

Report and consolidated financial statements at June 30, 2026



*Report and consolidated financial statements
at june 30, 2026
of the Iccrea Cooperative Banking Group*

ICCREA BANCA SPA

Istituto Centrale del Credito Cooperativo

Parent Company of the Iccrea Cooperative Banking Group

*Registered office and Headquarters: via Lucrezia Romana 41/47 - 00178
Rome, Italy*

Share Capital: €1,401,045,452.35 fully paid up

VAT reg. no. and tax id no. 04774801007 - REA of Rome no. 801787

*Participating entity in the Group VAT mechanism of the Iccrea
Cooperative Banking Group, VAT reg. no. 15240741007*

Entered in the Register of Banking Groups

Entered in the Register of Banks at no. 5251

ABI code no. (08000)

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CONSOLIDATED REPORT ON OPERATIONS

June 30, 2026

CORPORATE BOARDS

Elected at the Ordinary Shareholders' Meeting of May 15, 2025 for the 2025-2027 term.

BOARD OF DIRECTORS

MAINO Giuseppe	<i>Chairman</i>
FIORDELISI Teresa	<i>Senior Deputy Chairman</i>
CARRI Francesco	<i>Deputy Chairman</i>
BENABDALLAH Nadia	
CAPPIELLO Laura* (2) (4)	
ELEFANTI Marco* (2) (3)	
GAMBI Giuseppe (3) (5)	
LONGHI Maurizio	
MANZO Amedeo (1)	
OTTOBONI Roberto	
PETRINI Paola (2) (5)	
PIVA Flavio	
RIMOLDI Enrica* (1) (4) (5)	
STRA Pierpaolo	
ZONI Laura* (1) (3) (4)	

* Independent directors

(1) Member of the Risks Committee

(2) Member of the Appointments Committee

(3) Member of the Remuneration Committee

(4) Member of the Affiliated Bank Controls & Interventions Committee

(5) Member of the Environmental Social Governance Committee

EXECUTIVE COMMITTEE

LONGHI Maurizio	<i>Chairman</i>
BENABDALLAH Nadia	
OTTOBONI Roberto	
PIVA Flavio	
STRA Pierpaolo	

BOARD OF AUDITORS

ZANARDI Barbara	<i>Chairman</i>
ANDRIOLO Riccardo	<i>Standing Auditor</i>
CAPUANO Claudia	<i>Standing Auditor</i>
ROCCHETTI Vittorio	<i>Alternate Auditor</i>
CIGNOLINI Michela	<i>Alternate Auditor</i>

SENIOR MANAGEMENT

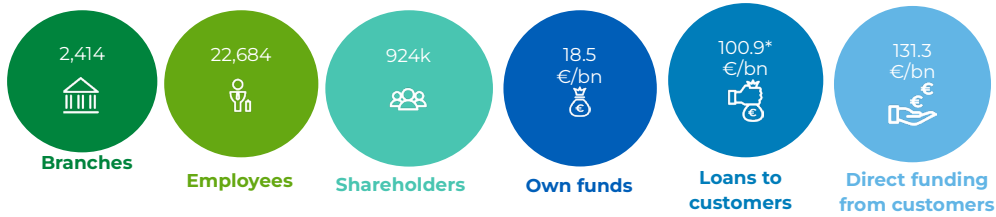
PASTORE Mauro	<i>General Manager</i>
ROMITO Francesco	<i>Senior Deputy General Manager</i>
GALBIATI Pietro	<i>Deputy General Manager</i>

FINANCIAL REPORTING OFFICER

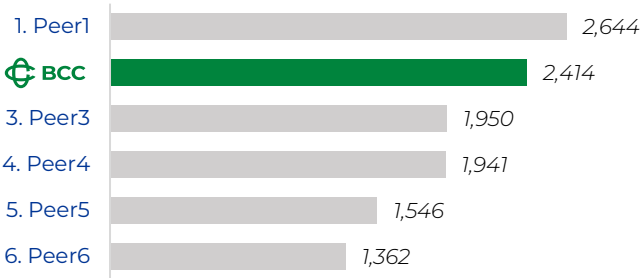
DI PRINZIO Marianna

1. EXECUTIVE SUMMARY

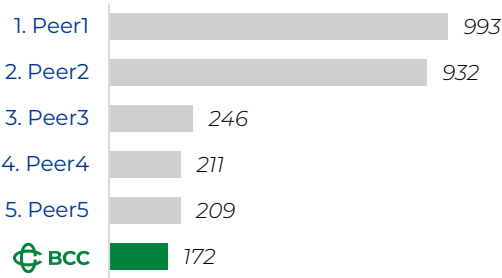
KEY FIGURES AND MARKET POSITIONING



SECOND LARGEST BANKING GROUP BY NUMBER OF BRANCHES IN ITALY



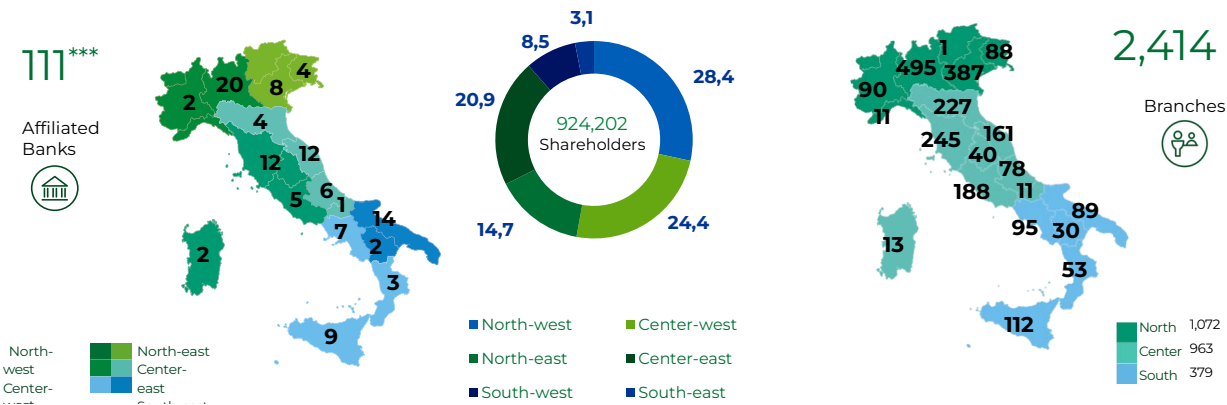
SIXTH BANKING GROUP BY TOTAL ASSETS (€/B)*



