FINECOBANK GROUP PUBLIC DISCLOSURE – PILLAR III

AS AT 30 JUNE 2025

Contents

"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 January 1, 2014 and are 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 amendments to the CRR and CRD, it should be noted that, in accordance with the principles and guidelines formalised by the Basel Committee, the European Commission promoted in 2021 a legislative proposal (i.e. CRR III/CRD VI package) to implement the latest standards set by the Basel III framework. The new banking package, which comprises Regulation (EU) 2024/1623 and Directive (EU) 2024/1619, implements the post-crisis regulatory reforms of the Basel Committee on Banking Supervision, considering the specific aspects of the EU banking sector, and has led to a profound revision of the prudential framework, which came into force on 1 January 2025 with the first supervisory report referring to 31 March 2025. The proposal aimed to strengthen the level of confidence in the capital ratios and in the soundness of the banking sector, also through measures aimed at containing the volatility of the results of the internal models used by the institutions, even contributing to the transition to climate neutrality. In addition, the new banking package includes further harmonization of supervisory powers and supervisory tools and increased transparency and proportionality of Pillar 3 disclosure requirements.

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

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

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

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

With the aim of improving 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 can also ensure greater efficiency in the management and publication of public disclosures, an initiative launched by EBA under the direct mandate of Article 434bis of CRR3, the so-called Pillar 3 Data Hub (P3DH), is being finalized, aimed at centralizing and making available Pillar 3 disclosures 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 planned, with large institutions (including Fineco) expected to adopt it as of June 30, 2025, the first reference date for P3DH implementation.

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 S.p.A. (hereinafter also FinecoBank or Fineco or Bank) qualifies as a "Large Institution" under Part Eight of the CRR and, therefore, all information required to them on a semi-annual basis has been published in this Public Disclosure as at 30 June 2025.

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

In addition to the European Union regulations before mentioned, there are also the provisions issued by the Bank of Italy, in particular Circular no. 285 "Supervisory provisions for banks" of December 17, 2013 (and subsequent updates), which in Chapter 13 of Part Two (public disclosure) governs the

[1] Regulation (EU) 2021/637 shall continue to apply until the new Fundamental Review of the Trading Book (FRTB) framework entry into force, 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.

matter. The aforementioned circular does not lay down specific rules for the preparation and publication of Pillar III but refers to the provisions for this purpose provided for 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 directly 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 Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to public disclosures by institutions of the information referred to in Part Eight, Titles II and III, of that Regulation, and repealing Commission Implementing Regulation (EU) 2021/637 (EBA/ITS/2024/25 transposed by the Implementing Regulation 2024/3172);
  - Commission Implementing Regulation (EU) 2021/763 of 23 April 2021 laying down implementing technical rules for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council and Directive 2014/59/EU of the European Parliament and of the Council (Bank Recovery and Resolution Directive – BRRD) with regard to supervisory reporting and public disclosure of minimum own funds requirement 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, as of 9 July 2024, the CRR introduced temporary treatment, applicable until 31 December 2025, aimed at mitigating the impact of unrealized gains and losses accumulated as of 31 December 2019, on exposures to central governments, regional governments or local authorities measured at fair value recognized in other comprehensive income. As at 30 June 2025, the Group has not made use of the option to apply for this temporary treatment.

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

The key elements of this policy are:

- identification of roles and responsibilities of the corporate bodies, departments and Legal Entities involved in the process of producing the disclosure;
- identification of the information to be published (in accordance with EBA GL/2014/14 and CRR Article 432 and 433 in relation with the requirements applicable as of 30 June 2025);
- approval by the Board of Directors;
- publication on the FinecoBank website.

This document has been prepared in accordance with the indications of the EBA guidelines in compliance with the proportionality principle and publishing only information that is material and not exclusive or confidential in accordance with Article 432 of the CRR. 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.

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.

Introduction

Reference to regulatory reporting requirements with semi-annual frequency: Implementing Regulation (EU) 2024/3172

The table below shows the location in this document of the disclosures made to the market as of 30 June 2025, applicable to the FinecoBank Group. Therefore, the following templates/tables are excluded:

- EU CMS1; EU CMS2; EU CR6; EU CR7; EU CR7a; EU CR8; EU CR10; EU CCR4; EU CCR7; EU MR2-A; EU MR2-B; EU MR3; EU MR4 as the Group does not use internal models for RWA calculation, neither in the determination of credit and counterparty risk nor in the determination of market risks;
- EU CR10; EU CCR6; EU CQ7; EU SEC1; EU SEC2; EU SEC3; EU SEC4; EU SEC5; EU SB1; Template 3 ESG; Template 4 ESG as the Group does not have any exposures that fall within the types indicated;
- 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;
- EU CVA4 since the Group does not use the standardized model to calculate risk-weighted exposure amounts for credit valuation adjustments.

Please note that this document does not include the ESG templates relating to the Green Asset Ratio (GAR) and the Taxonomy Regulation (Templates 6 to 10 and column c of Templates 1 and 4), as the disclosure requirements for these templates are suspended until the amendments to the EBA's implementing technical standards (ITS) on disclosure are adopted and enter into force, in line with the EBA consultation paper (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 OV1	Overview of total risk exposure amounts	Own funds requirements and risk-weighted exposure amounts
EU KM1	Key metrics	Key metrics
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 LR1 - LRSum	Summary reconciliation of accounting assets and leverage ratio exposures	Leverage
EU LR2 - LRCom	Leverage ratio common disclosure	Leverage
EU LR3 - LRSpl	Split-up of on-balance sheet exposures (excluding derivatives, SFTs and exempted exposures)	Leverage
EU LIQ1	Quantitative information of LCR	Liquidity requirements
EU LIQB	Quantitative information of LCR, which complements template EU LIQ1	Liquidity requirements
EU LIQ2	Net Stable Funding Ratio	Liquidity requirements
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 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 CR3	CRM techniques overview: Disclosure of the use of credit risk mitigation techniques	Disclosure of the use of credit risk mitigation techniques
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 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

continued: Reference to regulatory reporting requirements with semi-annual frequency: Implementing Regulation (EU) 2024/3172

TEMPLATE	TOPIC	CHAPTER
EU CCR8	Exposures to CCPs	Exposures to counterparty credit risk
EU MR1	Market risk under the standardised approach	Market risk
IRRBB1	Interest rate risk on positions not included in the trading book	Exposure 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 semi-annual frequency: Implementing Regulation (EU) 2021/763 and subsequent amendments

In this document, the template EU KM2 “Key Metrics – MREL” is disclosed. In fact, its frequency of publication is semi-annual, consistent with the provisions of Regulation (EU) 763/2021 with reference to Institutions identified as entities under resolution that are neither Global Systemically Important Institutions (G-SIIs) nor part of a G-SII. It should be recalled that the Regulation introduced public disclosure on Minimum Own Funds Requirements and Eligible Liabilities as of 1 January 2024.

The following table shows the location in this document of the disclosure as at 30 June 2025, applicable to the FinecoBank Group.

TEMPLATE	TOPIC	CHAPTER
EU KM2	Key metrics - MREL	Own Funds

Reference to the information required by the Part Eight of CRR

The table below shows the information required, on semi-annual basis, by CRR.

ARTICLE	TOPIC	CHAPTER
437	Disclosure of own funds	Own Funds
438	Disclosure of own funds requirements and risk-weighted exposure amounts	Own funds requirements and risk-weighted exposure amounts; Key metrics
439	Disclosure of exposures to counterparty credit risk	Exposures to counterparty credit risk
440	Disclosure of countercyclical capital buffers	Countercyclical capital buffers
442	Disclosure of exposures to credit risk and dilution risk	Exposures to credit risk and dilution risk
444	Disclosure of the use of the Standardised Approach	Disclosure of the use of the Standardised Approach
445	Disclosure of exposure to market risk	Market risk
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	Disclosure of environmental, social and governance risks
449b	Disclosure of aggregate exposure to shadow banking entities	Not applicable

continued: Reference to the information required by the Part Eight of CRR

ARTICLE	TOPIC	CHAPTER
451	Disclosure of the leverage ratio	Leverage ratio
451a	Disclosure of liquidity requirements	Liquidity requirements
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
455	Use of internal models for market risk	Not applicable

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

Key metrics

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

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

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

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

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

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

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

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

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

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

All minimum requirements applicable to the FinecoBank Group as at 30 June 2025 are met. The calculation of Own Funds, and in particular of CET1 capital as at 30 June 2025, took into account foreseeable dividends and charges for a total amount of 262,559 euro thousand, assuming the conditions of Article 26(2) of the CRR are met.

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 January 1, 2025 (Regulation (EU) 2024/1623).

Key metrics

EU KM1 - Key metrics

(Amounts in € thousand)

		a	b	c	d	e
		06.30.2025	03.31.2025	12.31.2024	09.30.2024	06.30.2024
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	1,362,025	1,341,370	1,311,917	1,278,758	1,230,960
2	Tier 1 capital	1,862,025	1,841,370	1,811,917	1,778,758	1,730,960
3	Total capital	1,862,025	1,841,370	1,811,917	1,778,758	1,730,960
	Risk-weighted exposure amounts					
4	Total risk exposure amount	5,805,481	5,590,726	5,064,224	4,686,150	4,775,778
4a	Total risk exposure pre-floor	5,805,481	5,590,726			
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	23.46%	23.99%	25.91%	27.29%	25.78%
5b	Common Equity Tier 1 ratio considering unfloored TREA (%)	23.46%	23.99%			
6	Tier 1 ratio (%)	32.07%	32.94%	35.78%	37.96%	36.24%
6b	Tier 1 ratio considering unfloored TREA (%)	32.07%	32.94%			
7	Total capital ratio (%)	32.07%	32.94%	35.78%	37.96%	36.24%
7b	Total capital ratio considering unfloored TREA (%)	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	*of which: to be made up of CET1 capital (percentage points)*	*1.13%*	*1.13%*	*1.13%*	*1.13%*	*1.13%*
EU 7f	*of which: to be made up of Tier 1 capital (percentage points)*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*
EU 7g	Total SREP own funds requirements (%)	10.00%	10.00%	10.00%	10.00%	10.00%
	Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-	-	-	-
9	Institution specific countercyclical capital buffer (%)	0.14%	0.13%	0.13%	0.14%	0.11%
EU 9a	Systemic risk buffer (%)	0.41%	0.21%	0.26%	-	-
10	Global Systemically Important Institution buffer (%)	-	-	-	-	-
EU 10a	Other Systemically Important Institution buffer (%)	-	-	-	-	-
11	Combined buffer requirement (%)	3.05%	2.84%	2.88%	2.64%	2.61%
EU 11a	Overall capital requirements (%)	13.05%	12.84%	12.88%	12.64%	12.61%
12	CET1 available after meeting the total SREP own funds requirements (%)	17.83%	18.36%	20.28%	21.66%	20.15%
	Leverage ratio					
13	Total exposure measure	35,812,644	34,460,784	34,736,372	33,226,497	32,362,312
14	Leverage ratio (%)	5.20%	5.34%	5.22%	5.35%	5.35%
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-	-	-	-
EU 14b	*of which: to be made up of CET1 capital (percentage points)*	-	-	-	-	-
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d	Leverage ratio buffer requirement (%)	-	-	-	-	-
EU 14e	Overall leverage ratio requirement (%)	3.00%	3.00%	3.00%	3.00%	3.00%

continued: EU KM1 - Key metrics

(Amounts in € thousand)

		a	b	c	d	e
		06.30.2025	03.31.2025	12.31.2024	09.30.2024	06.30.2024
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	22,873,792	22,118,611	21,554,971	20,832,702	20,244,236
EU 16a	Cash outflows - Total weighted value	3,818,173	3,792,887	3,725,681	3,705,993	3,719,809
EU 16b	Cash inflows - Total weighted value	1,306,074	1,295,140	1,328,067	1,357,047	1,396,196
16	Total net cash outflows (adjusted value)	2,512,099	2,497,748	2,397,614	2,348,946	2,323,613
17	Liquidity coverage ratio (%)	912.15%	887.96%	909.11%	896.53%	881.85%
	Net Stable Funding Ratio					
18	Total available stable funding	30,558,801	29,732,236	30,139,113	28,861,326	28,292,655
19	Total required stable funding	7,580,479	7,629,755	7,886,730	7,823,390	7,659,844
20	NSFR ratio (%)	403.12%	389.69%	382.15%	368.91%	369.36%

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

Own Funds

From January 1, 2014, the calculation of the capital requirements takes into account the “Basel 3” regulatory framework, transposed in the 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 the 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 4”), and subsequent Directive 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:

- 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. 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.

Fineco Group's Own funds, which amounted to € 1,862,025 thousand as of 30 June 2025, consisted of Common Equity Tier 1 (CET1) and Additional Tier 1 capital, there were no Tier 2 items. The interim profits included in Common Equity Tier 1 Capital as of 30 June 2025 were calculated considering foreseeable dividends for a total of € 254,269 thousand and foreseeable charges of € 8,291 thousand represented by the coupon accrued on the Additional Tier 1 financial instrument issued by FinecoBank, net of the related taxes, assuming that the conditions set out in Article 26(2) of CRR are met.

The following EU CC1 and EU CC2 templates show the information required by article 437 letter a) 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 30 June 2025.

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**
		30/06/2025	
	Common Equity Tier 1 (CET1) capital: instruments and reserves		
1	Capital instruments and the related share premium accounts (A)	199,967	23, 24 and 28
	of which: ordinary shares	*199,967*	23, 24 and 28
2	Retained earnings (B)	1,188,054	20 and 22
3	Accumulated other comprehensive income (and other reserves) (C)	35,923	20
EU-3a	Funds for general banking risk	-	
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	-	
5	Minority interests (amount allowed in consolidated CET1)	-	
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend (D)	55,277	26 and 27
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**1,479,221**	
	Common Equity Tier 1 (CET1) capital: regulatory adjustments		
7	Additional value adjustments (negative amount) (E)	(1,856)	30
8	Intangible assets (net of related tax liability) (negative amount) (F)	(112,435)	7, 9 and 10
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-	
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	-	
12	Negative amounts resulting from the calculation of expected loss amounts	-	
13	Any increase in equity that results from securitised assets (negative amount)	-	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	
15	Defined-benefit pension fund assets (negative amount)	-	
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount) (G)	(2,903)	25, 29 and 31
17	Direct, indirect and synthetic holdings of the CET 1 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)	-	
18	Direct, indirect and synthetic holdings by the institution of the CET1 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)	-	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	
EU-20b	*of which: qualifying holdings outside the financial sector (negative amount)*	-	
EU-20c	*of which: securitisation positions (negative amount)*	-	
EU-20d	*of which: free deliveries (negative amount)*	-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-	
22	Amount exceeding the 17,65% threshold (negative amount)	-	
23	*of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities*	-	

continued: EU CC1 - Composition of regulatory own funds

(Amounts in € thousand)

		(a)	(b)
		Amounts 30/06/2025	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
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	Other regulatory adjustments (H)	(1)	32
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**(117,196)**	
29	**Common Equity Tier 1 (CET1) capital**	**1,362,025**	
	Additional Tier 1 (AT1) capital: instruments		
30	Capital instruments and the related share premium accounts (I)	500,000	21
31	*of which: classified as equity under applicable accounting standards*	*500,000*	*21*
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)**	**1,862,025**	

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
		30/06/2025	
	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	*of which: instruments issued by subsidiaries subject to phase out*	-	
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)**	**1,862,025**	**33**
60	**Total Risk exposure amount**	**5,805,481**	
	Capital ratios and requirements including buffers		
61	Common Equity Tier 1 capital	23.46%	
62	Tier 1 capital	32.07%	
63	Total capital	32.07%	
64	Institution CET1 overall capital requirements	8.68%	
65	*of which: capital conservation buffer requirement*	*2.50%*	
66	*of which: countercyclical capital buffer requirement*	*0.14%*	
67	*of which: systemic risk buffer requirement*	*0.41%*	
EU-67a	*of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement*	*0.00%*	
EU-67b	*of which: additional own funds requirements to address the risks other than the risk of excessive leverage*	*1.13%*	
68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**	**17.83%**	

continued: EU CC1 - Composition of regulatory own funds

(Amounts in € thousand)

		(a)	(b)
		Amounts 30/06/2025	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	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)	34,916	-
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)	1,434	-
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)	34,372	-
	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 e) of CRR). Please note that in the table above, items and sub-items 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 thousand, the share premium reserve, in the amount of € 1,934 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 € 3,786 thousand, which due to Article 28 of CRR cannot be qualified as own funds.

