolvency rank (free text)	CET1	AT1	-	-	Unsecured Claims	
5 Own funds and liabilities potentially eligible for meeting MREL	1,398,496	500,000	-	-	797,516	2,696,012
6 of which residual maturity ≥ 1 year < 2 years	-	-	-	-	498,241	498,241
7 of which residual maturity ≥ 2 years < 5 years	-	-	-	-	299,275	299,275
8 of which residual maturity ≥ 5 years < 10 years	-	-	-	-	-	-
9 of which residual maturity ≥ 10 years, but excluding perpetual securities	-	-	-	-	-	-
10 of which perpetual securities	1,398,496	500,000	-	-	-	1,898,496

The information included in the Model above is published on an individual basis, in line with the requirements of EU Regulation 763/2021.

Own Funds

EU CCA - Main features of regulatory own funds instruments

1	Issuer	FinecoBank S.p.A.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	IT0000072170
2a	Public or private placement	Public
3	Governing law(s) of the instrument	Italian law
3a	Contractual recognition of write down and conversion powers of resolution authorities	"N/A"
<i>Regulatory treatment</i>		
4	Current treatment taking into account, where applicable, transitional CRR rules	Common Equity Tier 1
5	Post-transitional CRR rules	Common Equity Tier 1
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Solo (FinecoBank S.p.A.) and Consolidated (FinecoBank Group)
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	201
9	Nominal amount of instrument (amount in euro million)	201
9a	Issue price	N/A
9b	Redemption price	N/A
10	Accounting classification	Shareholders' equity
11	Original date of issuance	N/A
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	"N/A"
15	Optional call date, contingent call dates and redemption amount	"N/A"
16	Subsequent call dates, if applicable	"N/A"
<i>Coupons / dividends</i>		
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	"N/A"
19	Existence of a dividend stopper	NO
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
21	Existence of step up or other incentive to redeem	"N/A"
22	Noncumulative or cumulative	"N/A"
23	Convertible or non-convertible	"N/A"
24	If convertible, conversion trigger(s)	"N/A"
25	If convertible, fully or partially	"N/A"
26	If convertible, conversion rate	"N/A"
27	If convertible, mandatory or optional conversion	"N/A"
28	If convertible, specify instrument type convertible into	"N/A"
29	If convertible, specify issuer of instrument it converts into	"N/A"
30	Write-down features	"N/A"
31	If write-down, write-down trigger(s)	"N/A"
32	If write-down, full or partial	"N/A"
33	If write-down, permanent or temporary	"N/A"
34	If temporary write-down, description of write-up mechanism	"N/A"
34a	Type of subordination (only for eligible liabilities)	"N/A"
34b	Ranking of the instrument in normal insolvency proceedings	IT1
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Additional Tier 1
36	Non-compliant transitioned features	NO
37	If yes, specify non-compliant features	"N/A"
37a	Link to the full term and conditions of the instrument (signposting)	

Own Funds

continued: EU CCA - Main features of regulatory own funds instruments

1	Issuer	FinecoBank S.p.A.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	XS2776665700
2a	Public or private placement	Public
3	Governing law(s) of the instrument	Italian law
3a	Contractual recognition of write down and conversion powers of resolution authorities	Yes
<i>Regulatory treatment</i>		
4	Current treatment taking into account, where applicable, transitional CRR rules	Additional Tier 1 capital
5	Post-transitional CRR rules	Additional Tier 1 capital
6	Eligible at solo/(sub)-consolidated/ solo&(sub)-consolidated	Solo (FinecoBank S.p.A.) and Consolidated (FinecoBank Group)
7	Instrument type (types to be specified by each jurisdiction)	Bond - Art. 51 CRR
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	500
9	Nominal amount of instrument (amount in euro million)	500
9a	Issue price	100
9b	Redemption price	100
10	Accounting classification	Equity
11	Original date of issuance	11/03/2024
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity date
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date, contingent call dates and redemption amount	"Redemption at the Option of the Issuer": redemption in whole or in part of the Prevailing Principal Amount plus accumulated interest up to the Optional Redemption Date; an Optional Redemption Date means any date during the period between 11 March 2029 and the First Reset Date of 11 September 2029 or any subsequent interest payment date. 'Regulatory call - Capital Event': redemption at 100% of the Principal Amount plus accrued interest on the redemption date. 'Tax call': redemption at 100% of the Principal Prevailing Amount plus accumulated interest on the redemption date. 'Repurchases': the issuer may repurchase the Bonds, including for market making purposes, in each case with the permission of the competent authority.
16	Subsequent call dates, if applicable	Every 11 March, and 11 September after the First Reset Date
<i>Coupons / dividends</i>		
17	Fixed or floating dividend/coupon	Fixed (with reset every five years after the First Reset Date)
18	Coupon rate and any related index	7,5% p.a. until the First Reset Date; thereafter at a rate of interest that resets every 5 years to 5-year EUR Mid Swap Rates + 488,9 bps. Semi-annual coupon (on 11 March and 11 September in each year).
19	Existence of a dividend stopper	NO
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary. Insufficiency of elements of distributable capital; Distributions exceeding the Maximum Distributable Amount; "Loss Absorption Event"; Option at full discretion of the issuer
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
21	Existence of step up or other incentive to redeem	NO
22	Noncumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	"N/A"
25	If convertible, fully or partially	"N/A"
26	If convertible, conversion rate	"N/A"
27	If convertible, mandatory or optional conversion	"N/A"
28	If convertible, specify instrument type convertible into	"N/A"
29	If convertible, specify issuer of instrument it converts into	"N/A"
30	Write-down features	Yes
31	If write-down, write-down trigger(s)	Capital Shortfall
32	If write-down, full or partial	Partial
33	If write-down, permanent or temporary	Temporary
34	If temporary write-down, description of write-up mechanism	If the Issuer has a positive individual and consolidated net income, the Issuer may, in its total discretion and without prejudice to the Maximum Distributable Amount, increase the prevailing Principal Amount of the Bonds on a pro-quota basis with similar Additional Tier 1 instruments.
34a	Type of subordination (only for eligible liabilities)	-
34b	Ranking of the instrument in normal insolvency proceedings	IT2
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior Bond Preferred
36	Non-compliant transitioned features	NO
37	If yes, specify non-compliant features	-
37a	Link to the full term and conditions of the instrument (signposting)	https://images.finecobank.com/docs/pdf/pub/corporate/investors/fixed-income/final-terms-XS2776665700.pdf

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 capital 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 in CRR, collated and implemented by the Bank of Italy through Circular No. 285 of 17 December 2013 "Supervisory Regulations for Banks" as amended, the Group 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 EU Directive 2013/36/EU. 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 0.15% as at 31 December 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 equal to 1% of the credit and counterparty risk-weighted exposures to Italian residents, which for the Group is 0.38% as at 31 December 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 November 2025 the Competent Authority communicated that the Pillar 2 Requirement (P2R) applicable to the Group remains unchanged: 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.

Please, find below a scheme of the FinecoBank Group capital requirements and buffers which also provides evidence of the "Total SREP Capital Requirement" (TSCR) and the "Overall Capital Requirement" (OCR) related to the outcome of the SREP process held 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:	3.03%	3.03%	3.03%
1. Capital Conservation Buffer (CCB)	2.50%	2.50%	2.50%
2. Institution-specific Countercyclical Capital Buffer (CCyB)	0.15%	0.15%	0.15%
3. systemic risk buffer for FinecoBank (SyRB)	0.38%	0.38%	0.38%
E) Overall Capital Requirement (C+D)	8.66%	10.53%	13.03%

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

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 (cost of equity). This purpose 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;

Own funds requirements and risk-weighted exposure amounts

- 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.

Total 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. Economic 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 economic 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).

The assessment of the Group's total internal capital is a dynamic process that requires constant monitoring designed to control the level of available resources compared to the capital used, and to provide indications to the decision-making bodies. The monitoring is accompanied by an efficient and appropriate communications system, both for management purposes and communications with the supervisory authorities.

Own funds requirements and risk-weighted exposure amounts

The following EU OV1 template shows the information required 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 requirement, broken down by the different risk categories.

EU OV1 - Overview of total risk exposure amounts

(Amounts in € thousand)

	Total risk exposure amounts (TREA)		Total own funds requirements
	a	b	c
	12.31.2025	09.30.2025	12.31.2025
1 Credit risk (excluding CCR)	2,761,170	2,723,499	220,894
2 <i>Of which the standardised approach</i>	2,761,170	2,723,499	220,894
3 <i>Of which the Foundation IRB (F-IRB) approach</i>	-	-	-
4 <i>Of which slotting approach</i>	-	-	-
EU 4a <i>Of which equities under the simple risk weighted approach</i>	-	-	-
5 <i>Of which the Advanced IRB (A-IRB) approach</i>	-	-	-
6 Counterparty credit risk - CCR	289,784	257,690	23,183
7 <i>Of which the standardised approach</i>	29,827	31,118	2,386
8 <i>Of which internal model method (IMM)</i>	-	-	-
EU 8a <i>Of which exposures to a CCP</i>	2,403	2,241	192
9 <i>Of which other CCR</i>	257,554	224,332	20,604
10 Credit valuation adjustments risk - CVA risk	258	154	21
EU 10a <i>Of which the standardised approach (SA)</i>	-	-	-
EU 10b <i>Of which the basic approach (F-BA and R-BA)</i>	258	154	21
EU 10c <i>Of which the simplified approach</i>	-	-	-
15 Settlement risk	327	394	26
16 Securitisation exposures in the non-trading book (after the cap)	-	-	-
17 <i>Of which SEC-IRBA approach</i>	-	-	-
18 <i>Of which SEC-ERBA (including IAA)</i>	-	-	-
19 <i>Of which SEC-SA approach</i>	-	-	-
EU 19a <i>Of which 1250%</i>	-	-	-
20 Position, foreign exchange and commodities risks (Market risk)	164,793	146,557	13,183
21 <i>Of which the Alternative standardised approach (A-SA)</i>			
EU 21a <i>Of which the Simplified standardised approach (S-SA)</i>			
22 <i>Of which Alternative Internal Model Approach (A-IMA)</i>			
EU 22a Large exposures	-	-	-
23 Reclassifications between the trading and non-trading books	-	-	-
24 Operational risk	2,985,250	2,686,341	238,820
EU 24a Exposures to crypto-assets	-	-	-
25 Amounts below the thresholds for deduction (subject to 250% risk weight)	80,168	92,101	6,413
26 Output floor applied (%)	-	-	-
27 Floor adjustment (before application of transitional cap)	-	-	-
28 Floor adjustment (after application of transitional cap)	-	-	-
29 Total	6,201,582	5,814,637	496,127

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

The increase in risk exposures (TREA) during the fourth quarter of 2025 is mainly attributable to the increase of operational risk due to the update of the Relevant Indicator (inclusion of 2025 revenues and exclusion of 2022 revenues).

Own funds requirements and risk-weighted exposure amounts

As at 31 December 2025, 45% of the total capital requirement refers to credit risk (excluding CCR), for which the Group applies the standardised approach. 5% of the total capital requirement refers to counterparty risk, calculated using the SA-CCR. Credit valuation adjustment risk, calculated using the reduced foundation approach, is not significant. 3% of the total capital requirement refers to market risk, for which the Group applies the standardised approach. It should be noted that, as previously indicated, on 19 September 2025, Delegated Regulation (EU) 2025/1496 was published, which postpones the application of the innovations introduced in the regulatory framework for the calculation of own funds requirements for market risk (Fundamental Review of Trading Book – FRTB) to 1 January 2027, after Commission Delegated Regulation (EU) 2024/2795 of 24 July 2024 had already postponed the application by one year to 1 January 2026. Finally, the share of operational risks in total capital requirements is equal to 48%.

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

Countercyclical capital buffers

Article 136 of the Directive establishes the requirement for the designated national authorities to set up an operational framework for establishing the countercyclical capital buffer (CCyB) with effect from 1 January 2016. The buffer is reviewed on a quarterly basis. The European legislation was implemented in Italy through the Bank of Italy Circular 285/2013 (Supervisory regulations for banks), which contain specific rules on the CCyB. Legislative Decree 72 of May 12, 2015 identified the Bank of Italy as the authority designated to adopt the macro prudential measures in the banking sector, including the CCyB. The rules apply at individual and consolidated level to banks and investment firms and the countercyclical capital buffer cannot exceed 2.5%.

The countercyclical capital buffer seeks to ensure that the capital requirements of the banking sector take account of the macro-financial environment that the banks operate. Its primary purpose is to use a capital buffer to achieve the macro-prudential objective of protecting the banking sector from periods of excessive growth in aggregate credit, which have often been associated with the accumulation of risk at system level. In times of recession, the buffer should contribute to reducing the risk of the availability of credit being limited by capital requirements that could undermine the performance of the real economy and lead to additional credit losses in the banking system.

Accordingly, institutions are required to maintain an institution-specific countercyclical capital buffer, equivalent to their total risk exposure amount, calculated in accordance with Article 92(3) of the CRR multiplied by the weighted average of the countercyclical buffer rates. The institution-specific countercyclical capital buffer rate consists of the weighted average of the countercyclical buffer rates that apply in the jurisdictions where the relevant credit exposures of the institution are located. To calculate the weighted average, institutions must apply to each countercyclical buffer rate its total own funds requirements for credit risk, that relates to the relevant credit exposures in that country, divided by the total of their own funds requirements for credit risk that relates to all of their material credit exposures.

Based on the analysis of the benchmark indicators, the Bank of Italy has decided to maintain the countercyclical capital buffer ratio (related to exposures to Italian counterparties representing 88.8% of exposures of the Group) also for the fourth quarter of 2025 at 0%.

The institution specific countercyclical capital buffer calculated on the basis of the ratios applicable as of 31 December 2025 is 0.15% at consolidated level, corresponding to approximately 9,184 euro thousand, mainly given by the exposures to the United Kingdom, Ireland and France. There is no significant impact on the Group's capital surplus.

The following EU CCyB2 and EU CCyB1 templates contain the information required by Article 440 of the CRR. In particular, they show:

- the amount of the group-specific countercyclical capital buffer;
- the geographical distribution of the risk-weighted exposure amounts and amounts of its credit exposures used as the basis for the calculation of the relevant countercyclical capital buffers.

EU CCyB2 - Amount of institution-specific countercyclical capital buffer

(Amounts in € thousand)

	a
1 Total risk exposure amount	6,201,582
2 Institution specific countercyclical capital buffer rate	0.15%
3 Institution specific countercyclical capital buffer requirement	9,184

Countercyclical capital buffers

EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

(Amounts in € thousand)

	General credit exposures		Relevant credit exposures – Market risk		Securitisation exposures Exposure value for non-trading book	Total exposure value	Own fund requirements			Total	Risk-weighted exposure amounts	Own fund requirements weights	Countercyclical buffer rate
	Exposure value under the standardised approach	Exposure value under the IRRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models			Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book				
Afghanistan	1	-	-	-	-	1	0	-	-	0	0	-	-
Albania	1	-	-	-	-	1	0	-	-	0	1	-	-
Angola	2	-	-	-	-	2	0	-	-	0	1	-	-
Argentina	4	-	4	-	-	8	0	-	-	0	3	-	-
Australia	138	-	238	-	-	376	3	19	-	22	270	0.010%	1.00%
Austria	331	-	22	-	-	353	26	0	-	26	328	0.013%	-
Bermuda	1,348	-	19	-	-	1,367	108	0	-	108	1,351	0.052%	-
Bulgaria	17	-	-	-	-	17	1	-	-	1	11	-	2.00%
Bahrein	3	-	-	-	-	3	0	-	-	0	2	-	-
Belgium	261	-	109	-	-	369	12	0	-	12	151	0.006%	1.00%
Brazil	224	-	-	-	-	224	4	-	-	4	53	0.002%	-
Canada	13	-	1,216	-	-	1,229	1	24	-	25	308	0.012%	-
Chile	3	-	-	-	-	3	0	-	-	0	2	-	0.50%
China	172	-	-	-	-	172	4	-	-	4	47	0.002%	-
Colombia	7	-	-	-	-	7	0	-	-	0	5	-	-
Curacao	-	-	14	-	-	14	-	0	-	0	2	-	-
Cambodia	1	-	-	-	-	1	0	-	-	0	1	-	-
Croatia	6	-	3	-	-	9	0	0	-	0	3	-	1.50%
Denmark	4	-	403	-	-	407	0	32	-	32	406	0.016%	2.50%
Dominican Republic	2	-	-	-	-	2	0	-	-	0	1	-	-
Estonia	1	-	-	-	-	1	0	-	-	0	1	-	1.50%
Egypt	3	-	-	-	-	3	0	-	-	0	3	-	-
Ethiopia	1	-	-	-	-	1	0	-	-	0	1	-	-
Finland	0	-	71	-	-	71	0	1	-	1	12	-	-
France	214,055	-	4,409	-	-	218,463	2,022	90	-	2,113	26,407	1.025%	1.00%
Georgia	1	-	-	-	-	1	0	-	-	0	1	-	-
Guernsey	-	-	1	-	-	1	-	0	-	0	0	-	-
Germany	28,431	-	33,591	-	-	62,022	333	137	-	470	5,876	0.228%	0.75%
Greece	437	-	6	-	-	443	26	-	-	26	328	0.013%	0.25%
Hong Kong	50	-	-	-	-	50	1	-	-	1	13	-	0.50%
India	7	-	-	-	-	7	0	-	-	0	5	-	-
Ireland	62,129	-	17,454	-	-	79,583	7,052	6	-	7,058	88,219	3.423%	1.50%
Iceland	-	-	-	-	-	-	-	-	-	-	-	-	2.50%
Israel	7	-	93	-	-	101	0	7	-	8	98	0.004%	-
Italy	4,361,230	-	562,610	-	-	4,923,840	177,013	5,984	-	182,997	2,287,461	88.761%	-
Japan	6	-	2	-	-	8	0	-	-	0	5	-	-
Jersey	-	-	2,805	-	-	2,805	-	3	-	3	40	0.002%	-
Kenya	1	-	-	-	-	1	0	-	-	0	0	-	-
Kuwait	15	-	-	-	-	15	1	-	-	1	11	-	-
Kazakhstan	1	-	-	-	-	1	0	-	-	0	1	-	-
Liberia	0	-	24	-	-	24	-	1	-	1	9	-	-
Latvia	6	-	-	-	-	6	0	-	-	0	4	-	1.00%
Lebanon	1	-	-	-	-	1	0	-	-	0	1	-	-

Countercyclical capital buffers

continued: EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

(Amounts in € thousand)

	General credit exposures		Relevant credit exposures – Market risk		Securitisation exposures Exposure value for non-trading book	Total exposure value	Own fund requirements			Total	Risk-weighted exposure amounts	Own fund requirements weights	Countercyclical buffer rate
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models			Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book				
Liechtenstein	-	-	24	-	-	24	-	-	-	-	-	-	-
Luxembourg	24,217	-	3,257	-	-	27,474	1,912	33	-	1,945	24,308	0.943%	0.50%
Malaysia	56	-	-	-	-	56	1	-	-	1	12	-	-
Malta	5	-	217	-	-	222	0	-	-	0	4	-	-
Mongolia	1	-	-	-	-	1	0	-	-	0	1	-	-
Isle of Man	-	-	1	-	-	1	-	0	-	0	1	-	-
Mexico	18	-	0	-	-	18	1	-	-	1	14	0.001%	-
Mozambique	1	-	-	-	-	1	0	-	-	0	0	-	-
Nepal	2	-	-	-	-	2	0	-	-	0	2	-	-
Netherlands	11,169	-	70,550	-	-	81,719	166	769	-	935	11,688	0.454%	2.00%
Nigeria	50	-	-	-	-	50	3	-	-	3	37	0.001%	-
Norway	1	-	-	-	-	1	0	-	-	0	1	-	2.50%
New Zealand	89	-	-	-	-	89	2	-	-	2	19	0.001%	-
Pakistan	1	-	-	-	-	1	0	-	-	0	1	-	-
Panama	1	-	347	-	-	348	0	1	-	1	18	0.001%	-
Paraguay	7	-	-	-	-	7	0	-	-	0	5	-	-
Peru	3	-	-	-	-	3	0	-	-	0	3	-	-
Philippines	163	-	-	-	-	163	3	-	-	3	33	0.001%	-
Poland	10	-	-	-	-	10	1	-	-	1	7	-	1.00%
Portugal	94	-	743	-	-	838	6	-	-	6	76	0.003%	-
Principality of Monaco	4	-	-	-	-	4	0	-	-	0	3	-	-
Qatar	27	-	0	-	-	27	2	-	-	2	20	0.001%	-
Romania	9	-	-	-	-	9	1	-	-	1	7	-	1.00%
Republic of South Africa	26	-	194	-	-	220	2	9	-	11	142	0.006%	-
Russia	37	-	-	-	-	37	1	-	-	1	12	-	-
San Marino	182	-	1,051	-	-	1,234	14	-	-	14	178	0.007%	-
Saudi Arabia	8	-	1	-	-	9	1	-	-	1	6	-	-
Serbia	1	-	-	-	-	1	0	-	-	0	1	-	-
Singapore	135	-	10	-	-	145	2	1	-	3	38	0.001%	-
Slovenia	2	-	-	-	-	2	0	-	-	0	2	-	1.00%
Slovakia	2	-	-	-	-	2	0	-	-	0	2	-	1.50%
South Korea	4	-	-	-	-	4	0	-	-	0	3	-	1.00%
Spain	18,258	-	1,861	-	-	20,119	151	3	-	154	1,928	0.075%	0.50%
Sweden	85	-	50	-	-	135	2	-	-	2	22	0.001%	2.00%
Switzerland	3,679	-	8,528	-	-	12,208	76	18	-	94	1,169	0.045%	-
Taiwan	147	-	164	-	-	312	2	11	-	14	171	0.007%	-
Tunisia	72	-	-	-	-	72	2	-	-	2	21	0.001%	-
Thailand	4	-	-	-	-	4	0	-	-	0	3	-	-
Trinidad and Tobago	1	-	-	-	-	1	0	-	-	0	1	-	-
Turkey	15	-	-	-	-	15	1	-	-	1	12	-	-
United Arab Emirates	1,533	-	2	-	-	1,536	47	-	-	47	586	0.023%	-
United Kingdom	89,992	-	1,242	-	-	91,234	7,175	40	-	7,215	90,186	3.500%	2.00%
United States	4,404	-	173,814	-	-	178,218	330	2,309	-	2,639	32,985	1.280%	-
Uruguay	1	-	-	-	-	1	0	-	-	0	1	-	-
Uzbekistan	2	-	-	-	-	2	0	-	-	0	2	-	-
Ukraine	8	-	2	-	-	10	0	-	-	0	6	-	-
Venezuela	2	-	-	-	-	2	0	-	-	0	2	-	-
Vietnam	1	-	-	-	-	1	0	-	-	0	0	-	-
Total	4,823,458	-	890,792	-	-	5,714,250	196,515	9,653	-	206,168	2,577,098	100.000%	

Exposures to credit risk and dilution risk

Below is the qualitative information referred to in the EU CRB table on the credit quality of assets, required in Article 442, letters a) and b), of the CRR, in particular:

- the scope and definitions of impaired exposures (bad debts, unlikely to pay and overdue) used for accounting and regulatory purposes, as specified in the EBA guidelines on the definition of default pursuant to Article 178 of the CRR;
- the extent of past due exposures (more than 90 days) that are not considered as impaired exposures and the related reasons;
- a description of the methods used to determine the generic and specific credit value adjustments.

With regard to the general qualitative information on credit risk referred to in the EU CRA table, please refer to the chapter "Risk management objectives and policies".

Definitions of impaired exposures

Non-performing exposures correspond, in accordance with the provisions of the Bank of Italy rules, defined in Circular No. 272 of 30 July 2008 and subsequent updates, to the aggregate of Non-Performing Exposures referred to in regulation 630/2019, which amends CRR and Implementing Regulation (EU) no. 3117/2024 of the Commission and subsequent amendments and additions. Based on these regulations, which are based on technical standards developed by the European Banking Authority (Implementing Technical Standards; hereinafter, ITS), non-performing are defined as exposures that meet one or both of the following criteria:

- material exposures overdue for more than 90 days;
- exposures for which the company considers it unlikely that the debtor will be able to fully fulfill its credit obligations (unlikely to pay), without enforcing and selling the guarantees, regardless of the existence of any past due and / or overdue exposures and the number of days past due.

With regard to unlikely to pay, in order to assess the debtor's unlikelihood to fulfill its credit obligations, the Group uses alerts that exploit both internal information (for example, the debtor's application for a forbearance measure) and data from external databases (for example those coming from the central credit register).

For the recognition and classification of impaired credit exposures, 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 must also be taken into account. 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.

The Group has pursued a substantial alignment between the concept of "default" governed by Art. 178 of CRR and that of "impaired" defined in the IFRS 9 accounting standard. For further information on this subject, please refer to the following paragraph.

Furthermore, the aforementioned Circular No. 272 establishes that the aggregate of impaired exposures is broken down into the following categories:

- bad exposures, i.e: on-balance-sheet and off-balance-sheet exposures to customers who are in a state of insolvency, even if the latter has not been recognised in a court of law. The assessment is performed on a granular basis (also 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 exposures: on-balance-sheet and off-balance-sheet exposures for which the conditions for the classification of the debtor under bad exposure are not met and for which there is an assessment of the improbability that, in the absence of actions such as the enforcement of guarantees, the debtor will be able to fulfill fully (in principal and / or interest) its credit obligations. This evaluation is carried out regardless of the presence of any overdue and unpaid amounts (or installments). The classification to Unlikely to Pay is not necessarily linked to the explicit presence of irregularities (non-repayment), but is rather linked to the existence of default risk evidences. Unlikely to Pay are assessed analytically in the financial statements (also through the comparison with statistically defined coverage levels for some loan portfolios below a predefined threshold) or by applying percentages determined on a flat-rate basis for types of homogeneous exposures;
- past due/overdue exposures: represent cash exposures, other than those classified among bad exposures or unlikely to pay which, at the reference date, are overdue or overrun. Overdue exposures are determined with reference to the individual debtor. In particular, they represent the entire exposure to counterparties, other than those classified in the category of unlikely to pay and bad loans, which at the reference date are overdue for more than 90 days. The amount of capital, interest or unpaid commissions at the due date exceed both the following thresholds: a) absolute limit equal to 100 euro for retail exposures and equal to 500 euro for exposures other than retail ones; b) relative limit of 1% given by the ratio between the total amount past due and / or overdue and the total amount of all credit exposures to the same debtor. Impaired past due and / or overdue exposures are valued on a lump sum basis on a historical / statistical basis.

Finally, the aforementioned regulations also define the forborne, i.e. exposures that have been subject to forbearance measures towards a debtor who is already or is about to face difficulties in meeting its financial commitments (financial difficulties).

In particular, art. 47 b of Regulation 575/2013 defines a forbearance measure as:

- a change in the original terms and conditions of a contract that the debtor is deemed unable to fulfill due to financial difficulties resulting in insufficient debt service capacity and which would not have been granted if the debtor did not had found himself in financial difficulty;
- the total or partial refinancing of a problematic loan that would not have been granted had the debtor not been in financial difficulty.

Exposures to credit risk and dilution risk

Forborne exposures may be classified among performing loans or non-performing loans. Exposures classified as unlikely to pay and qualified as forborne, can be reclassified under performing loans only after at least one year has elapsed from the moment of origination or from the last migration to non-performing. Exposures also need to satisfy a series of conditions, including the absence of overdue payments exceeding 30 days.

With reference to particular socio-economic scenarios, characterized by a high degree severity, the Group, considering the role and social responsibility it is invested in, may join initiatives aimed at supporting families and / or companies in temporary difficulty. These initiatives, which can be promoted by the State or by sector associations (ABI / MEF), consist in the suspension of payment installments for a specific period (payment moratoriums).

In the aforementioned circumstances, for the purposes of prudential and accounting classifications, the Group complies with any indications provided by the main European and international supervisory authorities and standard setters. In the absence of such indications, the classification takes place on the basis of the regular prudential framework, in accordance with the principles described above.

Description of the methods adopted to determine credit provisioning

Loans and debt securities classified under the items "Financial assets measured at amortized cost", "Financial assets measured at fair value through other comprehensive income" and the relevant off-balance sheet exposures (commitments and guarantees given) are subject to impairment calculation according to the IFRS9 principle, taking into account the reference legislation supplemented by internal rules and policies governing the classification criteria of loans and their transfer into the various categories.

These instruments are classified in Stage 1, Stage 2 or Stage 3 depending on their credit quality with respect to their initial recognition. In particular:

- Stage 1: includes newly originated or acquired credit exposures as well as exposures that have registered a significant increase in credit risk with respect to the initial recognition date;
- Stage 2: includes credit exposures which, although performing, have undergone a significant increase in credit risk with respect to the initial recognition date;
- Stage 3: includes impaired credit exposures.

For exposures belonging to Stage 1, the impairment is equal to the expected loss calculated over a time horizon of up to one year. For exposures belonging to Stage 2 or 3, the impairment is equal to the expected loss calculated over a time horizon equal to the residual duration of the related exposure.

In order to comply with the requirements of the accounting standard, the Group refers to specific models for calculating the expected loss, which leverage on PD and LGD parameters. Such parameters, which are estimated conservatively, are subject to specific adjustments in order to ensure full consistency with accounting legislation.

For rated institutional counterparties, the expected loss is calculated using risk parameters provided by the external provider Moody's Analytics. For unrated institutional counterparties⁷, proxies defined by the Parent Company's CRO Department are applied.

For retail counterparties, as no internal rating systems are available, PD and LGD parameters are estimated using 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, Fineco uses a PD model based on the default rates recorded on the Italian banking system⁸, 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 to the historical default rates on a quarterly basis (dependent variable) with a set of macroeconomic variables. The macroeconomic data used comes from the baseline scenarios made available by the external provider Moody's Analytics. The model translates the effect of expected economic conditions on default rates into an estimate of the overall default risk of the mortgage product.

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). In order to determine the realizable value used in the model, the value of the collateral is calculated considering prudential assumptions, such as the adverse trend of the real estate market and prudential coefficients for properties that are subject to climate/environmental risk. It should also be noted that a minimum Loss Given Loss (LGL) floor of 60% is prudentially applied in determining the LGD of mortgages.

⁷ Exposures to unrated institutional counterparties consist primarily of operating receivables resulting from commissions repaid by asset management companies following the sale of their asset management products through the Parent Company's platform. It should be noted that this activity does not entail significant exposure to the aforementioned counterparties.

⁸ 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.

Exposures to credit risk and dilution risk

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.

Lastly, in order to comply with IFRS 9 requirements, the parameters resulting from proxy and models shall be corrected using forward looking information.

A key element considered by the new accounting model required for the calculation of the expected credit loss is represented by the Staging Allocation model, aimed at transferring the exposures between Stage 1 and Stage 2 (since Stage 3 includes non-performing exposures), where the Stage 1 mainly includes newly originated exposures and exposures that do not show a significant increase in credit risk with respect to the initial recognition.

The Stage Allocation evaluation model always operates at the single exposure level and is based on a combination of relative and absolute elements. The main elements are:

- the comparison between the counterparty's rating at the reference date and that recorded at the date of origination / purchase of the securities. The methodology provides that the position goes to stage 2 when a certain threshold is exceeded, set in terms of notch by the rating detected at the date of first recognition;
- the statistical analysis of a set of behavioral variables of retail customers (e.g. current account movements, arrears, etc.);
- absolute elements such as the backstops required by law (e.g. 30 days overdue);
- additional internal and external evidence (e.g. forbore-performing classification).