* Gross loans to customers

** Source infoproviders: figures at June 30, 2026

GEOGRAPHICAL POSITIONING OF THE GROUP RETAIL BANKS



***Does not include Banca di Pisa e Fornacette C. C. in liquidation.

MAIN PERFORMANCE INDICATORS AT JUNE 30, 2026, DECEMBER 31, 2025 AND JUNE 30, 2025

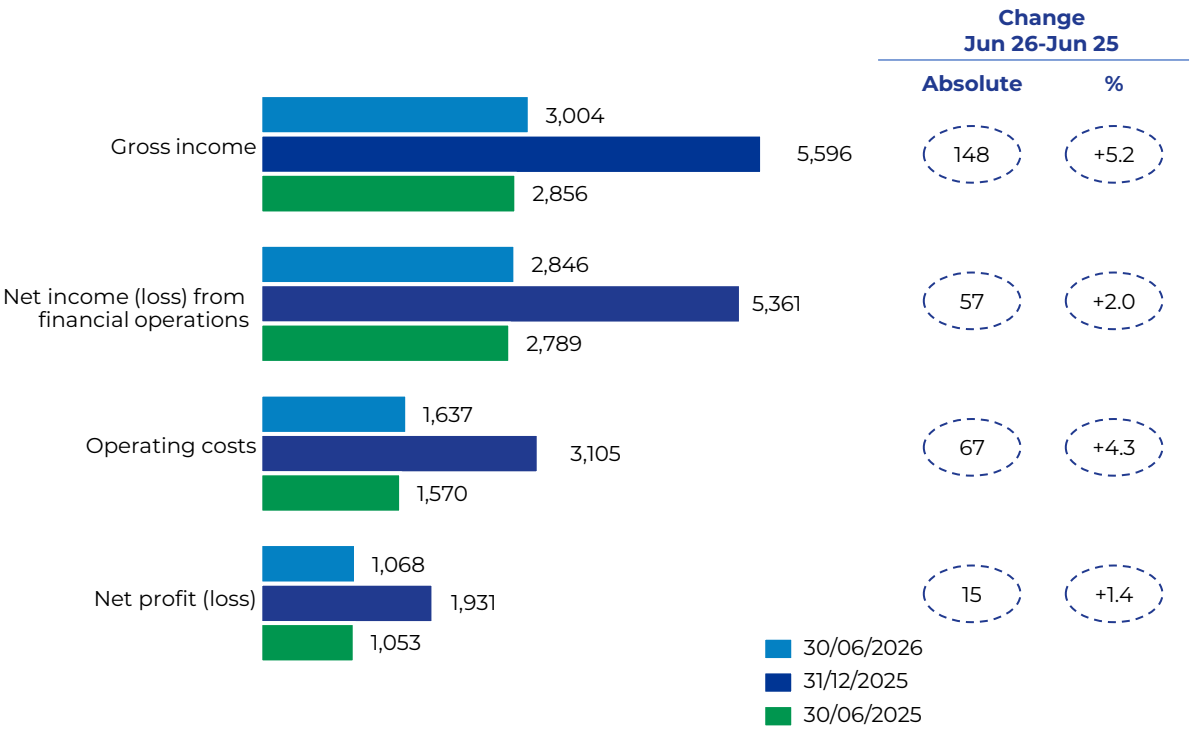
PERFORMANCE¹ INDICATORS (thousands of euro)	30/06/2026	31/12/2025	30/06/2025
STRUCTURAL RATIOS			
Net loans to customers measured at amortized cost/total assets	58.6%	58.4%	58.5%
Direct funding from customers/total liabilities	76.3%	78.0%	76.1%
Equity (including profit/loss)/total liabilities	10.7%	10.5%	10.1%
Loan to deposit ratio	69.9%	68.4%	69.3%
Net loans to ordinary customers measured at amortized cost /direct funding from ordinary customers ²	73.5%	72.4%	72.8%
PROFITABILITY RATIOS			
ROE (Net profit)/ net equity including the profit for the period)	5.8%	10.9%	6.3%
ROTE [Net profit/net tangible equity (Equity including profit – intangible assets)]	5.9%	11.1%	6.3%
ROA (Net profit/total assets)	0.6%	1.2%	0.6%
Cost/income ratio	54.5%	55.5%	55.0%
Personnel expenses/gross income	36.0%	36.9%	36.7%
Net interest income/gross income	70.1%	71.3%	70.5%
Net fee and commission income /gross income	25.5%	26.0%	25.0%
Net interest income/Number of employees at end-period	92.8	177.7	89.8
Net fee and commission income/Number of employees at end-period	33.8	64.8	31.8
Gross income/Number of employees at end-period	132.4	249.1	127.4
RISK RATIOS			
Gross impaired loans/gross loans measured at amortized cost ³	2.4%	2.5%	2.9%
Gross impaired loans to customers/gross loans to customers measured at amortized cost ⁴	2.4%	2.5%	2.9%
Net impaired loans to customers/net loans to customers measured at amortized cost ⁵	0.6%	0.6%	0.8%
Net Stage 2 loans to customers measured at amortized cost/net performing loans to customers measured at amortized cost	7.4%	7.6%	7.8%
Net bad loans/net loans to customers measured at amortized cost	0.1%	0.1%	0.1%
Net UTP loans/net loans to customers measured at amortized cost	0.4%	0.4%	0.5%
Net writedowns/(writebacks) for credit risk/net loans to customers measured at amortized cost	0.2%	0.2%	0.1%
Writedowns of impaired loans/gross impaired loans to customers measured at amortized cost	75.6%	75.8%	74.3%
Writedowns of bad loans/gross bad loans	89.6%	90.7%	87.9%
Writedowns of UTP loans/gross UTP loans	72.2%	73.0%	72.2%
Texas ratio	12.4%	13.1%	15.6%
CAPITAL RATIOS - phased-in			
Common Equity Tier 1 ratio	26.6%	26.0%	25.3%
Tier 1 ratio	26.7%	26.0%	25.4%
Total capital ratio	27.1%	26.4%	25.8%
Total own funds	18,486,645	17,566,009	16,787,499
of which: Tier 1 capital after filters and deductions	18,200,265	17,271,833	16,488,478
Risk-weighted assets (RWA)	68,273,297	66,437,238	65,026,686
CAPITAL RATIOS - fully loaded			
Common Equity Tier 1 ratio	26.6%	25.3%	24.7%
Tier 1 ratio	26.7%	25.3%	24.7%
Total capital ratio	27.1%	25.8%	25.1%