B. The item is made up of the legal reserve, consolidation reserve and other retained earning reserves.

C. The item includes reserves related to Equity settled plans for € 53,911 thousand and accumulated other comprehensive income (AOCI). The latter is made up of: net positive reserve relating to debt securities issued by central governments and supranational institutions held in the "Financial assets at fair value through other comprehensive income" portfolio, for € 406 thousand; net negative reserve defined benefit plans, for € -18,402 thousand; positive reserve of the valuation reserves of equity investments valued at equity, for € 8 thousand.

D. The amount recognised in Own Funds as of 30 June 2025 was calculated considering foreseeable dividends amounting to € 254,269 thousand and foreseeable charges of € 8,291 thousand.

E. This item includes additional valuation adjustments (AVA) in the amount of € 1,195 thousand calculated on the balance sheet assets and liabilities measured at fair value, determined using the simplified method and further additional value adjustments amounting to € 661 thousand.

F. This item includes goodwill net of deferred taxation for € 87,933 thousand and other intangible assets net of deferred taxation for € 24,502 thousand.

G. This item includes treasury shares directly held in the amount of € 1,280 thousand, treasury shares that the Bank has an actual or contingent obligation to purchase in the amount of € 1,250 thousand, equal to the maximum outlay provided by the repurchase of treasury shares in implementation of the long-term incentive plan in favor of financial advisors identified as "Most Relevant Personnel" authorized by the Supervisory Authority, and treasury shares synthetically held in the amount of € 373 thousand.

H. The item includes the Calendar provisioning in the amount of € 1 thousand.

I. Additional Tier 1 consists of the Additional Tier 1 bond issued on 4 March 2024. In detail, the issue has the following features: the bond is perpetual with a call option for the issuer after 5.5 years and every six months thereafter on coupon payment dates, public placement, intended for trading on the regulated market managed by Euronext Dublin, rating of BB- (S&P Global Ratings), semi-annual fixed-rate coupon of 7.5% for the first 5.5 years.

Please note that as of 30 June 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.

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

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**	**Ref. to template CC1**
		06.30.2025	**06.30.2025**	
	Balance sheet - Assets			
1	10. Cash and cash balances	1,603,940	-	
2	20. Financial assets at fair value through profit and loss	51,951	-	
	a) financial assets held for trading	46,224	-	
	c) other financial assets mandatorily at fair value	5,727	-	
3	30. Financial assets at fair value through other comprehensive income	300,748	-	
4	40. Financial assets at amortised cost	31,371,821	-	
	a) receivables to banks	2,702,739	-	
	b) receivables to customers	28,669,081	-	
5	50. Hedging derivatives	610,194	-	
6	60. Changes in fair value of portfolio hedged financial assets (+/-)	(157,067)	-	
7	70. Equity investments	1,686	(252)	8
8	90. Property, plant and equipment	144,175	-	
9	100. Intangible assets	124,181	(117,327)	8
	- of which: goodwill	89,602	(89,602)	
10	110. Tax assets	30,275	5,144	8
	a) current tax assets	180		
	b) deferred tax assets	30,095	5,144	
11	130. Other assets	1,277,274	-	
	Total assets	**35,359,177**	**-**	
	Liabilities and shareholders' equity			
12	10. Financial liabilities at amortised cost	32,345,449	-	
	a) due to banks	859,635	-	
	b) due to customers	30,680,880	-	
	c) debt securities in issue	804,934	-	
13	20. Financial liabilities held for trading	26,464	-	
14	40. Hedging derivatives	45,488	-	
15	50. Changes in fair value of portfolio hedged financial liabilities (+/-)	(1,846)	-	
16	60. Tax liabilities	11,148	-	
	a) current tax liabilities	11,148	-	
17	80. Other liabilities	519,723	-	
18	90. Provisions for employee severance pay	4,057	-	
19	100. Provisions for risks and charges:	164,405	-	
	a) commitments and guarantees given	76	-	
	c) other provisions for risks and charges	164,329	-	
20	120. Revaluation reserves	(17,988)	(17,988)	2
21	140. Equity instruments	500,000	500,000	30
22	150. Reserves	1,241,967	1,241,967	2 e 3

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	Ref. to template CC1
		06.30.2025	06.30.2025	
23	160. Share premium reserve	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 (Loss) for the year	317,836	317,836	EU5a
	Total other elements, of which:		**(269,827)**	
27	Net profits not included in Own Funds		(262,559)	EU5a
28	Own CET1 instruments held by customers who simultaneously used a line of credit		(3,786)	1
29	Treasury shares that the Bank has an actual or contingent obligation to purchase		(1,250)	16
30	Prudential filters (-) fair value adjustments		(1,856)	7
32	Deductions of holdings of own Common Equity Tier 1 capital instruments synthetically		(373)	16
33	Insufficient loss coverage for non-performing exposures		(1)	27a
	Total liabilities and Shareholders' equity	**35,359,177**	-	
34	**Total Own Funds**		**1,862,025**	**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 evolution (*Enhanced Disclosure Task Force* recommendation – EDTF)

(Amounts in € thousand)

	01.01.2025 /06.30.2025	07.01.2024 /12.31.2024
Common Equity Tier 1 - CET1		
Start of period	**1,311,917**	**1,230,960**
Instruments and Reserves		
Share capital and issue-premium reserves	(2,732)	979
of which: own CET1 instruments held by customers who simultaneously used a line of credit	(2,922)	979
CET1 instruments that the Bank has an actual or contingent obligation to purchase	(250)	-
Retained earnings and reserves	(3,147)	(12,998)
Accumulated other comprehensive income (AOCI) and other reserves	1,062	(12,434)
Net profit of the period	317,836	331,965
Dividends and other foreseeable charges	(262,559)	(227,883)
Regulatory adjustments		
Additional regulatory adjustments	(636)	239
Intangible assets net of related liabilities	1,011	648
Direct, indirect and synthetic holdings by an institution of own CET1 instruments	(474)	44
Insufficient coverage for non-performing exposures	(1)	397
End of period	**1,362,025**	**1,311,917**
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	**1,862,025**	**1,811,917**

Own Funds amounted to € 1,862,025 thousand, showing an increase of € 50,108 thousand compared to 31 December 2024, mainly due to the interim profit for the first half of 2025 of € 317,836 thousand, net of foreseeable dividends and charges of € 262,559 thousand. It should be noted that, during the first half of 2025, profit reserves decreased because of the recognition of coupon, net of related taxes, paid on Additional Tier 1 instrument issued by Fineco, for a total amount of € 13,594 thousand, whose accrued coupons, net of related taxes, were included in the foreseeable charges as of 31 December 2024 in the amount of € 8,201 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

(Importi in migliaia)

		Minimum requirement for own funds and eligible liabilities (MREL)
		a
		06/30/2025
Own funds and eligible liabilities, ratios and components		
1	Own funds and eligible liabilities	2,659,227
EU-1a	Of which own funds and subordinated liabilities	1,862,025
2	Total risk exposure amount of the resolution group (TREA)	5,805,481
3	Own funds and eligible liabilities as a percentage of TREA	45.81%
EU-3a	Of which own funds and subordinated liabilities	32.07%
4	Total exposure measure (TEM) of the resolution group	35,812,644
5	Own funds and eligible liabilities as percentage of the TEM	7.43%
EU-5a	Of which own funds or subordinated liabilities	5.20%
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	If a capped subordination exemption applies in accordance with Article 72b (3) of Regulation (EU) No 575/2013, the amount of funding issued that ranks pari passu with excluded liabilities and that is recognised under row 1, divided by funding issued that ranks pari passu with excluded liabilities and that would be recognised under row 1 if no cap was applied (%)	
Minimum requirement for own funds and eligible liabilities (MREL)		
EU-7	MREL expressed as a percentage of the TREA	19.01%
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%

Regarding the Minimum Own Funds and Eligible Liabilities Requirement (MREL), it should be noted that at the end of November 2024, FinecoBank received the updated decision on the determination of the Minimum Own Funds and Eligible Liabilities Requirement (MREL) from the Single Resolution Board, which replaces the previous decision communicated to the public in December 2023. As of the date of notification, November 2024, FinecoBank must comply on a consolidated basis with an MREL TREA (risk exposure) requirement of 19.01% - to which the applicable Combined Buffer Requirement must be added, equal to 3.05% as at 30 June 2025 - 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 30 June 2025, FinecoBank is well above the requirements to be met (MREL TREA equal to 45.81% and MREL LRE equal to 7.43%).

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

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

Furthermore, in addition to these minimum requirements, banks are required to meet the combined buffer requirement, according to the article 128(6) of 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 0.14% as of 30 June 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 to be applied to a rate of 1% to credit and counterparty risk-weighted exposures to Italian residents, which for the Group is equal to 0.41% as of 30 June 2025.

With reference to the capital requirements applicable to the FinecoBank Group, it should be noted that, at the end of the Supervisory Review and Evaluation Process (SREP), on 3 December 2024 the Supervisory Authority communicated the following capital requirements (Pillar 2 Requirement - P2R) applicable to the Group from 1 January 2025: 2.00% in terms of Total Capital Ratio, of which 1.13% in terms of Common Equity Tier 1 ratio and 1.50% in terms of Tier 1 Ratio.

Below is a summary of the capital requirements and reserves applicable to the FinecoBank Group which also highlights the 'Total SREP Capital Requirement' (TSCR) and the 'Overall Capital Requirement' (OCR) requirements following the outcomes of the SREP conducted in 2024 and applicable for 2025 mentioned above.

Capital requirements and buffers for FinecoBank Group

Requirements	CET1	T1	TOTAL CAPITAL
A) Pillar 1 requirements	4.50%	6.00%	8.00%
B) Pillar 2 requirements	1.13%	1.50%	2.00%
C) TSCR (A+B)	**5.63%**	**7.50%**	**10.00%**
D) Combined Buffer requirement, of which:	3.05%	3.05%	3.05%
1. Capital Conservation Buffer (CCB)	2.50%	2.50%	2.50%
2. Institution-specific Countercyclical Capital Buffer (CCyB)	0.14%	0.14%	0.14%
3. systemic risk buffer for FinecoBank (SyRB)	0.41%	0.41%	0.41%
E) Overall Capital Requirement (C+D)	**8.68%**	**10.55%**	**13.05%**

As at 30 June 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:

Own funds requirements and risk-weighted exposure amounts

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

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

Internal capital and regulatory capital differ in terms of their definition and the categories of risk covered. The former is based on the actual measurement of exposure assumed, while the latter is based on templates specified in regulatory provisions. 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). Planning is also carried out taking into account other dimensions relevant to the Group, such as exposure for leverage purposes.

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

The following EU OV1 template shows the information required under Article 438 letter d) of the CRR. It shows the total amount of risk-weighted exposure and the corresponding total own funds requirement, broken down by the different risk categories.

Own funds requirements and risk-weighted exposure amounts

EU OV1 - Overview of total risk exposure amounts

(Amounts in € thousand)

		Total risk exposure amounts (TREA)		Total own funds requirements
		a	b	c
		06.30.2025	03.31.2025	06.30.2025
1	Credit risk (excluding CCR)	2,776,434	2,728,695	222,115
2	*Of which the standardised approach*	*2,776,434*	*2,728,695*	*222,115*
3	*Of which the Foundation IRB (F-IRB) approach*	-	-	-
4	*Of which slotting approach*	-	-	-
EU 4a	*Of which equities under the simple risk weighted approach*	-	-	-
5	*Of which the Advanced IRB (A-IRB) approach*	-	-	-
6	Counterparty credit risk - CCR	206,829	73,052	16,546
7	*Of which the standardised approach*	*26,015*	*23,852*	*2,081*
8	*Of which internal model method (IMM)*	-	-	-
EU 8a	*Of which exposures to a CCP*	*2,368*	*2,965*	*189*
9	*Of which other CCR*	*178,445*	*46,235*	*14,276*
10	Credit valuation adjustments risk - CVA risk	194	160	16
EU 10a	*Of which the standardised approach (SA)*	-	-	-
EU 10b	*Of which the basic approach (F-BA and R-BA)*	*194*	*160*	*16*
EU 10c	*Of which the simplified approach*	-	-	-
15	Settlement risk	398	661	32
16	Securitisation exposures in the non-trading book (after the cap)	-	-	-
17	*Of which SEC-IRBA approach*	-	-	-
18	*Of which SEC-ERBA (including IAA)*	-	-	-
19	*Of which SEC-SA approach*	-	-	-
EU 19a	*Of which 1250%*	-	-	-
20	Position, foreign exchange and commodities risks (Market risk)	135,284	101,817	10,823
21	*Of which the Alternative standardised approach (A-SA)*			
EU 21a	*Of which the Simplified standardised approach (S-SA)*			
22	*Of which Alternative Internal Model Approach (A-IMA)*			
EU 22a	Large exposures	-	-	-
23	Reclassifications between the trading and non-trading books	-	-	-
24	Operational risk	2,686,341	2,686,341	214,907
EU 24a	Exposures to crypto-assets	-	-	-
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	89,515	94,657	7,161
26	Output floor applied (%)	0%	0%	
27	Floor adjustment (before application of transitional cap)	-	-	
28	Floor adjustment (after application of transitional cap)	-	-	
29	**Total**	**5,805,481**	**5,590,726**	**464,438**

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

The risk exposures (TREA) increase during the first half quarter 2025 is mainly attributable to the impact of the introduction of CRR III mentioned above and, in particular, the introduction of the new calculation methodology for operational risk, which considers gross commission income (rather than net commissions under the standardised CRR II methodology), which represents the main component of FinecoBank's Business Indicator.

Own funds requirements and risk-weighted exposure amounts

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

During the second quarter of 2025 the total risk exposure amount is mainly attributable to lending to customers and securities lending transactions with institutional counterparties.

As at 30 June 2025, 48% of the total capital requirement refers to credit risk (excluding CCR), for which Fineco applies the standardised approach. 4% of the total capital requirement relates to counterparty risk, calculated using the SA-CCR. Credit valuation adjustment risk, calculated using the Basic Approach, is not significant. 2% of the total capital requirement is referred to market risk, for which the Group applies the standardised approach. It should be noted that, as previously mentioned, on 12 June 2025 the European Commission adopted a delegated act, currently being examined by the European Parliament and the Council, which postpones the application of the changes introduced in the regulatory framework for the calculation of capital 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 application by one year to 1 January 2026. Finally, the share of operational risks in the total capital requirements is 46%.

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 investments weighted at 250%.

Countercyclical capital buffers

Article 136 of the directive EU/2013/36 (Capital Requirements Directive, CRD4), and subsequent amendments, 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 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 89.4% of exposures) also for the second quarter of 2025 at 0%.