With reference to institutional counterparties issuing the securities that the Group purchases as strategic investments, or with which the Group carries out credit business, the approach used is that based on the external rating assigned by the Moody's agency. As already mentioned, the methodology envisages that the position shift into stage 2 when a certain threshold is breached, set in terms of notches from the rating recorded at the date of initial recognition.

With regard to other unrated institutional counterparties, the Group relies on the backstops required by law and additional internal evidence. In this context, all exposures that are more than 30 days past due, or for which additional information is available suggesting a deterioration in the counterparty's creditworthiness, are classified as stage 2.

With regard to retail counterparties, since September 2025, the Group uses a new behavioral scoring model developed by the CRO Department. Through the statistical analysis of a series of behavioral variables (e.g., current account movements, arrears, etc.), this model assigns each individual customer a score that represents a summary assessment of their creditworthiness. The score is recalculated for each customer at each reference date (monthly) and compared with the score obtained at the initial recognition date. This comparison allows us to determine whether there has been a significant increase in credit risk since the disbursement date and, if the conditions are met, automatically reclassify positions between stage 1 and stage 2. The model is used in parallel with the backstops required by regulation, which continue to be applied at the individual exposure level.

The criteria for determining write-downs to be made to loans and receivables are based on the discounting of the expected financial flows for capital and interest which, consistently with the portfolio management model, can also refer to market transactions; for the purpose of determining the present value of the flows, the core elements are represented by the estimation of cash flow, the related collection dates and the discount rate to be applied.

In particular, the amount of the loss, for impaired exposures classified as bad loans, unlikely to pay or impaired past due and / or overdue exposures, according to the previously specified categories, is obtained as the difference between the book value and the present value of the estimated cash outflows, discounted at the original interest rate.

For all fixed-rate positions, the contractual interest rate is kept constant also in subsequent years, whereas for variable-rate positions the interest rate is updated according to the contractual terms. Where the original rate is not directly available, or its finding is excessively onerous, its best approximation is applied, also by resorting to alternative solutions ("practical expedients") which do not in any case alter the substance and consistency with international accounting standards.

Recovery times are estimated on the basis of business plans or forecasts based on the historical experience of the recoveries recorded for homogeneous classes of loans, taking into account the customer segment, the technical form, the type of guarantee and any other factors deemed relevant or, if necessary, the expected market transaction conditions.

Risk parameters and definitions used in provisioning

As mentioned in the previous paragraph, the models for calculating the expected loss make use of PD, LGD and EAD parameters, as well as the effective interest rates. These models are used to calculate the provisioning for all shared institutional counterparties within the Group, which mainly consist of FIBS (Financial Institutions, Banks and Sovereigns) counterparties.

In particular:

- the PD (Probability of Default), expresses the probability of occurrence of an event of default of the credit position, in a specific time frame (e.g. 1 year);

Exposures to credit risk and dilution risk

- the LGD (Loss Given Default), expresses the estimated loss percentage, and therefore the expected recovery rate, upon the occurrence of an event of default of the credit position;
- la EAD (Exposure at Default), expresses the amount of exposure at the time of the default event of the credit position;
- the Effective Interest Rate is the discount rate that expresses the time value of money.

These parameters are calculated starting from the homologous long-term parameters used for calculating the Internal Capital, making specific adjustments in order to ensure full consistency with the requirements of the IFRS 9 accounting standard.

The main adjustments are aimed at:

- introducing point-in-time adjustments;
- including forward looking information;
- extend the credit risk parameters to a multi-year perspective.

With regard to lifetime PDs, the through-the-cycle PD curves, obtained by adapting the observed cumulative default rates, were calibrated to reflect point-in-time and forward-looking forecasts about portfolio default rates.

The recovery rate incorporated in the through-the-cycle LGD has been adapted in order to reflect the latest trends in recovery rates as well as expectations about future trends and discounted to the effective interest rate or its best approximation.

Forward looking information used in provisioning

The expected credit loss resulting from the parameters described in the previous paragraph considers macroeconomic forecasts through the application of multiple forward looking scenarios.

Specifically, the forward looking component is determined by three macroeconomic scenarios, a baseline scenario, a positive scenario and an adverse scenario. The baseline scenario is the central reference scenario as the one considered most likely; the positive and adverse scenarios represent alternative realizations, 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 forward-looking 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 determination of the scenario.

For more information on the scenarios used for the calculation of the Expected Credit Losses, please refer to paragraph 2.3 "Methods for measuring expected losses" reported in part E of the notes to the consolidated financial statements at 31 December 2025.

Classification of exposures into risk categories

The classification into the different risk categories is carried out according to the provisions of regulation 575/2013 (CRR), the relevant EBA guidelines (EBA/GL/ 2018/06 Guidelines on the management non-performing exposures and forbearance) and the Circular 272 of the Bank of Italy. For further details, reference is made to the paragraph "Definitions of impaired exposures".

Exposures to credit risk and dilution risk

In conducting its lending activities, the Group is exposed to credit risk, namely the risk that receivables may not be repaid at maturity due to the deterioration of the obligor's financial condition and may therefore require full or partial impairment. This risk is inherent in traditional lending, regardless of the technical form in which it is expressed. The main causes of default are the borrower's loss of independent ability to ensure debt repayment, as well as the occurrence of macroeconomic and political circumstances that impact the debtor's financial condition.

The following templates EU CR1, EU CR1-A, EU CR2, EU CQ1, EU CQ4, EU CQ5 show the information required by article 442 of CRR, letters from c) to g), in particular:

- information on the amount and quality of performing, non-performing and forbore exposures for loans, debt securities and off-balance-sheet exposures, including their related accumulated impairment, provisions and negative fair value changes due to credit risk and amounts of collateral and financial guarantees received;
- the gross carrying amounts of both defaulted and non-defaulted exposures, the accumulated specific and general credit risk adjustments, the accumulated write-offs taken against those exposures and the net carrying amounts and their distribution by geographical area and industry type and for loans, debt securities and off balance-sheet exposures;
- any changes in the gross amount of defaulted on- and off-balance-sheet exposures, including, as a minimum, information on the opening and closing balances of those exposures, the gross amount of any of those exposures reverted to non-defaulted status or subject to a write-off;
- the breakdown of loans and debt securities by residual maturity.

Please note that EU CQ7 template "Collateral obtained by taking possession and execution processes" is not provided as it has no value.

EU CR1 - Performing and non-performing exposures and related provisions

(Amounts in € thousand)

		a	b	c	d	e	f
		Gross carrying amount/nominal amount					
		Performing exposures			Non-performing exposures		
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3
005	Cash balances at central banks and other demand deposits	2,184,163	2,184,163	-	-	-	-
010	Loans and advances	6,476,249	6,288,011	188,238	28,163	-	28,163
020	Central banks	-	-	-	-	-	-
030	General governments	7	7	0	-	-	-
040	Credit institutions	91,573	91,573	-	-	-	-
050	Other financial corporations	856,132	855,643	489	1	-	1
060	Non-financial corporations	3,870	3,690	180	212	-	212
070	of which SMEs	3,795	3,617	179	212	-	212
080	Households	5,524,668	5,337,099	187,568	27,950	-	27,950
090	Debt securities	26,217,680	26,217,615	-	0	-	0
100	Central banks	-	-	-	-	-	-
110	General governments	23,969,386	23,969,323	-	-	-	-
120	Credit institutions	2,228,519	2,228,517	-	-	-	-
130	Other financial corporations	19,775	19,775	-	0	-	-
140	Non-financial corporations	-	-	-	0	-	0
150	Off-balance-sheet exposures	4,187,362	36,679	249	1,264	-	1
160	Central banks	-	-	-	-	-	-
170	General governments	-	-	-	-	-	-
180	Credit institutions	18,158	17,170	-	-	-	-
190	Other financial corporations	30,137	16	8	-	-	-
200	Non-financial corporations	6,938	2,335	-	2	-	-
210	Households	4,132,130	17,158	241	1,262	-	1
220	Total	39,065,454	34,726,468	188,486	29,428	-	28,164

It should be noted that financial assets held for trading and off-balance sheet exposures other than those subject to the impairment rules under IFRS 9 have been classified, by convention, as performing exposures, but have not been included in the columns that provide a breakdown by risk stage.

Furthermore, starting from the 2025 financial year, off-balance sheet exposures include the credit limit of the charge cards issued by FinecoBank. These have been included in the definition of commitment in accordance with the entry into force of Regulation (EU) 2024/1623, which defines a commitment as any contractual agreement that an institution offers to a customer and is accepted by the latter to grant credit, purchase assets, or issue credit substitutes, as well as any such agreement that may be unconditionally cancelled by an institution at any time without notice to the obligor,

Exposures to credit risk and dilution risk

or any agreement that may be cancelled by an institution if the obligor fails to comply with the conditions set forth in the credit facility documentation, including any conditions that the obligor is required to satisfy prior to any initial or subsequent drawdown under the agreement, except when the contractual agreements satisfy specific conditions set forth in the Regulation itself.

continued: EU CR1 - Performing and non-performing exposures and related provisions

(Amounts in € thousand)

		g	h	i	j	k	l
		Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions					
		Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3
005	Cash balances at central banks and other demand deposits	(84)	(84)	-	-	-	-
010	Loans and advances	(10,523)	(4,514)	(6,009)	(23,924)	-	(23,924)
020	Central banks	-	-	-	-	-	-
030	General governments	(0)	(0)	(0)	-	-	-
040	Credit institutions	(11)	(11)	-	-	-	-
050	Other financial corporations	(265)	(74)	(190)	(1)	-	(1)
060	Non-financial corporations	(12)	(7)	(6)	(188)	-	(188)
070	<i>of which SMEs</i>	<i>(12)</i>	<i>(7)</i>	<i>(5)</i>	<i>(188)</i>	-	<i>(188)</i>
080	Households	(10,235)	(4,422)	(5,813)	(23,735)	-	(23,735)
090	Debt securities	(3,930)	(3,930)	-	-	-	-
100	Central banks	-	-	-	-	-	-
110	General governments	(3,810)	(3,810)	-	-	-	-
120	Credit institutions	(119)	(119)	-	-	-	-
130	Other financial corporations	(1)	(1)	-	-	-	-
140	Non-financial corporations	-	-	-	-	-	-
150	Off-balance-sheet exposures	22	22	0	0	-	0
160	Central banks	-	-	-	-	-	-
170	General governments	-	-	-	-	-	-
180	Credit institutions	0	0	-	-	-	-
190	Other financial corporations	0	0	0	-	-	-
200	Non-financial corporations	0	0	-	-	-	-
210	Households	21	21	0	0	-	0
220	Total	(14,559)	(8,550)	(6,009)	(23,924)	-	(23,924)

Please note that for off-balance sheet exposures (rows 150 to 210) the provisions are reported with a positive sign, in line with the Finrep reporting.

Exposures to credit risk and dilution risk

continued: EU CR1 - Performing and non-performing exposures and related provisions

(Amounts in € thousand)

	m	n	o			
				Accumulated partial write-off	Collateral and financial guarantees received	
					On performing exposures	On non-performing exposures
005	Cash balances at central banks and other demand deposits	-	-	-		
010	Loans and advances	-	5,034,891	1,601		
020	Central banks	-	-	-		
030	General governments	-	-	-		
040	Credit institutions	-	-	-		
050	Other financial corporations	-	490,511	-		
060	Non-financial corporations	-	3,003	-		
070	<i>of which SMEs</i>	-	3,003	-		
080	Households	-	4,541,378	1,601		
090	Debt securities	-	-	-		
100	Central banks	-	-	-		
110	General governments	-	-	-		
120	Credit institutions	-	-	-		
130	Other financial corporations	-	-	-		
140	Non-financial corporations	-	-	-		
150	Off-balance-sheet exposures		2,103,780	26		
160	Central banks		-	-		
170	General governments		-	-		
180	Credit institutions		-	-		
190	Other financial corporations		17,325	-		
200	Non-financial corporations		5,597	-		
210	Households		2,080,858	26		
220	Total	-	7,138,671	1,627		

EU CR1-A - Maturity of exposures

(Amounts in € thousand)

	a	b	c	d	e	f						
							Net exposure value					
							On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	4,510,180	922,887	411,332	2,807,956	1,689	8,654,044					
2	Debt securities	-	1,493,154	19,628,507	5,092,088	-	26,213,750					
3	Total	4,510,180	2,416,041	20,039,840	7,900,044	1,689	34,867,794					

EU CR2 - Changes in the stock of non-performing loans and advances

(Amounts in € thousand)

		a
		Gross carrying amount
010	Initial stock of non-performing loans and advances	27,719
020	Inflows to non-performing portfolios	9,218
030	Outflows from non-performing portfolios	(8,773)
040	<i>Outflows due to write-offs</i>	<i>(3,956)</i>
050	<i>Outflow due to other situations</i>	<i>(4,817)</i>
060	Final stock of non-performing loans and advances	28,163

Exposures to credit risk and dilution risk

EU CQ1 - Credit quality of forborne exposures

(Amounts in € thousand)

	a	b	c		d		
			Gross carrying amount/nominal amount of exposures with forbearance measures				
			Performing forborne	Non-performing forborne		Of which impaired	
Of which defaulted							
005	Cash balances at central banks and other demand deposits	-	-	-	-		
010	Loans and advances	2,671	1,629	1,629	1,629		
020	Central banks	-	-	-	-		
030	General governments	-	-	-	-		
040	Credit institutions	-	-	-	-		
050	Other financial corporations	-	-	-	-		
060	Non-financial corporations	-	-	-	-		
070	Households	2,671	1,629	1,629	1,629		
080	Debt Securities	-	-	-	-		
090	Loan commitments given	100	11	11	11		
100	Total	2,771	1,640	1,640	1,640		

continued: EU CQ1 - Credit quality of forborne exposures

(Amounts in € thousand)

	e	f	g		h		
			Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Collateral received and financial guarantees received on forborne exposures	
			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures	
005	Cash balances at central banks and other demand deposits	-	-	-	-		
010	Loans and advances	(18)	(960)	2,832	580		
020	Central banks	-	-	-	-		
030	General governments	-	-	-	-		
040	Credit institutions	-	-	-	-		
050	Other financial corporations	-	-	-	-		
060	Non-financial corporations	-	-	-	-		
070	Households	(18)	(960)	2,832	580		
080	Debt Securities	-	-	-	-		
090	Loan commitments given	-	0	-	-		
100	Total	(18)	(960)	2,832	580		

Exposures to credit risk and dilution risk

EU CQ3 - Credit quality of performing and non-performing exposures by past due days

(Amounts in € thousand)

	a	b	c	d	e	f
	Gross carrying amount/nominal amount					
	Performing exposures			Non-performing exposures		
	Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	
005 Cash balances at central banks and other demand deposits	2,184,163	2,184,163	-	-	-	-
010 Loans and advances	6,476,249	6,471,558	4,691	28,163	1,664	1,687
020 Central banks	-	-	-	-	-	-
030 General governments	7	7	0	-	-	-
040 Credit institutions	91,573	91,573	-	-	-	-
050 Other financial corporations	856,132	856,129	3	1	0	0
060 Non-financial corporations	3,870	3,842	28	212	1	3
070 of which SMEs	3,795	3,769	27	212	1	3
080 Households	5,524,668	5,520,008	4,659	27,950	1,664	1,684
090 Debt securities	26,217,680	26,217,680	-	0	0	-
100 Central banks	-	-	-	-	-	-
110 General governments	23,969,386	23,969,386	-	-	-	-
120 Credit institutions	2,228,519	2,228,519	-	-	-	-
130 Other financial corporations	19,775	19,775	-	0	0	-
140 Non-financial corporations	-	-	-	0	0	-
150 Off-balance-sheet exposures	4,187,362			1,264		
160 Central banks	-			-		
170 General governments	-			-		
180 Credit institutions	18,158			-		
190 Other financial corporations	30,137			-		
200 Non-financial corporations	6,938			2		
210 Households	4,132,130			1,262		
220 Total	39,065,454	34,873,401	4,691	29,428	1,664	1,687

Exposures to credit risk and dilution risk

continued: EU CQ3 - Credit quality of performing and non-performing exposures by past due days

(Amounts in € thousand)

		g	h	i	j	k	l
		Gross carrying amount/nominal amount					
		Non-performing exposures					
		Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-
010	Loans and advances	3,277	5,703	8,635	3,528	3,669	28,163
020	Central banks	-	-	-	-	-	-
030	General governments	-	-	-	-	-	-
040	Credit institutions	-	-	-	-	-	-
050	Other financial corporations	0	0	0	-	-	1
060	Non-financial corporations	18	11	61	64	54	212
070	of which SMEs	18	11	61	64	54	212
080	Households	3,259	5,692	8,573	3,464	3,615	27,950
090	Debt securities	-	-	-	-	-	0
100	Central banks	-	-	-	-	-	-
110	General governments	-	-	-	-	-	-
120	Credit institutions	-	-	-	-	-	-
130	Other financial corporations	-	-	-	-	-	0
140	Non-financial corporations	-	-	-	-	-	0
150	Off-balance-sheet exposures						1,264
160	Central banks						-
170	General governments						-
180	Credit institutions						-
190	Other financial corporations						-
200	Non-financial corporations						2
210	Households						1,262
220	Total	3,277	5,703	8,635	3,528	3,669	29,428

Exposures to credit risk and dilution risk

EU CQ4 - Quality of non-performing exposures by geography

(Amounts in € thousand)

		a		c	e	f	g
		Gross carrying/nominal amount		Of which defaulted	Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
010	On-balance sheet exposures	34,906,255	28,163	(38,461)			-
020	Italy	15,357,204	28,112	(36,452)			-
030	European international organizations	6,649,674	-	(357)			-
040	Spain	4,396,956	5	(446)			-
050	France	2,315,787	-	(416)			-
060	Belgium	1,277,672	-	(275)			-
070	Austria	1,187,436	-	(63)			-
080	United States	953,102	0	(114)			-
090	Ireland	909,638	1	(73)			-
100	Other countries	1,858,787	45	(264)			-
110	Off-balance sheet	4,188,626	1,264			22	
120	Italy	4,171,334	1,259			22	
130	Other countries	17,293	5			0	
140	TOTAL	39,094,882	29,428	(38,461)		22	-

Note that columns b and d of the EU CQ4 template are not shown because FinecoBank does not have a ratio of the gross carrying amount of impaired loans and advances to the total gross carrying amount of loans and advances of 5% or more.

The template above shows the countries to which FinecoBank has significant exposures. Exposures equal to or less than 2% of total On-balance /Off-balance sheet exposures have been included under "Other countries".

For on-balance-sheet exposures, exposures to the following countries have been grouped under "Other countries": Germany, Portugal, Chile, China, Saudi Arabia, United Kingdom, Switzerland, Netherlands, Norway, Latvia, Luxembourg, Denmark, Iceland, Finland, Abu Dhabi, Bermuda, Greece, Bulgaria, Sweden, Brazil, Qatar, Croatia, Philippines, Singapore, Taiwan, Australia, Tunisia, New Zealand, Canada, San Marino, Malaysia, Hong Kong, Mexico, Trinidad and Tobago, Russia, Panama, Turkey, Colombia, Kuwait, Morocco, Thailand, Romania, India, Israel, Poland, Paraguay, Ethiopia, Japan, Vatican City, Ukraine, Malta, South Africa, Monaco, South Korea, Argentina, Cyprus, Peru, Egypt, Bahrain, Slovenia, Nepal, Uzbekistan, Venezuela, Slovakia, Dominican Republic, Angola, Georgia, Lebanon, Estonia, Albania, Mongolia, Nigeria, Serbia, Cambodia, Kazakhstan, Uruguay, Pakistan, Mozambique, Kenya, Vietnam, Afghanistan, Costa Rica, Czech Republic, Madagascar, Ghana, Hungary, Jordan, Tanzania, Moldova, Marshall Islands, Seychelles, Armenia, Lithuania, Uganda, Costa Rica, Ivory Coast, Equatorial Guinea, Bangladesh, Nicaragua, Chad, Puerto Rico, Ecuador, Laos, Libya, Bolivia, Iraq, Mauritius, Fiji, Indonesia, Zambia, Cameroon, Cuba, Sri Lanka, Mali, Bahamas, Yemen, Maldives, Azerbaijan, Belarus, Iran, Cayman Islands, Algeria, Honduras, Guatemala, Montenegro, Gambia, Liberia, Rwanda, Macedonia, Oman.

For off-balance sheet exposures, exposures to the following countries have been grouped under "Other countries": United Kingdom, Switzerland, France, China, Germany, Portugal, Qatar, Nigeria, Bulgaria, Greece, United States, Canada, Spain, Abu Dhabi, Singapore, Netherlands, Monaco, Belgium, Ukraine, Sweden, Brazil, Colombia, Luxembourg, Mexico, Ireland, Austria, Saudi Arabia, San Marino, Malta, Thailand, Peru, Russia, Turkey, India, Israel, South Africa, Australia, Poland, Denmark, Panama, Norway, Japan, Lithuania, Romania, Tunisia, Croatia, Afghanistan, Bahrain, Czech Republic, Ethiopia, Paraguay, Egypt, Venezuela, Cyprus, Fiji, Finland, Latvia, New Zealand, Malaysia, South Korea, Argentina, Kuwait, Ghana, Hong Kong, Chile, Hungary, Cambodia, Georgia, Kenya, Uruguay, Slovakia, Indonesia, Slovenia, Nicaragua, Pakistan, Uzbekistan, Zambia, Lebanon, Nepal, Trinidad and Tobago, Mozambique, Albania, Kazakhstan, Philippines, Dominican Republic, Estonia, Taiwan, Vatican City, Serbia, Vietnam, Angola, Ecuador, Bermuda, Mongolia, Oman, Morocco.

Exposures to credit risk and dilution risk

EU CQ5 - Credit quality of loans and advances to non-financial corporations by industry

(Amounts in € thousand)

		a	c	e	f
		Gross carrying amount		Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which defaulted		
010	Agriculture, forestry and fishing	12	4	(4)	-
020	Mining and quarrying	-	-	-	-
030	Manufacturing	141	22	(21)	-
040	Electricity, gas, steam and air conditioning supply	11	1	(1)	-
050	Water supply	4	1	(1)	-
060	Construction	93	33	(32)	-
070	Wholesale and retail trade	472	33	(30)	-
080	Transport and storage	30	6	(5)	-
090	Accommodation and food service activities	35	11	(10)	-
100	Information and communication	52	15	(14)	-
110	Financial and insurance activities	-	-	-	-
120	Real estate activities	1,530	16	(16)	-
130	Professional, scientific and technical activities	1,504	45	(41)	-
140	Administrative and support service activities	166	13	(11)	-
150	Public administration and defense, compulsory social security	-	-	-	-
160	Education	6	2	(2)	-
170	Human health services and social work activities	8	-	(0)	-
180	Arts, entertainment and recreation	12	5	(5)	-
190	Other services	7	6	(6)	-
200	Total	4,082	212	(200)	-

Note that columns b and d of the EU CQ5 template are not shown because FinecoBank does not have a ratio of the gross carrying amount of impaired loans and advances to the total gross carrying amount of loans and advances of 5% or more.

Disclosure of the use of the Standardised Approach

The qualitative information set out in the EU CRD table on the use of the Standardised Approach required by Article 444 (a) to (d) of the CRR is provided below, in particular:

- the names of the nominated External Credit Assessment Institutions (ECAIs);
- the exposure classes for which each ECAI is used;
- a description of the process used to transfer the issuer or issue credit ratings into items not included in the trading book.

With regard to the association of the external rating of each nominated ECAI with the risk weights corresponding to the credit quality steps, the Group complies with the association published by the EBA.

For the purpose of determining credit risk weightings under the standardised approach, the Group adopts the ratings of the following external rating agencies: Moody's Investor Service, Standard & Poor's Rating Service and Fitch Ratings.

It should be noted that for the purposes of determining the capital requirement, in compliance with the regulations, where there are two assessments of the same client, the more prudent one is adopted, in the case of three assessments the intermediate one, if all the assessments are present, the second best one is adopted.

The following table shows the regulatory asset classes for which the Group calculates the risk-weighted exposure amounts, using the ECAI is used with the characteristics of the reference ratings⁹.

List of the nominated external rating agencies

PORTFOLIO	ECAI	FEATURES
Exposures to central governments and central banks	Moody's Investor Service; Standard & poor's Rating; Fitch Ratings	Solicited and Unsolicited
Exposures to covered bonds		
Exposures to institutions		

It should be noted that, in application of CRR III, starting from 1 January 2025, the Group makes use of ECAI credit assessments to determine the capital requirement for exposures to Institutions. To determine the risk weight applicable to exposures to unrated institutions, the Group uses the new Standardised Credit Risk Assessment Approach (SCRA), which assigns a grade (A, B, or C) based on compliance with the specific conditions set out in Article 121 of the CRR.

Exposures to multilateral development banks and international organisations are not shown in the table because the securities in the Group's portfolio fall under the list in Articles 117 and 118 of the CRR.

Exposures to regional governments or local authorities and to public sector entities are not included in the table because they are treated by the competent authorities as exposures to their central governments, according to the lists prepared by the EBA under Articles 115 and 116 of the CRR.

Process of transfer of the issuer or issue credit ratings to comparable assets not included in the regulatory trading book

In compliance with CRR, the criteria have been defined for the use of issue and issuer credit ratings for the assessment of exposure risks. In particular, the risk weighting assigned to the exposures has been determined, in general for all the regulatory portfolios, using the issue rating as the primary measure and then, when this is not available and the conditions established by the Regulation are met, using the issuer rating.

⁹ Solicited rating: the rating issued on the basis of a request by the rated subject and against a fee. Ratings issued in the absence of an application are equivalent to solicited ratings if the subject has previously obtained a solicited rating from the same ECAI. Unsolicited rating: a rating issued in the absence of a request by the rated entity and payment of a fee.

Disclosure of the use of the Standardised Approach

The following EU CR4 and EU CR5 templates show the quantitative information required by Article 444(e) and Article 453 points (g), (h), and (i) of the CRR. In particular, the values of on-balance sheet and off-balance sheet exposures are shown, before and after applying the conversion factors, with and without credit risk mitigation, associated with each credit quality class, by exposure class, as well as the values of exposures deducted from own funds.

EU CR4 - Standardised approach - Credit risk exposure and CRM effects

(Amounts in € thousand)

Exposure classes	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWEAs and RWEAs density	
	On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWEAs	RWEAs density (%)
	a	b	c	d	e	f
1 Central governments or central banks	20,335,399	-	20,335,399	-	199,168	1%
2 Non-central government public sector entities	1,876,560	-	1,876,560	-	1	0%
EU 2a Regional governments or local authorities	1,149,489	-	1,149,489	-	-	0%
EU 2b Public sector entities	727,071	-	727,071	-	1	0%
3 Multilateral development banks	1,248,873	-	1,248,873	-	-	0%
EU 3a International organisations	5,400,430	-	5,400,430	-	-	0%
4 Institutions	623,544	17,170	623,544	17,168	141,971	22%
5 Covered bonds	421,238	-	421,238	-	42,124	10%
6 Corporates	784,377	16,316	334,655	327	334,982	100%
6,1 Of which: Specialised Lending	-	-	-	-	-	0%
7 Subordinated debt exposures and equity	5,480	-	5,480	-	7,735	141%
EU 7a Subordinated debt exposures	-	-	-	-	-	0%
EU 7b Equity	5,480	-	5,480	-	7,735	141%
8 Retail	3,235,073	4,037,332	1,430,781	105,840	1,177,512	77%
9 Secured by mortgages on immovable property and ADC exposures	2,138,695	-	2,138,695	-	482,182	23%
9,1 Secured by mortgages on residential immovable property - non IPRE	2,135,766	-	2,135,766	-	480,413	22%
9,2 Secured by mortgages on residential immovable property - IPRE	-	-	-	-	-	0%
9,3 Secured by mortgages on commercial immovable property - non IPRE	2,930	-	2,930	-	1,769	60%
9,4 Secured by mortgages on commercial immovable property - IPRE	-	-	-	-	-	0%
9,5 Acquisition, Development and Construction (ADC)	-	-	-	-	-	0%
10 Exposures in default	4,231	1,264	4,206	8	4,220	100%
EU 10a Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	0%
EU 10b Collective investment undertakings (CIU)	2,397	-	2,397	-	29,958	1250%
EU 10c Other items	341,322	-	341,322	-	341,319	100%
12 Total	36,417,617	4,072,082	34,163,579	123,343	2,761,170	8%

Disclosure of the use of the Standardised Approach

The net value of the exposures refers to on-balance sheet assets or off-balance sheet items that give rise to credit risk as defined by the CRR, thus excluding exposures subject to counterparty risk. The RWA density stood at 8%, slightly decreasing from 9% in June 2025.