¹ For an explanation of how the alternative performance indicators are calculated, please see Annex 2 – Alternative Performance Indicators.² Lending to and funding from customers calculated net of exposures vis-à-vis institutional counterparties.³ Calculated according to the EBA definition including exposures to banks.⁴ Excluding operations with institutional counterparties, the ratio is 2.5% at June 30, 2026, compared with 3.1% at June 30, 2025 and 2.6% at December 31, 2025.⁵ Excluding operations with institutional counterparties, the ratio is 0.6% at June 30, 2026, compared with 0.8% at June 30, 2025 and 0.7% at December 31, 2025.

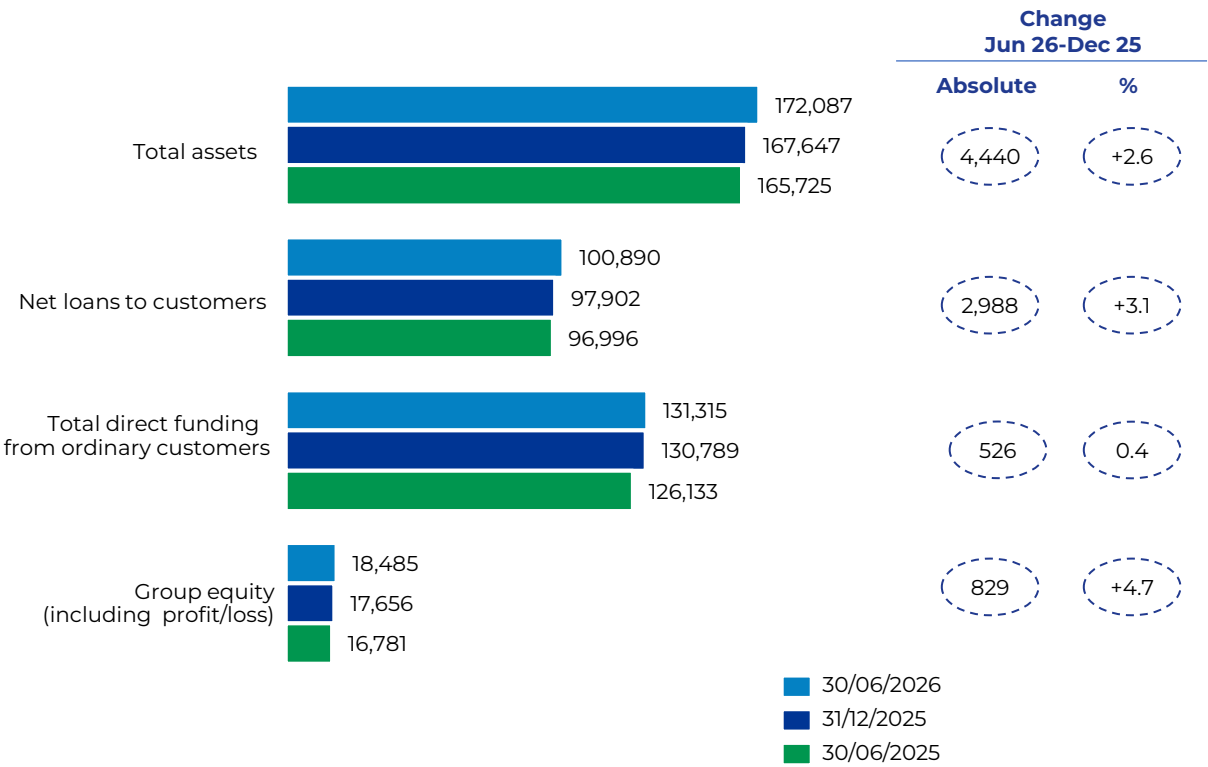
LEVERAGE RATIOS	30/06/2026	31/12/2025	30/06/2025
Phased-in Tier 1/Total assets	10.0%	9.8%	9.4%
Fully loaded Tier 1/Total assets	10.0%	9.8%	9.4%
LIQUIDITY RATIOS			
Liquidity coverage ratio (LCR)	292.7%	276.3%	287.9%
Net stable funding ratio (NSFR)	159.6%	161.5%	159.9%
Encumbered asset ratio	13.7%	12.6%	16.0%
INCOME STATEMENT, BALANCE SHEET, OPERATIONAL AND STRUCTURAL DATA			
Profit/(loss) for the period	1,068,824	1,931,831	1,053,439
Profit/(loss) attributable to the Group	1,068,476	1,931,491	1,053,013
Gross income	3,003,599	5,596,218	2,855,751
Operating expenses	1,637,176	3,104,969	1,569,574
Net loans to customers measured at amortized cost	100,889,798	97,902,052	96,996,174
<i>of which: Net bad loans</i>	83,869	70,119	107,171
<i>of which: Net UTP loans</i>	405,044	412,870	478,029
Net non-performing loans	609,724	615,097	753,398
Total direct funding from ordinary customers	131,314,843	130,788,656	126,133,329
Equity pertaining to the Group (including profit/loss)	18,485,311	17,656,271	16,780,591
Intangible assets	234,197	225,120	202,854
Total consolidated assets	172,086,822	167,647,410	165,725,374
Number of branches	2,414	2,409	2,411
Number of Group banks	115	116	117
Number of Group mutual banks	112 ⁶	113 ⁶	113
Number of employees at end-period	22,684	22,470	22,424

⁶ Includes Banca di Pisa e Fornacette C.C. in liquidation.