The Group-specific countercyclical reserve ratio calculated on the basis of the ratios applicable as of 30 June 2025 was 0.14% at the consolidated level, corresponding to approximately € 8,152 thousand, mostly determined by 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	5,805,481
2	Institution specific countercyclical capital buffer rate	0.14%
3	Institution specific countercyclical capital buffer requirement	8,152

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				Own fund requirements						
	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	Securitisation exposures Exposure value for non-trading book	Total exposure value	Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
Abu Dhabi	1,302	-	1	-	-	1,302	31	-	-	31	394	0.016%	-
Afghanistan	2	-	-	-	-	2	-	-	-	-	1	-	-
Albania	1	-	-	-	-	1	-	-	-	-	1	-	-
Angola	1	-	-	-	-	1	-	-	-	-	1	-	-
Argentina	4	-	77	-	-	81	-	-	-	-	3	-	-
Australia	142	-	138	-	-	281	3	6	-	9	113	0.005%	1.00%
Austria	316	-	-	-	-	316	25	-	-	25	312	0.012%	-
Bermuda	1,151	-	18	-	-	1,169	92	-	-	92	1,155	0.046%	-
Bulgaria	12	-	7	-	-	19	1	-	-	1	8	-	2.00%
Burkina Faso	-	-	32	-	-	32	-	-	-	-	-	-	-
Bahamas	-	-	2	-	-	2	-	-	-	-	-	-	-
Bahrain	2	-	-	-	-	2	-	-	-	-	2	-	-
Belgium	236	-	202	-	-	439	10	-	-	10	124	0.005%	1.00%
Brazil	226	-	341	-	-	567	4	-	-	4	53	0.002%	-
Canada	14	-	810	-	-	824	1	8	-	9	106	0.004%	-
Colombia	10	-	-	-	-	10	1	-	-	1	8	-	-
Curacao	-	-	13	-	-	13	-	-	-	-	3	-	-
Cayman Islands	-	-	3,170	-	-	3,170	-	64	-	64	801	0.032%	-
Czech Republic	-	-	8	-	-	8	-	-	-	-	-	-	1.25%
Chile	2	-	-	-	-	2	-	-	-	-	2	-	0.50%
Cina	194	-	1,446	-	-	1,640	5	-	-	5	67	0.003%	-
Cipro	1	-	-	-	-	1	-	-	-	-	1	-	1.00%
Croatia	6	-	-	-	-	6	-	-	-	-	4	-	1.50%
Danmark	4	-	64	-	-	67	-	5	-	5	66	0.003%	2.50%
Dominican Republic	2	-	2	-	-	4	-	-	-	-	1	-	-
Estonia	1	-	-	-	-	1	-	-	-	-	1	-	1.50%
Egypt	2	-	2	-	-	5	-	-	-	-	2	-	-
Ethiopia	1	-	-	-	-	1	-	-	-	-	1	-	-
Fiji	3	-	-	-	-	3	-	-	-	-	2	-	-
Finland	-	-	114	-	-	114	-	-	-	-	1	-	-
France	219,103	-	12,310	-	-	231,414	2,432	134	-	2,567	32,083	1.281%	1.00%
Guernsey	-	-	1	-	-	1	-	-	-	-	-	-	-
Germany	37,562	-	90,706	-	-	128,268	1,065	146	-	1,212	15,145	0.605%	0.75%
Greece	79	-	-	-	-	79	4	-	-	4	56	0.002%	-
Hong Kong	48	-	-	-	-	48	1	-	-	1	10	-	0.50%
India	9	-	-	-	-	9	1	-	-	1	7	-	-
Indonesia	1	-	-	-	-	1	-	-	-	-	-	-	-
Ireland	48,647	-	19,782	-	-	68,429	5,363	3	-	5,366	67,081	2.679%	2.00%
Israel	9	-	14	-	-	22	1	1	-	1	18	0.001%	-
Italy	4,377,304	-	712,014	-	-	5,089,318	174,619	4,438	-	179,057	2,238,212	89.388%	-
Japan	5	-	45	-	-	49	-	-	-	-	3	-	-
Jersey	-	-	3,324	-	-	3,324	-	1	-	1	10	-	-
Kuwait	18	-	-	-	-	18	1	-	-	1	13	-	-
Kazakistan	3	-	43	-	-	46	-	-	-	-	2	-	-
Liberia	-	-	17	-	-	17	-	-	-	-	3	-	-
Latvia	2	-	-	-	-	2	-	-	-	-	1	-	1.00%
Libanon	2	-	-	-	-	2	-	-	-	-	1	-	-
Liechtenstein	-	-	208	-	-	208	-	-	-	-	-	-	-
Lithuania	1	-	-	-	-	1	-	-	-	-	1	-	1.00%

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				Own fund requirements						
	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	Securitisation exposures Exposure value for non-trading book	Total exposure value	Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
Luxemburg	21,134	-	5,970	-	-	27,105	1,666	5	-	1,671	20,885	0.834%	0.50%
Malaysia	65	-	43	-	-	108	1	-	-	1	17	0.001%	-
Malta	14	-	-	-	-	14	1	-	-	1	10	-	-
Mongolia	1	-	-	-	-	1	-	-	-	-	1	-	-
Mexico	42	-	17	-	-	59	3	-	-	3	32	0.001%	-
Mozambique	-	-	12	-	-	12	-	-	-	-	-	-	-
Netherlands	11,000	-	205,250	-	-	216,250	156	807	-	963	12,040	0.481%	2.00%
Nicaragua	2	-	-	-	-	2	-	-	-	-	2	-	-
Nigeria	5	-	-	-	-	5	-	-	-	-	4	-	-
Norway	-	-	24	-	-	24	-	2	-	2	24	0.001%	2.50%
New Zealand	91	-	-	-	-	91	2	-	-	2	19	0.001%	-
Pakistan	1	-	-	-	-	1	-	-	-	-	1	-	-
Panama	1	-	434	-	-	435	-	1	-	1	8	-	-
Paraguay	6	-	1	-	-	7	-	-	-	-	4	-	-
Peru	4	-	-	-	-	4	-	-	-	-	3	-	-
Philippines	172	-	9	-	-	180	3	-	-	3	34	0.001%	-
Polonia	8	-	9	-	-	17	-	-	-	-	6	-	-
Portugal	54	-	740	-	-	793	3	-	-	3	37	0.001%	-
Principality of Monaco	5	-	-	-	-	5	-	-	-	-	4	-	-
Qatar	9	-	66	-	-	76	1	-	-	1	7	-	-
Romania	13	-	559	-	-	572	1	-	-	1	9	-	1.00%
Russia	40	-	-	-	-	40	1	-	-	1	13	0.001%	-
San Marino	18	-	31	-	-	49	1	-	-	1	13	0.001%	-
Saudi Arabia	8	-	14	-	-	22	-	-	-	-	6	-	-
Serbia	1	-	-	-	-	1	-	-	-	-	1	-	-
Singapore	141	-	18	-	-	158	2	-	-	3	31	0.001%	-
Slovenia	2	-	6	-	-	9	-	-	-	-	2	-	1.00%
Slovakia	1	-	-	-	-	1	-	-	-	-	1	-	1.50%
Spain	18,556	-	2,716	-	-	21,271	156	-	-	156	1,953	0.078%	-
South Korea	2	-	-	-	-	2	-	-	-	-	1	-	1.00%
Republic South Africa	110	-	152	-	-	262	7	7	-	14	172	0.007%	-
Sweden	90	-	-	-	-	90	2	-	-	2	20	0.001%	2.00%
Switzerland	3,656	-	10,364	-	-	14,020	76	21	-	97	1,212	0.048%	-
Taiwan	151	-	53	-	-	203	2	4	-	7	83	0.003%	-
Tunisia	74	-	-	-	-	74	2	-	-	2	22	0.001%	-
Thailand	8	-	615	-	-	623	-	-	-	-	6	-	-
Trinidad e Tobago	1	-	-	-	-	1	-	-	-	-	1	-	-
Turkey	9	-	2	-	-	11	1	-	-	1	7	-	-
United Kingdom	86,117	-	2,420	-	-	88,537	6,861	37	-	6,898	86,231	3.444%	2.00%
United States	4,492	-	219,616	-	-	224,108	332	1,675	-	2,007	25,090	1.002%	-
Uganda	2	-	-	-	-	2	-	-	-	-	1	-	-
Uruguay	1	-	-	-	-	1	-	-	-	-	1	-	-
Uzbekistan	3	-	-	-	-	3	-	-	-	-	2	-	-
Ukraine	3	-	1	-	-	4	-	-	-	-	2	-	-
Venezuela	2	-	-	-	-	2	-	-	-	-	1	-	-
Total	**4,832,545**	**-**	**1,294,064**	**-**	**-**	**6,126,609**	**192,946**	**7,367**	**-**	**200,313**	**2,503,915**	**100.000%**	**-**

Exposures to credit risk and dilution risk

In carrying out its lending activities, the Group is exposed to credit risk, meaning the risk that loans and receivables may, due to the deterioration of the financial condition 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 financial instrument. The main causes of default lays in the lack of the borrower's autonomous ability to ensure repayment of the debt, as well as the occurrence of macroeconomic and political circumstances affecting the financial condition of the debtor.

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

- information on the amount and quality of performing, non-performing and forborne 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 performing and non-performing exposures, the accumulated impairment, the provisions and the negative fair value changes due to credit risk broken down by geographical area, industry type and product type (loans, debt securities and off balance-sheet exposures) as well as of which defaulted;
- any changes in the gross amount of non-performing exposures, including information on the opening and closing balances of those exposures, the gross amount of any of those exposures reverted to performing status or subject to a write-of;
- the breakdown of the net exposures 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**	**1,902,620**	**1,902,620**	**-**	**-**	**-**	**-**
010	**Loans and advances**	**6,291,740**	**6,238,410**	**53,330**	**30,299**	**-**	**30,299**
020	Central banks	-	-	-	-	-	-
030	General governments	7	7	-	-	-	-
040	Credit institutions	120,391	120,311	80	-	-	-
050	Other financial corporations	824,788	824,355	433	1	-	1
060	Non-financial corporations	3,038	3,017	20	232	-	232
070	*of which SMEs*	*2,949*	*2,928*	*20*	*232*	-	*232*
080	Households	5,343,516	5,290,720	52,796	30,066	-	30,066
090	**Debt securities**	**25,088,827**	**25,088,765**	**-**	**-**	**-**	**-**
100	Central banks	-	-	-	-	-	-
110	General governments	22,785,344	22,785,284	-	-	-	-
120	Credit institutions	2,283,788	2,283,785	-	-	-	-
130	Other financial corporations	19,696	19,696	-	-	-	-
140	Non-financial corporations	-	-	-	-	-	-
150	**Off-balance-sheet exposures**	**4,172,409**	**54,520**	**1,207**	**1,392**	**-**	**24**
160	Central banks	-	-	-	-	-	-
170	General governments	-	-	-	-	-	-
180	Credit institutions	26,851	17,170	-	-	-	-
190	Other financial corporations	34,355	37	1	-	-	-
200	Non-financial corporations	5,513	1,956	-	2	-	-
210	Households	4,105,689	35,356	1,206	1,391	-	24
220	**Total**	**37,455,596**	**33,284,315**	**54,537**	**31,692**	**-**	**30,323**

It should be noted that financial assets held for trading and off-balance-sheet transactions other than those subject to the impairment rules set out in IFRS 9 have been classified, by convention, as performing exposures, but have not been included in the columns providing a breakdown by risk stage. Furthermore, starting from the 2025 financial year, off-balance sheet exposures include the credit limit of the credit cards issued by FinecoBank. These have been included in the definition of commitment in accordance with the entry into force of Regulation (EU) 1623/2024, which defined a commitment as any contractual agreement that an institution offers to a client, and is accepted by the client, 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 an obligor, or any agreement that can be cancelled by an institution where an obligor fails to meet the conditions set out in the credit facility documentation, including conditions that are required to be met by the obligor 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**	**(89)**	**(89)**	**-**	**-**	**-**	**-**
010	**Loans and advances**	**(10,052)**	**(4,664)**	**(5,388)**	**(22,580)**	**-**	**(22,580)**
020	Central banks	-	-	-	-	-	-
030	General governments	-	-	-	-	-	-
040	Credit institutions	(12)	(12)	-	-	-	-
050	Other financial corporations	(349)	(200)	(150)	(1)	-	(1)
060	Non-financial corporations	(12)	(8)	(4)	(203)	-	(203)
070	*of which SMEs*	*(12)*	*(8)*	*(4)*	*(203)*	-	*(203)*
080	Households	(9,678)	(4,444)	(5,234)	(22,377)	-	(22,377)
090	**Debt securities**	**(4,399)**	**(4,399)**	**-**	**-**	**-**	**-**
100	Central banks	-	-	-	-	-	-
110	General governments	(4,230)	(4,230)	-	-	-	-
120	Credit institutions	(168)	(168)	-	-	-	-
130	Other financial corporations	(1)	(1)	-	-	-	-
140	Non-financial corporations	-	-	-	-	-	-
150	**Off-balance-sheet exposures**	**(68)**	**(67)**	**(1)**	**(8)**	**-**	**(8)**
160	Central banks	-	-	-	-	-	-
170	General governments	-	-	-	-	-	-
180	Credit institutions	-	-	-	-	-	-
190	Other financial corporations	-	-	-	-	-	-
200	Non-financial corporations	-	-	-	-	-	-
210	Households	(68)	(66)	(1)	(8)	-	(8)
220	**Total**	**(14,382)**	**(8,995)**	**(5,387)**	**(22,572)**	**-**	**(22,572)**

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**	**-**	**4,973,559**	**5,129**
020	Central banks	-	-	-
030	General governments	-	-	-
040	Credit institutions	-	39	-
050	Other financial corporations	-	562,881	-
060	Non-financial corporations	-	1,843	-
070	*of which SMEs*	-	*1,843*	-
080	Households	-	4,408,796	5,129
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**	**-**	**1,968,542**	**15**
160	Central banks	-	-	-
170	General governments	-	-	-
180	Credit institutions	-	-	-
190	Other financial corporations	-	2,102	-
200	Non-financial corporations	-	4,144	-
210	Households	-	1,962,295	15
220	**Total**	**-**	**6,942,101**	**5,144**

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	4,044,888	760,097	428,078	2,932,113	26,762	8,191,938
2	Debt securities	-	1,398,177	17,412,541	6,273,710	-	25,084,429
3	**Total**	**4,044,888**	**2,175,698**	**17,840,619**	**9,205,823**	**26,762**	**33,276,367**

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	8,732
030	Outflows from non-performing portfolios	(6,152)
040	*Outflows due to write-offs*	*(3,384)*
050	*Outflow due to other situations*	*(2,768)*
060	**Final stock of non-performing loans and advances**	**30,299**

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 defaulted	Of which impaired
005	Cash balances at central banks and other demand deposits	-	-	-	-
010	Loans and advances	2,727	1,495	1,495	1,495
020	*Central banks*	-	-	-	-
030	*General governments*	-	-	-	-
040	*Credit institutions*	-	-	-	-
050	*Other financial corporations*	-	-	-	-
060	*Non-financial corporations*	-	-	-	-
070	*Households*	*2,727*	*1,495*	*1,495*	*1,495*
080	Debt Securities	-	-	-	-
090	Loan commitments given	113	6	6	6
100	**Total**	**2,839**	**1,502**	**1,502**	**1,502**

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	(15)	(868)	2,861	544
020	*Central banks*	-	-	-	-
030	*General governments*	-	-	-	-
040	*Credit institutions*	-	-	-	-
050	*Other financial corporations*	-	-	-	-
060	*Non-financial corporations*	-	-	-	-
070	*Households*	*(15)*	*(868)*	*2,861*	*544*
080	Debt Securities	-	-	-	-
090	Loan commitments given	-	(6)	-	-
100	**Total**	**(15)**	**(862)**	**2,861**	**544**