EU CR5 - Standardised approach

(Amounts in € thousand)

Exposure classes	Risk weight									
	0%	2%	4%	10%	20%	30%	35%	40%	45%	
	a	b	c	d	e	f	g	h	i	
1 Central governments or central banks	19,771,501	-	-	-	481,170	-	-	-	-	-
2 Non-central government public sector entities	1,876,553	-	-	-	7	-	-	-	-	-
EU 2a Regional governments or local authorities	1,149,489	-	-	-	-	-	-	-	-	-
EU 2b Public sector entities	727,064	-	-	-	7	-	-	-	-	-
3 Multilateral Development Banks	1,248,873	-	-	-	-	-	-	-	-	-
EU 3a International Organisations	5,400,430	-	-	-	-	-	-	-	-	-
4 Institutions	-	8,704	-	-	500,362	128,223	-	52	-	-
5 Covered bonds	-	-	-	421,238	-	-	-	-	-	-
6 Corporates	-	-	-	-	-	-	-	-	-	-
6.1 Of which: specialised lending	-	-	-	-	-	-	-	-	-	-
7 Subordinated debt exposures and equity	-	-	-	-	-	-	-	-	-	-
EU 7a Subordinated debt exposures	-	-	-	-	-	-	-	-	-	-
EU 7b Equity	-	-	-	-	-	-	-	-	-	-
8 Retail exposures	-	-	-	-	-	-	-	-	-	24,125
9 Secured by mortgages on immovable property and ADC exposures	-	-	-	-	2,040,094	-	-	-	-	-
9.1 Secured by mortgages on residential immovable property - non IPRE	-	-	-	-	2,040,094	-	-	-	-	-
9.1.1 No loan splitting applied	-	-	-	-	-	-	-	-	-	-
9.1.2 loan splitting applied (secured)	-	-	-	-	2,040,094	-	-	-	-	-
9.1.3 loan splitting applied (unsecured)	-	-	-	-	-	-	-	-	-	-
9.2 Secured by mortgages on residential immovable property - IPRE	-	-	-	-	-	-	-	-	-	-
9.3 Secured by mortgages on commercial immovable property - non IPRE	-	-	-	-	-	-	-	-	-	-
9.3.1 No loan splitting applied	-	-	-	-	-	-	-	-	-	-
9.3.2 loan splitting applied (secured)	-	-	-	-	-	-	-	-	-	-
9.3.3 loan splitting applied (unsecured)	-	-	-	-	-	-	-	-	-	-
9.4 Secured by mortgages on commercial immovable property - IPRE	-	-	-	-	-	-	-	-	-	-
9.5 Acquisition, development and construction (ADC)	-	-	-	-	-	-	-	-	-	-
10 Exposures in default	-	-	-	-	-	-	-	-	-	-
EU 10a Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-
EU 10b Collective investments undertakings (CIU)	-	-	-	-	-	-	-	-	-	-
EU 10c Other items	4	-	-	-	-	-	-	-	-	-
EU 11c Total	28,297,360	8,704	-	421,238	3,021,633	128,223	-	52	-	24,125

Disclosure of the use of the Standardised Approach

continued: EU CR5 - Standardised approach

(Amounts in € thousand)

Exposure classes	Risk weight									
	50%	60%	70%	75%	80%	90%	100%	105%	110%	
	j	k	l	m	n	o	p	q	r	
1	Central governments or central banks	51,280	-	-	-	-	-	885	-	-
2	Non-central government public sector entities	-	-	-	-	-	-	-	-	-
EU 2a	Regional governments or local authorities	-	-	-	-	-	-	-	-	-
EU 2b	Public sector entities	-	-	-	-	-	-	-	-	-
3	Multilateral Development Banks	-	-	-	-	-	-	-	-	-
EU 3a	International Organisations	-	-	-	-	-	-	-	-	-
4	Institutions	1,770	-	-	-	-	-	100	-	-
5	Covered bonds	-	-	-	-	-	-	-	-	-
6	Corporates	-	-	-	-	-	-	334,982	-	-
6.1	Of which: specialised lending	-	-	-	-	-	-	-	-	-
7	Subordinated debt exposures and equity	-	-	-	-	-	-	3,976	-	-
EU 7a	Subordinated debt exposures	-	-	-	-	-	-	-	-	-
EU 7b	Equity	-	-	-	-	-	-	3,976	-	-
8	Retail exposures	-	-	-	1,385,310	-	-	127,185	-	-
9	Secured by mortgages on immovable property and ADC exposures	-	2,853	-	95,748	-	-	-	-	-
9.1	Secured by mortgages on residential immovable property - non IPRE	-	-	-	95,672	-	-	-	-	-
9.1.1	No loan splitting applied	-	-	-	-	-	-	-	-	-
9.1.2	loan splitting applied (secured)	-	-	-	-	-	-	-	-	-
9.1.3	loan splitting applied (unsecured)	-	-	-	95,672	-	-	-	-	-
9.2	Secured by mortgages on residential immovable property - IPRE	-	-	-	-	-	-	-	-	-
9.3	Secured by mortgages on commercial immovable property - non IPRE	-	2,853	-	76	-	-	-	-	-
9.3.1	No loan splitting applied	-	-	-	-	-	-	-	-	-
9.3.2	loan splitting applied (secured)	-	2,853	-	-	-	-	-	-	-
9.3.3	loan splitting applied (unsecured)	-	-	-	76	-	-	-	-	-
9.4	Secured by mortgages on commercial immovable property - IPRE	-	-	-	-	-	-	-	-	-
9.5	Acquisition, development and construction (ADC)	-	-	-	-	-	-	-	-	-
10	Exposures in default	-	-	-	-	-	-	4,203	-	-
EU 10a	Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-
EU 10b	Collective investments undertakings (CIU)	-	-	-	-	-	-	-	-	-
EU 10c	Other items	-	-	-	-	-	-	341,319	-	-
EU 11c	Total	53,050	2,853	-	1,481,058	-	-	812,649	-	-

Disclosure of the use of the Standardised Approach

continued: EU CR5 - Standardised approach

(Amounts in € thousand)

	Exposure classes	Risk weight						Total	Of which unrated	
		130%	150%	250%	370%	400%	1250%			Others
		s	t	u	v	w	x	y	z	aa
1	Central governments or central banks	-	-	30,564	-	-	-	-	20,335,399	18,978,614
2	Non-central government public sector entities	-	-	-	-	-	-	-	1,876,560	1,876,560
EU 2a	Regional governments or local authorities	-	-	-	-	-	-	-	1,149,489	1,149,489
EU 2b	Public sector entities	-	-	-	-	-	-	-	727,071	727,071
3	Multilateral Development Banks	-	-	-	-	-	-	-	1,248,873	1,248,873
EU 3a	International Organisations	-	-	-	-	-	-	-	5,400,430	5,400,430
4	Institutions	-	1,501	-	-	-	-	-	640,712	26,318
5	Covered bonds	-	-	-	-	-	-	-	421,238	-
6	Corporates	-	-	-	-	-	-	-	334,982	334,982
6,1	Of which: specialised lending	-	-	-	-	-	-	-	-	-
7	Subordinated debt exposures and equity	-	-	1,504	-	-	-	-	5,480	5,480
EU 7a	Subordinated debt exposures	-	-	-	-	-	-	-	-	-
EU 7b	Equity	-	-	1,504	-	-	-	-	5,480	5,480
8	Retail exposures	-	-	-	-	-	-	-	1,536,621	1,536,621
9	Secured by mortgages on immovable property and ADC exposures	-	-	-	-	-	-	-	2,138,695	2,138,695
9.1	Secured by mortgages on residential immovable property - non IPRE	-	-	-	-	-	-	-	2,135,766	2,135,766
9.1.1	No loan splitting applied	-	-	-	-	-	-	-	-	-
9.1.2	loan splitting applied (secured)	-	-	-	-	-	-	-	2,040,094	2,040,094
9.1.3	loan splitting applied (unsecured)	-	-	-	-	-	-	-	95,672	95,672
9.2	Secured by mortgages on residential immovable property - IPRE	-	-	-	-	-	-	-	-	-
9.3	Secured by mortgages on commercial immovable property - non IPRE	-	-	-	-	-	-	-	2,930	2,930
9.3.1	No loan splitting applied	-	-	-	-	-	-	-	-	-
9.3.2	loan splitting applied (secured)	-	-	-	-	-	-	-	2,853	2,853
9.3.3	loan splitting applied (unsecured)	-	-	-	-	-	-	-	76	76
9.4	Secured by mortgages on commercial immovable property - IPRE	-	-	-	-	-	-	-	-	-
9.5	Acquisition, development and construction (ADC)	-	-	-	-	-	-	-	-	-
10	Exposures in default	-	11	-	-	-	-	-	4,214	4,214
EU 10a	Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-
EU 10b	Collective investments undertakings (CIU)	-	-	-	-	-	2,397	-	2,397	2,397
EU 10c	Other items	-	-	-	-	-	-	-	341,322	341,322
EU 11c	Total	-	1,512	32,067	-	-	2,397	-	34,286,922	31,894,504

The column "Of which unrated" shows exposures for which either a credit assessment by a nominated ECAI is not available or for which, although available, specific risk weights are applied depending on the exposure class 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%. Moreover, it should be noted that the exposures to unrated entities, for which A, B or C class have been defined, as specified by article 121 of the CRR, are also included.

Disclosure of the use of credit risk mitigation techniques

Below is the qualitative information referred to in the EU CRC table on CRM techniques, required in Article 453, letters a) to e) of the CRR. In particular:

- a description of the fundamental characteristics of the policies and processes relating to on- and off-balance sheet netting and an indication of the extent to which Fineco makes use of netting;
- the fundamental characteristics of the policies and processes relating to the assessment and management of eligible collateral;
- a description of the main types of funded credit protection accepted by the institution to mitigate credit risk;
- information on market or credit risk concentrations as part of the credit mitigation tools adopted.

The Group recognizes two main forms of credit risk mitigation: funded credit protection and unfunded credit protection.

Funded credit protection is a credit risk mitigation technique whereby the reduction of credit risk on the Group's exposure derives from the right, in the event of a default by the counterparty or upon the occurrence of other specific credit-related events affecting the counterparty, to liquidate certain assets or certain amounts pledged as collateral.

Unfunded credit protection, on the other hand, is not based on the liquidation of assets held as collateral for the credit but arises from the obligation of a third party to pay a certain amount in the event of default by the debtor or upon the occurrence of other specific credit-related events.

Both funded and unfunded credit protection can be acquired only as a subsidiary support of the credit line and must not be understood as replacement for the ability of the principal debtor to meet his obligations. For this reason, credit protection is subject to specific assessment within the credit application, together with the broader analysis of creditworthiness and the autonomous repayment capacity of the principal debtor.

Credit protection is a recognized regulatory tool used by credit institutions to reduce credit risk associated with their exposures. In accordance with the CRR, the Group only recognizes funded credit protection for regulatory purposes.

The Group uses funded credit protection both to mitigate a series of guaranteed products offered to its retail customers, and to mitigate functional exposures towards institutional counterparties. The first category includes mortgage loans secured by real estate collateral on residential properties and overdraft facilities secured by a pledge on securities.

With regard to functional exposures to the bank's activity, we report by way of example the stock lending and collateral switch business, which envisage the exchange of collateral as cash margin and securities.

FinecoBank has implemented the regulatory requirements regarding CRM (Credit Risk Mitigation) by issuing the Local Policy "Principi di gestione delle garanzie a supporto di attività creditizie," (Collateral management principles for credit business) drafted in compliance with supervisory provisions. This rule pursues several objectives:

- ensure a proper collateral management;
- maximize the mitigating effect of funded and unfunded credit protection on defaulted loans;
- get a positive impact on capital requirements, ensuring that CRM practices comply with the minimum requirements set by prudential regulation;
- set general rules for the eligibility, evaluation, monitoring and management of collateral (funded credit protection) and personal guarantees (unfunded credit protection) and provide specific rules and requirements for the different types of collateral.

Policies and processes concerning on-balance sheet and "off-balance sheet" compensation with an indication of the extent to which the Group makes use of compensation

In line with the provisions of the CRR, balance sheet netting of reciprocal claims between the company and its counterparty is considered eligible collateral if it is legally valid and enforceable in all relevant jurisdictions. This includes in the event of default or bankruptcy of counterparty, and if they meet the following operational conditions:

- provide for the netting of gains and losses on transactions cleared under the master agreement so that a single net amount is owed by one party to the other;
- fulfil the minimum eligibility requirements of financial collateral (valuation requirements and monitoring).

The Group applies balance sheet netting to repurchase agreements and reverse repurchase agreements executed on the Repo MTS market, settled through a clearing house.

As far as off-balance sheet netting is concerned, the Group mainly uses compensation on derivatives, repurchase agreements and securities lending with institutional counterparties. The goal is to reduce risk and gain benefits in terms of lower capital absorption through netting agreements signed with specific counterparties, the effectiveness of which depends on the selection of suitable assets to be considered eligible for mitigation purposes. Relationships with institutional counterparties are governed by standardised and recognised market contracts such as the ISDA Master Agreement, Global Master Stock Lending Agreement and Global Master Repurchase Agreement. In this regard, it should be noted that in the absence of a standardized contract and a series of minimum requirements¹⁰, the Global Policy "Credit Business with financial institutions, banks, sovereign and corporate counterparties" does not allow to consider the reduction of the exposure towards the counterparty deriving from a credit risk mitigation technique. The matter is relevant for the purpose of plafond allocation for the counterparty.

¹⁰ As a way of example, the exchange of collateral in the form of cash at least with a daily frequency is worth mentioning.

Disclosure of the use of credit risk mitigation techniques

Policies and processes for collateral evaluation and management

The assessment of the value of collateral is based on the current market price or the estimated amount which the underlying asset could reasonably be liquidated for (i.e. fair value of the pledged financial instrument or the mortgaged real estate).

As far as funded financial collateral is concerned, the securities generally accepted under pledge are:

- bond instruments listed on regulated markets, having an issue rating at least investment grade¹¹, and sufficiently liquid to be timely sold if necessary;
- shares listed on regulated markets that are part of one of the world's leading stock indices;
- corporate stocks and mutual funds shares with at least daily listing.

Since these are always listed financial instruments, the financial collateral is assessed through the market price. To determine the amount of the credit line, this value is adjusted by an appropriate margin that protects the Group from the expected fluctuations in the value of the guarantee over time. In the case of overdrafts facilities secured by pledge, the margin is determined based on the riskiness of the security deposit given as collateral. All pledged financial instruments are monitored daily by operating units to promptly detect any reduction in the collateral value on individual credit lines.

With specific reference to real estate collateral, the Group accepts substantial first level real estate mortgages on residential properties located in Italy. The fair value of the latter is based on market data, analysis and evidence of appropriate comparisons, as well as the professional judgment of a real estate appraiser. The appraisal is carried out by external technicians enrolled in the Register of Engineers, Architects, Surveyors or industrial experts and aims at identifying the degree of marketability of the properties offered as guarantee, in relation to location, construction characteristics, real estate class, quality of construction materials and state of maintenance.

The maximum amount that can be financed with respect to the value of the property is generally equal to 80%¹² (Loan To Value), however this ratio may be reduced depending on the purpose of the loan (as a way of example, for liquidity mortgages, the maximum LTV is reduced to 60%).

The value of the real estate guarantees is monitored through a data flow exchange with an external supplier with proven ability and reputation in detecting and measuring the prices of the Italian real estate market. In line with prudential provisions, if the monitoring shows evidence of significant reductions in value, a new appraisal shall be carried out on the property.

The principles for managing and monitoring of real estate guarantees are described in the local policy "Erogazione crediti commerciali".

Main types of guarantor and counterparties with credit derivatives in place and creditworthiness thereof

No data to report.

Information about market or credit risk concentrations within the adopted credit risk mitigation measures

There is concentration risk when a large part of collateral financial assets (at portfolio level) is concentrated in a small number of collateral types, of protection arrangements, or when a small group of specific providers of collateral (a single entity or reference industrial sector) provide it or when there is lack of proportion in the volume of collateral assumed.

As far as concentration risk is concerned, in application of the mandatory substitution principle on financial collateral (funded credit protection), the Group considers the fraction of the guaranteed exposure as an exposure to the guarantor and not to the customer, provided that the first is assigned a risk weighting factor lower than or equal to the second. The provision is relevant in the context of large exposures, since, like direct exposures, a concentration of indirect exposures to a single guarantor or Group of guarantors would also be subject to the regulatory limit of 25% of the entity's Tier 1 capital. In order to control concentration risk of financial collateral, the Group has implemented a set of first and second level monitoring.

As far as credit business with institutional counterparties is concerned, the Group assesses the technical feasibility of new business proposals with institutional counterparties and the compliance with regulatory requirements through the involvement of the proposing functions of the CFO Department (mainly the Treasury function), the CRO Department, as the risk management function, the CLO Department, in its role of assignee of the risk ceiling, and other technical support functions.

With regard to financial collateral acquired as a pledge to guarantee overdraft facilities, the CRO Department regularly carries out second-level monitoring on the degree of concentration towards individual issuers or groups of issuers and informs the Board of Directors of the Parent Company in the quarterly report on the Group's risk exposures.

The following template provides information on the Group's use of credit risk mitigation techniques (CRR Article 453(f)) and covers all CRM techniques recognized under applicable accounting rules, regardless of whether such techniques are recognized under the CRR, including, but not limited to, all types of collateral, financial guarantees and credit derivatives used for all secured exposures, regardless of whether the Standardised Approach or the IRB Approach is used to calculate the Risk Weighted Exposure Amount (RWEA).

For the remaining information required on a semi-annual basis in Article 453 of the CRR, letters g), h), i), please refer to the EU CR4 template: credit risk exposure and CRM effects set out in the chapter "Disclosure of the use of the Standardised Approach".

¹¹ For the purposes of this assessment, it is considered the second best rating among those issued by the three major international rating agencies (S&P, Moody's and Fitch).

¹² An exception is made for mortgages granted to employees of the FinecoBank Group, for which the Bank's lending policies provide for a maximum LTV of 100%.

Disclosure of the use of credit risk mitigation techniques

EU CR3 - CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

(Amounts in € thousand)

	Unsecured carrying amount	Secured carrying amount				
			Of which secured by collateral	Of which secured by financial guarantees		
	a	b	c	d	e	
1	Loans and advances	3,617,552	5,036,492	5,036,488	4	-
2	Debt securities	26,213,750	-	-	-	-
3	Total	29,831,302	5,036,492	5,036,488	4	-
4	<i>Of which non-performing exposures</i>	2,639	1,601	1,601	-	-
EU-5	<i>Of which defaulted</i>	2,639	1,601			

Secured exposures include exposures secured by real estate for 2,140,258 euro thousand.

With reference to the remaining guaranteed exposures, it should be noted that the related guarantees were considered eligible as CRM techniques pursuant to Part Three, Title II, Chapter 4 of the CRR, for the purposes of reducing capital requirements, for an amount of 2,396,030 euro thousand, mainly represented by debt securities, units of UCITS and equity securities.

Exposures to counterparty credit risk

Below is the information in the EU CCRA table on counterparty risk, required in Article 439, letters a) to d) of the CRR. In particular:

- a description of the methodology used to assign the limits defined in terms of internal capital and credit exposures to the counterparty, including the methods for assigning these limits to CCP exposures;
- the description of the policies concerning wrong-way risk defined in Article 291 of the CRR;
- the amount of collateral that the institution would have to provide in the event of a downgrade of its credit rating.

With regard to the description of the policies on guarantees and other credit risk mitigation tools, please refer to the chapter "Information on the use of risk mitigation techniques".

Counterparty risk is defined as the risk that the counterparty of a transaction may not fulfill its financial obligations before the final settlement of cash flows of the transaction itself. It stands for a particular type of credit risk, but unlike the latter, where the probability of loss is unilateral as it pertains to the disbursing bank, it entails a bilateral risk of loss. The market value of the transaction could, in fact, be positive or negative for both counterparties, depending on market trends.

In general, counterparty risk arises from a series of transactions having the following characteristics:

- having an exposure equal to their positive fair value;
- having a future market value which evolves according to the underlying market variables;
- envisaging an exchange of cash, securities or goods for cash.

The Group has adopted a specific Global Policy on counterparty and settlement risk which defines the perimeter of exposure and describes the safeguards and risk mitigation techniques.

With reference to the operations carried out by the Group, the counterparty / settlement risk arises from the Securities Financing Transactions (SFT), which constitute transactions, generally subject to netting agreements, in which the value of the transactions depends on market fluctuations, and by OTC (Over The Counter) derivative financial instruments, which are derivative contracts traded bilaterally outside regulated markets.

The largest SFT exposures held by the Group include repurchase agreements traded on Repo MTS market and securities lending. Securities lending transactions include the following:

- "Stock Lending", i.e. securities lending transactions guaranteed by a cash collateral which falls within the full economic availability of the lender and which, from an accounting point of view, are equivalent to repurchase agreements transactions. This activity is mostly functional to the trading services offered by FinecoBank to its retail customers;
- "Collateral Switch", agreements signed with institutional counterparties that provide for the exchange of financial collateral with a view to optimizing the proprietary portfolio;
- "Unsecured Lending" agreements signed with institutional counterparties that do not provide for the exchange of financial collateral.

As far as OTC derivatives are concerned, in FinecoBank this type of contract (mainly Interest Rate Swap) is negotiated exclusively by the Treasury of the Parent Company with institutional counterparties for the purpose of hedging interest rate risk. OTC derivative contracts are also negotiated with ordinary customers as part of the offer of products dedicated to trading.

OTC derivatives with institutional counterparties, "Stock Lending", "Collateral Switch" and "Unsecured Lending" transactions are regulated by standard contracts that provide for a form of bilateral clearing (ISDA for derivatives and GMSLA for Stock Lending, unsecured lending and collateral switch). Such agreements do not envisage the payment of further collateral in the event of a downgrade of the rating assigned to FinecoBank.

When repurchase agreements on the Repo MTS market, cleared by "Cassa di Compensazione e Garanzia", involves the simultaneous exchange with the counterparty of active and passive repurchase agreements, having the same maturity, is subject to on-balance sheet netting in accordance with IAS 32.

In order to mitigate counterparty / settlement risk, the Group adopts a series of risk mitigation techniques, differentiated according to the type of activity carried out.

A first form of mitigation, common to all activities generating counterparty risk, concerns the counterparty's creditworthiness assessment, which is carried out before the beginning of the credit business with the counterparty itself. The assessment is carried out at Group level by the CLO Department of the Parent Company and is based on the analysis of the counterparty also through a series of economic and market indicators, as envisaged by the Global Policy "Credit Business with financial institutions, banks, sovereign and Corporate Counterparties"

A second form of mitigation, also common to all activities generating counterparty risk, concerns the limitation of exposure to the counterparty and its economic group. As mentioned in the chapter "Exposures to credit risk and dilution risk", the Group has in place a mechanism for allocating ceilings (plafond) at Group level, which allows the Parent Company to establish limits on the maximum exposure towards each individual "Economic Group", thus controlling the absorption in terms of internal capital. Risk limits are established according to a prudential approach, always in compliance with the regulatory limits on large exposures. Compliance with the assigned ceilings and the regulatory limits is ensured by both business and operating units through line controls and by control functions through second level controls. The risk ceiling system also applies to exposures to central counterparties.

For SFT transactions, in addition to the adoption of the aforementioned standard contracts/framework agreements, the Parent Company's Risk Management function has identified a series of minimum contractual safeguards without which the exposures cannot benefit from the recognition of

Exposures to counterparty credit risk

risk mitigation techniques (e.g. compensation) in the absorption of the assigned ceiling¹³. These include, by way of example, the frequency of exchange of the collateral and the related maximum threshold of the amount within which it is possible not to proceed with the exchange.

For transactions in OTC derivatives with institutional counterparties, the Group envisages different safeguards depending on whether the derivative contracts are cleared by a central counterparty (or by the clearing member of a central counterparty) or OTC derivative contracts traded on a bilateral basis. For the latter, the adoption of specific risk mitigation techniques is envisaged, including the exchange of guarantees (margins), to be carried out in a timely, accurate manner and with adequate segregation. The requirements are precisely identified by regulation 648/2012 (MIFID) and by the delegated regulation 2016/2251, which integrates the MIFID regulation precisely in the field of risk mitigation techniques.

In general, for its hedging activities, the Group favors the negotiation of OTC derivative contracts cleared by the clearing member of a Central Counterparty. The Central Counterparty, in fact, is a subject who, in a transaction, intervenes between two contracting parties, avoiding that they are exposed to the risk of default by their contractual counterparty and guaranteeing the final settlement of the transaction.

As at 31 December 2025, the Group does not hold OTC derivative contracts hedging interest rate risk negotiated on a bilateral basis.

In accordance with the provisions of the CRR, in order to determine the exposure value for counterparty risk, the Group uses the Financial Collateral Comprehensive method for SFT exposures and the SA-CCR method for OTC derivatives. The latter provides that the value of the counterparty risk exposure, concerning a set of netting assets, is given by the product of a factor (equal to 1.4), and the sum of the counterparty replacement cost in the event of insolvency and the potential future exposure.

It should be noted that, following the application of the changes introduced by CRR III from 1 January 2025 under Article 445a, the Group is required to publish specific information on credit valuation adjustment (CVA) risk on an annual basis. In this regard, the information referred to in the EU CVAA table on credit valuation adjustment risk, required by Article 445a, paragraph 1, letters a) and b) of the CRR, is provided below. In particular, an overview of the processes for identifying, measuring, hedging and monitoring their CVA risk is provided.

Credit Valuation Adjustment (CVA) Risk

Credit valuation adjustment risk represents the risk of potential losses on transactions that give rise to counterparty risk (derivatives and SFTs) due to a deterioration in the creditworthiness of the counterparties. Essentially, a deterioration in the creditworthiness of counterparties could lead to a reduction in the fair value of exposures to them.

When financial instruments are not listed on active markets, since fair value is determined through valuation models, value adjustments may be necessary to account for valuation uncertainty or the difficulty of disposing of particular financial positions. These adjustments (Fair Value Adjustments, or FVAs) represent the correction to the theoretical fair value, determined using a valuation technique, for factors not included in the basic net present value that market participants would evaluate in constructing an exit price for the instrument. In the case of CVAs, these are corrections to the theoretical fair value related to the counterparty's credit risk.

Adjustments can be calculated as additive components of the valuation or directly included in the valuation. If the Group acquires instruments whose valuation requires the calculation of value adjustments, the CRO Department is in charge for their estimation, also taking CVA risk into account.

As highlighted in the previous section, the Group favors the trading of OTC derivative contracts cleared by the direct participant of a Central Counterparty for its hedging activities, as the latter, acting as an intermediary between the parties, guarantees the successful completion of the transaction.

As of December 31, 2025, the Group does not hold any OTC derivative contracts traded on a bilateral basis.

¹³ The absorption portion of the ceiling differs depending on the characteristics of the credit activity, and is estimated through specific conversion factors to be applied to the exposure.

Exposures to counterparty credit risk

The following templates EU CCR1, EU CCR2, EU CCR3, EU CCR5 and EU CCR8 show the information required on a semi-annual basis in Article 439 of the CRR, points (e) to (l). In particular:

- the amount of segregated and unsegregated collateral received and posted per type of collateral, further broken down between collateral used for derivatives and securities financing transactions;
- for derivative transactions, the exposure values before and after the effect of the credit risk mitigation as determined under the applicable method and the associated risk exposure amounts broken down by applicable method;
- for securities financing transactions, the exposure values before and after the effect of the credit risk mitigation as determined under the applicable method, and the associated risk exposure amounts broken down by applicable method;
- the exposure values after credit risk mitigation effects and the associated risk exposures for credit valuation adjustment capital charge, separately for each method;
- the exposure value to central counterparties and the associated risk exposures, separately for qualifying and non-qualifying central counterparties, and broken down by types of exposures.

Derivative exposure is calculated according to the SA-CCR methodology.

Information on credit derivative contracts has not been reported as the Group does not have any such transactions in place as at 31 December 2025.

Finally, please note that the quantitative information required by the EU CVA1 model for institutions using the reduced basis approach (R-BA) to calculate the regulatory requirement for CVA is also published. Specifically, the model reports:

- the aggregation of the systematic components of CVA risk;
- the aggregation of the idiosyncratic components of CVA risk.

EU CCR1 - Analysis of CCR exposure by approach

(Amounts in € thousand)

	a	b	c	d	e	f	g	h
	Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU-1	EU - Original Exposure Method (for derivatives)	-	-	1.4	-	-	-	-
EU-2	EU - Simplified SA-CCR (for derivatives)	-	-	1.4	-	-	-	-
1	SA-CCR (for derivatives)	64	21,762	1.4	30,556	30,556	30,556	29,827
2	IMM (for derivatives and SFTs)		-	-	-	-	-	-
2a	<i>Of which securities financing transactions netting sets</i>		-		-	-	-	-
2b	<i>Of which derivatives and long settlement transactions netting sets</i>		-		-	-	-	-
2c	<i>Of which from contractual cross-product netting sets</i>		-		-	-	-	-
3	Financial collateral simple method (for SFTs)				-	-	-	-
4	Financial collateral comprehensive method (for SFTs)				851,644	851,644	851,644	257,728
5	VaR for SFTs				-	-	-	-
6	Total				882,200	882,200	882,200	287,555

The Group applies the SA-CCR method for derivatives and the comprehensive method for the treatment of financial collateral for SFTs. The exposures refer to the Parent Company FincoBank only as the subsidiary FAM has no derivative exposures.

Exposures to counterparty credit risk

EU CCR3 - Standardised approach: CCR exposures by regulatory exposure class and risk weights

(Amounts in € thousand)

Exposure classes	Risk weight					
	a	b	c	d	e	f
	0%	2%	4%	10%	20%	50%
1 Central governments or central banks	-	-	-	-	-	-
2 Regional governments or local authorities	-	-	-	-	-	-
3 Public sector entities	-	-	-	-	-	-
4 Multilateral Development Banks	-	-	-	-	-	-
5 International Organisations	-	-	-	-	-	-
6 Institutions	-	51,104	-	-	112,283	7,326
7 Corporates	-	-	-	-	-	-
8 Retail	-	-	-	-	-	-
9 Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
10 Other items	-	-	-	-	-	-
11 Total exposure value	-	51,104	-	-	112,283	7,326

continued: EU CCR3 - Standardised approach: CCR exposures by regulatory exposure class and risk weights

(Amounts in € thousand)

Exposure classes	Risk weight					
	g	h	i	j	k	l
	70%	75%	100%	150%	Others	Total exposure value
1 Central governments or central banks	-	-	-	-	-	-
2 Regional governments or local authorities	-	-	-	-	-	-
3 Public sector entities	-	-	-	-	-	-
4 Multilateral Development Banks	-	-	-	-	-	-
5 International Organisations	-	-	-	-	-	-
6 Institutions	-	-	-	5,377	718,704	894,795
7 Corporates	-	-	4,976	-	-	4,976
8 Retail	-	3,890	29,644	-	-	33,534
9 Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
10 Other items	-	-	-	-	-	-
11 Total exposure value	-	3,890	34,620	5,377	718,704	933,304

Exposures to counterparty credit risk

EU CCR5 - Composition of collateral for CCR exposures

(Amounts in € thousand)

Collateral type	Collateral used in derivative transactions			
	Fair value of collateral received		Fair value of posted collateral	
	Segregated	Unsegregated	Segregated	Unsegregated
	a	b	c	d
1 Cash – domestic currency	-	620,125	-	-
2 Cash – other currencies	-	-	-	-
3 Domestic sovereign debt	-	-	-	-
4 Other sovereign debt	-	-	-	-
5 Government agency debt	-	-	-	-
6 Corporate bonds	-	-	-	-
7 Equity securities	-	-	-	-
8 Other collateral	-	-	-	-
9 Total	-	620,125	-	-

continued: EU CCR5 - Composition of collateral for CCR exposures

(Amounts in € thousand)

Collateral type	Collateral used in SFTs			
	Fair value of collateral received		Fair value of posted collateral	
	Segregated	Unsegregated	Segregated	Unsegregated
	e	f	g	h
1 Cash – domestic currency	-	37,067	-	-
2 Cash – other currencies	-	-	-	-
3 Domestic sovereign debt	-	1,244,094	-	1,885,486
4 Other sovereign debt	-	-	-	170,535
5 Government agency debt	-	-	-	-
6 Corporate bonds	-	-	-	937,241
7 Equity securities	-	138,435	-	444,329
8 Other collateral	-	1,360	-	89,791
9 Total	-	1,420,957	-	3,527,382

Exposures to counterparty credit risk

EU CCR8 - Exposures to CCPs

(Amounts in € thousand)

		Exposure value	RWEA
		a	b
1	Exposures to QCCPs (total)		2,403
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	51,104	1,022
3	(i) OTC derivatives	43,237	865
4	(ii) Exchange-traded derivatives	7,868	157
5	(iii) SFTs	-	-
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	-
8	Non-segregated initial margin	8,704	174
9	Prefunded default fund contributions	60,338	1,207
10	Unfunded default fund contributions	-	-
11	Exposures to non-QCCPs (total)		-
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13	(i) OTC derivatives	-	-
14	(ii) Exchange-traded derivatives	-	-
15	(iii) SFTs	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	-
18	Non-segregated initial margin	-	-
19	Prefunded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

Please note that no amount has been indicated in row 7 "Segregated initial margin" as the Exposure Value and RWEA columns refer to the same amounts calculated for Corep Own Funds reporting purposes and assume a value of zero pursuant to Article 306, paragraph 2 of the CRR.

The amount reported in row 8 "Non-segregated initial margin" refers to exposures to a clearing member that qualifies as a CCP pursuant to Article 300, paragraph 2 of the CRR.

EU CVA1 - Credit valuation adjustment risk under the Reduced Basic Approach (R-BA)

(Amounts in € thousand)

		a	b
		Components of Own Funds Requirements	Own funds requirements
1	Aggregation of systematic components of CVA risk	32	
2	Aggregation of idiosyncratic components of CVA risk	23	
3	Total		21

Operational risk management

Below is the qualitative information referred to in the EU ORA table on operational risk, required by Article 435, paragraph 1, letters a), d) of the CRR, in particular the qualitative information relating to the methods for assessing the minimum requirements of own funds.

Please refer to the chapter “Risk management objectives and policies” for information on operational risk management objectives and policies.