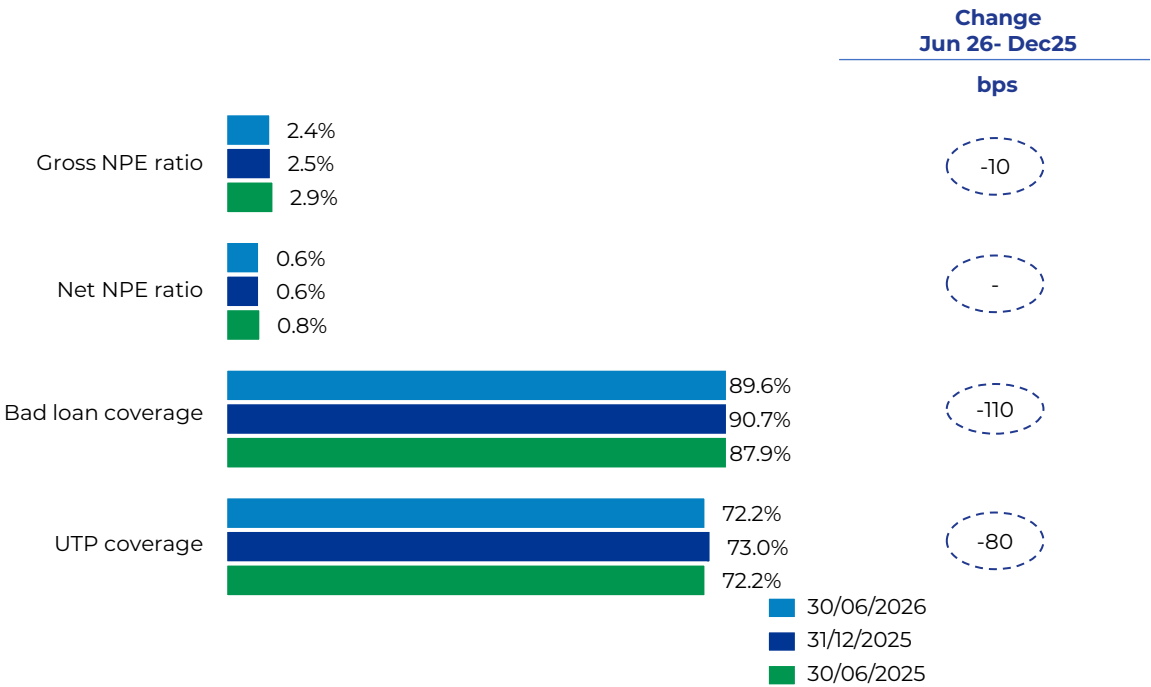
Developments in key performance figures (millions of euro)



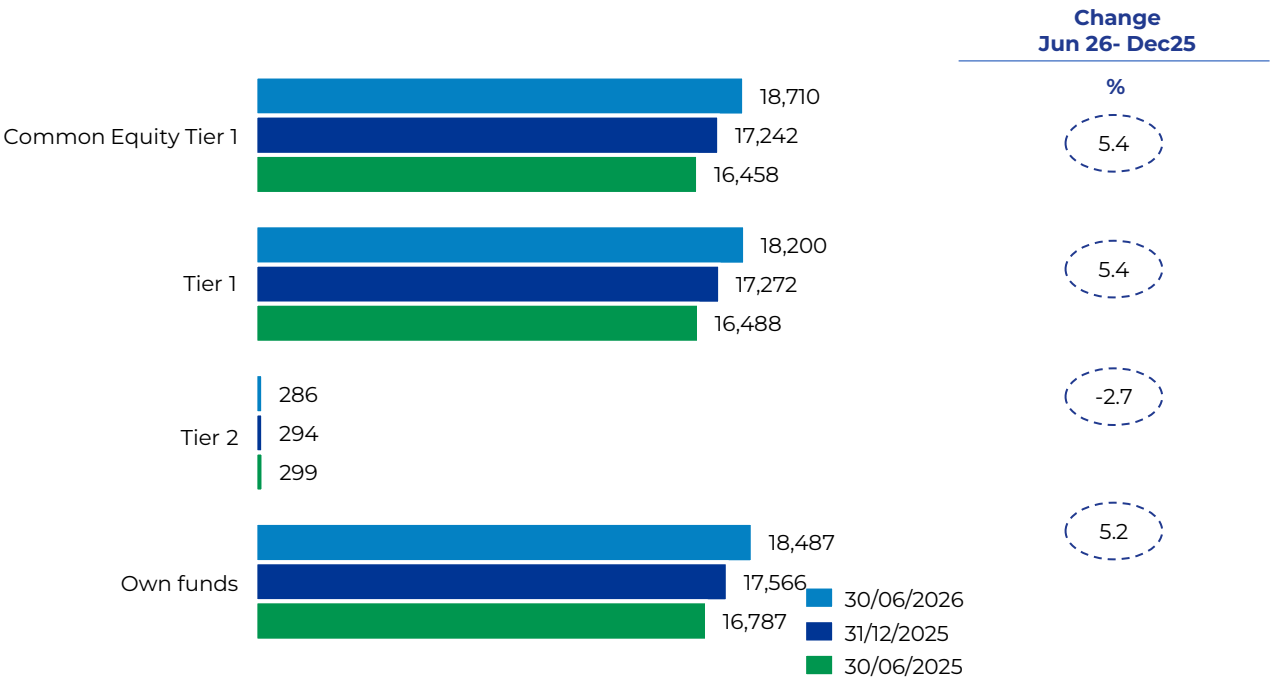
Key balance-sheet figures (millions of euro)