EU CQ4 - Quality of non-performing exposures by geography

(Amounts in € thousand)

		a	c	e	f	g
		Gross carrying/nominal amount		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
			Of which defaulted			
010	**On-balance sheet exposures**	**33,313,486**	**30,299**	**(37,120)**		**-**
020	Italy	14,014,523	30,252	(34,867)		-
030	European international organisations	6,215,444	-	(440)		-
040	Spain	4,745,739	3	(441)		-
050	France	2,360,930	2	(514)		-
060	Belgium	1,273,365	-	(329)		-
070	Austria	1,081,845	-	(64)		-
080	Ireland	995,307	-	(82)		-
090	United States	815,838	-	(82)		-
100	Other countries	1,810,495	42	(301)		-
110	**Off-balance sheet**	**4,173,801**	**1,392**		**(76)**	
120	Italy	4,143,285	1,391		(76)	
130	Other countries	30,515	2		-	
140	**TOTAL**	**37,487,287**	**31,692**	**(37,120)**	**(76)**	**-**

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, Sweden, Brazil, Bulgaria, Philippines, Taiwan, Singapore, Australia, South Africa, New Zealand, Tunisia, Canada, Malaysia, Mexico, Hong Kong, Russia, San Marino, Panama, Hungary, Kuwait, Monaco, Thailand, Croatia, Romania, India, Malta, Trinidad and Tobago, Greece, Qatar, Turkey, Israel, Colombia, Poland, Ethiopia, Vatican City, Paraguay, Nigeria, Japan, Peru, Argentina, Ukraine, Slovenia, Kazakhstan, Fiji, Uzbekistan, Egypt, Nicaragua, Venezuela, South Korea, Dominican Republic, Uganda, Bahrain, Afghanistan, Lebanon, Slovakia, Mongolia, Cyprus, Uruguay, Albania, Estonia, Pakistan, Angola, Serbia, Lithuania, Kenya, Czech Republic, Indonesia, Cayman Islands, Morocco, Cambodia, Costa Rica, Tanzania, Georgia, Marshall Islands, Ecuador, Seychelles, Equatorial Guinea, Iraq, Madagascar, Laos, Bangladesh, Bolivia, Jordan, El Salvador, Moldova, Ghana, Mauritius, Libya, Zambia, Vietnam, Cameroon, Sri Lanka, Rwanda, Bahamas, Liechtenstein, Turks and Caicos Islands, Mali, Yemen, Azerbaijan, Isle of Man, Oman, Algeria, Belarus, Honduras, Gambia, Montenegro, Guatemala, Liberia, Macedonia.

For off-balance sheet exposures, exposures to the following countries have been grouped under "Other Countries": France, United Kingdom, Switzerland, Abu Dhabi, Germany, Greece, Monaco, Portugal, Qatar, United States, Ireland, Canada, China, Spain, Netherlands, Singapore, San Marino, Belgium, Romania, Brazil, Bulgaria, Thailand, Malta, Colombia, Mexico, Austria, Ukraine, Luxembourg, Sweden, India, Australia, South Africa, Israel, Saudi Arabia, Russia, Turkey, Panama, Lithuania, South Korea, Japan, Poland, Denmark, Nigeria, Croatia, Tunisia, Norway, Afghanistan, Ecuador, Czech Republic, Bahrain, Cyprus, Paraguay, Albania, Egypt, Malaysia, Argentina, Latvia, Venezuela, Kenya, Kuwait, Hungary, Lebanon, Ghana, New Zealand, Serbia, Peru, Cambodia, Chile, Indonesia, Uruguay, Slovakia, Slovenia, Nicaragua, Ethiopia, Uganda, Uzbekistan, Kazakhstan, Trinidad and Tobago, Fiji, Zambia, Mozambique, Estonia, Dominican Republic, Vatican City, Vietnam, Taiwan, Pakistan, Mongolia, Bermuda, Angola, Oman, Finland, Georgia, 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	6	3	(3)	-
020	Mining and quarrying	-	-	-	-
030	Manufacturing	155	19	(19)	-
040	Electricity, gas, steam and air conditioning supply	9	1	(1)	-
050	Water supply	3	1	(1)	-
060	Construction	79	31	(30)	-
070	Wholesale and retail trade	377	31	(28)	-
080	Transport and storage	26	4	(5)	-
090	Accommodation and food service activities	36	10	(9)	-
100	Information and communication	93	13	(14)	-
110	Financial and insurance actvities	-	-	-	-
120	Real estate activities	424	18	(16)	-
130	Professional, scientific and technical activities	1,758	78	(66)	-
140	Administrative and support service activities	256	12	(11)	-
150	Public administration and defense, compulsory social security	-	-	-	-
160	Education	22	1	(2)	-
170	Human health services and social work activities	6	-	-	-
180	Arts, entertainment and recreation	12	4	(4)	-
190	Other services	6	5	(5)	-
200	**Total**	**3,270**	**232**	**(215)**	**-**

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 following EU CR4 and EU CR5 templates show the information required on a semiannual basis under Article 444 letter e) and article 453 letters g), h) and i) of the CRR. In particular, the values of on-balance-sheet and off-balance exposures, before and after applying 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, are shown. It should be noted that the structure of these models has been subject to significant changes as a result of the implementation of CRR III as of 1 January 2025, so comparisons with the previous period for some exposure classes may not be available.

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	18,984,794	-	18,984,794	-	208,805	1%
2	Non-central government public sector entities	1,860,322	-	1,860,322	-	1	0%
EU 2a	Regional governments or local authorities	1,147,220	-	1,147,220	-	-	0%
EU 2b	Public sector entities	713,102	-	713,102	-	1	0%
3	Multilateral development banks	1,293,431	-	1,293,431	-	-	0%
EU 3a	International organisations	4,921,555	-	4,921,555	-	-	0%
4	Institutions	659,912	17,170	659,912	17,168	188,729	28%
5	Covered bonds	421,138	-	421,138	-	42,114	10%
6	Corporates	763,576	4,499	310,897	1,291	312,188	100%
6,1	Of which: Specialised Lending	-	-	-	-	-	0%
7	Subordinated debt exposures and equity	5,448	-	5,448	-	7,599	139%
EU 7a	Subordinated debt exposures	-	-	-	-	-	0%
EU 7b	Equity	5,448	-	5,448	-	7,599	139%
8	Retail	2,990,997	3,864,456	1,374,912	105,658	1,131,002	76%
9	Secured by mortgages on immovable property and ADC exposures	2,217,013	-	2,217,013	-	503,984	23%
9,1	Secured by mortgages on residential immovable property - non IPRE	2,213,892	-	2,213,892	-	502,097	23%
9,2	Secured by mortgages on residential immovable property - IPRE	-	-	-	-	-	0%
9,3	Secured by mortgages on commercial immovable property - non IPRE	3,122	-	3,122	-	1,887	60%
9,4	Secured by mortgages on commercial immovable property - IPRE	-	-	-	-	-	0%
9,5	Acquisition, Development and Construction (ADC)	-	-	-	-	-	0%
10	Exposures in default	7,721	1,384	5,429	12	6,145	113%
EU 10a	Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	0%
EU 10b	Collective investment undertakings (CIU)	1,704	-	1,704	-	21,302	1250%
EU 10c	Other items	354,570	-	354,570	-	354,564	100%
12	**Total**	**34,482,183**	**3,887,510**	**32,411,127**	**124,129**	**2,776,434**	**9%**

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 9%, unchanged compared to December 2024.

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	18,416,600	-	-	-	481,565	-	-	-	-
2	Non-central government public sector entities	1,860,315	-	-	-	7	-	-	-	-
EU 2a	Regional governments or local authorities	1,147,220	-	-	-	-	-	-	-	-
EU 2b	Public sector entities	713,095	-	-	-	7	-	-	-	-
3	Multilateral Development Banks	1,293,431	-	-	-	-	-	-	-	-
EU 3a	International Organisations	4,921,555	-	-	-	-	-	-	-	-
4	Institutions	-	1,979	-	-	487,839	129,737	-	53	-
5	Covered bonds	-	-	-	421,138	-	-	-	-	-
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	-	-	-	-	-	-	-	-	25,477
9	Secured by mortgages on immovable property and ADC exposures	-	-	-	-	2,107,244	-	-	-	-
9.1	Secured by mortgages on residential immovable property - non IPRE	-	-	-	-	2,107,244	-	-	-	-
9.1.1	No loan splitting applied	-	-	-	-	-	-	-	-	-
9.1.2	loan splitting applied (secured)	-	-	-	-	2,107,244	-	-	-	-
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	6	-	-	-	-	-	-	-	-
EU 11c	**Total**	**26,491,908**	**1,979**	**-**	**421,138**	**3,076,656**	**129,737**	**-**	**53**	**25,477**

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	51,389	-	-	-	-	-	867	-	-
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	18,874	-	-	20,140	-	-	100	-	-
5	Covered bonds	-	-	-	-	-	-	-	-	-
6	Corporates	-	-	-	-	-	-	312,188	-	-
6.1	Of which: specialised lending	-	-	-	-	-	-	-	-	-
7	Subordinated debt exposures and equity	-	-	-	-	-	-	4,014	-	-
EU 7a	Subordinated debt exposures	-	-	-	-	-	-	-	-	-
EU 7b	Equity	-	-	-	-	-	-	4,014	-	-
8	Retail exposures	-	-	-	1,342,227	-	-	112,867	-	-
9	Secured by mortgages on immovable property and ADC exposures	-	3,027	-	106,743	-	-	-	-	-
9.1	Secured by mortgages on residential immovable property - non IPRE	-	-	-	106,648	-	-	-	-	-
9.1.1	No loan splitting applied	-	-	-	-	-	-	-	-	-
9.1.2	loan splitting applied (secured)	-	-	-	-	-	-	-	-	-
9.1.3	loan splitting applied (unsecured)	-	-	-	106,648	-	-	-	-	-
9.2	Secured by mortgages on residential immovable property - IPRE	-	-	-	-	-	-	-	-	-
9.3	Secured by mortgages on commercial immovable property - non IPRE	-	3,027	-	95	-	-	-	-	-
9.3.1	No loan splitting applied	-	-	-	-	-	-	-	-	-
9.3.2	loan splitting applied (secured)	-	3,027	-	-	-	-	-	-	-
9.3.3	loan splitting applied (unsecured)	-	-	-	95	-	-	-	-	-
9.4	Secured by mortgages on commercial immovable property - IPRE	-	-	-	-	-	-	-	-	-
9.5	Acquisition, development and construction (ADC)	-	-	-	-	-	-	-	-	-
10	Exposures in default	-	-	-	-	-	-	4,033	-	-
EU 10a	Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-
EU 10b	Collective investments undertakings (CIU)	-	-	-	-	-	-	-	-	-
EU 10c	Other items	-	-	-	-	-	-	354,564	-	-
EU 11c	**Total**	**70,263**	**3,027**	**-**	**1,469,109**	**-**	**-**	**788,634**	**-**	**-**

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	-	-	34,372	-	-	-	-	18,984,794	17,748,910
2	Non-central government public sector entities	-	-	-	-	-	-	-	1,860,322	1,860,322
EU 2a	Regional governments or local authorities	-	-	-	-	-	-	-	1,147,220	1,147,220
EU 2b	Public sector entities	-	-	-	-	-	-	-	713,102	713,102
3	Multilateral Development Banks	-	-	-	-	-	-	-	1,293,431	1,293,431
EU 3a	International Organisations	-	-	-	-	-	-	-	4,921,555	4,921,555
4	Institutions	-	18,358	-	-	-	-	-	677,080	57,065
5	Covered bonds	-	-	-	-	-	-	-	421,138	-
6	Corporates	-	-	-	-	-	-	-	312,188	312,188
6.1	Of which: specialised lending	-	-	-	-	-	-	-	-	-
7	Subordinated debt exposures and equity	-	-	1,434	-	-	-	-	5,448	8,448
EU 7a	Subordinated debt exposures	-	-	-	-	-	-	-	-	-
EU 7b	Equity	-	-	1,434	-	-	-	-	5,448	8,448
8	Retail exposures	-	-	-	-	-	-	-	1,480,571	1,480,571
9	Secured by mortgages on immovable property and ADC exposures	-	-	-	-	-	-	-	2,217,013	2,217,013
9.1	Secured by mortgages on residential immovable property - non IPRE	-	-	-	-	-	-	-	2,213,892	2,213,892
9.1.1	No loan splitting applied	-	-	-	-	-	-	-	-	-
9.1.2	loan splitting applied (secured)	-	-	-	-	-	-	-	2,107,244	2,107,244
9.1.3	loan splitting applied (unsecured)	-	-	-	-	-	-	-	106,648	106,648
9.2	Secured by mortgages on residential immovable property - IPRE	-	-	-	-	-	-	-	-	-
9.3	Secured by mortgages on commercial immovable property - non IPRE	-	-	-	-	-	-	-	3,122	3,122
9.3.1	No loan splitting applied	-	-	-	-	-	-	-	-	-
9.3.2	loan splitting applied (secured)	-	-	-	-	-	-	-	3,027	3,027
9.3.3	loan splitting applied (unsecured)	-	-	-	-	-	-	-	95	95
9.4	Secured by mortgages on commercial immovable property - IPRE	-	-	-	-	-	-	-	-	-
9.5	Acquisition, development and construction (ADC)	-	-	-	-	-	-	-	-	-
10	Exposures in default	-	1,408	-	-	-	-	-	5,441	5,441
EU 10a	Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-
EU 10b	Collective investments undertakings (CIU)	-	-	-	-	-	1,704	-	1,704	1,704
EU 10c	Other items	-	-	-	-	-	-	-	354,570	354,570
EU 11c	**Total**	**-**	**19,766**	**35,806**	**-**	**-**	**1,704**	**-**	**32,535,257**	**30,279,289**

The column 'Of which unrated' shows exposures for which either a credit assessment by a nominated ECAI is not available or, 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%. It should also be noted that exposures to unrated entities for which grade A, B or C has been defined, as specified in Article 121 of the CRR, are also included.

Disclosure of the use of credit risk mitigation techniques

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".

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	
						Of which secured by credit derivatives
		a	b	c	d	e
1	Loans and advances	3,213,250	4,978,688	4,908,569	70,119	-
2	Debt securities	25,084,429	-	-	-	
3	**Total**	**28,297,678**	**4,978,688**	**4,908,569**	**70,119**	**-**
4	*Of which non-performing exposures*	*2,590*	*5,129*	*5,129*	-	-
EU-5	*Of which defaulted*	*2,590*	*5,129*			

Secured exposures include exposures secured by real estate for € 2,218,590 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 € 2,200,051 thousand, mainly represented by debt securities, units of UCITS and equity securities.

Exposures to counterparty credit risk

Counterparty risk is 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. 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 following templates EU CCR1, EU CCR3, EU CCR5 and EU CCR8 show the information required on a semiannual basis in Article 439 of the CRR, letters 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;
- 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.

It should be noted that the EU CCR2 Model on Credit Valuation Adjustment Risk (CVA), published in previous disclosures, is no longer published, following the application of the changes introduced with CRR III from 1 January 2025. In fact, the Group applies the Reduced Basic Approach (R-BA), in accordance with Part Three, Title VI of the CRR, for which no specific disclosure is required.

Information on credit derivative contracts has not been reported as the Group does not have any such transactions in place as at 30 June 2025.

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)	59	18,916		1.4	26,564	26,564	26,564	26,015
2	IMM (for derivatives and SFTs)			-	-	-	-	-	-
2a	*Of which securities financing transactions netting sets*			-		-	-	-	-
2b	*Of which derivatives and long settlement transactions netting sets*			-		-	-	-	-
2c	*Of which from contractual cross-product netting sets*			-		-	-	-	-
3	Financial collateral simple method (for SFTs)					-	-	-	-
4	Financial collateral comprehensive method (for SFTs)					533,323	533,323	533,323	178,485
5	VaR for SFTs					-	-	-	-
6	**Total**					**559,888**	**559,888**	**559,888**	**204,500**

FinecoBank 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 FinecoBank only as the subsidiary FAM has no derivative or SFT transactions exposures.