As of December 31, 2025, for the purposes of calculating the regulatory requirement for operational risk, the Group applies the new calculation approach required by the CRR III regulatory package. According to the latter, the capital requirement for operational risk is based on two main components: the Business Indicator Component (BIC) and the Internal Loss Multiplier (ILM).

The BIC measures the bank's exposure to operational risk through a financially-based indicator, called the Business Indicator (BI), which represents the weighted value of the institution's business size and is obtained as the sum of three three-year average components:

- ILDC (Interest, Lease, Dividend Component): interest, lease, and dividend component;
- SC (Services Component): service component (net commissions);
- FC (Financial Component): financial component (trading margin and profits/losses realized from financial assets).

The BIC is obtained by calculating the BI for a progressively increasing coefficient (12%, 15%, 18%). This makes the capital requirement marginally higher for larger banks.

The ILM, on the other hand, adds a corrective factor based on the individual bank's historical operational loss experience:

- if a bank's operational loss history is low, the ILM will be less than 1, reducing the capital requirement;
- if the operational loss history is high, the ILM will be greater than 1, increasing the capital requirement.

In this first phase, the CRR regulation expressly excludes the Internal Loss Multiplier component from the calculation, which determines the adjustment for risk determined through the collection of internal loss data. Therefore, as of December 31, 2025, the regulatory requirement for operational risks is equal to the BIC alone.

In order to implement the ILM component, the CRR regulation requires banks to collect internal operational loss data over a 10-year time horizon. In this regard, it should be noted that the Group already has such a database, having maintained the governance, controls, and reporting framework of the AMA (Advanced Measurement Approach) method previously adopted to measure the regulatory requirement. This database, which the Group has already used in past years to develop a Pillar 2 internal capital calculation model, will be further refined to ensure the Group's compliance with the final EBA RTS regarding the operational risk taxonomy for the classification of loss events.

Operational risk management

The following EU OR1 template shows the information required by article 446(2) points (a) and (b) of the CRR. Specifically, for each of the last 10 financial years, data is disclosed regarding the number of operational risk losses and the number of excluded operational risk losses, the total amount of operational risk losses net of recoveries, and the total amount of operational risk losses net of recoveries and net of excluded losses. The total annual operational risk amount of losses is calculated as the sum of all the net losses over a given financial year, calculated in accordance with Article 318(1) of the CRR that are equal to or greater than the loss data thresholds set out in Article 319 (1) or (2), respectively of the CRR (i.e. 20,000 euro and 100,000 euro in turn).

EU OR1 - Operational risk losses

(Amounts in € thousand)

		a	b	c	d	e	f
		T	T-1	T-2	T-3	T-4	T-5
Using EUR 20,000 threshold							
1	Total amount of operational risk losses net of recoveries (no exclusions)	6,449	7,547	4,430	4,081	5,239	839
2	Total number of operational risk losses	130	128	113	120	106	85
3	Total amount of excluded operational risk losses	-	-	-	-	-	-
4	Total number of excluded operational risk events	-	-	-	-	-	-
5	Total amount of operational risk losses net of recoveries and net of excluded losses	6,449	7,547	4,430	4,081	5,239	839
Using EUR 100,000 threshold							
6	Total amount of operational risk losses net of recoveries (no exclusions)	5,805	7,859	3,412	2,969	4,063	202
7	Total number of operational risk losses	70	60	57	58	55	51
8	Total amount of excluded operational risk losses	-	-	-	-	-	-
9	Total number of excluded operational risk events	-	-	-	-	-	-
10	Total amount of operational risk losses net of recoveries and net of excluded losses	5,805	7,859	3,412	2,969	4,063	202

continued: EU OR1 – Operational risk losses

(Amounts in € thousand)

		g	h	i	j	k
		T-6	T-7	T-8	T-9	Ten-year average
Using EUR 20,000 threshold						
1	Total amount of operational risk losses net of recoveries (no exclusions)	3,091	1,432	5,777	1,866	4,075
2	Total number of operational risk losses	143	85	174	182	127
3	Total amount of excluded operational risk losses	-	-	-	-	-
4	Total number of excluded operational risk events	-	-	-	-	-
5	Total amount of operational risk losses net of recoveries and net of excluded losses	3,091	1,432	5,777	1,866	4,075
Using EUR 100,000 threshold						
6	Total amount of operational risk losses net of recoveries (no exclusions)	820	542	5,298	1,130	3,210
7	Total number of operational risk losses	74	49	92	91	66
8	Total amount of excluded operational risk losses	-	-	-	-	-
9	Total number of excluded operational risk events	-	-	-	-	-
10	Total amount of operational risk losses net of recoveries and net of excluded losses	820	542	5,298	1,130	3,210

Operational risk management

The OR2 template is provided below, including information on the calculation of the Activity Indicator Component (BIC) and the Activity Indicator (BI), its components, and its subcomponents. Specifically, information is disclosed for the last three financial years regarding the amount of the list containing the items required to calculate the BI subcomponents that contribute to the calculation of own funds requirements for operational risk.

EU OR2 - Business Indicator, components and subcomponents

(Amounts in € thousand)

BI and its subcomponents	a	b	c	d
	12.31.2025	12.31.2024	12.31.2023	Average value
1 Interest, lease and dividend component (ILDC)				672,136
EU 1 ILDC related to the individual institution/consolidated Group (excluding entities considered by Article 314(3))				672,136
1a Interest and lease income	717,117	830,898	783,589	777,201
1b Interest and lease expense	90,682	126,505	99,010	105,399
1c Total assets/Asset component	35,577,486	32,760,003	31,240,961	33,192,817
1d Dividend income/ dividend component	593	180	226	333
2 Services component (SC)				1,039,757
2a Fee and commission income	1,129,974	1,029,540	940,346	1,033,287
2b Fee and commission expense	561,484	517,660	462,247	513,797
2c Other operating income	5,301	5,630	1,485	4,139
2d Other operating expense	8,402	4,483	6,524	6,470
3 Financial component (FC)				80,241
3a Net profit or loss applicable to trading book (TB)	69,714	56,345	48,529	58,196
3b Net profit or loss applicable to banking book (BB)	31,053	23,227	11,855	22,045
EU 3c Approach followed to determine the TB/BB boundary (PBA or accounting approach)				Accounting approach
4 Business Indicator (BI)				1,792,134
5 Business indicator component (BIC)				238,820

Disclosure on the BI:

	a
6a BI gross of excluded divested activities	1,792,134
6b Reduction in BI due to excluded divested activities	-
EU 6c Impact in BI of mergers/acquisitions	-

The OR3 template is provided below, including information on the calculation of own funds for operational risk and risk-weighted assets exposure amounts.

EU OR3 - Operational risk own funds requirements and risk exposure amounts

(Amounts in € thousand)

	a
1 Business Indicator Component (BIC)	238,820
EU 1 Alternative Standardised Approach (ASA) Own Funds Requirements (OROF) under Article 314(4)	-
3 Minimum Required Operational Risk Own Funds Requirements (OROF)	238,820
4 Operational Risk Exposure Amounts (REA)	2,985,250

Market risk

Below is the qualitative information referred to in the EU MRA table on market risk, required by Article 435, paragraph 1, letters a) to d) of the CRR, in particular the scope and nature of the reporting and measurement systems market risk.

As regards the description of the strategies and processes for managing market risk and the structure and organization of the market risk management function, please refer to the chapter "Risk management objectives and policies".

As described in the chapter Risk management objectives and policies, to which reference is made for more details on the governance, roles and responsibilities attributed to the Group Corporate bodies and functions, market risk arises from the effect that changes in market variables (interest rates, securities prices, exchange rates, etc.) can have on the economic value of the Group's portfolio. The latter includes both assets held in the trading book (assets held for trading) and in the banking book, i.e. the transactions connected to strategic investment choices.

Market risk in the Group is measured through two sets of limits:

- market risk comprehensive measures (such as the Value at Risk): they measure the global exposure to market risks and are used both to calculate the absorption of internal and/or regulatory capital and to monitor economic losses for the Trading Book and/or the aggregate Trading and Banking Book activities;
- market risk granular measures: they represent a further cascading down of the comprehensive measures, allowing for a more detailed view aimed at more effectively and specifically monitoring different types of risk, portfolios, and products. These limits are generally associated with granular sensitivity measures, sensitivities obtained in stress scenarios, and maximum nominal exposures. The levels set for granular measures aim to limit excessive exposure to individual risk factors or concentration in specific portfolios in order to limit and monitor risks that would otherwise remain aggregated within VaR measures.

The main tool used by the Group to measure market risk on trading positions is Value at Risk (VaR), calculated using the historical simulation method. These metrics measure the maximum potential loss for a specific portfolio, over a given time period and at a specific predetermined confidence level.

The historic simulation method involves the daily revaluation of positions based on the vectors of observed returns for each risk factor. The resulting distribution of profit 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 primary responsibility for monitoring and controlling Market Risk management in the banking book lies with the Group's competent Bodies. The CRO Department of the Parent Company 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.

Credit spread risk mainly arises from investments in debt securities held for liquidity purposes. Market risk associated with the bond portfolio is monitored and subject to limits on the notional amount, on Economic Value sensitivity and on the Value at Risk.

The second component, interest rate risk, refers to the possibility that changes in interest rates could negatively affect the economic value of the Group's equity. Furthermore, changes in interest rates could lead to significant reductions in net interest income, with direct consequences for the income statement. For this reason, measuring interest rate risk for the banking book involves the dual aspect of value and net interest income. Specifically, the two complementary perspectives from which interest rate risk is assessed are:

- Economic value perspective: variation in interest rates can affect the economic value of assets and liabilities. The economic value of the Group can 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. This measure is recorded in order to assess the economic value impact of various changes in the yield curve. The economic value sensitivity is calculated according to the applicable EBA scenarios and a parallel shock of +200 / -200 bp. A monitoring variable from this perspective is the value at risk resulting from interest rate risk exposure only;
- Income perspective: the focus of the analysis is the impact of changes of interest rates on Net Interest Income that is the difference between revenues generated by interest-sensitive assets and the cost related to interest-sensitive liabilities. The Net Interest Income sensitivity is calculated according to the EBA scenarios envisaged for this risk metric (Parallel up / Parallel down). Such measure provides evidence of the impact on the net interest income over the next 12 months if such shock should occur.

For further details on interest rate risk, please refer to the chapter "Exposures to interest rate risk on positions not included in the trading portfolio".

Forex risk mainly arise 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.

Market risk

The following template provides the breakdown and components of the own funds requirements under the standardized approach for market risk, pursuant to Article 445 of the CRR.

EU MR1 - Market risk under the standardised approach

(Amounts in € thousand)

		a
		RWEAs
Outright products		
1	Interest rate risk (general and specific)	25,268
2	Equity risk (general and specific)	124,109
3	Foreign exchange risk	-
4	Commodity risk	15,416
Options		
5	Simplified approach	-
6	Delta-plus approach	-
7	Scenario approach	-
8	Securitisation (specific risk)	-
9	Total	164,793

The capital requirements relating to market risk do not have a significant impact on the Group's capital requirements.

Fineco's options are included in outright products because they do not have own funds requirements related to the non-delta risk within the standardised approach for market risk.

The Group applies the standardised approach to calculating own funds requirements for market risk, in accordance with Part 3, Title IV, Chapters 2, 3 and 4 of the CRR. It should be noted that, as previously indicated, Delegated Regulation (EU) 2025/1496 was published on 19 September 2025, postponing the application of the changes introduced in the regulatory framework for calculating own funds requirements for market risk (Fundamental Review of Trading – FRTB) to 1 January 2027, after Commission Delegated Regulation (EU) 2024/2795 of 24 July 2024 had already postponed the application by one year to 1 January 2026.

Exposure to interest rate risk on positions not included in the trading book

Below is the information referred to in the IRRBBA table and the IRRBB1 form required in Article 448 of the CRR. In particular:

- the description of the main modeling and parametric assumptions used to calculate changes in the economic value of equity and net interest income pursuant to the EU IRRBB1 model; the explanation of the relevance of the risk measures published in the EU IRRBB1 model and of any significant changes in these risk measures from the previous reporting reference date; the description of the methods according to which Fineco defines, measures, mitigates and controls interest rate risk of its activities outside the trading book; a description of the overall management and mitigation strategies for these risks; the average and maximum maturity date for the review of the conditions assigned to unrestricted deposits;
- changes in the economic value of equity calculated on the basis of the six prudential shock scenarios referred to in Article 98, paragraph 5, of Directive 2013/36 / EU for the current and previous reporting period; the changes in net interest income calculated on the basis of the two prudential shock scenarios referred to in Article 98 (5) of Directive 2013/36 / EU for the current and previous reporting periods.

Interest rate risk management in the Group aims to ensure financial stability in the financial statement, regardless of the variation effects of interest rates on the net interest income and the economic value; this is achieved through an adequate asset / liability structure and maintaining the sensitivity of the interest income and economic value within the threshold established by the Board of Directors in the Risk Appetite Framework.

In particular, in full compliance with the regulatory provisions, FinecoBank assesses interest rate risk according to two different but complementary perspectives: Economic value perspective and Income perspective.

The risk measures used to monitor the effects of changes in interest rates on the economic value of assets and liabilities ("Economic value perspective") are BP01 and EV Sensitivity. The first represents the sensitivity of the economic value per time bucket for a rate shock of 1 bp and is calculated in order to evaluate the impact on the economic value of possible changes in the yield curve. The metric is monitored daily against the set operational granular limits.

The second measure is given by the sensitivity to the economic value of the balance sheet, modeled according to the outcomes of the internal sight items model, which provides a share of "insensible core" deposits payable approximately equal to 65% and with an average repricing profile of 3.5 years (maximum maturity 7 years). The change is calculated in application of the six scenarios defined by EBA in the "Guidelines on the management of interest rate risk arising from non-trading activities". This change, compared to Own Funds, represents the EV Sensitivity indicator included in the Group's RAF which is monitored daily and reported quarterly as part of the Group's RAF processes.

From the income perspective ("Income perspective"), the analysis focuses on the impact of changes in interest rates on the net interest income, that is, on the difference between interest income and passive interests. The risk measure used is Net Interest Income Sensitivity (NII Sensitivity), in application of the parallel shocks envisaged by the EBA. This measure provides an indication of the impact that this shock would have on the interest margin over the next 12 months. The NII Sensitivity indicator is also monitored daily and reported quarterly as part of the Group's RAF processes.

The model below provides a representation of the sensitivity trend of the economic value and the interest income in application of the six regulatory scenarios measured by incorporating the methodological instructions provided by the EBA guidelines mentioned above.

EU IRRBB1 - Interest rate risk on positions not included in the trading book

(Amounts in € thousand)

Supervisory shock scenarios	a	b	c	d
	Changes of the economic value of equity		Changes of the net interest income	
	12.31.2025	06.30.2025	12.31.2025	06.30.2025
1 Parallel up	(107,815)	(66,061)	107,383	103,414
2 Parallel down	53,396	31,472	(217,265)	(205,849)
3 Steepener shock (decrease in short rates and increase in long rates)	64,273	71,446		
4 Flattener shock (increase in short rates and decrease in long rates)	(146,756)	(154,817)		
5 Short rates up	(170,389)	(164,327)		
6 Short rates down	91,123	88,920		

Liquidity requirements

Below is the information referred to in the EU LIQA table required in Article 451bis paragraph 4 of the CRR relating to the systems, processes and strategies put in place to identify, measure, manage and monitor liquidity risk.

The section also contains a statement approved by the Board of Directors regarding the Group's liquidity risk profile associated with its business strategy and the adequacy of the liquidity risk management measures implemented.

The Group's purpose is to maintain liquidity at a level that allows conducting the main operations safely, financing its activities at the best rate conditions in normal operating circumstances and always remaining in a position to meet payment commitments. In particular, the investment policy considers as a priority, among all prudential criteria, the liquidability of the instruments; the outcome of this policy translates into liquidity indicators of the Group exceeding by far minimum regulatory requirements.

Funding is characterised by multi-channels and is almost entirely made up of sight deposits collected in a widespread and granular manner from retail customers. Despite the fact that sight deposits are still the predominant funding channel, over the last few years the Bank has further expanded its funding sources, in particular by offering its customers term deposit instruments (so-called Cashpark) and by issuing financial instruments in the Senior Preferred and AT1 segment.

The Group ensures that liquidity risk management measures are adequate to the Group's liquidity risk profile and consistent with the latter's strategy.

The Group has a "Group Liquidity Policy", directly applicable to the Parent Company itself and to the Legal Entities, with the aim of defining the principles and rules supervising liquidity management and related risks in the Group. In particular, the Policy describes the management of liquidity and its risks in standard conditions and in crisis conditions, the first and second level control activities and the Group governance on the matter, defining the roles and responsibilities of the corporate Bodies and functions of the Parent Company. The most involved are the Treasury structure, the CRO Department, and the subsidiary, for which we refer to the chapter General information requirement. It should also be noted that the escalation processes envisaged by the "Group liquidity Policy" are aligned with the Group's Contingency Plans.

Liquidity risk supervision in the Group is carried out by setting and monitoring of internal limits in line with the risk profile defined by the Board of Directors in the Group RAF. The liquidity risk profile is optimized according to an efficiency criterion and cost-effectiveness, and the establishment and maintenance of liquidity reserves is represented by high quality and liquid assets.

Liquidity risk management measures in a context of normal course of business (going concern) refer to two complementary processes:

- strategic liquidity management, which includes the definition of the short-term and structural net liquidity balance, and the methods for achieving and maintaining them;
- ordinary liquidity management, which translates into the execution of daily operational activities and the application of first level controls.

To these processes, carried out by the Treasury function, are added the activities carried out by the CRO Department which consist of monitoring compliance with the liquidity risk limits and rules (second level controls), the application of risk metrics and the evaluation of the chosen methodologies and in particular in the execution of stress tests on the liquidity position.

More specifically, liquidity strategic management includes:

- the ordinary planning process, with which the Treasury function, on a daily basis, through the forward-looking quantification of the flows, plans the ordinary needs of daily liquidity management;
- collection planning, which envisage the annual arrangement by the Treasury function of the Funding Plan, identifying the funding policies in the medium and short term in qualitative and quantitative terms;
- investment planning, which is carried out through the arrangement of the Investment Plan by the CFO Department, which defines the size and main characteristics of the investment portfolio.

As far as ordinary management is concerned, reference is made to first level monitoring, which envisages in particular:

- intra-day liquidity management, through the analysis of the Bank's ordinary and extraordinary liquidity outflow, i.e. timely payments with particular attention to those programmed and foreseeable, compliance with the assigned limits (credit lines, large exposures) and compliance with the regulatory and operational constraints governing relations with the Central Bank (Mandatory reserve, Target operating day, Instant Payment Regulation);
- short-term liquidity risk management (operational liquidity), which considers the events that may affect 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 minimizing the relevant costs. To that extent 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. Focus is on the Adjusted Cumulative Gap as the Group's objective is to provide sufficient short-term liquidity to deal with a particularly adverse liquidity crises for at least three months. With reference to the above, it should be noted that not even the health, geopolitical and financial crises that have characterised recent years have led FinecoBank to experience any extraordinary liquidity event and/or to record significant impacts linked to such adverse events on liquidity reserves and on ordinary and extraordinary sources of liquidity;
- structural liquidity risk management (structural risk), which considers the events that may affect 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). 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 NSFR is defined as the amount of available

Liquidity requirements

stable funding (ASF) relative to the amount of required stable funding (RSF). The ASF is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered by the NSFR, which extends to one year. The ASF and the RSF are calculated applying specific weights to the on and off-balance positions of the Group. Under this profile, it should be noted that regulations envisage a minimum threshold equal to 100%. The regulatory indicator is also complemented by a managerial indicator called “structural ratio”, which shares most of its objectives and logics. Such indicator was developed by the Parent Company CRO Department, with the purpose of monitoring the risk of maturity transformation, taking into consideration the specificities of Fineco’s funding. To properly manage structural liquidity and to correctly estimate interest rate risk and the related hedgings, the Group considers all assets and liabilities, all off balance positions and all present and future events generating cash flows both known or forecasted. By doing so, the Group seeks an hedging towards risks coming from maturity transformation. To that extent, FinecoBank has developed specific managerial behavioral models aimed at defining a bucketing of the liabilities without a contractually defined maturity (sigh deposits). Many on call liabilities, in fact, present higher than expected trend stickiness. More specifically liabilities modelling is aimed at building a maturity profile better reflecting behavioral maturities of the different funding sources. For example, for on call liabilities, the estimate of the maturity profile is based on the perceived stickiness. Behavioral models are developed by the Parent Company Credit Risk and Internal Capital structure and validated by Group’s Internal Validation structure.

Another core pillar of liquidity risk management consists in the regular execution of stress tests on the Group’s liquidity position to identify possible sources of liquidity stress that could emerge in the short and medium term. Liquidity risk is a low-probability and high-impact event, therefore, stress testing techniques represent a forecasting tool for assessing potential vulnerabilities. For ILAAP purposes, stress tests were carried out considering sources of systemic and specific risk, as well as a combination of the two; the risk factors considered concerned in particular customer current accounts, foreseeing significant liquidity outflows and a decrease in the value of the government bonds.

Contingency Liquidity Management

The contingency liquidity management framework, detailed in the “Group Liquidity Policy”, is composed by:

- the Contingency Funding Plan (CFP);
- the Liquidity Risk Contingency Plan (specific operational model).

The Contingency Funding Plan is drafted and approved on a yearly basis along with the Funding Plan and in accordance with the financial budgeting process. The CFP defines the Group’s available set of liquidity management measures (detailed in terms of forecasted volumes and time of execution) to be activated in case of funding constraints and tensions.

The CFP might be updated during the year in case of unexpected events, capable of jeopardizing the execution thereof, or in case of changes in financial market conditions.

Among the cases contemplated by the CFP, the following are worth mentioning:

Risk Type	Systemic risks	Default of a core Banking Group
		Downgrade of the Italian Republic
		Political stress in the euro area (break up)
		Pandemic crisis
	FinecoBank Group idiosyncratic risks	Reputational damage
		Technical issues
		Group’s downgrade

In order to promptly identify any crisis situation and be able to cope with it in a preventive and effective manner, the managers entrusted with liquidity risk monitoring and control tasks (CRO Department - Market & Liquidity Risk Team) as well as liquidity management tasks (Treasury), identify and monitor, each for their own area of competence, a series of early warning indicators.

In case of a significant deterioration of the monitored indicators, the first and second level control functions promptly escalate to the Group’s decision-making bodies (CRO, CFO, Risk and Related Parties Committee, Board of Directors) in order to trigger the due sharing processes of the countermeasures to be activated, according to the severity of the situation. Countermeasures thereof are consistent and proportional to the FinecoBank’s business model, focused on funding in the retail segment and investments in high quality financial assets.

The Liquidity Risk Contingency Plan defines the instruments to monitor and deal with liquidity crisis in order to provide the Group with an efficient operational model able to timely tackle liquidity tensions minimizing the relative potential negative impacts.

More specifically the Contingency Plan envisages:

- the employment of indicators aimed at detecting the beginning of potential liquidity crisis, both idiosyncratic or systemic (i.e Early Warning Indicators, primary and secondary indicators considered also in the Group’s Recovery Plan framework);

Liquidity requirements

- the engagement and escalation process to be followed by internal departments in charge of crisis management together with the related emergency and communication procedures (i.e. definition of the actors involved and of the according roles and responsibilities).

Internal Liquidity Adequacy Assessment Process (ILAAP)

In accordance with regulatory provisions, the Group annually assesses the adequacy of the liquidity risk governance and management system (ILAAP) and informs the Supervisory Authority according to the terms provided for by the relevant legislation.

On March 11, 2025, in the context of the 2024 ICAAP and ILAAP annual report, the Board of Directors of the Parent Company FinecoBank has approved the final version of the Liquidity Adequacy Statement (LAS), in which it certifies that the liquidity risk governance and management system is adequate to cover the Group's liquidity risk profile.

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. The 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 term 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:
 - Article 412 of the CRR "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, for each year of the transitional period, the requirement that all banks authorized in Italy must comply with is 100%;
 - Commission Implementing Regulation (EU) 2024/3117 of 29 November 2024 and subsequent amendments, 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 the reporting by institutions for supervisory purposes and repealing Implementing Regulation (EU) 2021/451;
- with reference to the disclosure information to be published:
 - article 451a of the CRR defining disclosure of liquidity requirements;
 - Article 8 of Implementing Regulation (EU) 2024/3172 laying down implementing technical standards for the application of the CRR with regard to the publication by institutions of the information referred to in Titles II and III of Part Eight 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(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.

Liquidity requirements

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	12.31.2025	09.30.2025	06.30.2025	03.31.2025	12.31.2025	09.30.2025	06.30.2025	03.31.2025
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)					24,064,395	23,567,530	22,873,792	22,118,611
CASH-OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	29,490,658	28,948,482	28,319,552	27,777,198	1,946,598	1,893,265	1,829,342	1,778,095
3	Stable deposits	21,925,938	21,518,826	21,048,407	20,729,196	1,096,297	1,075,941	1,052,420	1,036,460
4	Less stable deposits	6,926,165	6,653,756	6,343,076	6,064,262	850,301	817,324	776,922	741,635
5	Unsecured wholesale funding	701,003	655,819	585,974	561,514	405,448	380,136	335,129	311,716
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-	-	-	-	-	-	-
7	Non-operational deposits (all counterparties)	701,003	655,819	585,974	561,514	405,448	380,136	335,129	311,716
8	Unsecured debt	-	-	-	-	-	-	-	-
9	Secured wholesale funding					337,494	320,811	309,489	298,204
10	Additional requirements	354,958	425,603	479,886	537,740	351,808	419,556	470,006	523,230
11	Outflows related to derivative exposures and other collateral requirements	351,019	417,277	465,425	515,279	351,019	417,277	465,425	515,279
12	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
13	Credit and liquidity facilities	3,939	8,325	14,461	22,461	789	2,278	4,581	7,951
14	Other contractual funding obligations	653,327	673,527	673,211	675,616	638,493	659,924	659,631	661,300
15	Other contingent funding obligations	4,031,228	4,212,236	4,322,743	4,198,573	205,940	209,354	214,574	220,341
16	TOTAL CASH OUTFLOWS					3,885,782	3,883,046	3,818,173	3,792,887
CASH-INFLOWS									
17	Secured lending (eg reverse repos)	2,562,485	2,598,439	2,471,450	2,156,124	35,482	45,477	39,297	44,536
18	Inflows from fully performing exposures	687,766	668,096	658,987	646,848	506,116	488,727	481,466	472,457
19	Other cash inflows	2,511,442	2,436,606	2,371,263	2,341,878	826,749	813,626	785,311	778,147
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	5,761,693	5,703,142	5,501,699	5,144,851	1,368,347	1,347,830	1,306,074	1,295,140
EU-20a	Fully exempt inflows	-	-	-	-	-	-	-	-
EU-20b	Inflows subject to 90% cap	-	-	-	-	-	-	-	-
EU-20c	Inflows subject to 75% cap	5,761,693	5,703,142	5,501,699	5,144,851	1,368,347	1,347,830	1,306,074	1,295,140
TOTAL ADJUSTED VALUE									
EU-21	LIQUIDITY BUFFER					24,064,395	23,567,530	22,873,792	22,118,611
22	TOTAL NET CASH OUTFLOWS					2,517,435	2,535,217	2,512,099	2,497,748
23	LIQUIDITY COVERAGE RATIO					957.85%	931.02%	912.15%	887.96%

Liquidity requirements

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

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

The Group's LCR is driven by high-quality liquid assets (HQLA), mainly composed of bonds (mainly government and supranational) and liquidity deposited with the Bank of Italy, thanks to the contribution of stable retail deposits, which increased in the period in line with the growth of funding. Given the Group's business model, liquidity outflows are mainly driven by stable and less stable retail deposits, while inflows are mainly driven by revocable current account overdrafts.

The aggregates contributing to the determination of the LCR indicators included in the table above are calculated on end-of-the-month observations over the preceding 12 months. It is recorded an upward trend of average "net cash outflows" and an increment of the average "liquidity buffer", mainly driven by both greater resources invested in HQLA and an increase in their fair value, which resulted in an increase of the average LCR ratio over the period.

Despite the increasing geo-political tensions, the Group's overall liquidity, as described above, remained solid and stable. 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, mainly consisted of sight deposits of FinecoBank retail customers, is characterised by multi-channelling. Therefore, funding is 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 offering term deposit instruments (so called Cashpark) to its customers, making use of passive repo trades to fulfil temporary funding needs and through the issuance of financial instruments in the Senior Preferred and Additional Tier 1 segment.

With reference to the issuance activity of the aforementioned financial instruments (initiated for regulatory requirements despite having no specific funding needs), the last relevant transaction was 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 is going to be renewed in 2026.

Finally, FinecoBank has developed the Sight Deposit Model and the related controls, as well as specific stress tests and controls on current account stability. The 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"). The risk management function checks monthly that the liquidity held by the Group 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 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).

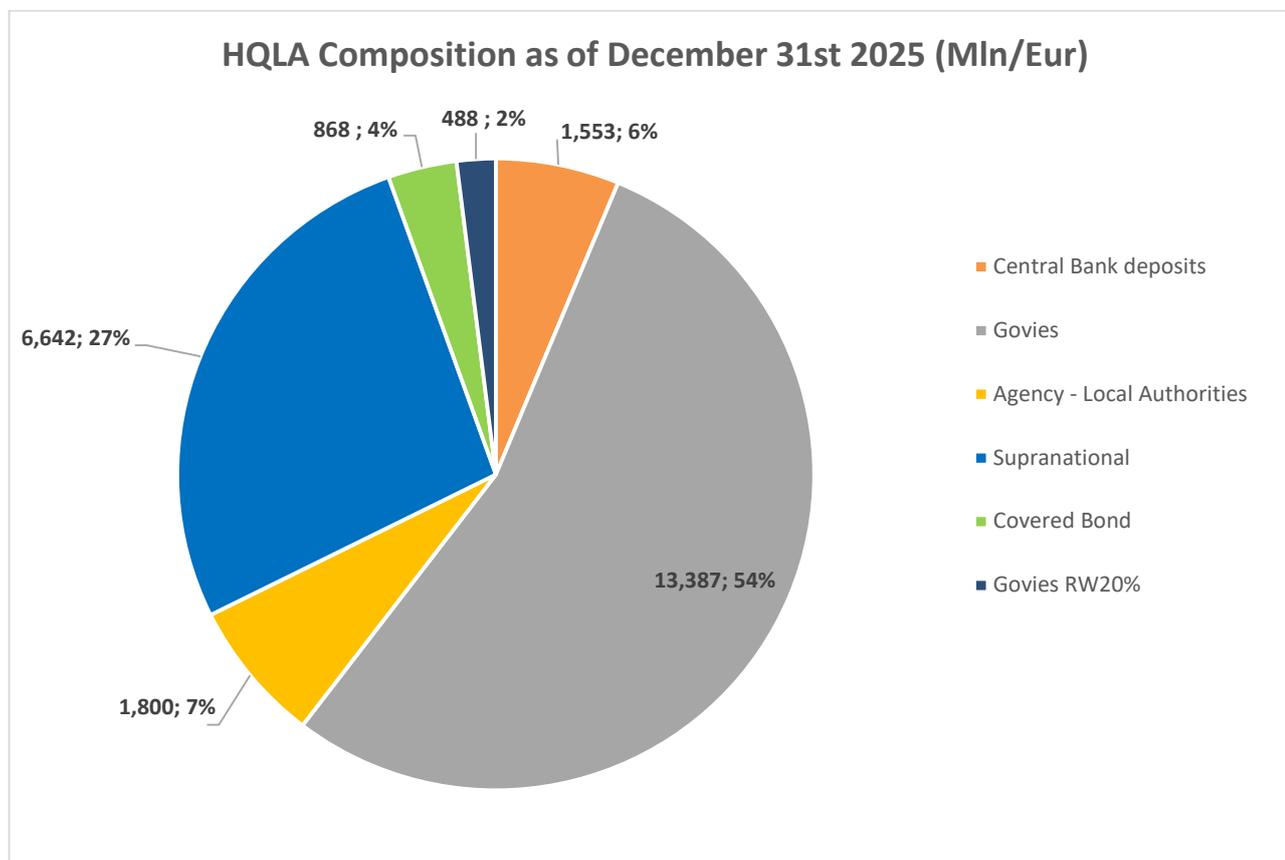
With reference to the managerial indicators, the risk management calculates the so-called Structural Ratio. This ratio was developed by the Parent Company's CRO Department with the aim of monitoring the risk of transformation of maturities, considering the specific features of Fineco's funding. In detail, 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.