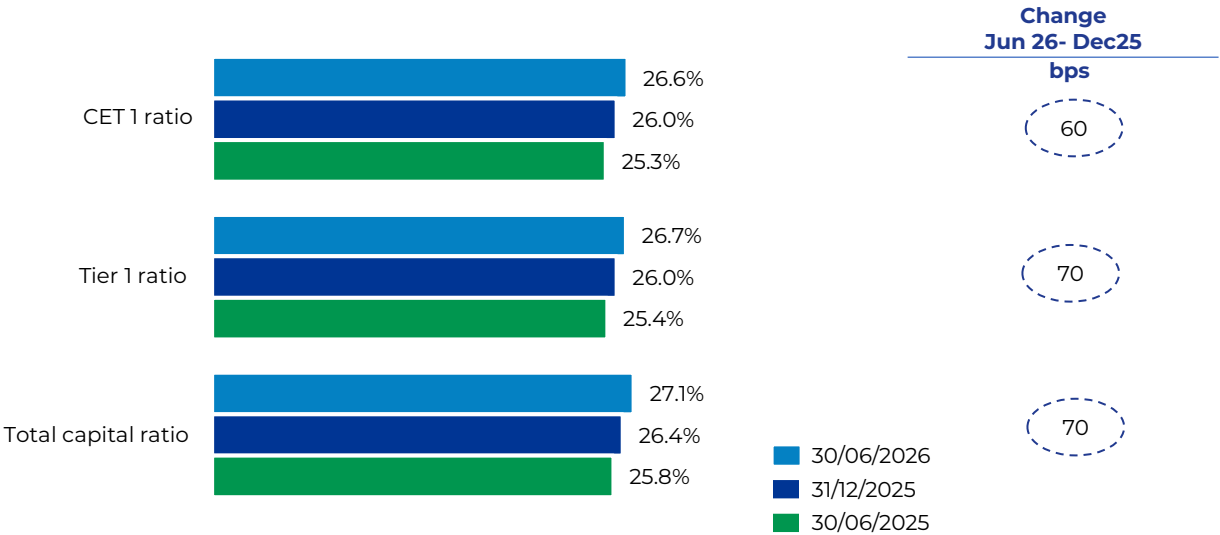
Key risk indicators (%)



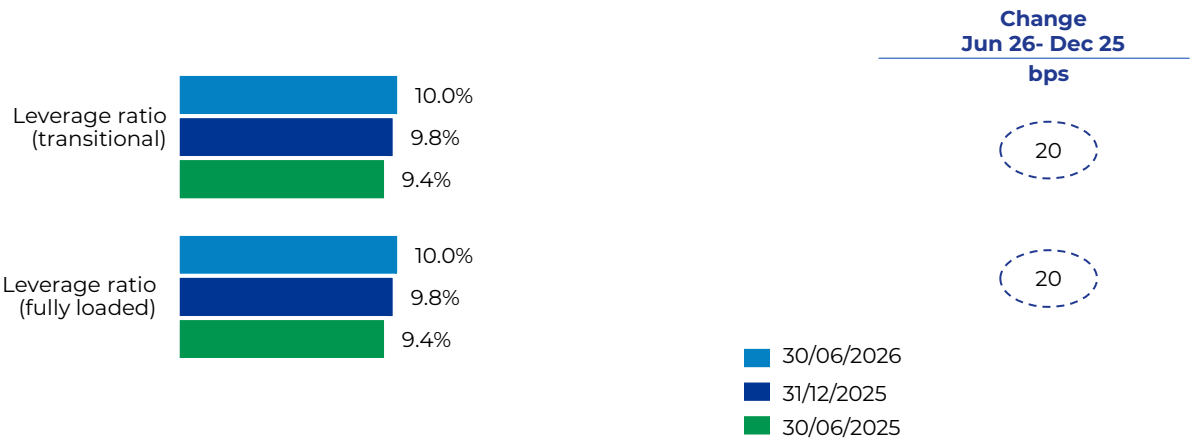
Composition of capital (millions of euro)



Capital ratios (%)



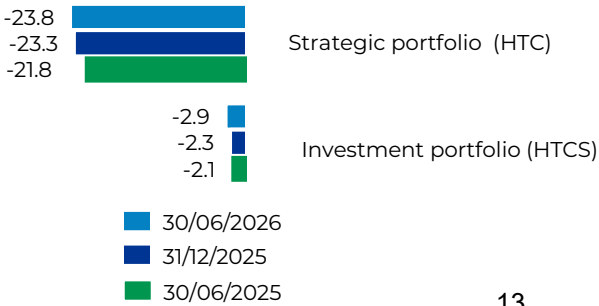
Leverage ratios (%)



Sensitivity interest rate risk
(millions of euro)



Sensitivity credit risk
(millions of euro)



2. THE ECONOMIC ENVIRONMENT

The international and Italian macroeconomic environment and developments in banking and the financial markets

The international environment

In the early months of 2026, business and consumer confidence worldwide improved gradually, suggesting the possibility of an economic recovery after the shock of US tariffs; however, the outbreak of war in Iran dashed all optimism. The closure of the Strait of Hormuz and the risk of damage to production and distribution capacity in the Middle East triggered a global energy crisis and impacted growth expectations for major global regions. The United States once again became the top choice for international market participants, resulting in a strengthening of the dollar, while Europe quickly realized that the effort to diversify energy suppliers in the wake of the Russian invasion of Ukraine would not be enough to mitigate the impact of the new energy crisis. For China and Asia in general, the outlook was even bleaker, as they are the destination for a large share of Middle Eastern oil product exports, shipments that must pass through the Strait of Hormuz and are therefore more exposed to a potential blockade of shipping lanes.

The energy crisis brought the risk of a new inflationary surge back to the forefront, along with the risk of a sharp global economic slowdown, to which monetary policies are responding by avoiding further rate cuts.

The resolution of the US-Iran crisis remains highly uncertain. The duration of the conflict (and the resulting obstruction of passage through the Strait of Hormuz) and damage to oil facilities across the Middle East (with potential supply constraints) continue to be the key factors determining the severity of the crisis's impact. So far, the use of strategic oil reserves of the United States and China has helped mitigate the impact of the global supply reduction; however, the longer the Strait remains closed and the return of energy supplies to pre-crisis levels is delayed, the more these strategic reserves will be depleted, increasing the risk of more serious consequences.