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	-	57,560	-	-	686	19,187
7	Corporates	-	-	-	-	-	-
8	Retail	-	-	-	-	-	-
9	Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
10	Other items	-	-	-	-	-	-
11	**Total exposure value**	**-**	**57,560**	**-**	**-**	**686**	**19,187**

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	Valore dell'esposizione complessiva
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	-	-	-	5,615	499,928	582,976
7	Corporates	-	-	5,045	-	-	5,045
8	Retail	-	3,549	25,878	-	-	29,427
9	Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
10	Other items	-	-	-	-	-	-
11	**Total exposure value**	**-**	**3,549**	**30,923**	**5,615**	**499,928**	**617,448**

EU CCR5 - Composition of collateral for CCR exposures

(Amounts in € thousand)

		a	b	c	d
	Collateral type	Collateral used in derivative transactions			
		Fair value of collateral received		Fair value of posted collateral	
		Segregated	Unsegregated	Segregated	Unsegregated
1	Cash – domestic currency	-	603,006	-	1,979
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**	**-**	**603,006**	**-**	**1,979**

continued: EU CCR5 - Composition of collateral for CCR exposures

(Amounts in € thousand)

		e	f	g	h
	Collateral type	Collateral used in SFTs			
		Fair value of collateral received		Fair value of posted collateral	
		Segregated	Unsegregated	Segregated	Unsegregated
1	Cash – domestic currency	-	9,790	-	25,448
2	Cash – other currencies	-	-	-	-
3	Domestic sovereign debt	-	986,373	-	1,628,623
4	Other sovereign debt	-	-	-	266,251
5	Government agency debt	-	-	-	-
6	Corporate bonds	-	-	-	580,292
7	Equity securities	-	124,070	-	490,277
8	Other collateral	-	1,159	-	112,975
9	**Total**	**-**	**1,121,392**	**-**	**3,103,866**

EU CCR8 - Exposures to CCPs

(Amounts in € thousand)

		Exposure value	RWEA
		a	b
1	**Exposures to QCCPs (total)**		**2,368**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	57,560	1,151
3	*(i) OTC derivatives*	*45,096*	*902*
4	*(ii) Exchange-traded derivatives*	*12,071*	*241*
5	*(iii) SFTs*	*393*	*8*
6	*(iv) Netting sets where cross-product netting has been approved*	-	-
7	Segregated initial margin	-	
8	Non-segregated initial margin	1,979	40
9	Prefunded default fund contributions	56,273	1,178
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.

Market risk

Market risk arises from the effect that changes in market variables (interest rates, security prices, exchange rates, etc.) can have on financial instruments held by the Group.

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)	20,165
2	Equity risk (general and specific)	95,960
3	Foreign exchange risk	-
4	Commodity risk	19,158
	Options	
5	Simplified approach	-
6	Delta-plus approach	-
7	Scenario approach	-
8	**Securitisation (specific risk)**	**-**
9	**Total**	**135,284**

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 additional requirements other than delta risk in the standardised approach for market risk.

The Group applies the Standardized approach to calculate regulatory requirements for market risks in accordance with CRR, Part Three, Title II, Chapter 2 and Part Three, Title IV, Chapters 2, 3 and 4. Finally, with reference to the changes introduced in the regulatory framework for the calculation of capital requirements for market risk. It should be noted that, as previously mentioned, the European Commission adopted on 12 June 2025 a delegated act, currently under consideration by the European Parliament and the Council, postponing the application of the changes introduced in the regulatory framework for the calculation of capital 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 its 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 FinecoBank 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 "core" share of deposits payable equal to 65% and with an average repricing profile of 4 years (maximum maturity 8 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 parallel shocks. 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 € thousands)

	Supervisory shock scenarios	a	b	c	d
		Changes of the economic value of equity		Changes of the net interest income	
		06/30/2025	12/31/2024	06/30/2025	12/31/2024
1	Parallel Up	(66,061)	(55,518)	103,414	110,277
2	Parallel Down	31,472	21,860	(205,849)	(225,974)
3	Steepener shock (decrease in short rates and increase in long rates)	71,446	69,351		
4	flattener shock (increase in short rates and decrease in long rates)	(154,817)	(149,847)		
5	Short rates up	(164,327)	(155,754)		
6	Short rates down	88,920	81,766		

Liquidity requirements

Liquidity Coverage Ratio - LCR

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

- with reference to the requirements to be met:
  - CRR article 412 “Liquidity coverage requirement;
  - Delegated Regulation (EU) 2015/61 of October 10, 2014 and subsequent amendments, which establishes the rules specifying in detail the liquidity coverage requirement set forth in Article 412(1) of the CRR. Specifically, the minimum requirement that all banks authorized in Italy must comply with is 100%;
  - Commission Implementing Regulation (EU) 2024/3117 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 supervisory reporting of institutions and repealing Commission Implementing Regulation (EU) 2021/451;
- with reference to the disclosure information to be published:
  - CRR article 451a defining disclosure of liquidity requirements;
  - Article 8 of Implementing Regulation (EU) 2024/3172 laying down implementing technical for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to public disclosures by institutions of the information referred to in Part Eight, Titles II and III, of that Regulation, and repealing Commission Implementing Regulation (EU) 2021/637.

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

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

Liquidity requirements

EU LIQ1 - Quantitative information of LCR

(Amounts in € thousands)

	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**	**06.30.2025**	**03.31.2025**	**12.31.2024**	**09.30.2024**	**06.30.2025**	**03.31.2025**	**12.31.2024**	**09.30.2024**
EU 1b	**Number of data points used in the calculation of averages**	**12**	**12**	**12**	**12**	**12**	**12**	**12**	**12**
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					22,873,792	22,118,611	21,554,971	20,832,702
CASH-OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	28,319,552	27,777,198	27,478,863	27,166,571	1,829,342	1,778,095	1,756,460	1,743,902
3	*Stable deposits*	*21,048,407*	*20,729,196*	*20,595,074*	*20,521,356*	*1,052,420*	*1,036,460*	*1,029,754*	*1,026,068*
4	*Less stable deposits*	*6,343,076*	*6,064,262*	*5,948,315*	*5,883,472*	*776,922*	*741,635*	*726,707*	*717,834*
5	*Unsecured wholesale funding*	*585,974*	*561,514*	*542,965*	*520,330*	*335,129*	*311,716*	*293,128*	*272,622*
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	-	-	-	-	-	-	-	-
7	*Non-operational deposits (all counterparties)*	*585,974*	*561,514*	*542,965*	*520,330*	*335,129*	*311,716*	*293,128*	*272,622*
8	*Unsecured debt*	-	-	-	-	-	-	-	-
9	*Secured wholesale funding*					*309,489*	*298,204*	*272,952*	*246,133*
10	Additional requirements	479,886	537,740	550,444	586,771	470,006	523,230	528,104	544,035
11	*Outflows related to derivative exposures and other collateral requirements*	*465,425*	*515,279*	*514,521*	*516,530*	*465,425*	*515,279*	*514,521*	*516,530*
12	*Outflows related to loss of funding on debt products*	-	-	-	-	-	-	-	-
13	*Credit and liquidity facilities*	*14,461*	*22,461*	*35,923*	*70,241*	*4,581*	*7,951*	*13,583*	*27,505*
14	Other contractual funding obligations	673,211	675,616	664,305	685,586	659,631	661,300	650,570	670,489
15	Other contingent funding obligations	4,322,743	4,198,573	3,922,566	3,660,173	214,574	220,341	224,467	228,812
16	TOTAL CASH OUTFLOWS					3,818,173	3,792,887	3,725,681	3,705,993
CASH-INFLOWS									
17	Secured lending (eg reverse repos)	2,471,450	2,156,124	2,030,552	1,792,953	39,297	44,536	49,976	48,632
18	Inflows from fully performing exposures	658,987	646,848	638,440	645,091	481,466	472,457	465,963	475,883
19	Other cash inflows	2,371,263	2,341,878	2,384,771	2,439,092	785,311	778,147	812,127	832,532
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	*5,501,699*	*5,144,851*	*5,053,763*	*4,877,136*	*1,306,074*	*1,295,140*	*1,328,067*	*1,357,047*
EU-20a	*Fully exempt inflows*	-	-	-	-	-	-	-	-
EU-20b	*Inflows subject to 90% cap*	-	-	-	-	-	-	-	-
EU-20c	*Inflows subject to 75% cap*	*5,501,699*	*5,144,851*	*5,053,763*	*4,877,136*	*1,306,074*	*1,295,140*	*1,328,067*	*1,357,047*
TOTAL ADJUSTED VALUE									
EU-21	LIQUIDITY BUFFER					22,873,792	22,118,611	21,554,971	20,832,702
22	TOTAL NET CASH OUTFLOWS					2,512,099	2,497,748	2,397,614	2,348,946
23	LIQUIDITY COVERAGE RATIO					912.15%	887.96%	909.11%	896.53%

Liquidity requirements

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

Explanations on the main drivers of LCR results and the evolution of the contribution of inputs to the LCR's calculation over time

The Group's LCR is driven by high-quality liquid assets (HQLA), mainly composed of bonds (mainly government bonds) and liquidity deposited with the Bank of Italy, thanks to the contribution of stable retail deposits, which remained constant over the period. 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 that contribute to the determination of the LCR indicators shown in the table above are calculated as the average of end-of-the-month observations over the preceding 12 months. Despite an increase in the average outflow of "Secured wholesale funding", as a result of the higher securities lending transactions collateralized by cash with retail and institutional customers, and a decrease in "Other cash inflows", as a result of the reduction of the inflows due to securities present in the banking portfolio with maturity within 30 days and not included in the liquidity buffer, there was an increase in the average "Liquidity buffer", determined both by greater availability invested in HQLA assets and by an increase in the related fair value, which allowed the LCR indicator to be kept substantially constant over the period.

Despite the increasing geo-political tensions, the reduction of inflationary pressures and the loosening of restrictive monetary policies implemented by the world's leading central banks have supported the Group's overall liquidity, which 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 consists of mainly of sight deposits of FinecoBank retail customers and is characterised by multi-channelling. Therefore, funding is not threatened by the withdrawal 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 fulfill 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 transactions were conducted in March 2024, as per details provided in the previous versions of this document.

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

Finally, FinecoBank has developed the Sight Deposit Model and the related controls, as well as specific stress tests and controls on current account stability. 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 within the year complies with the results of the Sight Deposit Model.

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

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

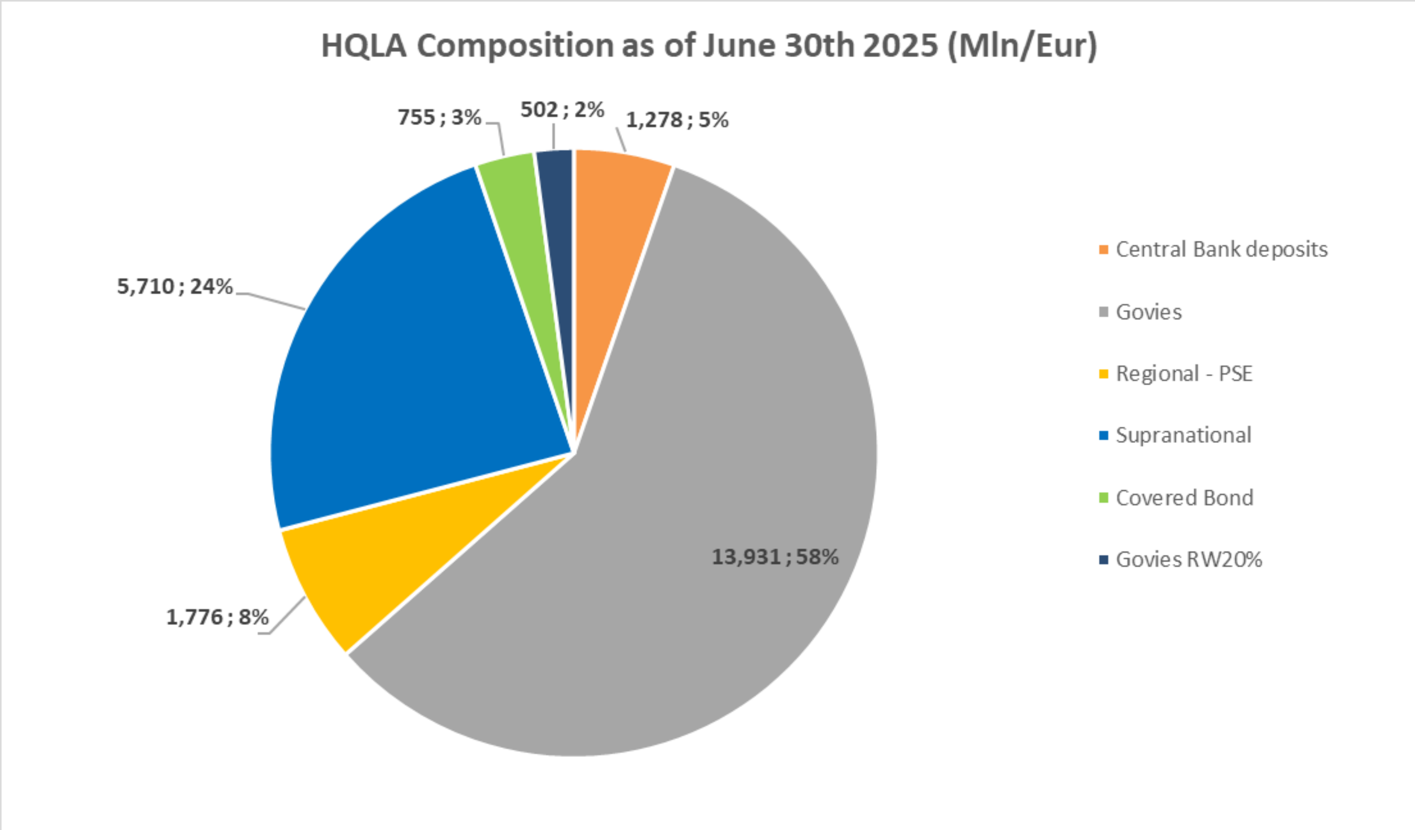
With reference to the managerial indicators, the risk management calculates the so-called Structural Ratio. This ratio was developed by the Parent Company's CRO Department with the aim of monitoring the risk of transformation of maturities, considering the specific features of Fineco's funding. In detail,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

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

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

More specifically, the level of HQLA is equal to approximately € 23.95 billion as of 30 June 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 30 June 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 30 June 2025 FinecoBank is mainly characterized by indirect participation to the European payment system and to its relevant ancillary system with the only exception of the instant payment infrastructure and the collateral management system. Fineco in fact adhered directly to such sectors by opening on the 22/11/2021 its own TIPS DCA which is adding up to previously available instant payment account on RT1 (FinecoBank decided not to replace RT1 with TIPS but to keep both in order to achieve a wider reachability) and, beginning from 16/06/2025, through the direct participation in ECMS, (Eurosystem Collateral Management System) the new unified system for managing assets used as collateral.

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.