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 24.74 euro billion as of 31 December 2025 and is mainly composed of bonds part of Fineco proprietary portfolio (mainly government bonds) and of the liquidity deposited with the Bank of Italy.

Liquidity requirements



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: changes in 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. 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 internal 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 Parent Company'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 December 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 December 2025 FinecoBank is mainly characterized by indirect participation to the payment system and to its relevant ancillary system with the only exception of the instant payment infrastructure in euro, to which FinecoBank adhered directly by opening on the 22/11/2021 its own TIPS DCA account, in addition to the account opened in RT1 and kept active in order to achieve a wider reachability and, beginning from 16/06/2025, through the direct participation in ECMS, (Eurosystem Collateral Management System).

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

Leveraging on available IT systems (both internal and systemic) Parent Company's Treasury 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 MCA and DCA TIPS accounts and consisting:
 - in the fulfilment of the request to keep on both accounts, individually and on a cumulated level, a positive balance sufficient to allow the respect of minimum reserve requirements on average balances held during the maintenance period;
 - in the execution of daily funding and defunding transactions respecting specific system cut off times;
 - in granting proper and sufficient funding on MCA and DCA 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 RT1¹⁴ and consisting:
 - in the execution of punctual funding transactions to be estimated based on the expected flows and considering a top up suitable to create a prudential balance to manage overnight and festive 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 punctual daily funding transactions to cover the expected operating flows on reciprocal accounts 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 the Central Bank (MCA 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.

Parent Company's Treasury 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 banks¹⁵.

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.

¹⁴ Payments in RT1 are settled in real time with funds held at the Central Bank.

¹⁵ 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.

Liquidity requirements

Net Stable Funding Ratio - “NSFR”

The Net Stable Funding Ratio (“NSFR”) is the regulatory metric designed to ensure that long-term assets and off-balance sheet items are adequately met with a stable set of funding instruments (funding) under both normal and stressed conditions. The underlying regulatory framework is represented by:

- with reference to the requirements to be met:
 - Articles 413, 428a et seq. of the CRR “Stable funding requirement”;
 - Commission Implementing Regulation (EU) 2024/3117 of 29 November 2024 laying down implementing technical standards for the application of the CRR as regards reporting by institutions for supervisory purposes and repealing Implementing Regulation (EU) 2021/451.
- with reference to the disclosure information to be published:
 - article 435 of the CRR laying down the disclosure requirements for each risk category, including the key coefficients (point f) and article 451a defining disclosure of liquidity requirements;
 - Article 8 of Implementing Regulation (EU) 637/2021 laying down implementing technical standards with for the application of the CRR with regard to the publication by institutions of the information referred to in Titles II and III of Part Eight of that Regulation, and repealing Commission Implementing Regulation (EU) 2021/637.

The following EU LIQ2 template shows the information required under Article 451a(3) of the CRR as at 31 December 2025, 30 September 2025, 30 June 2025 and 31 March 2025. In particular:

- quarter-end figures of net stable funding ratio;
- an overview of the amount of available stable funding;
- an overview of the amount of required stable funding.

Liquidity requirements

EU LIQ2 – Net Stable Funding Ratio as of 31 December 2025

(Amounts in € thousand)

	a	b	c	d	e
	Unweighted value by residual maturity				Weighted value
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items					
1 Capital items and instruments	2,058,782	-	-	-	2,058,782
2 Own funds	2,058,782	-	-	-	2,058,782
3 Other capital instruments	-	-	-	-	-
4 Retail deposits	-	30,848,799	9,128	4	28,925,946
5 Stable deposits	-	23,071,443	4,710	-	21,922,346
6 Less stable deposits	-	7,777,356	4,418	4	7,003,601
7 Wholesale funding:	-	1,802,247	1,051	811,163	1,124,874
8 Operational deposits	-	-	-	-	-
9 Other wholesale funding	-	1,802,247	1,051	811,163	1,124,874
10 Interdependent liabilities	-	-	-	-	-
11 Other liabilities:	84	575,675	5,543	50,440	53,211
12 NSFR derivative liabilities	84	-	-	-	-
13 All other liabilities and capital instruments not included in the above categories	-	575,675	5,543	50,440	53,211
14 Total available stable funding (ASF)					32,162,813
Required stable funding (RSF) Items					
15 Total high-quality liquid assets (HQLA)	-	-	-	-	1,114,754
EU- Assets encumbered for a residual maturity of one year or more in a cover pool	-	-	-	-	-
16 Deposits held at other financial institutions for operational	-	-	-	-	-
17 Performing loans and securities:	-	3,642,117	196,220	3,539,972	4,506,319
18 Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut	-	2,381	-	-	-
19 Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions	-	433,792	70	697,914	741,328
20 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:	-	2,842,630	79,006	327,854	1,739,494
21 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	0	-	-	0
22 Performing residential mortgages, of which:	-	72,671	74,656	1,988,362	1,384,593
23 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	70,882	72,815	1,895,887	1,304,175
24 Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products	-	290,642	42,489	525,843	640,904
25 Interdependent assets	-	-	-	-	-
26 Other assets:	-	317,079	145	2,084,936	2,080,720
27 Physical traded commodities	-	-	-	-	-
28 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	60,327	51,278
29 NSFR derivative assets	-	4,453	-	-	4,453
30 NSFR derivative liabilities before deduction of variation margin posted	-	2,325	-	-	116
31 All other assets not included in the above categories	-	310,301	145	2,024,609	2,024,873
32 Off-balance sheet items	-	382	-	105	124
33 Total RSF					7,701,917
34 Net Stable Funding Ratio (%)					417.59%

Liquidity requirements

EU LIQ2 – Net Stable Funding Ratio as of 30 September 2025

(Amounts in € thousand)

	Unweighted value by residual maturity				Weighted value	
	a	b	c	d		
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr		
Available stable funding (ASF) Items						
1	Capital items and instruments	2,005,477	-	-	-	2,005,477
2	Own funds	2,005,477	-	-	-	2,005,477
3	Other capital instruments		-	-	-	-
4	Retail deposits		30,011,369	9,803	2	28,147,941
5	Stable deposits		22,572,402	5,276	-	21,448,794
6	Less stable deposits		7,438,968	4,526	2	6,699,147
7	Wholesale funding:		1,913,432	321	809,306	1,121,681
8	Operational deposits		-	-	-	-
9	Other wholesale funding		1,913,432	321	809,306	1,121,681
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	1,257	551,498	4,847	43,366	45,789
12	NSFR derivative liabilities	1,257				
13	All other liabilities and capital instruments not included in the above categories		551,498	4,847	43,366	45,789
14	Total available stable funding (ASF)					31,320,887
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					1,192,614
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		3,231,196	159,371	3,576,250	4,298,110
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		3,406	-	-	-
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		452,442	93	680,443	725,731
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		2,657,530	79,773	325,952	1,645,711
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		0	-	-	0
22	Performing residential mortgages, of which:		72,740	74,335	2,027,680	1,410,863
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		70,873	72,421	1,931,012	1,326,805
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		45,078	5,171	542,175	515,804
25	Interdependent assets		-	-	-	-
26	Other assets:	-	317,038	148	1,665,729	1,663,181
27	Physical traded commodities				-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	47,905	40,719
29	NSFR derivative assets		3,923			3,923
30	NSFR derivative liabilities before deduction of variation margin posted		2,764			138
31	All other assets not included in the above categories		310,351	148	1,617,824	1,618,401
32	Off-balance sheet items		546	-	59	86
33	Total RSF					7,153,990
34	Net Stable Funding Ratio (%)					437.81%

Liquidity requirements

EU LIQ2 – Net Stable Funding Ratio as of 30 June 2025

(Amounts in € thousand)

		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	1,976,318	-	-	-	1,976,318
2	Own funds	1,976,318	-	-	-	1,976,318
3	Other capital instruments		-	-	-	-
4	Retail deposits		29,282,217	9,006	22	27,460,811
5	Stable deposits		21,971,507	2,260	-	20,875,078
6	Less stable deposits		7,310,711	6,746	22	6,585,733
7	Wholesale funding:		1,828,426	329	805,057	1,074,657
8	Operational deposits		-	-	-	-
9	Other wholesale funding		1,828,426	329	805,057	1,074,657
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	4,091	490,316	4,842	44,594	47,015
12	NSFR derivative liabilities	4,091				
13	All other liabilities and capital instruments not included in the above categories		490,316	4,842	44,594	47,015
14	Total available stable funding (ASF)					30,558,801
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					1,272,952
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		3,590,241	221,994	3,664,873	4,589,082
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		3,735	-	-	-
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		438,514	74	708,348	752,237
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		2,588,999	80,344	329,246	1,614,530
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		0	-	-	0
22	Performing residential mortgages, of which:		72,569	74,167	2,067,029	1,437,530
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		70,585	72,132	1,964,062	1,347,999
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		486,424	67,409	560,250	784,785
25	Interdependent assets		-	-	-	-
26	Other assets:	-	312,313	115	1,718,762	1,718,151
27	Physical traded commodities				-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	56,243	47,807
29	NSFR derivative assets		3,723			3,723
30	NSFR derivative liabilities before deduction of variation margin posted		2,580			129
31	All other assets not included in the above categories		306,010	115	1,662,519	1,666,493
32	Off-balance sheet items		3,660	-	111	294
33	Total RSF					7,580,479
34	Net Stable Funding Ratio (%)					403.12%

Liquidity requirements

EU LIQ2 – Net Stable Funding Ratio as of 31 March 2025

(Amounts in € thousand)

		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	1,956,305	-	-	-	1,956,305
2	Own funds	1,956,305	-	-	-	1,956,305
3	Other capital instruments		-	-	-	-
4	Retail deposits		28,384,251	49,444	15	26,651,427
5	Stable deposits		21,218,963	2,763	-	20,160,639
6	Less stable deposits		7,165,289	46,682	15	6,490,788
7	Wholesale funding:		1,345,370	2,114	800,856	1,075,858
8	Operational deposits		-	-	-	-
9	Other wholesale funding		1,345,370	2,114	800,856	1,075,858
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	8,589	700,464	4,890	46,201	48,646
12	NSFR derivative liabilities	8,589				
13	All other liabilities and capital instruments not included in the above categories		700,464	4,890	46,201	48,646
14	Total available stable funding (ASF)					29,732,236
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					1,100,544
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		3,192,084	356,311	3,685,970	4,500,201
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		6,227	-	-	-
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		348,383	30,118	681,529	731,426
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		2,503,539	81,077	325,957	1,569,371
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		0	-	-	0
22	Performing residential mortgages, of which:		72,510	74,506	2,109,473	1,466,265
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		70,431	72,366	2,001,474	1,372,357
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		261,425	170,610	569,012	733,138
25	Interdependent assets		-	-	-	-
26	Other assets:	-	306,869	110	2,033,281	2,028,293
27	Physical traded commodities					
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	68,286	58,043
29	NSFR derivative assets		4,640			4,640
30	NSFR derivative liabilities before deduction of variation margin posted		1,759			88
31	All other assets not included in the above categories		300,470	110	1,964,994	1,965,522
32	Off-balance sheet items		12,776	-	77	717
33	Total RSF					7,629,755
34	Net Stable Funding Ratio (%)					389.69%

Liquidity requirements

The Net Stable Funding Ratio (NSFR) as at December 2025 was 417.59%, slightly increasing compared to previous quarters. The Available Stable Funding (ASF) amounted to €32,163 million while the Required Stable Funding (RSF) amounted to €7,702 million. The available amount of stable funding consists mainly of stable and less stable deposits with retail customers amounting to approximately EUR 28,926 million (weighted value). Considering that the securities owned, being mainly of very high-quality level 1, are subject to a 0% weighting factor, the required amount of weighted stable funding is mainly made up of loans and tax credits acquired under Decree-Law 34/2020 as supplemented, which are not included in the LCR reporting buffer.

the \mathbb{R}^n -valued function \mathbf{f} is a solution of the system (1) if and only if \mathbf{f} is a solution of the system (2).

Let us assume that \mathbf{f} is a solution of the system (2). Then, for any $t \in \mathbb{R}$, we have

$$\mathbf{f}(t) = \mathbf{f}(0) + \int_0^t \mathbf{f}'(s) ds = \mathbf{f}(0) + \int_0^t \mathbf{A}(s) \mathbf{f}(s) ds.$$

Since \mathbf{f} is a solution of the system (2), we have $\mathbf{f}(0) = \mathbf{0}$. Therefore, we have

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Encumbered and unencumbered assets

Below are the templates EU AE1, EU AE2 and EU AE3 (quantitative information) and the table EU AE4 (qualitative information) relating to all forms of encumbrance on the Group's assets, as required by Article 443 of the CRR, in particular:

- the information on encumbered and unencumbered assets;
- collateral received and debt securities issued;
- the sources of encumbrance.

It should be noted that the amounts shown in the tables below represent median values, which correspond to the median of the sum of the four quarterly end-of-period values of the last twelve months.

EU AE1 - Encumbered and unencumbered assets

(Amounts in € thousand)

	Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
	of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA	
	010	030	040	050	060	080	090	100
010 Assets of the disclosing institution	5,024,156	4,871,011			30,833,076	21,649,328		
030 Equity instruments	-	-	-	-	47,767	-	47,767	-
040 Debt securities	4,871,011	4,871,011	4,753,107	4,753,107	20,470,283	20,115,240	19,898,327	19,571,266
050 of which: covered bonds	-	-	-	-	581,996	363,518	536,015	340,006
060 of which: securitisations	-	-	-	-	-	-	-	-
070 of which: issued by general governments	4,871,011	4,871,011	4,753,107	4,753,107	18,161,936	18,161,934	17,673,258	17,673,256
080 of which: issued by financial corporations	-	-	-	-	2,275,744	1,920,655	2,194,141	1,866,282
090 of which: issued by non-financial corporations	-	-			0	-		
120 Other assets	150,787	-			10,546,200	1,538,511		

EU AE2 - Collateral received and own debt securities issued

(Amounts in € thousand)

		Fair value of encumbered collateral received or own debt securities issued		Unencumbered	
				Fair value of collateral received or own debt securities issued available for encumbrance	
		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA	
		010	030	040	060
130 Collateral received by the disclosing institution		401,250	-	4,199,878	3,522,633
140 Loans on demand		-	-	-	-
150 Equity instruments		393,168	-	213,106	-
160 Debt securities		12,107	-	3,984,992	3,522,633
170 of which: covered bonds		-	-	862,177	518,188
180 of which: securitisations		-	-	-	-
190 of which: issued by general governments		-	-	2,947,255	2,947,255
200 of which: issued by financial corporations		12,107	-	928,864	522,052
210 of which: issued by non-financial corporations		-	-	-	-
220 Loans and advances other than loans on demand		-	-	-	-
230 Other collateral received		-	-	-	-
240 Own debt securities issued other than own covered bonds or securitisations				-	-
241 Own covered bonds and securitisations issued and not yet pledged		-	-		
250 TOTAL COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED		5,403,662	4,871,031		

Encumbered and unencumbered assets

EU AE3 - Sources of encumbrance

(Amounts in € thousand)

	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
	010	030
010 Carrying amount of selected financial liabilities	2,473,691	2,634,302

It should be noted that the carrying amount of selected financial liabilities shown in the table, as required by Regulation 637/2021, mainly includes liabilities arising from SFT (excluding collateral switches and remunerated portfolio transactions) and derivative transactions. It should be noted, however, that there are other liabilities, not included among the selected financial liabilities, amounting to 2,306,985 euro thousand, which mainly refer to Collateral Switch and remunerated portfolio transactions.

EU AE4 - Accompanying narrative information

Encumbered assets mainly consist of Governments bonds used as underlying assets in Repo transactions traded on Repo MTS market, in securities lending transactions collateralized by other securities (collateral switch) and in unsecured securities lending transactions. In addition, there are securities pledged as collateral for bank drafts, securities pledged and deposited with central counterparty clearing systems (CCPs) and other financial institutions as a condition of access to the service, as well as default funds, initial margins and variation margins for repurchase agreements and derivative contracts.

Collateral received consists mainly of:

- bonds, shares and UCITS units received as a guarantee of current account overdraft lines;
- government bonds received as underlying assets in Repo transactions traded on Repo MTS market;
- bonds and shares received under both securities lending transactions collateralized by cash, which are in substance equivalent to repurchase agreements, and securities lending transactions collateralized by other securities (Collateral Switch).

The main source of encumbrance consist of the passive Repo traded on Repo MTS market. It is worth pointing out that there are no intra group deals generating encumbrance sources.

With respect to the value of unencumbered assets, the Group considers as non-available for encumbrance, during business as usual operations, all assets included in row 120 "Other assets" of Template AE1 "Encumbered and unencumbered assets" other than loans and represented mainly by property, plant and equipment, intangible assets, tax assets and hedging derivatives.

Leverage

The Basel 3 prudential regulation (BCBS) introduced the requirement of calculation, reporting, and publication of leverage ratio that is an additional regulatory requirement compared to risk-based indicators.

The leverage ratio has the following objectives:

- restricting the build-up of leverage in the banking sector;
- strengthening capital requirements with a simple, non-risk-based supplementary measure.

The ratio is calculated according to the rules set out in "Commission Implementing Regulation (EU) 2024/3117 of 29 November 2024 laying down implementing technical standards for the application of the CRR as regards reporting by institutions for supervisory purposes and repealing Implementing Regulation (EU) 2021/451".

This disclosure is also made in accordance with the provisions of "Commission Implementing Regulation (EU) 2024/3172 of 29 November 2024, establishes implementing technical standards regarding the publication by institutions of the information referred to in Part Eight, Titles II and III, of the CRR, repealing the previous Implementing Regulation (EU) 637/2021¹⁶.

Contents

Article 429 CRR defined the leverage ratio as the Bank's capital measure divided by the total exposure and it is expressed ad percentage between:

- Tier 1 Capital;
- total exposure, calculated as sum of all assets and off-balance sheet items not deducted when determining the Tier 1 Capital measure.

The CRR defines the minimum requirement for the leverage ratio under Pillar 1 as 3%, applicable from June 2021.

The measure of overall exposure includes (the articles mentioned refer to the CRR):

- assets¹⁷, excluding derivative contracts listed in Annex II of CRR, credit derivatives and the positions referred to in Article 429e, calculated in accordance with Article 429b(1);
- derivative contracts listed in Annex II of CRR and credit derivatives, including those contracts and credit derivatives that are off-balance-sheet, calculated in accordance with Articles 429c and 429d;
- add-ons for counterparty credit risk of securities financing transactions¹⁸, including those that are off-balance sheet, calculated in accordance with Article 429e;
- off-balance-sheet items, excluding derivative contracts listed in Annex II of CRR, credit derivatives, securities financing transactions and positions referred to in Articles 429d and 429g, calculated in accordance with Article 429f;
- regular-way purchases or sales¹⁹ awaiting settlement, calculated in accordance with Article 429g.

and is calculated in accordance with the following principles:

- physical or financial collateral, guarantees or credit risk mitigation purchased shall not be used to reduce the total exposure measure;
- assets shall not be netted with liabilities. However, institutions may reduce the exposure value of a prefinancing loan or an intermediate loan by the positive balance on the savings account of the debtor to which the loan was granted and only include the resulting amount in the total exposure measure, provided that all the conditions set in article 429b(8) of the CRR are met;
- article 429a permits the exclusion of certain specific exposures from the measure of overall exposure.

¹⁶ Regulation (EU) 2021/637 shall continue to apply until the entry into force of the "Fundamental Review of the Trading Book" (FRTB), with regard to Article 15 and Annexes XXIX and XXX, pursuant to Article 16 of Regulation (EU) 2024/3172, with reference to market risk disclosure.

¹⁷ Asset means the exposure value as defined in Article 111 paragraph 1 of CRR first sentence.

¹⁸ Repurchase transactions, securities or commodities lending or borrowing transactions, or a margin lending transactions, which are transactions in which an institution extends credit in connection with the purchase, sale, retention, or trading of securities. Margin loans do not include other loans that are collateralized by securities.

¹⁹ 'Regular-way purchase or sale' means a purchase or a sale of a security under contracts for which the terms require delivery of the security within the period established generally by law or convention in the marketplace concerned.

Leverage

EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

The template provides the reconciliation between the total exposure (denominator of the indicator) and the balance sheet values, in accordance with Article 451(1)(b) of the CRR.

		(Amounts in € thousand)
		a
		Applicable amount
		12.31.2025
1	Total assets as per published financial statements	37,295,900
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	-
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	-
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustment for eligible cash pooling transactions	-
8	Adjustment for derivative financial instruments	(512,629)
9	Adjustment for securities financing transactions (SFTs)	769,164
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	432,661
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	-
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) and point (ca) of Article 429a(1) CRR)	-
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-
12	Other adjustments	370,128
13	Total exposure measure	38,355,223

EU LR2 - LRCom: Leverage ratio common disclosure

The template shows the leverage ratio as of 31 December 2025, compared with the data as of 30 June 2025, and the breakdown of the total exposure into the main categories, in accordance with the provisions of Article 451(1)(a) and (b) and Article 451(3) of the CRR. With reference to the transitional provisions contained in the CRR, it should be noted that the Group has not made use of the option to apply the temporary treatment, applicable until 31 December 2025, aimed at mitigating the impact of unrealized profits and losses accumulated since December 31, 2019, on exposures to central governments, regional governments, or local authorities measured at fair value through other comprehensive income. Therefore, own funds already fully reflect the impact of this component.

Leverage

(Amounts in € thousand)

		CRR leverage ratio exposures	
		a	b
		12.31.2025	06.30.2025
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	37,020,260	34,855,259
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-	-
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(General credit risk adjustments to on-balance sheet items)	-	-
6	(Asset amounts deducted in determining Tier 1 capital)	(113,579)	(114,293)
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	36,906,681	34,740,966
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	6,235	5,212
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	95,996	99,065
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	-	-
EU-9b	Exposure determined under Original Exposure Method	-	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (Original exposure method)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	Total derivatives exposures	102,231	104,277
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	1,413,564	1,149,356
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(1,268,586)	(1,017,946)
16	Counterparty credit risk exposure for SFT assets	769,164	424,916
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	-	-
17	Agent transaction exposures	-	-
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	-	-
18	Total securities financing transaction exposures	914,142	556,326
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	4,064,060	3,862,072
20	(Adjustments for conversion to credit equivalent amounts)	(3,631,891)	(3,450,998)
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated associated with off-balance sheet exposures)	-	-
22	Off-balance sheet exposures	432,170	411,075
Excluded exposures			
EU-22a	(Exposures excluded from the total exposure measure in accordance with point (c) and point (ca) of Article 429a(1) CRR)	-	-
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) CRR (on and off balance sheet))	-	-
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)	-	-
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans): - Promotional loans granted by a public development credit institution - Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State - Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution)	-	-
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units)): - Promotional loans granted by a public development credit institution - Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State - Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution)	-	-
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	-	-
EU-22g	(Excluded excess collateral deposited at triparty agents)	-	-
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	-	-
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	-	-
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	-	-
EU-22k	(Excluded exposures to shareholders according to Article 429a (1), point (da) CRR)	-	-
EU-22l	(Exposures deducted in accordance with point (q) of Article 429a(1) CRR)	-	-
EU-22m	(Total exempted exposures)	-	-

Leverage

continued: EU LR2 - LRCom: Leverage ratio common disclosure

(Amounts in € thousand)

		CRR leverage ratio exposures	
		a	b
		12.31.2025	06.30.2025
Capital and total exposure measure			
23	Tier 1 capital	1,945,203	1,862,025
24	Total exposure measure	38,355,223	35,812,644
Leverage ratio			
25	Leverage ratio (%)	5.07%	5.20%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	5.07%	5.20%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	5.07%	5.20%
26	Regulatory minimum leverage ratio requirement (%)	3.00%	3.00%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-
EU-26b	of which: to be made up of CET1 capital	-	-
27	Leverage ratio buffer requirement (%)	-	-
EU-27a	Overall leverage ratio requirement (%)	3.00%	3.00%
Choice on transitional arrangements and relevant exposures			
EU-27b	Choice on transitional arrangements for the definition of the capital measure	Full phased-in	Full phased-in
Disclosure of mean values			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	148,499	118,336
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	144,978	131,410
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	38,358,744	35,799,570
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	38,358,744	35,799,570
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	5.07%	5.20%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	5.07%	5.20%

The leverage ratio stood at 5.07% as at 31 December 2025, higher than the applicable regulatory requirement of 3%.

Leverage

EU LR3 - LRSpl: Split-up of on-balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

The template provides, for exposures other than SFT derivatives and exempted exposures, the distribution by counterparty class, in accordance with Article 451(1)(b) of the CRR.

(Amounts in € thousand)

		a
		CRR leverage ratio exposures
		12.31.2025
EU - 1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which	37,020,260
EU - 2	Trading book exposures	51,039
EU - 3	Banking book exposures, of which	36,969,221
EU - 4	Covered bonds	421,238
EU - 5	Exposures treated as sovereigns	29,339,081
EU - 6	Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns	7
EU - 7	Institutions	750,042
EU - 8	Secured by mortgages of immovable properties	2,138,695
EU - 9	Retail exposures	3,235,073
EU - 10	Corporates	784,377
EU - 11	Exposures in default	4,231
EU - 12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	296,478

The information in the EU LRA table required by Article 451(1) (e) and (d) of the CRR is set out below, in particular:

- a description of the factors that had an impact on the leverage ratio;
- a description of the processes used to manage leverage risk.

Description of the factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers

The Leverage Ratio as at 31 December 2025, at 5.07%, showed a decrease from 5.20% as at 30 June 2025, driven by the increase in overall exposure, mainly determined by the higher balance sheet assets, primarily due to the increase in liquidity generated by direct customer funding and increased securities lending transactions with institutional counterparties. Tier 1 capital increased, primarily due to the share of profit in the second half of 2025 net of dividends and foreseeable charges.

Processes used to manage the risk of excessive leverage

The Group's Risk Appetite Framework is the foundation for risk management in the Group. The Framework sets out governance mechanisms, processes, instruments and procedures for the overall management of the Group's risks. Leverage risk is covered by the Risk Appetite Framework and therefore is subject to the control procedures and mechanisms set out therein.

The quantitative instruments for measuring leverage risk derive from the Risk Appetite Framework, which also includes the Leverage Ratio. This KPI has its own appetite, tolerance and capacity that are regularly monitored through reporting processes. The results of periodic monitoring and reporting are presented on a quarterly basis to the Board of Directors of the Parent Company within the Report on the Group's risk exposure.

The Risk Appetite process sets out governance processes, management engagement and escalation processes to be used in normal operating conditions and under stress. Escalation processes are activated at the appropriate organisational level to ensure an adequate reaction when thresholds are exceeded.

Disclosure of environmental, social and governance risks

The information on environmental, social and governance risks required under Article 449a of the CRR is described below.

Introduction

The Group is based on three main pillars: efficiency, innovation and transparency, which represent the keys to the strategy and guide its sustainable growth journey. The orientation towards sustainable growth is a fundamental element of the long-term value creation strategy for the Group and for all its stakeholders, which Fineco pursues by operating in line with its corporate purpose: "to support customers in taking a responsible approach to their financial life in order to create the conditions for a more prosperous and fairer society". The Bank's capital structure is solid, sustainable and low risk, characterised by highly liquid and low-risk assets. The adoption since 2022 of a "Sustainability" Global Policy²⁰ defined the reference and linking framework for all the commitments signed by the Group on sustainability, as well as for defining the governance structure and compliance monitoring with respect to Environmental, Social and Governance matters (ESG), for regulating the process of identifying and managing ESG risks and for identifying the main areas of integration of sustainability factors into the Group's business and activities. The Global Policy was updated in the second half of 2025 in order to align ESG governance with regulatory developments related to the entry into force of EU Directive No. 2022/2464 (Corporate Sustainability Reporting Directive, "CSRD") and its implementation within the Group. The results of the double materiality Analysis, conducted annually in implementation of the CSRD, were also formalised in the Global Policy as input for identifying areas for integrating sustainability into the Group's activities. With the update of the Global Policy, the ESG Working Group (ESG WG) was established, coordinated by the Bank's Sustainability Unit to oversee sustainability issues and support the activities of the Sustainability Management Committee.

Adherence to the most important sustainability initiatives of the United Nations, in particular the *Principles of the Global Compact*, the *Principles for Responsible Banking* and the *Principles for Responsible Investment*, allows the commitments signed by the Group to be placed within the political-institutional framework outlined by the Paris Agreement and the 2030 Agenda for Sustainable Development and to increasingly integrate ESG risks and factors in business decisions.

Table 1 - Qualitative information on environmental risk

This section provides qualitative information on environmental risk describing the integration of such risks, including specific information on climate change risks, into the FinecoBank Group's strategy and business processes, governance and risk management.

1. Strategy and business processes

Since 2020, the Group adopted an Environmental Policy, which formalises Fineco's overall intentions and direction with respect to its environmental performance, including compliance with all relevant environmental regulatory obligations and a commitment to continuous improvement in environmental performance. In 2024, the Environmental Policy was updated, in order to incorporate the results of the so-called double materiality Analysis conducted pursuant to and in implementation of the Corporate Sustainability Reporting Directive (CSRD) No. 2022/2464.

In July 2025, the Parent Company's Board of Directors approved the double materiality Analysis conducted in the first half of the year in accordance with the CSRD, including the following activities: i) identification and assessment of environmental, social and governance risks in accordance with the aforementioned regulations, and ii) stakeholder engagement with some of the Group's main stakeholders: Customers, Investors and Employees.

The double materiality Analysis defined the material topics for the 2025 financial year, confirming the generation of air emissions and consumption of resources as the main areas towards which the Group's commitments to mitigate environmental impacts should be directed, also confirming the absence of significant climate and environmental risks. For more details, see the sections on Risk Management.

Since 2020, the Group aligns the ESG Plan targets with the UN Sustainable Development Goals (SDGs) deemed most relevant based on the commonalities between the 169 targets and the Group's material topics and defines an ESG Multi Year Plan (MYP). The MYP ESG 2024-26 is fully integrated into the Group's strategy, with the aim of combining business growth and financial strength with social and environmental sustainability, creating long-term value for all stakeholders.

Since 2022, the Bank has achieved the certification of its Environmental Management System in accordance with Regulation No. 1221/2009/EC ("EMAS Regulation"), which covers the entire perimeter in Italy of corporate offices and Fineco Centres. In June 2025, the certification renewal audit, conducted by an independent third party in compliance with the EMAS Regulation, was successfully completed. The ESG MYP 2024-2026 includes the environmental objectives and targets that the Bank has defined as its Environmental Programme in accordance with the EMAS Regulation.