However, inflationary risk has an impact beyond energy prices. Indeed, the role of Gulf countries in global trade extends beyond their status as major suppliers of petroleum products. Decades of investment in energy-intensive sectors have turned these nations into significant producers of chemicals, such as hydrocarbon derivatives used in detergents and pharmaceuticals, or acyclic alcohols for polyester fiber production, as well as leading exporters of urea, one of the most widely used fertilizers, the timely application of which is crucial for staple crop yields. As regards the latter, there is also the possibility that the El Niño phenomenon currently underway could trigger price increases for agricultural and food products next year.

Despite being a net energy exporter, the United States is not immune to inflationary pressures driven by energy prices. Inflation remains well above the Federal Reserve's target (3.3% in July 2026), contributing to the erosion of household purchasing power. Hourly wage growth is struggling to keep pace with inflation, compounded by a labor market showing mixed signals. The strain on household spending is also evident in the deep crisis of the residential real estate market. Conversely, investment in machinery and equipment, particularly in the latest technologies, remains dynamic, accompanied by a strong rally in stock prices.

China continues to accumulate increasing balance-of-payments trade surpluses as a result of its strategic decision to place abroad the industrial production surplus not absorbed by the domestic market. Fiscal policy continues to support domestic demand through infrastructure investment, helping to keep GDP growth around the government's target (4–4.5%), but not fostering the transition toward a growth model driven more significantly by private consumption. While rising energy prices have averted the risk of deflation in the domestic market, they are exerting upward pressure on business costs; to avoid further squeezing profit margins, companies are beginning to pass on some of these increases - including in foreign markets. This would eliminate the disinflationary contribution from China, a factor that helped bring inflation back toward central bank targets in 2024 and 2025—further reinforced by the strengthening of the national currency.

Europe faces this energy crisis from a position of disadvantage. Europe reliance on energy exports from the Middle East is lower than Asia's, but rising energy prices have pushed inflation back above 3% (in July), contributing to a decline in household and business confidence. Furthermore, the rise in international prices increases the cost of energy imports at a time when stocks are typically being replenished for the upcoming winter season. Despite the energy crisis, the region's GDP in the first half of 2026 performed better than expected, albeit highly uneven across the major economies. Excluding Ireland—which continues to exhibit high volatility linked to its economic structure—average quarterly GDP growth was 0.3%, matching the rate seen in the second half of 2025. The contribution of expenditure components reflects a mix of diverging trends across the major economies.

Outlook. The crisis triggered by the US-Iran conflict has highlighted the critical importance of the Strait of Hormuz, a factor that markets are translating into a higher risk premium in oil prices, even over the medium term. This results in an overall negative impact on global economic growth. In the United States, the erosion of household purchasing power is slowing consumption, while fears of further interest rate hikes are helping to keep residential construction investment subdued. China is also facing a slowdown in its average annual growth rate in 2026; its economy is being driven by advanced manufacturing, exports, and public spending, while being held back by weak private consumption and the real estate sector. In the euro area, household consumption is expected to slow down as inflation, averaging around 3% for the year, erodes purchasing power. The disruption of trade with Gulf countries will have a negative impact on exports, whereas investment support will remain robust, driven by increased defense spending and Germany's infrastructure plan, potentially offsetting, at least in part, the waning expansionary effects in NGEU beneficiary countries. In turn, investments - particularly those linked to new technologies - should help sustain the flow of imports.

The Italian economy

The first half of 2026 showed positive growth trends, despite external tensions. GDP data for the first six months of the year show an overall positive picture for the Italian economy, consistent with the trends observed in the second half of 2025. This result exceeded expectations. Specifically, quarter-on-quarter GDP growth stood at 0.3% in the first quarter and 0.2% in the second. The carry-over effect for 2026 is 0.8%. If GDP were to remain at second-quarter levels for the remainder of the year, annual growth, adjusted for the varying number of working days, would thus be slightly higher than the 0.7% recorded in 2025.

Looking forward. The relatively favorable interpretation of the first-half data needs to be tempered in light of the significant role played by investments funded by the NRRP. With the fading of this stimulus, it is difficult to expect economic activity to continue at the same pace in the coming years, setting aside any potential longer-lasting effects on productivity. Fiscal policy is navigating between the need to maintain a cautious stance, primarily to avoid jeopardizing market confidence, and pressures to increase spending (rising prices and interest rates, announcements regarding military spending and energy investments, as well as the electoral cycle).

Energy is driving inflation. The impact of the energy shock on domestic inflation has been immediate, transmitted via fuel prices, though partially mitigated by cuts to excise duties. Year-on-year consumer inflation rose from 1% in January 2026 to 3.2% in May, before slowing to 3% in June and 2.9% in July. Provisional data for August indicate a renewed increase to 3.3% year-on-year. Core inflation, excluding energy and food, remains low; in August, it stood at 1.5%, well below headline inflation. For the time being, the rise in inflation is confined to energy products.

Employment growth has slowed, with employment essentially unchanged in May and June compared with the previous month. Services continue to be the main driver of job creation, particularly in tourism, professional services, and technology. At the same time, labor shortages remain a significant issue, especially for highly skilled workers and technical roles.

Performance of the financial markets in the first half of 2026

Central banks kept rates unchanged during the first few months of the year; however, amid renewed fears of inflationary effects linked to rising energy prices, markets began pricing in potential restrictive measures. The ECB subsequently raised rates by 25 basis points in June, bringing the main refinancing rate to 2.40%, the marginal lending facility rate to 2.65%, and the deposit facility rate to 2.25%. In July, the ECB left rates unchanged pending macroeconomic data releases in the summer months. Markets have also gradually revised expectations for Federal Reserve rates, abandoning the hypothesis of a cut this year in favor of one or two hikes by mid-2027. At its meeting on September 10, the ECB decided to raise interest rates by 25 basis points, as expected, highlighting that *"The conflict in the Middle East continues to generate inflation pressures, and inflation is set to remain well above target for an extended period. [...] The outlook remains highly uncertain, with risks to the upside for inflation and to the downside for economic growth."*

At the June FOMC meeting, the first chaired by the new Governor Kevin Warsh, the Fed kept the federal funds rate at 3.50–3.75%, even though, as revealed in the minutes, conditions for a rate hike had already materialized for some FOMC members.