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 consolidated level, during the opening hours and especially at close of business, a positive balance sufficient to allow the respect of minimum reserve requirements on average balances held during the maintenance period;
  - in the execution of adequate and punctual daily funding and defunding transactions respecting specific system cut off times for each account;
  - in granting proper and sufficient funding on MCA and TIPS account, respectively to meet up with periodical debit postings by Central Bank and to manage the flows being processed 24/7;
- EBA clearing, in relation to the 24/7 activity on RT1 and consisting:
  - in the execution of adequate and punctual daily funding transactions to be estimated based on the expected daily flows and considering a top up suitable to create a prudential balance to manage overnight and weekend flows;
  - in the setup of upper limits representing operational balances cap thresholds that trigger automatic defunding transactions to bring back overall available liquidity to a prudential level able at the same to reduce cost opportunity and fragmentation of the payment capacity in euro;
- correspondent banks, in relation to the operational account and payment operation and consisting:
  - in the execution of adequate and punctual daily funding transactions to be estimated based on the expected daily flows and to be processed respecting daily cut off times specific of the counterparty or of the market, product, currency involved;
  - in the execution of close of business defunding transactions to keep balances within the credit lines granted to the 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 banks[2].

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.

[2] 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:
  - CRR article 413, 428 and subsequent amendments of CRR;
  - Commission Implementing Regulation (EU) 2024/3117 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 supervisory reporting of institutions and repealing Commission Implementing Regulation (EU) 2021/451.
- with reference to the disclosure information to be published:
  - CRR article 435 defining disclosure requirements for each risk category, including key ratios (letter f) and CRR article 451a defining disclosure of liquidity requirements;
  - Article 8 of Implementing Regulation (EU) 2024/3172 laying down implementing technical for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to public disclosures by institutions of the information referred to in Part Eight, Titles II and III, of that Regulation, and repealing Commission Implementing Regulation (EU) 2021/637.

The following EU LIQ2 template shows the information required as at 31 March 2025 and 30 June 2025 under Article 451a paragraph 3 of the CRR. 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.

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

(Amounts in € thousands)

		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*		-	-	-	-
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

EU LIQ2 – Net Stable Funding Ratio as at 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**
	Elementi di finanziamento stabile richiesto (RSF)					
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		-	-	-	-
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*		-	-	-	-
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

Net Stable Funding Ratio – "NSFR" as of June, 30 2025 is equal to 403.12%, recording an increase in the second quarter of 2025 due to the growing amount of available stable funding (ASF), equal to € 30,559 million, mainly deposits with retail customers. The required stable funding (RSF) amount, equal to € 7,580 million, is slightly down. Considering that the securities owned, being mainly of very high-quality level 1, are subject to a weighting factor of 0%, the required amount of weighted stable funding is mainly made up of loans, mortgages and tax credits acquired under Decree-Law 34/2020 and subsequent amendments that are not included in the LCR liquidity buffer.

Leverage

The Basel 3 prudential regulation (BCBS) introduced the requirement of calculation, reporting, and publication of leverage ratio that is an additional regulatory requirement 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 Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to supervisory reporting of institutions and repealing Commission Implementing Regulation (EU) 2021/451.

This disclosure is also made in accordance with the provisions of the mentioned Commission Implementing Regulation (EU) 2024/3172 of 29 November 2024 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to public disclosures by institutions of the information referred to in Part Eight, Titles II and III, of that Regulation, and repealing Commission Implementing Regulation (EU) 2021/637[3].

Contents

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

- assets[4], 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 paragraph 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 transactions[5], 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 sales[6] 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, paragraph 8 CRR are met;
- article 429a permits the exclusion of certain specific exposures from the measure of overall exposure.

[3] Regulation (EU) 2021/637 shall continue to apply until the new Fundamental Review of the Trading Book (FRTB) framework entry into force, 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.
[4] Asset means the exposure value as defined in Article 111 paragraph 1 of CRR first sentence.
[5] 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.
[6] '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 paragraph 1) letter b) of the CRR.

(Amounts in € thousand)

		a
		Applicable amount
		06.30.2025
1	Total assets as per published financial statements	35,359,176
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	(509,640)
9	Adjustment for securities financing transactions (SFTs)	424,916
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	412,615
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	(1,856)
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	127,433
13	**Total exposure measure**	**35,812,644**

EU LR2 - LRCom: Leverage ratio common disclosure

The template shows the leverage ratio as of June 30, 2025, compared with the data as of December 31, 2024, and the breakdown of the total exposure into the main categories, in accordance with the provisions of Article 451(1)(a) and (b).

Leverage

(Amounts in € thousand)

		CRR leverage ratio exposures	
		a	b
		06.30.2025	12.31.2024
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	34,855,259	34,278,500
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)	(114,293)	(114,666)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**34,740,966**	**34,163,835**
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	5,212	7,279
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	99,065	110,582
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**	**104,277**	**117,862**
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	1,149,356	2,821,480
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(1,017,946)	(2,662,799)
16	Counterparty credit risk exposure for SFT assets	424,916	22,007
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**	**556,326**	**180,688**
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	3,862,072	2,232,831
20	(Adjustments for conversion to credit equivalent amounts)	(3,450,998)	(1,958,842)
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated associated with off-balance sheet exposures)	-	-
22	**Off-balance sheet exposures**	**411,075**	**273,988**
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)**	**-**	**-**

continued: EU LR2 - LRCom: Leverage ratio common disclosure

(Amounts in € thousand)

		CRR leverage ratio exposures	
		a	b
		06.30.2025	12.31.2024
Capital and total exposure measure			
23	**Tier 1 capital**	**1,862,025**	**1,811,917**
24	**Total exposure measure**	**35,812,644**	**34,736,372**
Leverage ratio			
25	Leverage ratio (%)	5.20%	5.22%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	5.20%	5.22%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	5.20%	5.22%
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	Fully loaded	Fully loaded
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	118,336	151,527
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	131,410	158,680
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)	35,799,570	34,729,219
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)	35,799,570	34,729,219
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)	5.20%	5.22%
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)	5.20%	5.22%

The Leverage Ratio as of 30 June 2024, equal to 5.20%, shows a slight decrease compared to 5.22% as of 31 December 2024, following the increase in overall exposure, mainly determined by balance sheet assets and securities lending transactions with institutional counterparties, partially offset by the increase in Tier 1 capital, due to the inclusion of profit for the period.

The entry into force of CRR III on January 1, 2025 had a minimal impact on the indicator attributable to the Credit Conversion Factors (CCF) applied to off-balance sheet exposures, which included all exposures falling within the definition of “commitment.”

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 paragraph 1) letter b) of the CRR.

(Amounts in € thousand)

		a
		CRR leverage ratio exposures
		06.30.2025
EU - 1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which**	**34,855,259**
EU - 2	Trading book exposures	44,042
EU - 3	Banking book exposures, of which	34,811,216
EU - 4	Covered bonds	421,138
EU - 5	Exposures treated as sovereigns	27,299,994
EU - 6	Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns	7
EU - 7	Institutions	793,680
EU - 8	Secured by mortgages of immovable properties	2,217,013
EU - 9	Retail exposures	2,990,997
EU - 10	Corporates	763,576
EU - 11	Exposures in default	7,721
EU - 12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	317,090

Disclosure of environmental, social and governance risks

Introduction

The Fineco 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 Policy[7] 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. 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 December 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. This analysis, which was approved by the Parent Company's Board of Directors in September 2024, confirmed 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.

The annual update of the double materiality analysis was launched in the first half of 2025, including stakeholder engagement activities with some of the Group's key stakeholders: Customers, Investors and Employees. The activities will conclude in the second half of the year, with the definition of the material topics for the 2025 financial year and their approval by the Board of Directors of the Parent Company.

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 maintenance 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, Fineco'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.

In defining and implementing its business strategy, Fineco 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 the context of the process of alignment with the sustainability reporting requirements pursuant to the abovementioned CSRD – in force as of the 2024 financial year reporting – in 2024, the process of identifying and assessing environmental, social and governance risks pursuant to the aforementioned legislation was carried out, in particular as part of the process of defining the material topics of the Group according to the so-called double materiality analysis. In the first half of 2025, the analysis update activities were started, as reported above.

[7] Available on the FinecoBank website at the link https://about.finecobank.com/it, section "Sustainability".

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 30 June 2025, Fineco held a package of ESG securities, consisting of green, sustainable and social bonds, amounting to approximately € 2.4 billion, equivalent to about 9.5% of the total portfolio owned. Within the Group's RAF, Fineco envisages a tolerance threshold (Risk Tolerance) for the incidence of investments that show attention to environmental, social and governance aspects; in the RAF 2024 - approved on 17 December 2024 - this threshold is equal to 7%.

The Investment Plan envisages, for 2024, a slight improvement in the ESG indicators monitored for the issuing countries (the Worldwide Governance Indicators and the ND Gain index, described in more detail below). The monitoring of ESG indicators also contributes to the objective of improving the investment portfolio of the Parent Company as a whole.

Regarding counterparty engagement on environmental risk management, the Bank's lending policy is 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, FinecoBank'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 Bank'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 Bank'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;

- the **Sustainability Structure**, 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 Fineco, including the development and monitoring of the Sustainability Strategy and in the drafting and subsequent approval of the Consolidated Sustainability Report and EMAS Environmental Statement 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 each Subsidiary:

- it is required to identify an organizational structure within each 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;
- 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).

In addition, a dedicated ESG regulatory oversight organisational model has been established in the parent company, divided into seven macro-areas. For each area, the topics directly overseen by the compliance function (2nd level corporate control function), the topics of regulatory compliance borne by specific specialized structures (indirect compliance coverage oversight) and the topics assigned to the CRO Department (2nd level corporate control function) have been identified.

With reference to the frequency and methods of external and internal reporting on environmental risk, the CRO 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 rating[8] greater than or equal to 6 (average rating) and ii) the maintenance of the EMAS Environmental Registration is considered. 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, in 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).

8 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.

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 to affect economic activity and, consequently, the financial system. In particular, the transition to a low-carbon and more circular economy brings both risks and opportunities for the entire economic system and for financial institutions, while the physical damage caused by climate change and environmental degradation might have a significant impact on the real economy and the financial sector.

Climate change commonly gives rise to two risk factors:

- physical risk, which refers to the financial impact of climate change, including more frequent extreme weather events and gradual changes in climate, as well as environmental degradation, such as air, water and soil pollution, water stress, biodiversity loss and deforestation. Physical risk is therefore classified as "acute" if caused by extreme events such as droughts, floods and storms, and "chronic" if caused by progressive changes such as rising temperatures, rising sea levels, water stress, biodiversity loss, land use change, habitat destruction and resource scarcity. This risk could directly lead to material damage, a decline in productivity, or indirectly to subsequent events such as the disruption of production chains;
- transition risk, which refers to the financial loss that an institution may incur, directly or indirectly, as a result of the adjustment process towards a low-carbon and more environmentally sustainable economy. This could be caused, for example, by the relatively sudden adoption of climate and environmental policies, technological progress or changes in market confidence and preferences.

Physical and transition risks represent risk factors that impact traditional risk categories already identified and managed by financial institutions, such as pillar one risks i.e. credit, operational, market and liquidity risks, but also pillar two risks, such as reputational risk. These risks can also affect the resilience of the institution's business model in the medium and long term, especially whenever the business area is based on sectors and markets that are particularly vulnerable to climate and environmental risks.

In November 2020, the European Central Bank published a "Guide on climate-related and environmental risks" that incorporates the supervisory authority's expectations on risk management and disclosure of climate-related and environmental risks. According to the latter, institutions are required to assess the impact of climate-related and environmental risks on their business model and operational environment in the short, medium and long term, and to integrate them into their risk management system, so that they are managed, monitored and mitigated along with other risk categories.

Since the first consultation of the ECB on its guide on climate and environmental risks[9], the Fineco Group has started a process of progressive integration of climate and environmental risks within its risk management framework, based on the most recent guidelines published by the supervisory authorities and European and international standard setters[10]. The first changes made concerned the *Risk Appetite Framework (RAF)*, which represents the tool for monitoring the risk profile that the Group is willing to assume in implementing its corporate strategies and in achieving sustainable profitability at the same time as solid business growth.

The RAF formalizes, through a set of limits and risk metrics, the risk objectives, any tolerance thresholds and operational limits that the Group commits to comply with in the pursuit of its strategic lines, and is made by the *Risk Appetite Statement*, which qualitatively defines the positioning of FinecoBank in terms of strategic objectives and related risk profiles, and the *Risk Dashboard*, which is made by a set of quantitative indicators.

The RAF 2025 *statement*, in continuity with the RAF 2024, includes a series of commitments and objectives also in the field of climate and environmental risks. In this context, the Group's goal is to:

- keep a marginal exposure to physical climate and environmental risks, both acute and chronic, by limiting direct investments in the Real Estate segment to properties intended for the unrolling of office and consultancy activities, and ensuring that the real estate collateral portfolio deriving from mortgages loans does is not concentrated towards single climate and environmental risk factors;
- limit the exposure to transition climate and environmental risks by avoiding financing high-risk sectors and ensuring flexibility with respect to regulatory changes and market trends;
- achieve net zero emissions, both operational and financed, by 2050;
- by 2030, have 95% of strategic investments in countries and institutions with a "Net Zero" objective[11];

The *Risk Dashboard* 2025, in continuity with the RAF 2024, incorporates several indicators to monitor ESG risks. One indicator is designed to ensure, through quantitative thresholds, that a share of investments is made in ESG bonds, instruments intended to support projects or activities aimed at promoting social and environmental sustainability.

In continuity with the RAF 2024, a specific indicator is aimed at measuring the percentage of ESG Funds offered by Fineco AM on the total fund offering, and to guarantee a minimum share.

[9] The first consultation version of the "Guide on climate and environmental risks" dates back to May 2020.
[10] Examples include the "EBA report on ESG Risk Management and Supervision", the report "role of environmental and social risks in the prudential framework" and the documents released by the BCBS "*Climate-related risk drivers and their transmission channels* " and "*Climate-related financial risks – measurement methodologies*".
[11] 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*..

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. With the aim of directing credit origination towards stable or lower physical risk profiles, the indicator measures the concentration on newly originated loans instead of on the entire stock.

Another new feature introduced in RAF 2025 is the indicator relating to the energy class of real estate collateral covering mortgages loans. Also in this case, the aim is to stream credit origination towards stable or lower physical risk profiles.

As previously mentioned, RAF metrics are regularly monitored and reported, at least quarterly. A threshold breach of the indicators included in the Risk Dashboard triggers the activation of an escalation process towards the top management and ultimately the competent Corporate Bodies.

In addition to the objectives set out in the Risk Appetite Statement and the indicators integrated into the Risk Appetite Dashboard, the Group's "Sustainability Policy" describes the process of identifying, managing and integrating ESG risks into the Group's risk management framework.

This process, which is fully integrated within the Risk Inventory process, includes i) the analysis of best practices and regulations, ii) the identification and mapping of ESG risks, iii) their integration into the RAF and the Internal Control System iv) stress tests execution v) reporting activities.

In order to identify the risk factors to which the Group is exposed and carry out the relevant assessments in terms of management, monitoring and mitigation, the Group carries out, on an annual basis or more frequently in the event of significant changes, the process of identifying all the risks to which it is, or could be exposed, with regard to its operations and reference markets. This process, which represents a preparatory activity both for the definition of the Risk Appetite Framework and for the internal capital and liquidity assessment processes (ICAAP & ILAAP), mainly consists of the following phases:

- 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, reflecting the requirements of the Corporate Sustainability Disclosure Directive (CSRD).

In the specific case of physical and transition Climate and Environmental risks (as well as Social and Governance risks), as this is a horizontal risk category, the impacts on the balance sheet, operations or reputational context of the Group are recorded through financial risks (for example credit risks), operational risks and reputational risks. For this reason, the identification and analysis of these risk categories occurs in parallel with the traditional categories of financial, operational and reputational risks, in a specific section of the Risk Inventory called "ESG Risk Deep Dive". The separate assessment, in addition to allowing a more in-depth analysis of the ESG risk factors, ensures that the double counting of the related risk factors is avoided, as they are already included in the financial, operational and reputational risks that operate as transmission channels.