The ESG MYP 2024-2026 also includes the targets enshrined, from 2022, through the *Net Zero Emissions by 2050* Commitment, through which Fineco formalised its commitment to combating climate change. The goal is to achieve net zero emissions status by 2050. In particular, by 2050, the goal is to reduce operational emissions of scopes 1, 2 and 3 by 90 per cent and to neutralise residual emissions. Moreover, the Bank is committed to ensuring that its balance sheet assets, and more specifically its sovereign and bank debt securities, are 100% aligned with the net zero emissions target by 2050, coherently with the Paris Agreement.

The Group has a strong risk culture aimed at ensuring long-term sustainability and since 2020 has integrated environmental risks into its Risk Management Framework, as described in the following sections. Overall, Group's exposure to climate and environmental risks is limited by the internal characteristics of its business model and the analyses conducted show a low impact of environmental risks on the Group's risk profile.

²⁰ Available on the FinecoBank website at the link <https://about.finecobank.com/it>, section "Sustainability".

Disclosure of environmental, social and governance risks

In defining and implementing its business strategy, the Group integrates climate and environmental risks that may have an impact on its business environment in the short, medium and long term. Analysis of the regulatory and competitive landscape on climate and, more generally, sustainability matters, in order to assess the impact of related risks on the Group, is carried out on a regular basis. In addition, to regulate the process of defining and implementing the Bank's ESG Plan and Environmental Programme, a specific procedure has been adopted that requires, among other things, that the objectives defined are consistent with the Group's strategic guidelines, including through dialogue with the Chief Risk Officer (CRO) Department. Overall, the assessments that emerge from these analyses are taken into account to update, on an annual basis, the Multi-Year Outlook, which includes a section devoted to ESG topics.

To ensure an increasing integration of environmental, social and governance aspects into its Investment Plan, since 2019 Fineco has started to allocate a portion of its financial resources to the subscription of green, sustainable and social bonds.

As of 31 December 2025, Fineco held a package of ESG securities, consisting of green, sustainable and social bonds, amounting to approximately 2.8 euro billion, equivalent to about 10.5% of the total portfolio owned. Within the Group's RAF, the Group envisages a tolerance threshold (Risk Tolerance) for the incidence of investments that show attention to environmental, social and governance aspects; in the RAF 2026 - approved on 22 January 2026 - this threshold is equal to 8%.

Regarding counterparty engagement on environmental risk management, the Bank's lending policy is mainly geared towards lending to retail customers and investment in central government financial instruments (sovereign bonds), as reflected in the share of exposures to central governments, central banks and supranational issuers.

Considering this, the Group's business model has little exposure to climate and environmental risk factors, as detailed in the Risk Management section.

2. Governance

Attention to ESG matters is an integral part of Fineco's Corporate Governance, through the assignment of specific responsibilities to governing bodies and operational functions, formalised within the Group's "Sustainability Policy". In particular, with reference to the Parent Company:

- the **Board of Directors** deliberates, inter alia, on the strategic directions of the Bank and the Group, with the aim of pursuing sustainable success and creating long-term value for Stakeholders; approves sustainability accounting and reporting systems;
- the **board-level Corporate Governance and Environmental and Social Sustainability Committee** oversees Sustainability issues related to FinecoBank's business operations and the dynamics of interaction with all Stakeholders, as well as the evolution of the Group's Sustainability strategy, based on the relevant international guidelines and principles. Specifically, it oversees the evolution of the Group's Sustainability strategy, contributes to assessing the impacts, risks and opportunities related to Sustainability issues, examines and, where appropriate, formulates proposals regarding corporate plans, objectives, rules and procedures on social and environmental issues, also playing a support role to the Board of Directors for the approval of policies aimed at promoting diversity and inclusiveness; contributes to the assessment of products with ESG purposes for which the Bank acts as manufacturer, monitors the positioning of the Company and the Group with respect to the financial markets on Sustainability issues and Stakeholder relations, and examines and advises on the policy for managing relations with all the Shareholders. It examines 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, examines the formation process and content of the Consolidated Sustainability Report pursuant to Legislative Decree 125/2024 for approval by the Board of Directors, and assesses the suitability of the sustainability report to fairly represent the Bank's business model, strategies, the impact of its activities and the performance achieved. It also reviews in advance the Environmental Statement pursuant to EMAS Regulation No. 1221/2009/EC for approval by the Board of Directors. Finally, the Committee has specific tasks with reference to *corporate governance* issues;
- the **board-level Risk and Related Parties Committee** has the task, as part of its activities, to contribute to the definition of the guidelines of the internal control system, so that the main risks pertaining to the Company and the Group, including ESG risks, are correctly identified, as well as adequately measured, managed and monitored, and to support the Board of Directors in the evaluation of sustainability periodic reporting, as well as financial ones; to the extent of its competence on the list of relevant sustainability topics and issues, examines and, where appropriate, formulates proposals with reference to the associated risks for the purpose of sharing with the Corporate Governance and Environmental and Social Sustainability Committee and subsequent approval by the Board of Directors; assesses, to the extent of its competence, the suitability of the Consolidated Sustainability Report to correctly represent the Group's business model, strategies, the impact of its activities and the performance achieved. It also examines the content of the Consolidated Sustainability Report relevant to the internal control and risk management system;
- the **Board of Statutory Auditors**, as a supervisory body, is responsible for supervising compliance with the provisions established by Legislative Decree 254/2016 and reports on this in its annual report to the shareholders' meeting;
- in order to support the Corporate Governance and Environmental and Social Sustainability Committee, a **Sustainability Management Committee** is established, supported by the Sustainability Structure and composed of managers from the Parent Company. The Committee is entrusted with the main task of defining a proposal for the Bank's Sustainability strategy (corporate plans, rules and procedures on social and environmental issues) and the related objectives to be achieved, to be submitted to the aforementioned board-level Committee for consideration, as well as to the Board of Directors for approval, if necessary. The Management Committee is also in charge of monitoring the progress of the defined Sustainability strategy. In the second half of 2025, the ESG Working Group (ESG WG) was established to support the Sustainability Management Committee. This working group is coordinated by the Sustainability unit and serves as an oversight body for sustainability issues. The objectives of the ESG WG are to promote the dissemination and analysis of a culture of sustainability and to ensure the evaluation and sharing of proposals and initiatives in this area for submission to the Sustainability Management Committee and the Corporate Governance and Environmental and Social Sustainability Committee. Each Parent Company function

Disclosure of environmental, social and governance risks

- participates in the ESG WG based on its own area of expertise through a representative designated as an ESG Ambassador, contributing to the identification, definition, and sharing of ESG projects aligned with the objectives of its respective department;
- the **Sustainability** Unit, reporting to the Chief Financial Officer (CFO) Department, is responsible for supporting the CFO and the Sustainability Management Committee in the management of Sustainability at the Group, including the development and monitoring of the Sustainability Strategy and in the drafting and subsequent approval of the EMAS Environmental Statement by the relevant Corporate Bodies;
 - the **Consolidated Financial Statements and Accounting Standards** Unit, reporting to the CFO Department, is responsible for supporting the CFO and the Sustainability Management Committee in preparing the Consolidated Sustainability Report for subsequent approval by the relevant corporate bodies;
 - the **Compliance** Department ensures second-level compliance controls for regulations within its competence, such as investment services or banking products;
 - the **CRO** Department performs second-level controls over ESG risks and ensures that all risks are identified, assessed, measured, monitored, managed, and appropriately communicated by relevant units within the institution;
 - the **Internal Audit** Department performs third-level controls on ESG risks on the basis of its own defined methodologies;
 - **the structures involved from time to time** define the sustainability objectives for the areas under their responsibility, including those in the area of responsible finance, identify the actions that enable their achievement and support the Sustainability Structure in monitoring the progress of activities with respect to the objectives and the related reporting.

With reference to the Subsidiary:

- it is required to identify an organizational structure within the Subsidiary to assume the role of the main Coordinator of the implementation and ongoing supervision of Sustainability-related activities. Assigning this role to a centralized function is intended to ensure that a consistent ESG approach is adopted towards all stakeholders;
- participation in the ESG WG is also required through a representative identified as an ESG Ambassador, contributing to the identification, definition and sharing of ESG projects aligned with the Subsidiary's objectives;
- the establishment of a Sustainability Working Group, composed of the executive figures representing the functions involved, is suggested, with the aim of monitoring Sustainability activities, based on Parent Company guidelines, industry standards and legislative and regulatory developments.

As today, Fineco AM *Head of Sustainability & Product Manager* is the main coordinator of the implementation and ongoing supervision of Sustainability & ESG integration within Fineco AM, at any level, i.e. across the Company and at product/portfolio level. The *Sustainable Finance Committee*, chaired by the Head of Sustainability & Product Manager, is in charge of the approval and considerations of Sustainability and ESG-related matters proposed to be executed by the Sustainability Leads and internal teams. The Board of Directors of Fineco AM still retains the ultimate responsibility on decisions to be made by the Company in respect of Sustainability and ESG topics (e.g. classification and reclassification of products under SFDR).

An organisational model dedicated to monitoring ESG regulations has also been established within the Parent Company, divided into macro-areas. For each macro-area, the areas directly monitored by the Compliance function (2nd level corporate control function), the areas of compliance for which specific specialist structures are responsible (indirect compliance coverage) and the area assigned to the CRO Department (2nd level corporate control function) are identified.

With reference to the frequency and methods of external and internal reporting on environmental risk, the risk management structure illustrates to the Corporate Bodies the results of the control and monitoring of such risks on quarterly basis, in its Report on Risk Exposures; it also collaborates with the Sustainability Structure and the Regulatory Affairs Team in compiling - for the parts falling within its competence - the reporting to Regulators, Rating Agencies, Data Vendors and any other external party.

Finally, regarding remuneration policy, the alignment of top management incentive systems with the RAF favours a conservative approach to risk-taking and the maintenance of adequate risk levels. Indeed, the incentive systems are consistent with corporate values and objectives, including those of sustainable finance that take ESG factors into account, with long-term strategies linked to corporate performance and with prudent risk management policies.

The Group is committed to developing sound and effective risk management, providing correction mechanisms for the systems themselves, in order to make them consistent with the reference framework for determining risk appetite and with the levels of capital and liquidity required to meet the activities undertaken and, in any case, such as to avoid distorted incentives that could lead to regulatory violations or excessive risk-taking.

The 2025 Remuneration Policy, designed in alignment with the guidelines of investors and proxy advisors and the regulatory framework, confirms the close correlation with the Group's Multi-Year Plan and the ESG MYP for 2024-2026, with the aim of incentivising business growth and financial solidity and, at the same time, combine economic-financial objectives with social and environmental sustainability.

In particular, the individual objectives of the Chief Executive Officer and General Manager and of the other Identified Staff, depending on the specific nature of the role, in relation to the short-term incentive system, have been integrated, in the "Stakeholder Value" category, with sustainability-related objectives in line with the KPIs and targets envisaged in the ESG MYP 2024-2026. As for environmental and responsible finance KPIs, the following KPIs have been considered: i) the introduction, within the client offering platform, of new funds with a Fineco ESG rating²¹ greater than or equal to 6

²¹ Fineco's ESG rating assesses the environmental, social and governance sustainability of a financial instrument. It is calculated by Fineco through a reprocessing of sustainability data provided by a leading company specialising in the sector.

Disclosure of environmental, social and governance risks

(average rating) and ii) the maintenance of the EMAS Environmental Registration. In addition, from 2024, the contribution to the promotion of sustainability initiatives and behavior within the organisation is also assessed in the "Tone from the top" category. In addition, in line with the previous year, the Financial Advisors Incentive Scheme for 2025, specific sustainability targets have been introduced relating to the percentage of assets held in funds and sicav pursuant to Articles 8 and 9 under Regulation (EU) 2019/2088 (SFDR).

Finally, the Long-Term Incentive Plan for the three-year period 2024-2026 for employees includes sustainability objectives in the areas of: (i) environment, with reference to the reduction of Scope 1 and 2 (market-based) emissions from operating activities, and (ii) responsible finance, through the expansion of the ESG product offering with the introduction of new Article 8 and 9 funds under the SFDR.

3. Risk Management

Climate change and environmental degradation give rise to structural changes capable of affecting 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 risks²², the 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 setters²³. 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 the Group 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*, 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 not concentrate 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" objective²⁴;

²² The first consultation version of the "Guide on climate and environmental risks" dates back to May 2020.

²³ Examples include the "EBA/GL/2025/01 "Guidelines on the management of ESG Risks", 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".

²⁴ 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.

Disclosure of environmental, social and governance risks

The Risk Dashboard 2025 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.

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 to measure the concentration on new originated loans instead of on the entire stock.

The indicator relating to the energy class of real estate collateral covering mortgages loans is also worth mentioning. 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:

- 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 reflects 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 occur 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 Group, thanks to the intrinsic features 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;
- no Group company has material 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;

Disclosure of environmental, social and governance risks

- 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.

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 headquarters, the Business Continuity plan envisages 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 an 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 2024 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 43%. This reduces the probability of loss for the Bank in the event

Disclosure of environmental, social and governance risks

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, aimed at measuring the share of collateral properties securing new originated mortgage loans, 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).

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 envisages 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, credit 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.

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 ²⁵.

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 2024 stress test, in line with the exposures held by the Group, the counterparties considered were Italy and Saudi Arabia. The downgrade determines a higher PD of the aforementioned institutional counterparties, and consequently higher credit provisions and internal capital for credit risks.

Finally, physical risk factors could lead to a reduction in customer demand deposits, resulting in a reduction in the Bank's available liquidity following the occurrence of acute physical risk events (e.g., landslides and extreme weather events). The risk of customer withdrawals of deposits constitutes a liquidity risk, as these constitute the main source of liquidity for the parent company FinecoBank. However, it should be noted that there has never been evidence of deposit withdrawals in emergency situations, such as during the COVID-19 pandemic or following earthquakes and other catastrophic events. Furthermore, a large portion of FinecoBank's assets is classified as High Quality Liquidity Assets (HQLA), eligible for transfer to central banks to obtain liquidity.

Transition risks, in particular those related to changes in customer needs and preferences, could impact on the Group'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,

²⁵ 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.

Disclosure of environmental, social and governance risks

aimed at ensuring that a portion of the funds offered by FAM have ESG characteristics (MSCI Rating \geq 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 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, 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 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 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 31 December 2025.

Table 2 – Qualitative information on social risk

This section contains qualitative information on social risk that describes the integration of these risks into the Group's business strategy and processes, governance and risk management.

1. Strategy and business processes

Organic and sustainable growth in the long term is the key element of Group's development strategy and is achieved through the practical application of the three strategic pillars (efficiency, innovation, transparency) mentioned. To achieve this goal – in line with the principles and rules of conduct enshrined in the Group's Code of Ethics, Integrity Charter and Code of Conduct – Fineco has combined its commitment to environmental matters with a series of commitments, also from a social point of view, through the adoption of a specific commitment to Human Rights and a series of internal policies aimed at ensuring correct approaches, systems and models of behaviour in the field of gender equality, diversity, equity & inclusion, combating harassment, sexually inappropriate behaviour and bullying, Privacy, Remuneration policies.

Starting from 2020, the Group aligns the objectives of the ESG Plan with the Sustainable Development Goals (SDGs) considered most relevant on the basis of the commonalities between the 169 targets and the material themes and defines an ESG Multi-Year Plan (MYP). The ESG MYP 2024-2026 is fully integrated into the Group's strategy, with the aim of combining business growth and financial strength with social and environmental sustainability, creating long-term value for all stakeholders. The ESG MYP 2024-2026 includes, in particular, the objectives and targets that the Bank has set as part of its gender equality management system, which was certified in accordance with UNI PdR 125:2022 since December 2023.

The Group has a solid risk culture aimed at ensuring long-term sustainability. In particular, with reference to the engagement of counterparties in the management of social risks, the Bank's lending policy is based, as detailed in the previous sections, on the granting of credit mainly to retail customers and investment in financial instruments of Central Administrations (Government Securities). As for climate and environmental risks, social risk factors also impact on the traditional risk categories managed by the Group, reflecting in particular on operational risks and reputational risks, as described in detail in the sections dedicated to risk management.

In defining and implementing its corporate strategy, Fineco integrates social risks that may have an impact on its business context in the short, medium and long term. The analysis of the regulatory and competitive sustainability landscape, in order to assess the impact of the associated risks on the Group, is carried out on a regular basis. As anticipated in the previous sections, in July 2025, the process of identifying and assessing environmental,

Disclosure of environmental, social and governance risks

social and governance risks pursuant to the CSRD regulation was approved by the Board of Directors of the Parent Company, as part of the process of defining material issues for the Group for the 2025 financial year according to the so-called double materiality analysis.

Furthermore, in order to regulate the process of defining and implementing the Group's ESG Plan, a specific procedure is adopted which envisages that the objectives defined are consistent with the Group's strategic guidelines, also through dialogue with the CRO Department. Overall, the considerations emerging from these analyses are taken into account to update, on an annual basis, the Multi-Year Outlook, which includes a section dedicated to ESG topics.

In order to mitigate the exposures to ESG risks, second-level controls on credit risks include a series of monitoring activities aimed at controlling the areas considered most at risk, as detailed in the Risk Management section. With specific reference to social risks, as part of the monitoring of country risk, specific risk indicators, Worldwide Governance Indicators, developed by a group of researchers in collaboration with the World Bank and described in detail in Table 3 on Governance, are monitored. These indicators aim to express in a synthetic way the effectiveness of the policies implemented by the governmental authorities of the different nations monitoring how governments are formulated, the ability of the same to effectively implement valid policies and the respect that citizens have for the institutions that govern them.

2. Governance

Attention to ESG issues is an integral part of Corporate Governance: Sustainability Committees are set up at board and managerial level, as well as a dedicated corporate function, in order to define and supervise the sustainability strategy, as described in detail in the Governance section on environmental risks.

In the framework described, the Risk and Related Parties Committee has the task of contributing to the definition of the guidelines of the Internal Control System (ICS), so that the main risks relating to the Company and the Group, including social risks, are correctly identified, as well as adequately measured, managed and monitored, and of supporting the Board of Directors in the evaluation of periodic sustainability reporting, in addition to financial ones.

In this general framework, the consideration of social risks is fully integrated both in the strategic objectives set out in the Risk Appetite Statement and in the indicators of the Risk Dashboard, as detailed below in the Risk Management section. In line with the lending policy outlined – based on granting credit only to retail customers and investing in government bond financial instruments – social risk factors are essentially reflected in operational risks and reputational risks. The other risk categories traditionally managed by the Group have little impact on social risks, as detailed below in the Risk Management section.

With reference to the frequency and methods of external and internal reporting on social risk, the CRO illustrates to the Corporate Bodies the results of the control and monitoring of these risks in its Quarterly Report; it also collaborates with the Sustainability Unit and the Regulatory Affairs Unit in compiling – for the parts of competence – reporting to the Regulators, rating agencies, Data Vendors and any other external party.

Finally, regarding the remuneration policy, the alignment of top management incentive systems with the RAF favours a conservative approach to risk-taking and the maintenance of adequate risk levels.

The Remuneration Policy for 2025, prepared in alignment with the guidelines of investors and proxy advisors and the regulatory framework of reference, confirms the close correlation with the Group's Multi-Year Plan and the ESG Multi-Year Plan for the three-year period 2024-2026, with the aim of incentivising business growth and financial solidity and, at the same time, combining economic-financial objectives with social and environmental sustainability.

In particular, the individual objectives of the Chief Executive Officer and General Manager and of the other Identified Staff, depending on the specific nature of the role, in relation to the short-term incentive system, have been integrated, in the "Stakeholder Value" macro-category, with sustainability-related objectives in line with the KPIs and targets envisaged in the ESG MYP 2024-2026. With regard to responsible finance and social KPIs, the following were considered: i) the introduction, within the customer offering platform, of new funds with a Fineco ESG rating greater than or equal to 6 (average rating) and ii) customer satisfaction. In addition, from 2024, the contribution to the promotion of sustainability initiatives and behaviour within the organisation is also assessed in the "Tone from the top". In addition, in line with the previous year, the Financial Advisor Incentive Scheme for 2025, specific sustainability targets have been introduced relating to the percentage of assets held in funds and sicav pursuant to Articles 8 and 9 under Regulation (EU) 2019/2088 (SFDR) and the recruitment of financial advisors of the least represented gender.

Finally, the Long-Term Incentive Plan for the three-year period 2024-2026 for employees includes sustainability objectives in the areas of (i) environmental, with reference to the reduction of Scope 1 and 2 (market-based) emissions from operating activities; (ii) social, with regard to the achievement of Diversity, Equity & Inclusion objectives; and (iii) responsible finance through the expansion of the ESG product offering with the introduction of new Article 8 and 9 funds under the SFDR.

3. Risk Management

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.

Disclosure of environmental, social and governance risks

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 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 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 occur 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 the Group, 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

Disclosure of environmental, social and governance risks

event of placement of investment products to customers, including those of third-party companies, which were subsequently found to be subject to Greenwashing, the Group 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 was 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 AM, 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 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 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 AM).

The risk of failing to ensure equal opportunities for employees could lead to litigation and a loss of reputation among current and potential employees. In this regard, it is worth noting that the Group adopts specific diversity policies and training courses for all staff, and has a long-term incentive plan for the three-year period 2024-2026 aimed at increasing the percentage of the less represented gender in the organization and reducing the gender pay gap for all categories.

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

Disclosure of environmental, social and governance risks

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.

To mitigate ICT and security risks, the Group has established a digital operational resilience framework, formalized within the Global Policy "Digital Operational Resilience Framework," approved by the Board of Directors in March 2025. The Global Policy defines the key principles of the IT risk management framework in accordance with the DORA regulation (Regulation 2022/2554) and serves as a liaison for the internal regulations that constitute the IT risk management framework, issued by first- and second-level functions. The IT risk management framework is reviewed at least annually, or more frequently if serious ICT incidents occur, or if instructions are provided by the supervisory authorities or the function responsible for internal audit (in the Parent Company, the Internal Audit function).

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, the Parent Company has adopted 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.

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 31 December 2025.

Table 3 - Qualitative information on governance risk

This section provides qualitative information on governance risk that describes the integration of these risks into the governance and risk management of the FinecoBank Group.

Disclosure of environmental, social and governance risks

1. Governance

The Group has added to its environmental and social commitments a series of commitments also in the field of governance, through the adoption of a series of internal *policies*, aimed at guaranteeing correct approaches, systems and models of conduct in the field of Anti-corruption, Anti-Money Laundering and the fight against the financing of terrorism, Conflicts of interest.

The Group has always promoted a solid risk culture, based on shared values and consistent behaviour, elements necessary to guarantee sustainable profitability in the long term. To this end, the Group has adopted an effective and efficient unitary Internal Control System (ICS), aimed at ensuring that the company's activities are based on sound and prudent management that guarantee the financial solidity and profitability of the company and ensure, at the same time, a conscious assumption of risks and operational conduct based on fairness, as well as compliance with internal and external regulations.

The internal control system is pervasive in the Group's organizational structure and involves Corporate Bodies, corporate control functions, as well as line structures. In order to ensure the full integration of ICS into the Group, as well as to allow maximum alignment between risks and profitability, Fineco identifies the Risk Appetite Framework (RAF) as the tool for monitoring the risk profile that the Group intends to assume in the implementation of its corporate strategies and in the pursuit of sustainable profitability together with solid business growth.

In addition to considering environmental and social risks, the RAF also fully integrates the risks associated with governance factors, both in terms of the strategic objectives set out in the Statement – which express the Group's desire to accompany its strategy with the progressive integration of ESG principles – and through the monitoring, in the Risk Dashboard, of indicators to monitor ESG risks.

In the field of governance, the Worldwide Governance Indicators are particularly important, which summarize the effectiveness of the policies implemented by the government authorities of the various nations. More specifically, the six indicators analysed monitor how governments are composed, their ability to effectively implement sound policies and the respect that citizens have for the institutions that govern them, in terms of:

- 1) Voice and Accountability: captures citizens' perception of participating in the selection of their government, of enjoying freedom of expression and association;
- 2) Political Stability and Absence of Violence/Terrorism: captures perceptions of the likelihood that government can be destabilized or overthrown by unconstitutional or violent means including rioting and terrorism;
- 3) Government Effectiveness: captures the perception of the quality of public services, public administration and the degree of independence from political pressures, as well as the quality of the formulation and implementation of laws and the credibility of the government's commitment to such policies;
- 4) Regulatory Quality: captures the perception of the government's ability to formulate and implement sound policies and regulations that enable and promote private sector development;
- 5) Rule of Law: captures the perception of the extent to which citizens trust and respect the rules of society;
- 6) Control of Corruption: captures the perception of the extent to which public power is exercised for private gain, including forms of corruption large and small.

RAF's metrics are regularly monitored and reported, at least quarterly: monitoring, for competence, is carried out by the Chief Risk Officer Department and the Chief Financial Officer Department and illustrated to the Corporate Bodies. In these terms, the CRO Department supports the Board of Directors in defining a risk appetite proposal for the Group.

As described in the previous sections in July 2025, the process of identifying and assessing environmental, social and governance risks under the CSRD regulations was approved by the Board of Directors of the Parent Company, as part of the process of defining material issues for the Group for the 2025 financial year according to the so-called double materiality Analysis.

Finally, with respect to the remuneration policy, as described in the previous sections, the alignment of the Top Management incentive systems with the RAF favours a conservative approach to risk-taking and the maintenance of adequate risk levels. In particular, within the specific objective "Stakeholder Value" described in the previous sections in line with the Group's ESG MYP 2024-2026, in 2025 a specific objective concerning integrity in the conduct and dissemination of compliance culture within the organization continued to be envisaged ("Tone from the top" initiative). Starting from 2024, the contribution to the promotion of sustainability initiatives and behaviour within the organisation is also assessed within the "Tone from the top" initiative.

2. Risk Management

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.

Disclosure of environmental, social and governance 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 31 December 2025.

Disclosure of environmental, social and governance risks

Template 1 - Banking book- Indicators of potential climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity

Template 1 below provides information on the exposures most susceptible to risks that institutions may face as a result of the transition to a low-carbon and climate-resilient economy. In particular, exposures to non-financial corporations operating in carbon-related industries, the quality of these exposures, including impaired exposure status, classification as stage 2 and related provisions, and maturity categories are reported.

Please note that column c of Template 1 is not reported, consistent with the suspension of the related disclosure requirements set forth in the EBA consultation document (EBA/CP/2025/07) published on 22 May 2025 and formalised with the EBA no-action letter published on 6 August 2025.

The Group's business model is primarily aimed at retail customers; therefore, exposures to non-financial corporations are not material (equal to 4.1 euro million as at 31 December 2025). Thus, to determine the information to be reported in columns b, i, j, and k of Template 1, the Group has defined a materiality threshold for gross exposures, at the counterparty level, of €100,000, a threshold deemed significant for identifying the largest counterparties (as at 31 December 2025, exposures exceeding this threshold were eight).

Template 1 also requires disclosure of financed Scope 1, 2, and 3 GHG emissions. Given that the counterparties are small, they are not required to disclose their CO₂ emissions. To determine these emissions, the Group used information obtained from an info provider, estimated based on data relating to the company's economic activities. The emissions financed by the Group were calculated proportionally, taking into account the exposures to the counterparty relative to the counterparty's total liabilities (accounting liabilities and equity). For one counterparty included in the scope, it was not possible to estimate the financed GHG emissions because it is a sole proprietorship for which the financial statement necessary to determine total liabilities is not available.