Ten-year government bond yields, which had been falling at the start of the year, began to rise in March as the attack on Iran heightened the risk of higher inflation and, consequently, restrictive measures by central banks. By the end of June, the 10-year Treasury yield stood at 4.44% and the Bund yield at 2.91%. Amidst geopolitical tensions in the Middle East, yields rose most sharply for the most heavily indebted countries: the BTP-Bund spread

approached 100 basis points for the 10-year maturity in the weeks following the attack on Iran, before narrowing thanks to the—albeit fragile—truce in place since early April. By the end of June, following the announcement of a peace agreement, the spread had returned to around 70 basis points. However, the collapse of the Middle East truce ushered in a new period of uncertainty starting in July, driving yields back up and causing the BTP-Bund spread to widen once again.

By early 2026, risk appetite in global financial markets had risen significantly, despite new geopolitical shocks. The year had begun with a massive US military operation in Venezuela, to which markets reacted in a muted fashion, while proving more sensitive to the risk of deteriorating relations between the United States and the European Union. In an already highly uncertain environment—compounded by renewed trade tensions following the joint US-Israel attack on Iran in late February and the resulting closure of the Strait of Hormuz—volatility indices surged, and stock markets in the euro area and Asia (regions most exposed to the energy crisis) experienced sharp corrections, mirroring the market reaction immediately following Russia's invasion of Ukraine in 2022. Since late March, following the announcement of a ceasefire in the Middle East, stock prices have gradually recovered. Although the truce proved rather fragile from the outset and negotiations fluctuated, markets welcomed the onset of de-escalation between the US and Iran and the prospect of a potential near-term agreement: oil prices stopped rising, and the prices of riskier assets showed signs of recovery. The mid-June agreement between the US and Iran further boosted the confidence of financial markets; stock indices closed the first half of 2026 with gains exceeding 10%, with the Italian index—supported by the financial sector—posting the largest increases. From July onwards, however, stock markets showed a more uncertain trend, reflecting the collapse of the peace deal.

Developments in the Italian credit system

In the first six months of 2026, bank lending to households and businesses continued the expansionary trend began in 2025: in June, growth stood at 3% (adjusted for the impact of transactions and securitizations), an acceleration compared with late 2025, but differing in composition, with a greater contribution from lending to businesses. Indeed, lending to non-financial companies grew by 3.2%, marking a sharp acceleration compared with previous months and reaching levels not seen since 2022, in line with the strong performance of investment. Lending to households continued to grow steadily (+2.7% at the end of June, net of non-performing loan assignments), remaining above end-2025 levels; the real estate market shows positive trends - with residential sales prices rising in the first quarter - and supported the strengthening of the mortgage sector (+3.4% in June); consumer credit also showed solid growth (+4.8% in June), consistent with the resilience of household consumption. For the remainder of 2026, the trends emerging from the latest short-term data are expected to persist, albeit within a more uncertain scenario due to the conflict in the Middle East.

The most recent economic data show that the banking system continues to benefit from good overall solidity, with risk still historically contained. In the first quarter of 2026, the credit deterioration rate stabilized at end-2025 levels (1.2% annualized) - with a slight decrease for producer households and a slight increase for businesses—while the default rate remained stable at around 0.7%. Risk levels for the current year remain contained, although a slight deterioration is expected in the coming quarters, in line with slowing growth and inflationary pressures. The growth of non-performing loan stocks will continue to be contained by proactive portfolio management policies and assignments.

Direct funding grew in the early months of 2026 (+3%), driven by an increase in current accounts (+3.5% in June) amidst a climate of high uncertainty that sustains a strong preference for liquidity, consistent with a scenario in which the resurgence of inflation following the energy shock and geopolitical uncertainty have reinforced households' cautious stance. By the end of 2026, direct bank funding is estimated to rise further (+2%), albeit at a more moderate pace than in 2025, supported by the resilience of current accounts (+2%) and growth in bonds (+4%), alongside a further slight decline in longer-term deposits (-1%).

In the first half of 2026, listed significant commercial banks⁷ recorded profits of about €15.4 billion (up 3% on the first half of 2025), with an annualized ROE of 15.4%, well above the average of major European groups. Growth was driven by an increase in non-core revenue (gains on the sale of securities, and gains and dividends from equity investments) and net fee and commission income, particularly the asset management component, while net interest income remained substantially stable. Loans write-downs increased for some institutions, while the cost of risk was kept at historically low levels. Operating expenses decreased thanks to savings on other administrative expenses. At the end of June, the CET1 ratio stood at 14.2%, down 10 basis points from the beginning of the year due to distribution policies and the increase in RWAs associated with lending volume growth, while maintaining a

⁷ Intesa Sanpaolo, Unicredit, MPS, Banco BPM, BPER and Credem.

significant capital surplus over minimum requirements.

In 2026, the banking system's profitability is expected to decline from the record levels of the preceding two years, while remaining high. Net interest income is expected to return to growth (+4.7% in 2026 and an average annual rate of +2.8% in 2027–28), driven by higher monetary policy rates, which will foster a slight widening of the banking spread, and robust credit dynamics. Revenue from services may be affected by the climate of uncertainty and competitive pricing pressure. Operating costs are expected to rise again, driven by investments in technology and cybersecurity, as well as expenses associated with the renewal of the national collective labor agreement. Credit adjustments are projected to increase, with the cost of risk showing a modest rise.

EU measures

European institutions have followed the two priority strategic lines already identified in recent years: namely, strengthening European defense and improving energy security and competitiveness.

A key element of this process is the option for countries to request the activation of the national safeguard clause, which excludes increases in certain types of expenditure from the assessment of compliance with fiscal rules. Under the 2026 Spring Package, this option has been extended to energy security measures adopted after February 28, 2026 (specifically, structural investments aimed at reducing reliance on fossil fuels and strengthening the structural resilience of the energy system).⁸ The maximum deviation allowed under the clause is 1.5% of GDP, with the stipulation that the cost of eligible energy security measures be capped at 0.3% of GDP annually and 0.6% of GDP cumulatively over the 2026–2028 period. To date, the clause has been invoked for military spending by 18 countries, and those that have not yet done so may apply at any time. In early August, the Italian government announced plans to utilize the clause in the coming months, anticipating increased spending of up to 0.9 percentage points of GDP on defense and up to 0.6 percentage points of GDP on energy.