Within the "ESG Risk Deep Dive" all ESG risk factors potentially capable of negatively affecting the business model and more generally the operations along the Group's value chain, both upstream (e.g. third-party suppliers) and downstream (e.g. customers), are identified. For each risk factor, the transmission channels towards financial risks (e.g. credit and business risk), operational and reputational risks are identified (if present), as well as the related vulnerabilities and mitigation factors determined by the peculiarities of the Group. The main financial metrics that could be impacted in the event that the risk factor were to occur are identified as well.

In general, the companies of the FinecoBank Group, thanks to the intrinsic feature of their business model, are little exposed to climate and environmental risks. Specifically:

- no Group company has significant investments in the Real Estate segment, which could suffer damage following the occurrence of acute physical risk factors (e.g. floods) or decrease in value due to the intensification of chronic physical risk factors (e.g. sea level rise). The value of properties could also be affected by transition risk factors, for example if more restrictive regulations on pollution or carbon dioxide emissions were introduced (e.g. regulations requiring properties to reach a minimum energy class in order to be sold), by new climate policies by governments, or by new market trends. The only real estate investment is represented by the building in which the parent company FinecoBank has its registered office, located in Milan;
- the parent company, FinecoBank, has always favoured digital channels in its relations with customers, without the use of branches, which could be damaged or made unusable by physical risk events;
- no Group company has significant credit exposures to non-financial counterparties/clients, whose credit risk profile may be affected by an increase in the intensity and frequency of physical or transition risk factors. Counterparties could also be affected by transition risk factors, such as the introduction of more restrictive regulations on pollution or carbon dioxide emissions, new climate policies by governments or new market trends;
- the loans, granted exclusively by the Parent Company, are mainly addressed to retail customers. They are therefore highly diversified exposures, of individually small amounts and not directly influenced by climate and environmental risk factors. Furthermore, a significant portion of the loan portfolio to ordinary customers consists of products backed by financial or real estate collateral;
- the mortgages originated 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 mostly made to industry leaders, with a high credit standing, 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 economies do 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 headquarter, the Business Continuity plan envisage an extensive use of remote working.

The Data Processing Centers (DPCs) used by Group companies play a key role in storing data and regularly providing services. The latter, being physical structures, may be exposed to climatic and environmental risk factors, both acute and chronic, which could, following damage to the hardware infrastructure, lead to data loss or interruption of services for a extended period of time. Given the strategic nature of these assets, Group companies use DPCs located at a geographical distance, for which a technical report on seismic and environmental risk is periodically commissioned to external companies specialized in such assessments, and mitigation measures are identified (e.g. emergency generators and pumps in the event of flooding). Finally, it should be noted that the Parent Company has an additional DPC used exclusively for backup purposes.

A specific reverse stress test was developed on the physical risk associated with the CEDs as part of the ICAAP 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 44%. This reduces the probability of loss for the Bank in the event of default, also following a reduction in the value of real estate collateral. In any case, when granting mortgages, the Chief Lending Officer (CLO) considers physical risk indicators in the assessment of real estate guarantees. Specifically, during the investigation phase, if the indicators show a high level of physical risk, the deliberative bodies will assess the comprehensive risk of the loan through a holistic assessment of the customer, and more restrictive in terms of Loan to Value and duration, deferring the decision, if situations of proven/substantial risk are detected, to the higher deliberative body identified by the delegated powers in force.

An indicator for real estate guarantees is active within the RAF for 2025, aimed at measuring the share of collateral properties exposed to high climate and environmental risks. The indicator, which covers both acute physical risks (landslide, seismic and hydrogeological risk) and chronic physical risks (water stress, soil erosion, sea level rise), is based on an analytical approach to identifying properties at risk, made possible by information made available by a specialized external provider. In addition to the geographical distribution, a set of qualitative information relating to individual housing units is taken into consideration, capable of mitigating physical and transition risks, including, for example, the construction quality of the property (seismic and energy class) and some intrinsic characteristics (e.g. the floor of the property). The indicator is calculated only on the new loans, with the aim of streaming credit origination towards stable or lower physical risk profiles.

Climate and environmental risk factors, and in particular acute and chronic physical risks, are integrated into the Loss Given Default (LGD) estimation model for mortgages. Specifically, mortgages loans on properties that are more exposed to climate and environmental risks will have a higher LGD. Consequently, in the context of the calculation of expected credit losses, the Bank will calculate higher provisions on these positions, while in the context of the calculation of the credit risk internal capital, these positions will have a higher capital absorption.

Also on real estate guarantees, a specific ICAAP stress test exercise is regularly carried out which envisage a reduction in the value of the real estate collateral underlying mortgage loans and located in areas with high climate and environmental risk, with a consequent increase in the value of the LGD, credi provisions, and of credit risk internal capital.

Assets acquired as collateral also include financial collateral pledged against the opening of secured overdraft facilities originated by the Parent Company. The securities acquired as collateral could in fact be affected by market volatility following the worsening of chronic physical risk factors, shall they cause stress to the entire economic sector. It should be noted, however, that the value of the collateral is monitored on a daily basis, and in the event that it falls below certain limits, the Bank has the right, ensured by the contractual provision of the mandate to sell, to sell the financial instruments and repay the debt.

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[12].

Finally, it should be noted that a specific ICAAP stress test exercise is regularly carried out on the risk of default or downgrade of financial and sovereign counterparties exposed to high climate and environmental risks. The latter involves the downgrade of the countries mostly exposed to climate and environmental risks. In the ICAAP 2024 stress test, in line with the exposures held by the Group, the counterparties considered were China 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.

Transition risks, in particular those related to changes in customer needs and preferences, could impact FinecoBank's business model as well. In particular, customers could move towards asset management products from third-party Asset Managers, with better ESG features than those manufactured by FAM, or towards intermediaries that offer products with better ESG features than those of FinecoBank, or more active in environmental sustainability initiatives. This type of risk is more concentrated in the short term, as it should decrease in the medium/long term following the refinement by the Group companies of their offer of sustainable products.

The orientation of customers towards asset management products of third-party Asset Managers with better ESG characteristics than those of FAM, essentially depends on the ability of the subsidiary Fineco Asset Management to adapt its offer of investment products to the new needs/preferences of investors, determined by the transition phase towards a more environmentally sustainable economy. The vulnerability, which is also the subject of periodic stress tests in the ICAAP context, has been mitigated with the introduction of a specific indicator within the Group's Risk Appetite Framework, aimed at ensuring that a portion of the funds offered by FAM have ESG characteristics (MSCI Rating >= A). The indicator thresholds, which are reviewed at least on an annual basis, are calibrated on the basis of a benchmarking activity with the market.

The orientation of customers towards intermediaries that offer products with better ESG characteristics than those of FinecoBank depends essentially on the ability of FinecoBank to adapt its product offering, for example credit or investment, to the new needs of customers, determined by the transition phase towards a more environmentally sustainable economy. To this end, the sustainability function carries out benchmarking activities with the market, aimed at ensuring that the Group's sustainability profile is at least in line with that of its main competitors. Any sustainability risks associated with the release of new products are assessed by the Product Committee, which is attended by corporate control functions as well.

The orientation of customers towards intermediaries perceived as more active in environmental sustainability initiatives than FinecoBank leverages the reputation of the FinecoBank banking group, which could experience the migration of a portion of its customers to other intermediaries if it were not perceived as sufficiently active in the area of environmental sustainability. From this perspective, it is necessary to highlight that the Group, not

[12] 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.

envisaging credit origination to non-financial corporations, 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 FinecoBank Group ensures monitoring of legal and regulatory developments through the Compliance functions and the various specialist functions.

In order to improve monitoring and disclosure in the area of climate and environmental risks, the Fineco Group collects certain information from customers, including, for example, data on the energy class of properties used as collateral for mortgages loans. For useful information in the area of climate and environmental risks that are more difficult to obtain, including that regarding institutional counterparties, the Group relies on a specialized external supplier.

For further information on climate and environmental risks, please refer to the relevant section of the sustainability disclosure integrated into the consolidated annual financial report as of 31 December 2024.

Table 2 – Qualitative information on social risk

This section contains qualitative information on social risk that describes the integration of these risks into the FinecoBank 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 Fineco'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.

Fineco 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 to retail customers and investment in financial instruments of central government (sovereign bonds). 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 the first half of 2025, the updating of the process of identifying and assessing environmental, social and governance risks pursuant to the CSRD regulation was started, in particular as part of the process of defining material issues for the Group according to the so-called double materiality analysis.

Furthermore, in order to regulate the process of defining and implementing the Fineco 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. The introduction of new funds with a Fineco ESG rating greater than or equal to 6 (average rating), customer satisfaction and the renewal of the EMAS Environmental Registration have been considered within the client offering platform. 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, in 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.

Like all ESG risks, social risk also has a dual perspective, according to which credit institutions could both have an impact (inside-out perspective) on the community (stakeholder), and be impacted in turn by social risk factors (outside -in perspective). Both these perspectives assume relevance in the risk identification process, which will be briefly described below.

Social risks are integrated into the Group's Risk Appetite Framework, which represents the tool for monitoring the risk profile that the Group is willing to assume in the implementation of its corporate strategies and in the pursuit of sustainable profitability in conjunction with solid business growth.

Among the strategic objectives set out in the Risk Appetite Statement, in continuity with 2024, in the area of social risks, the Group's commitments are:

- to support customers in their responsible approach to their financial lives in order to create the conditions for a more prosperous and fairer society";

- contain social risks by identifying risk factors arising from socio-political dynamics (e.g. demographic and labor market trends), technological and market dynamics, directing the business towards risk mitigation and orientation towards opportunities;
- take on a social role by promoting financial education to strengthen customer skills, improving understanding of financial products and promoting more informed investment and financial planning decisions;
- maintain and, if possible, increase customer satisfaction to the highest levels, particularly in terms of transparency, quality and completeness of the offering;
- provide customers, within the product offering (investment and brokerage), and other stakeholders, within the sustainability reporting, with increasing, detailed and transparent information on ESG issues, avoiding involvement in greenwashing practices;
- conduct the Group's activities while maintaining an adequate ethical profile and protecting the Institute's reputation in line with strategic objectives;
- have an optimal Internal Control System with effective and efficient procedures in managing each risk aligned with the needs and expectations of stakeholders.

The Risk Dashboard 2025, in continuity with that of 2024, incorporates several indicators to monitor social risks. Among these, the Gross Litigation Ratio is worth mentioning. Such indicator aims to measure potential customer disservices, comparing the number of complaints received with the total number of customers.

RAF metrics are regularly monitored and reported, at least quarterly. The breach of the thresholds defined for the indicators included in the Risk Dashboard determines the activation of an escalation process towards the top management and ultimately the competent corporate bodies.

Just like Governance, Climate and Environmental risks, social risks represent an horizontal risks category, as they can produce impacts on the balance sheet, operations or reputational context of the Group exclusively through transmission channels, which are made up of financial risks (e.g. credit risks), operational risks and reputational risks. For this reason, the identification and analysis of these risk categories occurs in parallel with the traditional categories of financial, operational and reputational risks, in a specific section of the Risk Inventory called “ESG Risk Deep Dive”.

The “ESG Risk Deep Dive” identifies all ESG risk factors that could potentially negatively impact the business model and, more generally, the operations along the Group's value chain, both upstream (e.g. third-party suppliers) and downstream (e.g. customers). For each risk factor, the transmission channels towards financial risks (e.g. credit and business risk), operational and reputational risks are identified (if present), as well as the related vulnerabilities and mitigation factors determined by the Group's peculiarities. The main financial metrics that could be impacted if the risk factor were to occur are also identified. For more information on the risk identification process, please refer to the section on climate and environmental risks.

With the exception of Greenwashing risk, which involves different categories of stakeholders, social risks are divided according to the different groups of stakeholders of the company. Specifically, the social risk factors identified in the risk inventory can be traced back to the following categories:

- Risk of Greenwashing;
- Risks related to employees;
- Risks related customers;
- Risks related to third-party suppliers;
- Risks related to financial markets.

Greenwashing risk represents the risk of providing customers or the market (stakeholders) with untrue or misleading information, through statements, press releases or disclosure that does not adequately reflect the sustainability profile of the entity or of a financial product/service. The associated risk factors are therefore inherent to the publication of press releases or reports containing untrue or misleading information about the sustainability profile of FinecoBank, and the placement of products to customers whose information does not adequately reflect the sustainability profile of the underlying activities. In the event that the Bank's communications were labelled by the market as Greenwashing, the Group could suffer reputational damage with the consequent flight of a portion of customers towards third-party intermediaries. From a forward looking perspective, the risk could increase in the medium term (from 2 to 5 years) in view of greater regulation of Greenwashing from a regulatory point of view (e.g. sanctioning profiles). In the event of placement of investment products to customers, including those of third-party companies, which were subsequently found to be subject to Greenwashing, FinecoBank could experience operating losses due to complaints and lawsuits filed by customers and consumer associations. Furthermore, in the event that the Group's involvement in a Greenwashing scandal were to have media coverage, the Group could suffer reputational damage with the consequent flight of a portion of customers towards third-party intermediaries.

It should be noted that the process of creating, approving and publishing the contents of communications to customers and the market, including marketing communications, follows a strict internal approval process that includes first-level controls, carried out directly by the structure responsible for producing the information, and subsequent checks by compliance and legal structures and all the offices concerned. All communications made to customers are generated and published by Fineco's internal staff, without the involvement of external third parties, to further guarantee privacy and control over the publication flow. Finally, specific controls concerning Greenwashing asset management products are in place. Such controls, which are carried out both by FinecoBank and Fineco Asset Management, are aimed at verifying the consistency of the classification of these products with the underlying assets.

With regard to employees, it should be noted that the FinecoBank Group is committed to creating a culture of inclusion aimed at avoiding any type of discrimination. To this end, an integrity charter has been adopted that guarantees, among other things, the protection of human rights and a Global Policy that guarantees gender equality, both directly applicable to personnel belonging to the FinecoBank Group (financial advisors and employees).

Among the risks inherent to employees, the Risk Inventory process has identified the risk of not being able to attract or retain a workforce with adequate skills and experience and the risk of not being able to guarantee health and safety within the workplace.

The risk of not being able to attract or retain a workforce with adequate skills and experience has been identified on a forward looking basis, and could be determined specifically by social, structural and technological changes that require the recruitment of professionals with new skills compared to those already employed. The risk could be mitigated both by ensuring adequate training for employees already hired and by improving the company's attractiveness for current and potential employees through appropriate remuneration policies, as well as welfare and work-life balance policies. In any case, the Group's corporate functions are frequently subject to right-staffing activities aimed at verifying the adequacy of resources dedicated to carrying out the various activities. In the case of financial advisors belonging to the sales network, on a forward looking basis, the risk could be increased by the entry into the market of new competitors who implement particularly aggressive commercial strategies. In this case, the transmission channel is represented by business risk, since following the resignation of individual consultants or groups of consultants who hold significant shares of Asset Under Management (AUM), the clients loyal to the consultant could decide to follow him to the competitor.

The risk of not being able to guarantee health and safety in the workplace is a very remote possibility, but it certainly has a social impact. In this case, the Group companies could suffer financial losses due to compensation and legal costs relating to disputes with employees, and lose attractiveness from a reputational point of view towards other current or potential employees. From this perspective, it should be noted that the Group companies scrupulously apply the rules and measures required in terms of health and safety protection in the workplace (respectively by Italian regulations, for the parent company FinecoBank, and Irish regulations, for the subsidiary Fineco Asset Management).

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 frauds, committed by internal personnel (employees and financial advisors) to the detriment of customers, and misselling events. The latter are configured as a sale, by consultants belonging to the network, of financial products that are inconsistent or incongruent with the needs, preferences or risk profile of customers. In both cases, the Group could incur in costs for the compensation of the customers involved and legal costs, in the event that customers take action through the judicial authorities.