Disclosure of environmental, social and governance risks

(Amounts in € million)

Sector/Subsector	a	b			d	e
		Gross carrying amount (Mln EUR)				
		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with Article 12(1) points (d) to (g) and Article 12 (2) of Regulation (EU) 2020/1818	Of which stage 2 exposures	Of which non-performing exposures		
1 Exposures towards sectors that highly contribute to climate change*	2.33	-	0.17	0.13		
2 A - Agriculture, forestry and fishing	0.01	-	0.00	0.00		
3 B - Mining and quarrying	-	-	-	-		
4 B.05 - Mining of coal and lignite	-	-	-	-		
5 B.06 - Extraction of crude petroleum and natural gas	-	-	-	-		
6 B.07 - Mining of metal ores	-	-	-	-		
7 B.08 - Other mining and quarrying	-	-	-	-		
8 B.09 - Mining support service activities	-	-	-	-		
9 C - Manufacturing	0.14	-	0.00	0.02		
10 C.10 - Manufacture of food products	0.02	-	-	0.00		
11 C.11 - Manufacture of beverages	0.01	-	0.00	0.00		
12 C.12 - Manufacture of tobacco products	-	-	-	-		
13 C.13 - Manufacture of textiles	0.01	-	-	0.00		
14 C.14 - Manufacture of wearing apparel	0.00	-	0.00	0.00		
15 C.15 - Manufacture of leather and related products	0.01	-	0.00	0.00		
16 C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	0.00	-	-	0.00		
17 C.17 - Manufacture of paper and paper products	0.00	-	0.00	-		
18 C.18 - Printing and reproduction of recorded media	0.00	-	-	-		
19 C.19 - Manufacture of coke and refined petroleum products	-	-	-	-		
20 C.20 - Manufacture of chemicals and chemical products	0.00	-	0.00	0.00		
21 C.21 - Manufacture of basic pharmaceutical products and pharmaceutical preparations	0.01	-	-	-		
22 C.22 - Manufacture of rubber products	0.00	-	-	-		
23 C.23 - Manufacture of other non-metallic mineral products	0.00	-	0.00	0.00		
24 C.24 - Manufacture of basic metals	0.00	-	0.00	0.00		
25 C.25 - Manufacture of fabricated metal products, except machinery and equipment	0.02	-	0.00	0.00		
26 C.26 - Manufacture of computer, electronic and optical products	0.01	-	0.00	0.00		
27 C.27 - Manufacture of electrical equipment	0.01	-	0.00	0.00		
28 C.28 - Manufacture of machinery and equipment n.e.c.	0.01	-	0.00	0.00		
29 C.29 - Manufacture of motor vehicles, trailers and semi-trailers	0.00	-	0.00	-		
30 C.30 - Manufacture of other transport equipment	0.00	-	-	-		
31 C.31 - Manufacture of furniture	0.01	-	0.00	0.00		
32 C.32 - Other manufacturing	0.01	-	0.00	0.00		
33 C.33 - Repair and installation of machinery and equipment	0.00	-	0.00	0.00		
34 D - Electricity, gas, steam and air conditioning supply	0.01	-	0.00	0.00		
35 D35.1 - Electric power generation, transmission and distribution	0.01	-	0.00	0.00		
36 D35.11 - Production of electricity	0.01	-	0.00	0.00		
37 D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	0.00	-	-	-		
38 D35.3 - Steam and air conditioning supply	-	-	-	-		
39 E - Water supply; sewerage, waste management and remediation activities	0.00	-	0.00	0.00		
40 F - Construction	0.09	-	0.00	0.03		
41 F.41 - Construction of buildings	0.07	-	0.00	0.02		
42 F.42 - Civil engineering	0.00	-	0.00	0.00		
43 F.43 - Specialised construction activities	0.02	-	0.00	0.01		
44 G - Wholesale and retail trade; repair of motor vehicles and motorcycles	0.47	-	0.16	0.03		
45 H - Transportation and storage	0.03	-	0.00	0.01		
46 H.49 - Land transport and transport via pipelines	0.01	-	0.00	0.00		
47 H.50 - Water transport	0.00	-	-	-		
48 H.51 - Air transport	-	-	-	-		
49 H.52 - Warehousing and support activities for transportation	0.02	-	0.00	0.00		
50 H.53 - Postal and courier activities	0.00	-	0.00	0.00		
51 I - Accommodation and food service activities	0.04	-	0.00	0.01		
52 L - Real estate activities	1.53	-	0.00	0.02		
53 Exposures towards sectors other than those that highly contribute to climate change	1.76	-	0.01	0.09		
54 K - Financial and insurance activities	-	-	-	-		
55 Exposures to other sectors (NACE codes J, M - U)	1.76	-	0.01	0.09		
56 Total	4.09	-	0.18	0.21		

Disclosure of environmental, social and governance risks

continued Template 1 - Banking book- Indicators of potential climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity

(Amounts in € million)

Sector/Subsector	f		g		h		i		j		k	
	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)					
	Of which Stage 2 exposures		Of which non-performing exposures		Of which Scope 3 financed emissions		Of which Scope 3 financed emissions		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting			
1 Exposures towards sectors that highly contribute to climate change*	(0.12)	(0.00)	(0.11)				55	52				
2 A - Agriculture, forestry and fishing	(0.00)	(0.00)	(0.00)				-	-				
3 B - Mining and quarrying	-	-	-				-	-				
4 B.05 - Mining of coal and lignite	-	-	-				-	-				
5 B.06 - Extraction of crude petroleum and natural gas	-	-	-				-	-				
6 B.07 - Mining of metal ores	-	-	-				-	-				
7 B.08 - Other mining and quarrying	-	-	-				-	-				
8 B.09 - Mining support service activities	-	-	-				-	-				
9 C - Manufacturing	(0.02)	(0.00)	(0.02)				-	-				
10 C.10 - Manufacture of food products	(0.00)	-	(0.00)				-	-				
11 C.11 - Manufacture of beverages	(0.00)	(0.00)	(0.00)				-	-				
12 C.12 - Manufacture of tobacco products	-	-	-				-	-				
13 C.13 - Manufacture of textiles	(0.00)	-	(0.00)				-	-				
14 C.14 - Manufacture of wearing apparel	(0.00)	(0.00)	(0.00)				-	-				
15 C.15 - Manufacture of leather and related products	(0.00)	(0.00)	(0.00)				-	-				
16 C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	(0.00)	-	(0.00)				-	-				
17 C.17 - Manufacture of paper and paper products	(0.00)	(0.00)	-				-	-				
18 C.18 - Printing and reproduction of recorded media	(0.00)	-	-				-	-				
19 C.19 - Manufacture of coke and refined petroleum products	-	-	-				-	-				
20 C.20 - Manufacture of chemicals and chemical products	(0.00)	(0.00)	(0.00)				-	-				
21 C.21 - Manufacture of basic pharmaceutical products and pharmaceutical preparations	-	-	-				-	-				
22 C.22 - Manufacture of rubber products	-	-	-				-	-				
23 C.23 - Manufacture of other non-metallic mineral products	(0.00)	(0.00)	(0.00)				-	-				
24 C.24 - Manufacture of basic metals	(0.00)	(0.00)	(0.00)				-	-				
25 C.25 - Manufacture of fabricated metal products, except machinery and equipment	(0.00)	(0.00)	(0.00)				-	-				
26 C.26 - Manufacture of computer, electronic and optical products	(0.00)	(0.00)	(0.00)				-	-				
27 C.27 - Manufacture of electrical equipment	(0.00)	(0.00)	(0.00)				-	-				
28 C.28 - Manufacture of machinery and equipment n.e.c.	(0.00)	(0.00)	(0.00)				-	-				
29 C.29 - Manufacture of motor vehicles, trailers and semi-trailers	(0.00)	(0.00)	-				-	-				
30 C.30 - Manufacture of other transport equipment	-	-	-				-	-				
31 C.31 - Manufacture of furniture	(0.00)	(0.00)	(0.00)				-	-				
32 C.32 - Other manufacturing	(0.00)	(0.00)	(0.00)				-	-				
33 C.33 - Repair and installation of machinery and equipment	(0.00)	-	(0.00)				-	-				
34 D - Electricity, gas, steam and air conditioning supply	(0.00)	(0.00)	(0.00)				-	-				
35 D35.1 - Electric power generation, transmission and distribution	(0.00)	(0.00)	(0.00)				-	-				
36 D35.11 - Production of electricity	(0.00)	(0.00)	(0.00)				-	-				
37 D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	-	-	-				-	-				
38 D35.3 - Steam and air conditioning supply	-	-	-				-	-				
39 E - Water supply, sewerage, waste management and remediation activities	(0.00)	(0.00)	(0.00)				-	-				
40 F - Construction	(0.03)	(0.00)	(0.03)				-	-				
41 F.41 - Construction of buildings	(0.02)	(0.00)	(0.02)				-	-				
42 F.42 - Civil engineering	(0.00)	(0.00)	(0.00)				-	-				
43 F.43 - Specialised construction activities	(0.01)	(0.00)	(0.01)				-	-				
44 G - Wholesale and retail trade; repair of motor vehicles and motorcycles	(0.03)	(0.00)	(0.03)				46	43				
45 H - Transportation and storage	(0.01)	(0.00)	(0.01)				-	-				
46 H.49 - Land transport and transport via pipelines	(0.00)	(0.00)	(0.00)				-	-				
47 H.50 - Water transport	-	-	-				-	-				
48 H.51 - Air transport	-	-	-				-	-				
49 H.52 - Warehousing and support activities for transportation	(0.00)	(0.00)	(0.00)				-	-				
50 H.53 - Postal and courier activities	(0.00)	(0.00)	(0.00)				-	-				
51 I - Accommodation and food service activities	(0.01)	(0.00)	(0.01)				-	-				
52 L - Real estate activities	(0.02)	(0.00)	(0.01)				9	9				
53 Exposures towards sectors other than those that highly contribute to climate change	(0.08)	(0.00)	(0.07)									
54 K - Financial and insurance activities	-	-	-									
55 Exposures to other sectors (NACE codes J, M - U)	(0.08)	(0.00)	(0.07)									
56 Total	(0.20)	(0.01)	(0.19)				55	52				

Disclosure of environmental, social and governance risks

continued Template 1 - Banking book- Indicators of potential climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity

(Amounts in € million)

Sector/Subsector	l	m	n	o	p
	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
1	2318151	0	0	9935	0,028834786
1 Exposures towards sectors that highly contribute to climate change*	2.32	-	-	0.01	-
2 A - Agriculture, forestry and fishing	0.01	-	-	-	-
3 B - Mining and quarrying	-	-	-	-	-
4 B.05 - Mining of coal and lignite	-	-	-	-	-
5 B.06 - Extraction of crude petroleum and natural gas	-	-	-	-	-
6 B.07 - Mining of metal ores	-	-	-	-	-
7 B.08 - Other mining and quarrying	-	-	-	-	-
8 B.09 - Mining support service activities	-	-	-	-	-
9 C - Manufacturing	0.14	-	-	-	-
10 C.10 - Manufacture of food products	0.02	-	-	-	-
11 C.11 - Manufacture of beverages	0.01	-	-	-	-
12 C.12 - Manufacture of tobacco products	-	-	-	-	-
13 C.13 - Manufacture of textiles	0.01	-	-	-	-
14 C.14 - Manufacture of wearing apparel	0.00	-	-	-	-
15 C.15 - Manufacture of leather and related products	0.01	-	-	-	-
16 C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	0.00	-	-	-	-
17 C.17 - Manufacture of paper and paper products	0.00	-	-	-	-
18 C.18 - Printing and reproduction of recorded media	0.00	-	-	-	-
19 C.19 - Manufacture of coke and refined petroleum products	-	-	-	-	-
20 C.20 - Manufacture of chemicals and chemical products	0.00	-	-	-	-
21 C.21 - Manufacture of basic pharmaceutical products and pharmaceutical preparations	0.01	-	-	-	-
22 C.22 - Manufacture of rubber products	0.00	-	-	-	-
23 C.23 - Manufacture of other non-metallic mineral products	0.00	-	-	-	-
24 C.24 - Manufacture of basic metals	0.00	-	-	-	-
25 C.25 - Manufacture of fabricated metal products, except machinery and equipment	0.02	-	-	-	-
26 C.26 - Manufacture of computer, electronic and optical products	0.01	-	-	-	-
27 C.27 - Manufacture of electrical equipment	0.01	-	-	-	-
28 C.28 - Manufacture of machinery and equipment n.e.c.	0.01	-	-	-	-
29 C.29 - Manufacture of motor vehicles, trailers and semi-trailers	0.00	-	-	-	-
30 C.30 - Manufacture of other transport equipment	0.00	-	-	-	-
31 C.31 - Manufacture of furniture	0.01	-	-	-	-
32 C.32 - Other manufacturing	0.01	-	-	-	-
33 C.33 - Repair and installation of machinery and equipment	0.00	-	-	-	-
34 D - Electricity, gas, steam and air conditioning supply	0.01	-	-	-	-
35 D35.1 - Electric power generation, transmission and distribution	0.01	-	-	-	-
36 D35.11 - Production of electricity	0.01	-	-	-	-
37 D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	0.00	-	-	-	-
38 D35.3 - Steam and air conditioning supply	-	-	-	-	-
39 E - Water supply; sewerage, waste management and remediation activities	0.00	-	-	-	-
40 F - Construction	0.09	-	-	-	-
41 F.41 - Construction of buildings	0.07	-	-	-	-
42 F.42 - Civil engineering	0.00	-	-	-	-
43 F.43 - Specialised construction activities	0.02	-	-	-	-
44 G - Wholesale and retail trade; repair of motor vehicles and motorcycles	0.47	-	-	0.00	-
45 H - Transportation and storage	0.03	-	-	-	-
46 H.49 - Land transport and transport via pipelines	0.01	-	-	-	-
47 H.50 - Water transport	0.00	-	-	-	-
48 H.51 - Air transport	-	-	-	-	-
49 H.52 - Warehousing and support activities for transportation	0.02	-	-	-	-
50 H.53 - Postal and courier activities	0.00	-	-	-	-
51 I - Accommodation and food service activities	0.04	-	-	-	-
52 L - Real estate activities	1.52	-	-	0.01	-
53 Exposures towards sectors other than those that highly contribute to climate change	1.75	-	-	0.01	-
54 K - Financial and insurance activities	-	-	-	-	-
55 Exposures to other sectors (NACE codes J, M - U)	1.75	-	-	0.01	-
56 Total	4.07	-	-	0.02	-

* In accordance with Commission Delegated Regulation (EU) 2020/1818 supplementing Regulation (EU) 2016/1011 with regard to minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks - Regulation on standards for climate benchmarks - Recital 6: Sectors referred to in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006.

Disclosure of environmental, social and governance risks

It should be noted that, consistent with the regulatory reporting, in the above table the values corresponding to the weighted average duration (column p) must be reported without decimals (whole number). The 'p' column is not reported because the weighted average maturities of the exposures shown above are less than one year.

Template 2 - Banking book - Indicators of potential climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral

Template 2 below shows the gross book value of loans secured by non-residential and residential real estate, including information on the energy efficiency level of the collateral measured in terms of energy consumption in kWh/m², in terms of the class assigned by the energy performance certificate (EPC) of the collateral.

The loans granted by FinecoBank mainly relate to loans secured by residential real estate in Italy; for all properties without EPC or whose data does not match the information in the provider's databases, the energy performance level was estimated. The following property information was used for the estimate: location, cadastral data, year of construction, surface area, intended use and state of preservation. This information was used by an external service provider engaged by the Group to estimate the energy performance (calculated through a machine learning model).

No significant changes in the energy efficiency levels were detected compared to the previous reporting period.

(Amounts in € million)

Counterparty sector	a	b	c	d	e	f	g
	Total gross carrying amount amount						
	Level of energy efficiency (EP score in kWh/m ² of collateral)						
	0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500	
1 Total EU area	2,142.91	351.99	762.04	924.54	78.22	14.11	12.01
2 Of which Loans collateralised by commercial immovable property	2.93	0.12	0.72	1.82	0.10	0.17	-
3 Of which Loans collateralised by residential immovable property	2,139.98	351.87	761.32	922.72	78.12	13.94	12.01
4 Of which Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-
5 Of which Level of energy efficiency (EP score in kWh/m ² of collateral) estimated	1,655.84	218.93	558.79	822.17	48.73	3.99	3.23
6 Total non-EU area	-	-	-	-	-	-	-
7 Of which Loans collateralised by commercial immovable property	-	-	-	-	-	-	-
8 Of which Loans collateralised by residential immovable property	-	-	-	-	-	-	-
9 Of which Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-
10 Of which Level of energy efficiency (EP score in kWh/m ² of collateral) estimated	-	-	-	-	-	-	-

Disclosure of environmental, social and governance risks

continued Template 2 - Banking book - Indicators of potential climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral

(Amounts in € million)

Counterparty sector	a	h	i	j	k	l	m	n	o	p
	Total gross carrying amount amount									
	Level of energy efficiency (EPC label of collateral)								Without EPC label of collateral	
	A	B	C	D	E	F	G		Of which level of energy efficiency (EP score in kWh/m ² of collateral) estimated	
1 Total EU area	2,142.91	262.98	63.12	37.60	91.00	124.31	141.24	127.37	1,295.30	100.00%
2 Of which Loans collateralised by commercial immovable property	2.93	-	0.13	0.12	0.12	-	-	0.18	2.39	100.00%
3 Of which Loans collateralised by residential immovable property	2,139.98	262.98	62.99	37.48	90.88	124.31	141.24	127.20	1,292.91	100.00%
4 Of which Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-
5 Of which Level of energy efficiency (EP score in kWh/m ² of collateral) estimated	1,655.84								1,295.30	100.00%
6 Total non-EU area	-	-	-	-	-	-	-	-	-	-
7 Of which Loans collateralised by commercial immovable property	-	-	-	-	-	-	-	-	-	-
8 Of which Loans collateralised by residential immovable property	-	-	-	-	-	-	-	-	-	-
9 Of which Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-
10 Of which Level of energy efficiency (EP score in kWh/m ² of collateral) estimated	-								-	-

Disclosure of environmental, social and governance risks

Template 3 - Banking book – Indicators of potential climate change transition risk: Alignment metrics

The "Template 3 – Banking book — Indicators of potential climate change transition risk: Alignment metrics" aims to demonstrate how institutions are progressing toward their commitments to align with the Paris Agreement objectives for a selected number of sectors. This information concerns emissions by counterparty sector and based on alignment metrics defined by the International Energy Agency (IEA) for various sectors.

The Group does not publish this template because, as at 31 December 2025, exposures to companies included in the "list of NACE sectors to be considered" (at a minimum) are negligible. The Group's business model is primarily aimed at retail customers, and the Group invests its liquidity primarily in financial instruments issued by sovereign states and supranational issuers, which are targeted by the Group's 2050 Net-Zero Emission Commitment decarbonisation objectives.

Template 4 - Banking book - Indicators of potential climate change transition risk: Exposures to top 20 carbon-intensive

The "Template 4 - Banking Portfolio - Indicators of Potential Climate Change Transition Risk: Exposures to the Top 20 Carbon-intensive Businesses" is not represented, due to the fact that as at 31 December 2025 there are no exposures to these companies.

In terms of counterparty commitment to environmental risk management, the Bank's credit policy is oriented towards loans to retail customers and investments in financial instruments of central governments, central banks and supranational issuers. Therefore, non-financial corporate exposures are negligible. However, to verify whether the Bank's non-financial corporate counterparties were included in the list of the 20 most polluting companies in the world, the following source was used: The Carbon Majors Database, CDP Carbon Majors Report. None of the Bank's exposures refer to such companies.

Template 5 - Banking book - Indicators of potential climate change physical risk: Exposures subject to physical risk

Template 5 below provides information on exposures, within the banking book, to non-financial corporations and loans secured by real estate that are exposed to chronic and acute climate-related risks, with a breakdown by business sector. Considering that the Group has exposures secured exclusively by real estate located in Italy and that there are no significant variations in terms of physical risk exposure of the portfolio between macro-areas or regions, it was decided to consider Italy as the geographical area.

In order to identify the exposures subject to physical risks related to climate change, an external service provider was used to geolocalise the real estate as collateral for loans (latitude and longitude), in order to avoid the simplifications and approximations available with only municipality-level data.

Starting from a series of risk maps prepared by public bodies (ISPRA²⁶, the Joint Research Center of the European Commission, the Copernicus Climate Change Service C3S - a service created by the European Union to monitor climate change²⁷- and NASA, the level of exposure of buildings to certain physical risks, both acute (Floods and Landslides) and chronic (Water Stress Risk, Soil Erosion Risk and Sea level rise risk), was identified.

Columns 'c' to 'o' show the amount of exposures related to collateral properties in the areas of greatest risk for physical hazards described above.

The 'higher hazard' was assessed as follows:

- with regard to the risk of Floods, the exposures relating to the properties falling within the areas classified by ISPRA as "High Hydraulic Hazard" have been reported (it should be noted that it has been considered correct to neutralise the hydraulic hazard for property units above ground level);
- with regard to the Landslide Risk, the exposures relative to buildings falling within the areas classified by ISPRA as: "Very High Danger Zone P4" and "High Danger Zone P3" have been reported;
- with regard to the Water Stress Risk, exposures have been reported for buildings falling in areas classified by the Global Drought Observatory (part of Copernicus C3S) as "SPI (Standardized Precipitation Index) <= -2 - Extremely Dry";
- for Soil Erosion Risk, exposures have been reported for properties falling in areas classified by Copernicus C3S as "Soil Erosion Index >20 tonnes/hectare/year" (red area);
- with regard to Sea Level Rise Risk, exposures relating to properties for which sea level rise above zero is expected before the maturity of the loan have been reported.

In general, the collateral portfolio showed a relatively low exposure to physical risks (about 10% of exposures secured by real estate are exposed to high risks as determined above).

The Group, in a proactive and conservative manner, has also acquired from the external provider another set of indicators useful for assessing the exposure of real estate collateralised loans to other types of risks (e.g. earthquakes), but as these indicators are not directly referable to the types of risks to be mapped under Template 5, they are not reported/used here²⁸.

²⁶ ISPRA – "The Italian web platform on landslides and floods" (<https://idrogeo.isprambiente.it/app/>).

²⁷ "Copernicus is the European Union's Earth observation programme, looking at our planet and its environment to benefit all European citizens. It offers information services that draw from satellite Earth Observation and in-situ (non-space) data" (<https://www.copernicus.eu/en/about-copernicus>).

²⁸ The additional risk indicators mapped by the external provider, who assigned scores per property, were:

a) The environmental synthetic risk: related to floods, landslides, earthquakes, volcanic eruptions (Sources: ISPRA, Civil Protection, INGV);

b) The territorial synthetic risk: relative to air and water pollution (Source: ISPRA);

Disclosure of environmental, social and governance risks

Finally, to assess exposures sensitive to the impact of physical events related to climate change related to manufacturing activities (exposures to non-financial corporations), as for Template 1, the Group has defined a materiality threshold of EUR 100,000 in order to identify larger counterparties the geographic location of the counterparty's registered office has been considered, applying the same risk assessments as for real estate securing loans (rows 10 and 11 of this Model).

(Amounts in € million)

	a	b	c	d	e	f	g
	Gross carrying amount						
	of which exposures sensitive to impact from climate change physical events						
	Breakdown by maturity bucket						
	Italia						
			<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
1	A - Agriculture, forestry and fishing	0.01	-	-	-	-	-
2	B - Mining and quarrying	-	-	-	-	-	-
3	C - Manufacturing	0.14	-	-	-	-	-
4	D - Electricity, gas, steam and air conditioning supply	0.01	-	-	-	-	-
5	E - Water supply; sewerage, waste management and remediation activities	0.00	-	-	-	-	-
6	F - Construction	0.09	-	-	-	-	-
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	0.47	0.21	-	-	-	-
8	H - Transportation and storage	0.03	-	-	-	-	-
9	L - Real estate activities	1.53	-	-	-	-	-
10	Loans collateralised by residential immovable property	2,139.98	7.20	30.77	133.57	61.43	16
11	Loans collateralised by commercial immovable property	2.93	0.08	-	0.23	-	12
12	Repossessed collaterals	-	-	-	-	-	-
13	Other relevant sectors	1.80	-	-	-	-	-

c) The social synthetic risk: based on social vulnerability, depopulation, and income parameters (Source: ISTAT)

d) The heat wave risk: caused by prolonged periods of extremely high temperatures in a particular area (Source: Copernicus Climate Change Service C3S - EU).

Disclosure of environmental, social and governance risks

continued Template 5 - Banking book - Indicators of potential climate change physical risk: Exposures subject to physical risk

(Amounts in € million)

a	b	h	i	j	k	l	m	n	o	
Gross carrying amount										
of which exposures sensitive to impact from climate change physical events										
Italia		of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			
			of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events			of which Stage 2 exposures	Of which non-performing exposures		
1	A - Agriculture, forestry and fishing	0.01	-	-	-	-	-	-	-	
2	B - Mining and quarrying	-	-	-	-	-	-	-	-	
3	C - Manufacturing	0.14	-	-	-	-	-	-	-	
4	D - Electricity, gas, steam and air conditioning supply	0.01	-	-	-	-	-	-	-	
5	E - Water supply; sewerage, waste management and remediation activities	-	-	-	-	-	-	-	-	
6	F - Construction	0.09	-	-	-	-	-	-	-	
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	0.47	0.21	-	-	-	-	-	-	
8	H - Transportation and storage	0.03	-	-	-	-	-	-	-	
9	L - Real estate activities	1.53	-	-	-	-	-	-	-	
10	Loans collateralised by residential immovable property	2,139.98	170.81	53.07	9.10	66.45	2.83	(2.65)	(0.28)	(1.26)
11	Loans collateralised by commercial immovable property	2.93	0.31	-	-	0.17	-	(0.00)	(0.00)	-
12	Repossessed colaterals	-	-	-	-	-	-	-	-	-
13	Other relevant sectors	1.80	-	-	-	-	-	-	-	-

Disclosure of environmental, social and governance risks

Please note that the ESG Templates relating to the Green Asset Ratio (GAR) and the Taxonomy Regulation (Templates 6 to 10) are not published as the related disclosure obligations are suspended until the amendments to the EBA Implementing Technical Standards (ITS) on disclosure are adopted and enter into force, in accordance with the EBA consultation document (EBA/CP/2025/07) published on 22 May 2025 and the EBA “no-action letter” published on 6 August 2025, which formalised the guidance provided in the consultation document.

Remuneration policy

Below is the information on the Group's remuneration policies required by Article 450 of the CRR.

For further details, please refer to the "Remuneration policy and report", available on FinecoBank's website at www.finecobank.com.

EU REMA - Remuneration policy

This section provides qualitative information on the main elements of the FinecoBank Group's remuneration policies and how these policies are implemented:

a) Information relating to the bodies that oversee remuneration.

The body that oversees the application of the Group's Remuneration Policy and the design of the compensation systems is the Remuneration Committee. The Committee is composed by 3 non-executive Directors: Mr. Gianmarco Montanari, Ms. Giancarla Branda and Mr. Marin Gueorguiev, which are independent pursuant to art. 148 TUF and art. 2 of the Corporate Governance Code. As required by the "Corporate Governance Rules" internal regulation, the Committee has the role of presenting proposals and issuing opinions to the Board of Directors in relation to the Group's remuneration strategy, including, by way of example, the criteria for determining remuneration, performance targets, equity incentive plans etc., also supervising the overall consistency and application of the approved Remuneration Policy (for more details on the role of the Remuneration Committee, refer to Section II, p. 2.1 of the 2025 Remuneration Policy). The Remuneration Committee held 11 meetings in 2025.

As provided for by the applicable legislation, in 2025 the Committee, in performing its duties, was supported by an external consultant (Deloitte Consulting), specialized in advisory services, (providing, for example, market practices analysis on remuneration, updates on the reference regulatory framework, proposals for the definition of the peer group, etc.). The external advisor, whose independence had been previously verified, was appointed by the Remuneration Committee following a selection process, within the budget assigned by the Board of Directors.

The remuneration policy of the Group applies to FinecoBank S.p.A, the parent company of the Group, with reference to the employees, taking into account the specifics of their roles and duties, and to the financial advisors in line with the specific remuneration of the latter. Specific provisions contained in the Remuneration Policy apply exclusively to the Group's Identified Staff, as identified according to the criteria established by the relevant legislation. FinecoBank, in its capacity as parent company, ensures that the remuneration in the group companies, with specific reference to the subsidiary Fineco AM, is compliant with the principles and rules established by the Group Remuneration Policy and with the specific industry and local regulatory framework.

As a result of the analysis, conducted in line with the provisions of the Circular no. 285 of 2013 of the Bank of Italy and the EU Delegated Regulation 923/2021, the following categories of employees of staff whose professional activities have a material impact on institutions' risk profile have been defined for 2025:

- non-Executive Directors member of the Board,
- Chief Executive Officer and General Manager,
- Executives with strategic responsibility,
- Executive positions with managerial responsibility on Company Control Functions (Compliance, Risk Management, Internal Audit, Anti-Money Laundering);
- Executive positions with managerial responsibility as regard in legal affairs, finance and economic analysis, human resources, information technology, cyber security and other positions that are responsible for strategic decisions which may have a relevant impact on the Group's risk profile.

In any case, all employees with Global band title equal to or greater than Senior Vice President are included among the Identified Staff. The financial advisors belonging to the Identified Staff are those who have an overall annual remuneration equal to or greater than 750,000 Euro and who fall within the 0.3% of PFAs in the Network with the highest total compensation, as well as those who coordinate financial advisors with total assets equal to or greater than 5% of the total assets attributable to the Network.

For more details, refer to Section I paragraph 4.1 of the 2025 Remuneration Policy.

b) Information relating to the design and structure of the remuneration system for identified staff.

The principles established by the Remuneration Policy are the pillars used to define the remuneration systems. Fineco's approach to remuneration, consistent with the legislation and best market practices, ensures the link to performance, external context and market practices, business strategies and long-term interests of shareholders.

Notably, the Remuneration Policy aims to define incentive systems consistent with corporate values and objectives (including those that take into account environmental, social and governance factors), with company results and with effective risk management in line with the reference framework for determining the risk appetite and with capital and liquidity levels.

Appropriate remuneration and incentive mechanisms strive to support the creation of a working environment that is inclusive of any form of diversity and capable of encouraging the expression of individual potential, attracting, retaining and motivating highly qualified resources.

In line with our remuneration governance model characterized by clarity, reliability and transparency in the decision-making processes, the Remuneration Policy is drawn up by the Human Resources function, with the involvement of the other company functions based on the area of expertise and evaluated by the Compliance and Risk Management function before being submitted to the Remuneration Committee.

Remuneration policy

The Remuneration Policy, upon proposal of the Remuneration Committee, is submitted annually to the Board of Directors and subsequently to the Shareholders' Meeting for approval, in line with regulatory requirements.

The link between profitability, risk and remuneration is guaranteed by directly linking the bonus pool with company results and relevant risk profiles as defined in the reference framework for determining the risk appetite. Notably, specific entry conditions are defined, which act as ex-ante risk adjustment mechanisms and assess the Group's performance in terms of profitability, capital and liquidity.

Only if all entry conditions are met, the bonus pool is confirmed with the possibility of applying further adjustments based on the overall assessment of the risk factors included in the risk-weighting mechanism "CRO dashboard". The CRO dashboard includes specific risk indicators of the Risk Appetite Framework (this process also applies to the definition of the bonus pool for Financial Advisors). For more details, please refer to Section I paragraph 4.2 of the 2025 Remuneration Policy.

Once the bonus pool is defined, individual bonuses are determined within the annual performance appraisal process, based on the principles of transparency and clarity to ensure a direct link between variable remuneration and performance.

The variable remuneration awarded or paid is subject to ex-post risk adjustment mechanisms (malus and claw back respectively) that take into account, among others, individual behavior.

Notably, these measures make it possible to reduce, cancel or request the return of any form of variable remuneration. For more details, please refer to the Focus on "Compliance breach, individual malus and claw back" in Section I paragraph 2.5.3 of the 2025 Remuneration Policy.

In 2025, the Remuneration Committee reviewed the 2024 Remuneration Policy making appropriate changes to further align with market practices and the expectations and indications of investors and proxy advisors.

The following are the main changes introduced compared to 2024:

- in line with the "pay for sustainable performance" principle and to further strengthen the alignment of management's interests with those of shareholders, effective January 1st, 2025, the share ownership requirements were increased: for the Chief Executive Officer and General Manager from 200% to 300% of fixed remuneration and for the other Executives with strategic responsibilities from 100% to 200% of fixed remuneration;
- as part of the Group's commitment to ensuring the Remuneration Policy is gender neutral and, specifically, the objective of improving the Gender Equity Pay Gap set forth in the Long-Term Incentive Plan for the three-year period 2024-2026, the methodology for calculating the indicator has been refined to identify gender-related gaps with even greater precision and granularity, in accordance with the provisions of EU Directive 2023/970 "Pay Transparency";
- in line with the principle of compliance with regulatory requirements, the key principles of the ECB Draft Guide on governance and risk culture have been incorporated into the compliance drivers. In this context, and with the aim of further promoting a culture of risk and compliance, the "Tone from the top" performance objective, present in the scorecard of the Chief Executive Officer and General Manager and all "Identified Staff" employees, has been strengthened with reference to the 2025 incentive system. Furthermore, the thresholds for achieving the entry conditions for the 2025 incentive systems have been raised;
- to further improve the transparency of the Group's remuneration practices and in line with the principle of "pay for performance", the disclosure of the link between performance and bonus is enhanced by explaining the different payout thresholds linked to the overall performance appraisal. In the incentive curve, the percentage of payout is measured by a linear progression between the minimum and the maximum rating;
- in order to meet the suggestions of the shareholders, the circumstances for granting other remuneration components (e.g. welcome bonus and retention bonus) and the limits on their use are further described in line with the regulatory provisions.

In order to guarantee the independence of the corporate control functions (Internal Audit, Compliance, Risk Management, Anti-Money Laundering) from the results of the areas they monitor and to minimize potential conflicts of interest, no economic objectives or objectives linked to the economic results of the monitored areas are assigned. The individual objectives for the employees of these functions primarily reflect the performance of their own function.

Additionally, the variable remuneration of Identified Staff of the Company Control Functions cannot exceed 1/3 of the fixed remuneration in line with the applicable regulatory framework and the incentive systems reflect the nature of their responsibilities and consistent with market practices.

In order to adequately remunerate qualified and expert personnel in these functions, ensuring competitiveness in terms of total compensation, the Identified staff belonging to the corporate control functions benefit from a specific "Role based allowance" on the basis of the global band title.

From a governance point of view, the Remuneration Committee directly supervises the remuneration of all Identified Staff belonging to the corporate control functions, regardless of their global band title. In addition, the Corporate Bodies Regulation provides that the Risk and Related Parties Committee is involved in setting and evaluating performance goals and in defining the overall remuneration of the Heads of corporate control functions.

Goals linked to economic results are also avoided for the Head of Human Resources and the Manager in charge of financial statements, whose remuneration is predominantly fixed.

Remuneration policy

For the Identified Staff belonging to the Control Functions, Human Resources and Manager in Charge, any implications on the annual bonus of the application of the Zero Factor clause, which is activated in the event of failure to achieve at least one of the access conditions, are assessed by the Board of Directors, considering their independence from the economic results of the areas under their control.

The other forms of remuneration are subject to an-hoc decision-making process through the involvement of the relevant functions and, where required, the corporate bodies.

Welcome bonus and retention bonus are considered variable remuneration and are limited only to exceptional situations related to the need to attract the best competencies from the market, the launch of special projects, high risk of leaving for critical/strategic employees/roles or in connection with restructurings, liquidations or following a change of control, to ensure business continuity, in line with the market practices. Bonuses linked to the hiring of new staff cannot be paid more than once to the same person, neither by the bank nor by any other company of the banking group and contribute to the determination of the limit to the ratio between fixed and variable remuneration of the first year, unless it is paid as a lump sum upon hiring.

Retention bonuses, in accordance with Bank of Italy Circular No. 285 of 2013, may be paid to staff by reason of their remaining in service for a predetermined period of time or until a specified event, and are paid not earlier than the end of the retention period or the occurrence of the event.

These forms of remuneration are not a common practice of the Group for Identified Staff.

The other forms of remuneration are granted in compliance with the regulations in force and are defined in line with the governance processes of FinecoBank S.p.A. and Group.

All remuneration classified as variable remuneration is subject to the applicable rules (e.g. cap on the ratio between variable and fix remuneration, deferral) as well as to malus conditions and claw-back actions, as legally enforceable. These components are taken into account as retention measures in the Resolution Plan adopted by the Group in line with the Single Resolution Board's Operational Guidance for Operational Continuity in Resolution.

For more details, refer to Section I paragraph 3.2.5 of the 2025 Remuneration Policy.

With reference to severance pay, the Shareholders' Meeting of 10 April 2019 approved the Termination Payments Policy (so-called "Severance"), incorporating the regulatory provisions of the Circular no. 285/ 2013 of the Bank of Italy, and in particular the provisions regarding the amounts agreed in view of or on the occasion of the early termination of the employment relationship.

For more details, refer to Section I paragraph 3.2.4 of the 2025 Remuneration Policy.

c) Description of the ways in which current and future risks are taken into account in the remuneration processes.

As described in point b), the link between risk and remuneration is guaranteed by directly linking the bonus pool with the relevant risk profiles as defined in the reference framework for determining the risk appetite.

In fact, specific entry conditions that act as ex ante risk adjustment mechanisms are foreseen, which for 2025 are: Net Operating Profit adjusted >0, Net Profit >0, CET1 Ratio >14.5%, Liquidity Coverage Ratio >360%, Net Stable Funding Ratio >195%.

If all entry conditions are met, the bonus pool is confirmed with the possibility of applying further adjustments (through the so-called multiplier) based on the overall assessment of the risk factors included in the weighting mechanism defined as the "CRO dashboard".

The CRO dashboard is risk-adjustment mechanism that includes specific risk indicators taken from the Risk Appetite Framework connected to capital, liquidity, risk & return, Credit, Interest Rate Risk on Banking Book, Operational risk, such as LCR, EL stock, EV Sensitivity, RAROE etc.

The Risk Management function performs the CRO Dashboard, on the basis of specific methodology approved by the Board of Directors, evaluation resulting in a multiplier of the bonus pool according to a negative (50% and 75%), neutral (100%) or positive (110% and 120%) ranges. The opportunity to apply an extra performance to the bonus pool can only be granted in case of positive EVA at the end of the financial year (the risk-adjustment mechanism applies also to the bonus pool for financial advisors with a correction range from 50% to 125%).

For more details, refer to Section I paragraph 4.2 and 4.3 of the 2025 Remuneration Policy.

d) The ratios between fixed and variable remuneration set in accordance with point (g) of Article 94(1) CRD.

In compliance with the applicable regulatory provisions, the Ordinary Shareholders' Meeting of FinecoBank established a maximum ratio between the variable and fixed component of the remuneration equal to 2:1 for employees belonging to the business functions.

For the rest of the employees, a maximum ratio equal to 1:1 is usually adopted (the variable component, if present, is limited for all the personnel of the corporate control functions and of the human resources function). The variable remuneration of Identified Staff in company control functions cannot exceed 1/3 of the fixed remuneration.

The remuneration is predominantly fixed for the Head of Human Resources and the Manager in charge of financial statements.

In line with the applicable regulations, for financial advisors belonging to Identified Staff, a 2:1 ratio is applied between the non-recurring and the recurring component of the remuneration.

Remuneration policy

The adoption of a ratio of 2:1 between variable and fixed compensation does not have any implication on the Bank's capacity to continue to respect all prudential rules, in particular capital requirements.

e) Description of the ways in which the institution seeks to link performance during a performance measurement period with levels of remuneration.

The link between profitability and remuneration is guaranteed by directly linking the bonus pool with company results.

Notably, specific entry conditions are defined, which assess the Group's performance in terms of profitability, capital and liquidity.

Entry conditions for 2025 take into consideration, in fact, the following corporate performance indicators: Net Operating Profit adjusted, Net Profit, CET1 Ratio, Liquidity Coverage Ratio, Net Stable Funding Ratio for the definitions, refer to Section I, paragraph 4.2 of the 2025 Remuneration Policy.

Verification of the achievement of all entry conditions allows to confirm the bonus pool defined in the budget phase by applying the "funding rate", a percentage of the Net Operating Profit (net of Provisions for Risk and Charges, corresponding to Profit Before Tax), and taking into consideration historical data analysis, expected profitability, business strategy and previous year pool.

Further adjustments to the bonus pool can be applied on the basis of the overall assessment of the risk factors included in the so-called "CRO dashboard (as described in point c).

For the subsidiary Fineco AM, additional entry conditions are envisaged at local level, which reflect the specific nature of the business, as well as other performance and risk adjustment parameters.

With regard to employees, individual bonuses are defined within the annual performance appraisal process, based on the principles of transparency and clarity to ensure a direct link between variable remuneration and performance, taking into consideration the internal benchmarking analysis based on the role and in compliance with the maximum ratio between variable and fixed remuneration approved by the Shareholder's Meeting.

The annual performance appraisal process requires a goal-setting phase at the beginning of the year for all Identified Staff. The individual goals are assigned through the Scorecard, which adequately balances economic-financial and non-economic factors.

The 2025 Scorecard for Identified Staff provides for a minimum of 5 and maximum 8 goals that reflect the Bank and Group's strategy, of which 4-6 goals linked to business objectives and/or to the role, with an overall weight of 80% on the Scorecard, and up to 2 sustainable goals, defined as the ability to generate and sustain value for all stakeholders over the medium to long term, with a 20% weight on the Scorecard.

For Company Control Functions, Human Resources department and the Manager in charge of financial statements, no goals linked to economic results are assigned, in order to minimize potential conflicts of interest and be independent from the results of the respective areas.

For the purposes of performance appraisal, the reference target and the level of achievement, according to predefined evaluation scale, are defined for each quantitative objective. Qualitative objectives are evaluated based on specific parameters determined ex-ante. Each quantitative and qualitative objective is evaluated on the basis of a 5-point rating scale with a descriptive outcome (from "Below Expectations" to "Greatly Exceeds Expectations"), which drives the definition of the individual bonus amount. Therefore, the overall performance is assessed from 'Below' to 'Greatly Exceeds' on the basis of the weighted average of the values assigned to each goal, also taking into account additional external context and/or market factors. In line with the principle of "pay for performance", the individual bonus is allocated to beneficiaries based on the performance appraisal.

Additionally, individual behaviors (compliance with internal and external rules and regulations, absence of disciplinary actions and completion of mandatory training) are also considered in order to award bonuses.

With regard to financial advisor Identified Staff, the performance assessment, is based on specific parameters (by way of example, total net sales goal and total net sales under management goal, development activities, value generated by the requalification of assets in liquidity and asset under custody in Guided Products etc.).

In order to award incentives individual behaviors (compliance with internal and external rules, Compliance rules and Group's integrity values and regulations and absence of disciplinary actions) are also considered (compliance assessment). In addition, to further strengthen compliance, a "Scoring" system is in place, consisting of an adjustment mechanism resulting from the assessment of compliance indicators and quality of operations, relating to specific areas such as MIFID, transparency, mandatory training, AML etc. This system is applied during the incentive period and can lead to the revision of the amount of the accrued bonus.

Variable remuneration is linked to company performance, as described in the previous point related to the bonus pool, the amount of which is directly proportional to the results achieved by the Bank.

With regard to individual bonus, Performance Management is the annual process of assigning and evaluating objectives, which ensures fair and transparent consistency between remuneration and individual performance across the organization. Please refer to the previous section for details on how this process works.

Bonus is delivered for Identified Staff through immediate (upfront) and deferred installments - in cash or in FinecoBank ordinary shares - over a maximum 6-year period. No other financial instruments are currently envisaged.

In line with Circular no. 285/2013 of the Bank of Italy, at least 50% of the overall variable remuneration of Identified Staff is paid in FinecoBank ordinary shares.

Remuneration policy

56% of the bonus for the Chief Executive Officer and General Manager and for other roles provided for by the law (such as Deputy General Managers etc.) with significant variable remuneration is paid in shares, while 55% of the bonus is paid in shares for the roles provided by law with no significant variable remuneration.

Finally, for the other identified staff with no significant amount of total variable remuneration, the share component of the variable remuneration is equal to 50%. With reference to Financial Advisors, a balanced structure of payments in cash (50%) and shares (50%) was defined in 2025.

Specific entry conditions link the bonus pool to company performance, based on profitability, capital and liquidity indicators.

The bonus pool is confirmed only if all entry conditions are met. If even one entry condition is not met, the Zero Factor clause is applied to the Identified Staff thus zeroing out the bonus pool for the reference year while previous systems deferrals could be reduced from 50% to 100% of their value, based on final actual results.

For the rest of the population a significant reduction will be applied. It is understood that the BoD can allocate part of the pool for retention purposes or to ensure competitiveness on the market.

For the Identified Staff belonging to the Control Functions, Human Resources and Manager in Charge of the Financial Statements, the implications on the annual bonus of the application of the Zero Factor will be specifically assessed by the Board of Directors, considering their independence with respect to the economic results of the areas subject to their control.

f) Description of the ways in which the institution seeks to adjust remuneration to take account of long-term performance.

Bonus is delivered through immediate (upfront) and deferred installments - in cash or in FinecoBank ordinary shares - over a maximum 6-year period. The payment structure has been defined in line with Bank of Italy provisions requiring a retention period for both upfront and deferred shares.

The 2025 payment schemes are based on two time horizons (5 and 6 total years) differentiated on the basis of the target population and of the total amount of variable remuneration awarded for the performance year.

For the CEO and GM and other roles provided by law with a significant amount of total variable remuneration in the performance year 2025 ($\geq 434,000$ €) a 5-year deferral scheme applies with an overall payout structure of 6 years, with 60% of bonus deferred.

For these roles, 56% of the variable remuneration is delivered in shares (of which 20% upfront and 36% deferred), while 44% is paid in cash (of which 20% upfront and 24% deferred).

For the other roles provided by law with no significant amount of total variable remuneration ($< 434,000$ €) a 5-year payout scheme applies with an overall payout structure of 6 years, with 50% of bonus deferred.

For these roles, 55% of the variable remuneration is delivered in shares (of which 25% upfront and 30% deferred), while 45% is paid in cash (of which 25% upfront and 20% deferred).

Finally, for the other identified staff with no significant amount of total variable remuneration a 4-year deferral scheme applies with an overall payout structure of 5 years, with 40% of bonus deferred. 50% of the variable remuneration is delivered in shares, of which 30% upfront and 20% deferred. 50% is paid in cash, of which 30% upfront and 20% deferred.

No deferral is applied in the presence of an annual variable remuneration equal to or less than € 50,000 and equal to or less than one third of the total annual remuneration.

Regarding financial advisors, for the Identified Staff with a significant amount of total variable remuneration a 4-year deferral scheme applies with an overall payout structure of 5 years, with 60% of bonus deferred. 40% of the bonus is deferred over a 4-year period for the Identified Staff with no significant amount of total variable remuneration.

In order to align the long-term interests of the Bank's Management with the long-term value creation for shareholders, a share based long-term incentive plan for employees was launched, in line with the 2024-2026 Multi Year Plan.

In particular, financial performance goals such as ROAC, Net Sales of AUM, Total Net Sales, Cost Income Ratio and Operational Losses on Revenues have been set. Three ESG parameters have been identified with regard to Scope 1 and 2 (market-based) emissions reduction, the achievement of Diversity, Equity & Inclusion goals, and the enlargement of the ESG product offering with article 8 and 9 SFDR funds. The Plan provides for entry and malus conditions, claw-back conditions and a specific risk-adjustment mechanism.

The plan provides for the allocation of FinecoBank ordinary shares to be delivered in several instalments over a multi-year period, defined according to the categories of beneficiaries and in line with applicable regulatory provisions. For further details, please refer to Section I paragraph 5 of the 2025 Remuneration Policy.

Malus and claw-back clauses may be activated in order to take into account individual behaviors in violation of external regulations or internal codes adopted in the reference period in which the variable remuneration is accrued (malus and claw back clauses apply also to financial advisors, compatibly with the specificity of their role).

Remuneration policy

The malus clause (i.e. the reduction/cancellation of the variable remuneration) can be activated to the variable remuneration to be awarded or awarded but not already paid related to the performance period which the compliance "violation" is referred to.

The claw-back clause (i.e. the return of all or part of the variable remuneration) can be activated with reference to the overall variable remuneration already paid, awarded for the performance period which the "violation" is referred to, without prejudice to more restrictive local laws or provisions and as legally enforceable, for a period up to 5 years after each instalment (upfront or deferred) has become available to the beneficiary (that means after deferrals and/or applicable holding period), even after the termination of the employment relationship.

Malus and claw-back can be activated in case the individual:

- has displayed conduct that does not comply with legal, regulatory or statutory provisions or with codes of ethics or conduct applicable to the bank, in the cases envisaged by the latter;
- has adopted further conduct that does not comply with legal, regulatory or statutory provisions or with codes of ethics or conduct applicable to the bank, which resulted in a significant loss for the bank or for customers;
- has contributed with fraudulent behavior or gross negligence to incurring significant financial losses, or by his conduct had a negative impact on the risk profile or on other regulatory requirements at Bank or FinecoBank Group level;
- has engaged in misconduct and/or fails to take expected actions which contributed to significant reputational harm to the Bank or the FinecoBank Group, or which were subject to disciplinary procedures, included those still in progress, or measures by the Authority;
- is the subject of disciplinary measures and initiatives envisaged in respect of fraudulent behavior or characterized by gross negligence during the reference period;
- has infringed the requirements set out by articles 26 TUB and 53 TUB, where applicable, or the obligations regarding remuneration and incentives.

Furthermore, malus and claw-back reflect the performance levels net of the risks assumed or actually achieved.

The entry conditions as described in point e) work as malus conditions for the deferrals of previous year's incentive systems.

For more details, refer to Section I paragraph 2.5.3 of the 2025 Remuneration Policy.

In line with the "pay for sustainable performance" principle, minimum levels for company share ownership are set for Executives, aiming to align interests of top management to those of shareholders by assuring appropriate levels of personal investment in FinecoBank shares over time.

Effective 1 January 2025, the Board of Directors has provided for new share ownership requirements for the Chief Executive Officer and General Manager and the other Executives with strategic responsibilities:

- 3 x annual fixed compensation for the CEO and General Manager;
- 2 x annual fixed compensation for Managers with strategic responsibilities.

As a rule, the established levels described should be reached within 5 years from the first appointment in the covered role or starting from 1 January 2025 for those already holding the above positions, and they should be maintained for the entire duration of the role covered.

The established levels should be reached through a linear pro-rata approach, providing for a minimum portion every year.

For more details, refer to Section I paragraph 2.5.4 of the 2025 Remuneration Policy.

g) The description of the main parameters and rationale for any variable components scheme and any other non-cash benefit in accordance with point (f) of Article 450(1) CRR.

The overall variable remuneration (bonus pool) is defined consistently with the performance of the Bank, by applying the funding rate, a percentage of the Net Operating Profit (net of Provisions for Risk and Charges, corresponding to Profit Before Tax), and taking into consideration historical data analysis, expected profitability, business strategy and previous year pool.

Further adjustments to the bonus pool can be applied on the basis of the overall assessment of the risk factors included in the so-called "CRO dashboard (as described in point c).

Furthermore, as described in point e), in order to confirm the bonus pool, all entry conditions - which take into account corporate performance indicators such as Adjusted Net Operating Profit, Net Profit, CET1 Ratio etc. - must be met.

The incentive system for Identified Staff provides a balanced structure of "upfront" and "deferred" payments, in cash and/or in shares, to be paid over a multi-year period for all Identified Staff.

With reference to the criteria adopted for balancing the share and cash components, please refer to point e) and for the description of the payout schemes refer to point f).

h) Upon demand from the relevant Member State or competent authority, the total remuneration for each member of the management body or senior management.

Please refer to the 2025 Remuneration Report, Section II of the 2026 Remuneration Policy and Report.

Remuneration policy

i) Information on whether the institution benefits from a derogation laid down in Article 94(3) CRD in accordance with point (k) of Article 450(1) CRR.

With reference to the remuneration paid in 2025, in line with the Circular no. 285/2013, the derogation was applied pertaining to art. 94 paragraph 3 letter b) of the CRD, according to which no deferral is applied in the presence of an annual variable remuneration equal to or less than € 50,000 and equal to or less than one third of the total annual remuneration. The derogation therefore applies to the principles of the Remuneration Policy concerning the deferral of at least 40% of variable remuneration. The Identified Staff who benefited from the derogation are 2, with a total remuneration of € 278,455, of which fixed € 218,455 and variable € 60,000.

j) Large institutions shall disclose the quantitative information on the remuneration of their collective management body, differentiating between executive and non-executive members in accordance with Article 450(2) CRR.

Please refer to the 2025 Remuneration Report, Section II of the 2026 Remuneration Policy

EU REM1 - Remuneration awarded for the financial year

(Amounts in euro)

		a	b	c	d	
		MB Supervisory function	MB Management function	Other senior management	Other identified staff	
1	Fixed remuneration	Number of identified staff	10	1	4	42
2		Total fixed remuneration	1,553,689	1,000,000	1,890,000	24,151,101
3		Of which: cash-based	1,553,689	1,000,000	1,890,000	24,151,101
EU-4a		Of which: shares or equivalent ownership interests	-	-	-	-
5		Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-
EU-5x		Of which: other instruments	-	-	-	-
7		Of which: other forms	-	-	-	-
9	Variable remuneration	Number of identified staff	-	1	4	40
10		Total variable remuneration	-	1,000,000	2,356,000	4,991,209
11		Of which: cash-based	-	440,000	1,036,640	2,580,664
12		Of which: deferred	-	240,000	565,440	1,000,132
EU-13a		Of which: shares or equivalent ownership interests	-	560,000	1,319,360	2,018,545
EU-14a		Of which: deferred	-	360,000	848,160	937,032
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-
EU-14b		Of which: deferred	-	-	-	-
EU-14x		Of which: other instruments	-	-	-	392,000
EU-14y		Of which: deferred	-	-	-	252,000
15	Of which: other forms	-	-	-	-	
16	Of which: deferred	-	-	-	-	
17	Remunerazione complessiva (2 + 10)	1,553,689	2,000,000	4,246,000	29,142,310	

Notes

Other Identified Staff - includes the remuneration of the financial advisors classified as Identified Staff for the year 2025 and the remuneration of two Identified Staff whose relationship ended during the financial year.

Remuneration policy

EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)

(Amounts in euro)

		a	b	c	d
		MB Supervisory function	MB Management function	Other senior management	Other identified staff
Guaranteed variable remuneration awards					
1	Guaranteed variable remuneration awards - Number of identified staff	-	-	-	-
2	Guaranteed variable remuneration awards -Total amount	-	-	-	-
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	-	-	-	-
Severance payments awarded in previous periods, that have been paid out during the financial year					
4	Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff	-	-	-	-
5	Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount	-	-	-	-
Severance payments awarded during the financial year					
6	Severance payments awarded during the financial year - Number of identified staff	-	-	-	-
7	Severance payments awarded during the financial year - Total amount	-	-	-	-
8	Of which paid during the financial year	-	-	-	-
9	Of which deferred	-	-	-	-
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	-	-	-	-
11	Of which highest payment that has been awarded to a single person	-	-	-	-

Remuneration policy

EU REM3 – Deferred remuneration

(Amounts in euro)

	a	b	c	d
Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year
1 MB Supervisory function	-	-	-	-
2 Cash-based	-	-	-	-
3 Shares or equivalent ownership interests	-	-	-	-
4 Share-linked instruments or equivalent non-cash instruments	-	-	-	-
5 Other instruments	-	-	-	-
6 Other forms	-	-	-	-
7 MB Management function	3,585,600	1,449,600	2,136,000	-
8 Cash-based	789,600	223,200	566,400	-
9 Shares or equivalent ownership interests	2,796,000	1,226,400	1,569,600	-
10 Share-linked instruments or equivalent non-cash instruments	-	-	-	-
11 Other instruments	-	-	-	-
12 Other forms	-	-	-	-
13 Other senior management	5,233,115	1,618,455	3,614,660	-
14 Cash-based	1,725,455	467,119	1,258,336	-
15 Shares or equivalent ownership interests	3,507,660	1,151,336	2,356,324	-
16 Share-linked instruments or equivalent non-cash instruments	-	-	-	-
17 Other instruments	-	-	-	-
18 Other forms	-	-	-	-
19 Other identified staff	5,309,188	1,879,801	3,429,387	-
20 Cash-based	2,456,067	694,561	1,761,506	-
21 Shares or equivalent ownership interests	2,067,661	937,980	1,129,681	-
22 Share-linked instruments or equivalent non-cash instruments	-	-	-	-
23 Other instruments	785,460	247,260	538,200	-
24 Other forms	-	-	-	-
25 Total amount	14,127,903	4,947,856	9,180,047	-

Remuneration policy

continued EU REM3 – Deferred remuneration

(Amounts in euro)

	e	f	EU - g	EU - h
Deferred and retained remuneration	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
1 MB Supervisory function	-	-	-	-
2 <i>Cash-based</i>	-	-	-	-
3 <i>Shares or equivalent ownership interests</i>	-	-	-	-
4 <i>Share-linked instruments or equivalent non-cash instruments</i>	-	-	-	-
5 <i>Other instruments</i>	-	-	-	-
6 <i>Other forms</i>	-	-	-	-
7 MB Management function	-	684,690	3,545,918	1,243,200
8 <i>Cash-based</i>	-	-	205,200	-
9 <i>Shares or equivalent ownership interests</i>	-	684,690	3,340,718	1,243,200
10 <i>Share-linked instruments or equivalent non-cash instruments</i>	-	-	-	-
11 <i>Other instruments</i>	-	-	-	-
12 <i>Other forms</i>	-	-	-	-
13 Other senior management	-	605,886	2,307,458	1,160,839
14 <i>Cash-based</i>	-	-	461,188	-
15 <i>Shares or equivalent ownership interests</i>	-	605,886	1,846,270	1,160,839
16 <i>Share-linked instruments or equivalent non-cash instruments</i>	-	-	-	-
17 <i>Other instruments</i>	-	-	-	-
18 <i>Other forms</i>	-	-	-	-
19 Other identified staff	-	478,046	2,343,352	943,908
20 <i>Cash-based</i>	-	-	718,472	-
21 <i>Shares or equivalent ownership interests</i>	-	434,855	1,461,470	742,626
22 <i>Share-linked instruments or equivalent non-cash instruments</i>	-	-	-	-
23 <i>Other instruments</i>	-	43,191	163,410	201,282
24 <i>Other forms</i>	-	-	-	-
25 Total amount	-	1,768,622	8,196,728	3,347,947

Notes

Other identified staff: includes the remuneration of the financial advisors classified as Identified Staff for the year 2025 and the remuneration of two Identified Staff whose relationship ended during the financial year.

Column f: the total amount considers the amounts vested in the financial year (column b) and results from the change in the prices of the instruments (value at the grant compared to the current value).

Column EU-h: the total amount includes the deferred portions of previous years's incentive systems vested before 2025 and subject to retention in 2025.

Remuneration policy

EU REM4 - Remuneration of 1 million EUR or more per years

		a
		EUR
		Identified staff that are high earners as set out in Article 450(i) CRR
1	1 000 000 to below 1 500 000	7
2	1 500 000 to below 2 000 000	4
3	2 000 000 to below 2 500 000	2
4	2 500 000 to below 3 000 000	-
5	3 000 000 to below 3 500 000	-
6	3 500 000 to below 4 000 000	-
7	4 000 000 to below 4 500 000	-
8	4 500 000 to below 5 000 000	-
9	5 000 000 to below 6 000 000	-
10	6 000 000 to below 7 000 000	-
11	7 000 000 to below 8 000 000	-

Column a includes financial advisors classified as Identified Staff for 2025.

EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)

(Amounts in euro)

		a	b	c	d	e	f	g	h	i	j	
		Management body remuneration			Business areas							
		MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total	
1	Total number of identified staff										57	
2	Of which: members of the MB	10	1	11								
3	Of which: other senior management				-	-	-	4	-	-		
4	Of which: other identified staff				-	-	-	16	5	21		
5	Total remuneration of identified staff	1,553,689	2,000,000	3,553,689	-	-	-	9,586,670	1,107,756	22,693,884		
6	Of which: variable remuneration	-	1,000,000	1,000,000	-	-	-	4,733,000	268,000	2,346,209		
7	Of which: fixed remuneration	1,553,689	1,000,000	2,553,689	-	-	-	4,853,670	839,756	20,347,675		

Notes

Column i: All other includes the remuneration of the financial advisors classified as Identified Staff for the year 2025 and the remuneration of two Identified Staff whose relationship ended during the financial year.

AMA (Advanced Measurement Approach)

The methodology, repealed by the CRR III, was designed to determine the amount of the operational risk requirement using calculation models based on operational loss data and other assessment elements collected and processed by the bank.

Bad loans

Exposures to borrowers in a state of insolvency (even when not recognized 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.

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 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 established 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 authorization by the Supervisory Authority.

Pillar 2: it 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 III: 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 1, 2014 until December 31, 2019. These rules have been implemented at European level through the CRD IV "Package".

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, when fully loaded, 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.

CFO

Chief Financial Officer.

CLO

Chief Lending Officer.

Commercial Loans

Loans to ordinary customers, i.e. loans granted to customers relating to drawdowns on current account credit facilities, credit cards, personal loans, mortgages and unsecured loans.

Common Equity Tier 1 Capital or CET 1 Capital

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.

Counterparty credit risk

The risk that the counterparty in a transaction in financial instruments may enter default before settling all the agreed cash flows.

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%.

Covered bond

Bond which, as well as being guaranteed by the issuing bank, may also be covered by a portfolio of mortgages or other high-quality loans transferred, to this end, to a suitable SPV – Special Purpose Vehicle.

Credit quality step

The class that depends on external ratings and is used to assign risk weights under the standard credit risk approach.

CRD IV (Capital Requirement Directive)

EU Directive 2013/36 of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions, the freedom of establishment of banks in the Union and the free provision of their services, prudential supervision, additional capital requirements, and corporate governance. This directive has been updated over time, in particular with Directive (EU) 2019/878 of 20 May 2019 (CRD V) and Directive (EU) 2024/1619 of 31 May 2024 (CRD VI).

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.

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.

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.

ECAI - External Credit Assessment Institution

External Credit Assessment Institution.

ECB - European Central Bank

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.

ESG Risks

They represent the risk of loss resulting from the adverse financial effects on the institution due to the present or future impact of environmental, social or governance factors on the institution's counterparties or invested assets.

Glossary

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.

Financed emissions

Greenhouse gases (GHG) emissions associated with a given loan or provision of financial services to a counterparty. Counterparty emissions can be classified into:

- Scope 1: direct GHG that occur from sources owned or controlled by the reporting company, such as emissions from combustion in owned or controlled boilers, furnaces, vehicles, etc;
- Scope 2: indirect GHG emissions from the generation of electricity, steam, heating or cooling purchased and consumed by the reporting company;
- Scope 3: all other indirect GHG emissions (not included in Scope 2) that are generated in the company's value chain.

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

Funds needed to finance the company's business or particular financial transactions.

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 harmonization 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).

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 loan to which the status of non-performing, unlikely to pay and past due has been assigned, according to the Bank of Italy rules in line with the IAS/IFRS (see item).

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.

IRB – Internal Rating Based

Method for determining the capital needed to cover credit risk within the framework of Pillar 1 of Basel 2 (see item). 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.

KPI - "Key Performance Indicators"

Set of indicators used to evaluate the success of a particular activity or process.

LCR - Liquidity Coverage Ratio

Liquidity coverage ratio equal to the ratio between the credit institution's liquidity reserve, consisting of high-quality liquid assets, and its net liquidity outflows over the next 30 calendar days in a stress scenario.

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”, see item).

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.

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.

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 available amount of stable funding and the mandatory amount of stable funding.

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.

Paris Climate Agreement

International treaty on climate change concluded between the member states of the United Nations Framework Convention on Climate Change. It requires the parties involved to take the necessary actions to limit the further increase in global average temperatures to well below 2°C above preindustrial levels and to continue efforts to keep the increase to 1.5°C.

Paris-aligned benchmark

Paris-aligned benchmarks are indexes whose constituent companies are aligned with the Paris Climate Agreement. An EU Paris-aligned benchmark consists of underlying assets selected in such a way that the greenhouse gas emissions of the resulting benchmark portfolio are aligned with the long-term global warming target of the Paris Climate Agreement and is also constructed in accordance with the minimum standards under Regulation (EU) 2016/1011 and its delegated acts.

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 exceeding the materiality thresholds defined in Delegated Regulation (EU) 2018/171.

PD – Probability of Default

Default Probability of a counterparty entering into a situation of "default" (see item) within a period of one year.

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.

ROAC – Return on Allocated Capital

An indicator calculated both as the ratio of profit (loss) for the period and the regulatory capital of the period, and as the ratio between net profit (loss) for the period and book value of shareholders' equity for the period.

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

It identifies the situation of greater or lesser sensitivity with which certain assets or liabilities react to changes in interest rates or other benchmarks.

Systemic Risk Buffer

Article 133 of the CRD provides for the possibility that each Member State may introduce a Systemic Risk Buffer (SyRB) for the financial sector or for one or more subsets of that sector, on all exposures or on a subset of exposures, in order to prevent and mitigate macro-prudential or systemic risks not covered by the CRR and Articles 130 and 131 of the same Directive, in the sense of a risk of disruption to the financial system which may have serious negative consequences for the financial system and the real economy of a given Member State. For banks and banking groups authorised in Italy, the possibility of introducing a capital buffer against systemic risk was adopted by the Bank of Italy in the update No. 38 of Circular No. 285.

SME

Small Medium Enterprises.

Tier 1 Capital

Tier 1 capital consists of Common Equity Tier 1 capital (CET1) and Additional Tier 1 capital (AT1).

Tier 1 Capital Ratio

The percentage of a bank's Tier 1 Capital to its risk weighted assets "RWA – Risk Weighted Assets" (see item).

Tier 2 Capital

Tier 2 capital is mainly composed of eligible subordinated liabilities and any excess of adjustments over and above expected losses (the excess reserve) for positions weighted according to IRB approaches. Specific transitional provisions (grandfathering) have also been established for subordinated instruments that do not meet the requirements envisaged in the new Basel 3 regulatory provisions, aimed at the gradual exclusion of instruments no longer regarded as eligible from own funds (over a period of eight years).

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 1, 2014, after the CRR came into force, Own Funds consists of the sum of Tier 1 capital and Tier 2 capital.

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 variations.

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.

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, March 3rd, 2026

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 Pellicieri, 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, March 3rd, 2026

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



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



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