In order to mitigate conduct risk, the Group has implemented an extensive system of controls on its sales network, which involves all three levels of the lines of defense. These controls are aimed at identifying anomalies in the work of Financial Advisors or their associated customers, and to allow the relevant structures to promptly intervene. Early identification of conduct risk allows losses to be limited and any reputational consequences to be contained. The results of the controls carried out by all structures are centralized in a single specialized structure within the Network Controls, Monitoring and Network Services Department.

Since the Group mainly uses digital channels, the risk of not being able to guarantee the privacy of customers' personal data and the risk of not being able to guarantee customers access to financial services are factors closely linked to ICT and security risk. The second could occur through the theft, publication or dissemination of customers' personal data to unauthorized third parties. The first instead derives from losses suffered by customers caused by the inability to dispose of their assets and access financial markets. In both cases, the Group could suffer both direct losses due to reimbursements for complaints or lawsuits with customers and experience a decline in business volumes due to the loss of trust in the company.

In order to mitigate ICT and Security risk, the Group maintains, in accordance with Regulation 2554/2022 (DORA), an ICT risk management and monitoring framework. The objective of this framework is to ensure that Group companies are able to withstand and respond to various types of disruptions and threats related to information and communication technologies (ICT), as well as recover from them, ensuring a high level of digital operational resilience. The Group's objective is also to protect its customers and operations by ensuring data security, including availability, confidentiality, and integrity.

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. Under this profile, it should be noted that the Group 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 2024.

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.

1. Governance

Fineco 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.

Fineco 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 the first half of 2025, the updating of the process of identifying and assessing environmental, social and governance risks under the new CSRD regulations was started, in particular as part of the process of defining material issues for the Group 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.

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 2024.

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 in accordance with the suspension of the relevant disclosure obligations set out in the EBA consultation paper (EBA/CP/2025/07) published on 22 May 2025 and formalised with the EBA “no-action letter” published on 6 August 2025.

The Group has very low exposures to non-financial companies, amounting to € 3.3 million as at 30 June 2025.

It should be noted that for disclosures in columns b, l, j and k of Template 1, the Group has defined a materiality threshold of € 100,000, in order to identify larger counterparties. Exposures greater than or equal to this threshold relate to six counterparties that:

- do not operate in the sectors of economic activity indicated in Annex I of Delegated Regulation (EU) 2021/2139, and are therefore not eligible or environmentally sustainable for the EU Taxonomy;
- are not large public interest entities subject to the disclosure requirements of the Non-Financial Reporting Directive "NFRD" (EU Directive 2014/95), therefore the quantification of their greenhouse gas emissions is currently not available.

Based on the nature of the activity performed - “Wholesale and retail trade; repair of motor vehicles and motorcycles”, “Real estate activities” and "Other business and management consulting and other business planning activities" - the counterparties were not included in column b (Of which exposures to companies excluded from the EU benchmarks aligned with the Paris Agreement under Article 12(1)(g) to (d) and Article 12(2) of Regulation (EU) 2020/1818).

Template 1 also requires disclosure of information on Scope 1, 2 and 3 GHG emissions financed. Considering that the counterparties are small in size, they are not required to disclose their CO2 emissions. Although our exposure is very limited, we are currently developing an internal procedure that will enable us to estimate and publish these emissions.

(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***	**1.12**	**-**	**0.01**	**0.12**
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	0.16	-	0.00	0.02
10	C.10 - Manufacture of food products	0.03	-	0.00	0.00
11	C.11 - Manufacture of beverages	0.01	-	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	0.01	-	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	-	-	-
18	C.18 - Printing and reproduction of recorded media	0.00	-	-	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	-
21	C.21 - Manufacture of basica pharmaceutical products and pharmaceutical preparetions	0.00	-	-	-
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	-
25	C.25 - Manufacture of fabricated metal products, except machinery and equipment	0.03	-	0.00	0.00
26	C.26 - Manufacture of computer, electronic and optical products	0.01	-	-	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
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	-	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	-	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	0.08	-	0.00	0.03
41	F.41 - Construction of buildings	0.05	-	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	0.38	-	0.00	0.03
45	H - Transportation and storage	0.03	-	0.00	0.00
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	-
51	I - Accommodation and food service activities	0.04	-	0.00	0.01
52	L - Real estate activities	0.42	-	0.00	0.02
53	**Exposures towards sectors other than those that highly contribute to climate change**	**2.16**	**-**	**0.01**	**0.11**
54	K - Financial and insurance activities	-	-	-	-
55	Exposures to other sectors (NACE codes J, M - U)	2.16	-	0.01	0.11
56	**Total**	**3.28**	**-**	**0.02**	**0.23**

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)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting
			Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions	
1	**Exposures towards sectors that highly contribute to climate change***	**(0.11)**	**(0.00)**	**(0.11)**	**-**	**-**	**-**
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)	(0.00)	-	-	-
11	C.11 - Manufacture of beverages	(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	-	-	-	-	-	-
18	C.18 - Printing and reproduction of recorded media	(0.00)	-	(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)	-	-	-	-
21	C.21 - Manufacture of basica 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)	-	-	-	-
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)	-	-	-
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)	-	-	-
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)	(0.00)	-	-	-	-
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)	(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)	-	-	-
45	H - Transportation and storage	(0.00)	(0.00)	(0.00)	-	-	-
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)	-	-	-	-
51	I - Accommodation and food service activities	(0.01)	(0.00)	(0.01)	-	-	-
52	L - Real estate activities	(0.02)	(0.00)	(0.02)	-	-	-
53	**Exposures towards sectors other than those that highly contribute to climate change**	**(0.10)**	**(0.00)**	**(0.10)**	**-**	**-**	**-**
54	K - Financial and insurance activities	-	-	-	-	-	-
55	Exposures to other sectors (NACE codes J, M - U)	(0.10)	(0.00)	(0.10)	-	-	-
56	**Total**	**(0.22)**	**(0.00)**	**(0.20)**	**-**	**-**	**-**

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	1072004	0	0	0	0,008568065
1	**Exposures towards sectors that highly contribute to climate change***	**1.12**	**-**	**-**	**-**	**-**
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	0.16	-	-	-	-
10	C.10 - Manufacture of food products	0.03	-	-	-	-
11	C.11 - Manufacture of beverages	0.01	-	-	-	-
12	C.12 - Manufacture of tobacco products	-	-	-	-	-
13	C.13 - Manufacture of textiles	0.00	-	-	-	-
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 basica pharmaceutical products and pharmaceutical preparetions	0.00	-	-	-	-
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	0.03	-	-	-	-
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	0.08	-	-	-	-
41	F.41 - Construction of buildings	0.05	-	-	-	-
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	0.38	-	-	-	-
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	0.42	-	-	-	-
53	**Exposures towards sectors other than those that highly contribute to climate change**	**2.15**	**-**	**-**	**0.01**	**-**
54	K - Financial and insurance activities	-	-	-	-	-
55	Exposures to other sectors (NACE codes J, M - U)	2.15	-	-	0.01	-
56	**Total**	**3.27**	**-**	**-**	**0.01**	**-**

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/m^2, in terms of the class assigned by the energy performance certificate (EPC) of the collateral.

The loans granted by Fineco mainly relate to loans secured by residential real estate in Italy; for all properties without EPC, 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).

(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/m² of collateral)					
			0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500
1	**Total EU area**	**2,221.08**	**365.97**	**788.86**	**955.31**	**83.57**	**14.72**	**12.65**
2	Of which Loans collateralised by commercial immovable property	3.12	0.12	0.77	1.92	0.13	0.18	-
3	Of which Loans collateralised by residential immovable property	2,217.95	365.85	788.08	953.38	83.44	14.54	12.65
4	Of which Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-
5	Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated	1,713.05	227.89	578.32	847.50	52.25	3.70	3.40
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/m² of collateral) estimated	-	-	-	-	-	-	-

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/m² of collateral) estimated
1	**Total EU area**	**2,221.08**	**268.56**	**64.50**	**38.13**	**88.66**	**124.25**	**140.54**	**130.89**	**1,365.56**	**100.00%**
2	Of which Loans collateralised by commercial immovable property	3.12	-	0.13	0.12	0.13	-	-	0.18	2.55	100.00%
3	Of which Loans collateralised by residential immovable property	2,217.95	268.56	64.37	38.01	88.52	124.25	140.54	130.70	1,363.00	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/m² of collateral) estimated	1,713.05								1,365.56	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/m² of collateral) estimated	-								-	-

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" is not represented, due to the fact that as at 30 June 2025 there are no exposures to the companies indicated within the minimum list of the "NACE sectors to be considered", according to Annex XXXIX of Commission Implementing Regulation (EU) 2021/637.

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.

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 30 June 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, 2017. 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 (ISPRA[13] and Copernicus Climate Change Service C3S - a service created by the European Union to monitor climate change[14]), 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 relating to properties located in areas reclassified as very high risk were reported on the basis of the dataset made available by the European Commission's Joint Research Centre;
- 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 11.8% 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 Model 5, they are not reported/used here[15].

[13] ISPRA – “The Italian web platform on landslides and floods” (https://idrogeo.isprambiente.it/app/).
[14] “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).
[15] 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);
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).

Finally, to assess exposures sensitive to the impact of physical events related to climate change, as for Template 1, the Group has defined a materiality threshold of € 100,000 in order to identify larger counterparties and 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 Template).

(Amounts in € million)

	a	b	c	d	e	f	g
	Italia		Gross carrying amount				
			of which exposures sensitive to impact from climate change physical events				
			Breakdown by maturity bucket				
			<= 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	0.16	-	-	-	-	-
4	D - Electricity, gas, steam and air conditioning supply	0.01	-	-	-	-	-
5	E - Water supply; sewerage, waste management and remediation activities	-	-	-	-	-	-
6	F - Construction	0.08	-	-	-	-	-
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	0.38	-	-	-	-	-
8	H - Transportation and storage	0.03	-	-	-	-	-
9	L - Real estate activities	0.42	-	-	-	-	-
10	Loans collateralised by residential immovable property	2,217.95	7.70	31.24	136.75	66.37	16
11	Loans collateralised by commercial immovable property	3.12	0.10	-	0.23	-	12
12	Repossessed colalterals	-	-	-	-	-	-
13	Other relevant sectors	2.20	-	-	-	-	-

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
	Italia	Gross carrying amount								
			of which exposures sensitive to impact from climate change physical events							
			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 Stage 2 exposures	Of which non-performing exposures
1	A - Agriculture, forestry and fishing	0.01	-	-	-	-	-	-	-	-
2	B - Mining and quarrying	-	-	-	-	-	-	-	-	-
3	C - Manufacturing	0.16	-	-	-	-	-	-	-	-
4	D - Electricity, gas, steam and air conditioning supply	0.01	-	-	-	-	-	-	-	-
5	E - Water supply; sewerage, waste management and remediation activities	-	-	-	-	-	-	-	-	-
6	F - Construction	0.08	-	-	-	-	-	-	-	-
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	0.38	-	-	-	-	-	-	-	-
8	H - Transportation and storage	0.03	-	-	-	-	-	-	-	-
9	L - Real estate activities	0.42	-	-	-	-	-	-	-	-
10	Loans collateralised by residential immovable property	2,217.95	176.85	55.74	9.46	2.27	0.08	(0.17)	(0.01)	(0.03)
11	Loans collateralised by commercial immovable property	3.12	0.33	-	-	-	-	-	-	-
12	Repossessed colalterals	-	-	-	-	-	-	-	-	-
13	Other relevant sectors	2.20	-	-	-	-	-	-	-	-

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.

Glossary

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, other than those classified in the Trading book - Trading portfolio.

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 3: introduces obligations to publish information concerning capital adequacy, exposure to risks, and the general characteristics of the systems used for identifying, measuring and managing those risks.

Basel 3

International agreement amending Basel 2 adopted in December 2010, containing amendments to the prudential rules on the capital and liquidity of banks, with the gradual entry into force of the new capital requirements from January 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 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

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 (both during the transitional period and fully loaded).

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

Glossary

Company's countercyclical capital buffer, determined according to the criteria established by the Supervisory Regulations at an amount ranging from 0% to 2.5%.

Counterparty credit risk

The risk that the counterparty in a transaction in financial instruments may enter default before settling all the agreed cash flows.

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.

CRD IV (Capital Requirement Directive IV)

EU Directive 2013/36 of the European Parliament and of the Council of June 26, 2013, which stipulates the requirements for engaging in banking activity, the freedom of establishment of banks in the European Union and freedom to provide services, prudential control, additional capital buffers and bank corporate governance. This directive has been updated from time to time, in particular with Directive (EU) 2019/878 of May 20, 2019 (CRD V) and Directive (EU) 2024/1619 of May 31, 2024 (CRD VI).

Credit Quality Step

The class that depends on external ratings and is used to assign risk weights under the standard credit risk approach.

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, it 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.

EU Taxonomy (EU Regulation 2020/852)

Classification system, developed by the European Commission, of economic activities that can be considered sustainable from an environmental point of view.

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 independent parties at arm's length.

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.

GAR – Green Asset Ratio

Green Asset Ratio, which indicates the share of asset exposures aligned to the Taxonomy (EU Regulation 2020/852 as supplemented by EU Regulation 2021/2178) to the total covered assets of credit institutions.

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). At international level, work is currently underway to harmonize the IAS/IFRS with the US GAAP – United States Generally Accepted Accounting Principles (q.v.).

ICAAP – Internal Capital Adequacy Assessment Process

See "Basel 2 – Pillar 2".

Impairment

Within the framework of the IAS/IFRS (q.v.), this refers to the loss of value of a balance sheet asset, recorded when the book value is greater than the recoverable value, i.e. the sum that can be obtained by selling or using the asset.

Impaired loans

Loans and receivables are reviewed periodically in order to identify those that, following events occurring after initial recognition (at market value, which is, usually, equal to the amount paid including transaction costs and income directly attributable to the disbursement of the credit) show objective evidence of possible impairment. These include a 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).

Glossary

Internal Capital

Level of capital required to cover potential losses that could occur and is necessary to support business activities and positions held. Internal Capital is the sum of economic capital, obtained by aggregating the different types of risk, plus a buffer to account for cycle effects 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.

LCP

Loss Confirmation Period.

LCR - Liquidity Coverage Ratio

Liquidity coverage ratio equal to the ratio between the credit institution's liquidity buffer, consisting of high-quality liquid assets, and its net liquidity outflows over the next 30 calendar days under stress conditions.

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 Own Funds and Eligible Liabilities

The Minimum Requirement for Eligible Liabilities (MREL) is set by the Resolution Authorities to ensure that a bank maintains at all times sufficient eligible instruments to facilitate the implementation of the resolution strategy defined by the Authority in the event of a crisis. The MREL aims to prevent a bank's resolution from being dependent on public financial support and, therefore, helps ensure that shareholders and creditors contribute to loss absorption and recapitalization.

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 past due in the payment of a material obligation, where the conditions for setting the materiality threshold are defined in Delegated 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.

Glossary

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 arising from the following can be defined as operational: internal or external fraud, employment practices and workplace safety, customer claims, product distribution, fines and penalties for regulatory breaches, damage to the Company's physical assets, business disruption and system failures, and management of processes.

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 pre-industrial 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 non-performing 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 non-performing loans categories, who at the reporting date has expired facilities or unauthorised overdrafts that are more than 90 days past due and exceed 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, if applied.

ROAC – Return on Allocated Capital

An indicator calculated both as the ratio of net 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.

Glossary

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 not included in Tier 1 capital (see item).

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 interest 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, July 30th, 2025

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

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

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

CERTIFY

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

Milan, July 30th, 2025

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

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

finecobank.com