As regards defense, the implementation of the ReArmEurope/Readiness 2030 program, launched on March 4, 2025, to boost military spending, has continued. The Security Action For Europe (SAFE) instrument, adopted in May 2025, helps finance this increased expenditure by enabling countries to access loans on highly favorable terms, featuring both very low interest rates and exceptionally long maturities of up to 45 years (including a 10-year grace period before repayment begins). To date, 19 countries—including Italy—have submitted investment plans to access these loans.

Regarding decarbonization, the definitive regime of the CBAM (Carbon Border Adjustment Mechanism) began in 2026; this mechanism was introduced to prevent "carbon leakage", the relocation of production to countries with less stringent environmental regulations. The CBAM applies a carbon price to imports of certain energy-intensive products to align the cost of emissions borne by non-EU producers with that borne by European companies under the ETS.

Furthermore, on April 29, 2026, a new temporary State aid framework—the Middle East Crisis Temporary State Aid Framework (METSAF)—was adopted and will remain in force until December 31, 2026, allowing for the financing of temporary, targeted measures to mitigate the economic impact of the Middle East crisis on the most exposed sectors, particularly for businesses in the agriculture, fisheries, and transport sectors. The Clean Industrial Deal⁹ (CISAF, or Clean Industrial Deal State Aid Framework), complements this framework and applies until December 31, 2030, enabling Member States to incentivize clean energy, industrial decarbonization, and renewables.

As part of the REPowerEU plan regarding gas, focusing primarily on phasing out imports from Russia, the first implementation deadline for the regulations was reached in February 2026, involving a ban on short- or long-term contracts for liquefied natural gas (LNG) and pipeline gas imports concluded or modified after June 17, 2025.

Main measures taken in Italy to support the economy and bank lending

Italy's public finance planning for 2026 has continued along the path of getting the deficit below 3% of GDP to exit the excessive deficit procedure, while acknowledging the lack of significant fiscal space for structural support measures. This is expected to stem from investments carried out with the implementation of the NRRP.

The 2026 budget package, approved in December 2025, has a limited overall impact on public finance balances.

⁸ Communication from the Commission - Guidance to Member States on Broadening the Scope of the National Escape Clause for Energy Security, (C/2026/4514).

⁹ Communication from the Commission - Framework for State Aid measures to support Clean Industrial Deal State (Clean Industrial Deal state aid Framework) (C/2025/3602).

Regarding households, the main measures concern a reduction in the personal income tax (IRPEF) rate for the second income bracket, as well as tax relief to support lower incomes, contract renewals, and productivity. Measures aimed at improving the birth rate and help the most vulnerable groups are also confirmed, while on the revenue side, the budget package includes tax increases in a number of sectors—including tobacco and specific financial transactions, as well as changes to the taxation of short-term rentals and excise duties on diesel fuel.

Measures affecting businesses are overall restrictive in nature, primarily due to contributions required from financial institutions and insurance companies, as well as the suspension of deductions for negative items linked to deferred tax assets (DTAs) and the taxation of capital gains. On the other hand, a number of measures have been adopted to support business investment, albeit with a lesser financial impact.

The outlook for 2027 outlined by the Public Finance Document (DFP 2026), approved in April, does not yet include information on the upcoming budget package. The deficit reduction target is confirmed, also taking into account the deterioration of growth prospects due to the crisis in the Middle East. According to the ongoing debate, the new budget plan, to be submitted to EU institutions by October 15, is expected to include new spending on defense and the energy sector, alongside other income support measures, all influenced by pressures stemming from the upcoming election cycle.

3. THE ICCREA COOPERATIVE BANKING GROUP: DISTINGUISHING CHARACTERISTICS, GEOGRAPHICAL DISTRIBUTION, STRUCTURAL ARRANGEMENTS, SPECIFIC NATURE OF THE AFFILIATED MUTUAL BANKS AND THEIR MISSION

The Iccrea Cooperative Banking Group is a group of entities affiliated with a central body pursuant to Article 10 of the CRR,¹⁰ with the simultaneous presence of a mutual guarantee system governed by contract with the effect of qualifying the liabilities of the Parent Company and of the affiliated banks as joint and several obligations of all those who accept the agreement. The guarantee also calls for intercompany financial support mechanisms under which the members of the group provide mutual support to ensure solvency and liquidity and avoid, where necessary, undergoing the resolution procedures of Legislative Decree 180/2015 or the compulsory liquidation procedures of Article 80 et seq. of the Consolidated Banking Act.

Any necessary support (capital or liquidity) provided to the affiliated banks in order to ensure the solvency and liquidity of the individual participants in the scheme are carried out by the Parent Company, drawing on the financial resources made available by the participants under the provisions of the Guarantee Agreement. Support actions may include: i) capitalization measures making use of the Ex Ante Share of the readily available funds (RAFs); and ii) liquidity support measures, using the Ex Post Quota of the RAFs.

The RAFs are composed of an amount established ex ante and an amount that can be called up by the Parent Company when needed (the Ex Post Quota). The guarantee obligation assumed by each participating entity is commensurate with their risk-weighted assets and kept within the limits of any capital in excess of their individual capital requirements, without prejudice to compliance with said requirements.

At least once a year, the Parent Company conducts stress tests of the participants in the scheme, aimed at determining the readily available funds and consequently adjusting the shares of the affiliated banks based on the greater or lesser amount already provided. The outcome of these stress tests is used to quantify the total amount of readily available funds and, consequently, the guarantee obligations of the affiliated banks. It also serves to calibrate the thresholds of the early warning system.

The figures for the RAFs for 2026 came to the following estimates:

- Ex Ante Quota of €339.1 million;
- Ex Post Quota of €339.1 million.

The financial resources that make up the Ex Ante portion of the RAFs are invested in instruments that can be readily liquidated, with a low level of risk and sufficient diversification to pursue the objective of capital conservation and the prompt availability of the financial means required to carry out guarantee interventions.

Structure of the Banking Group

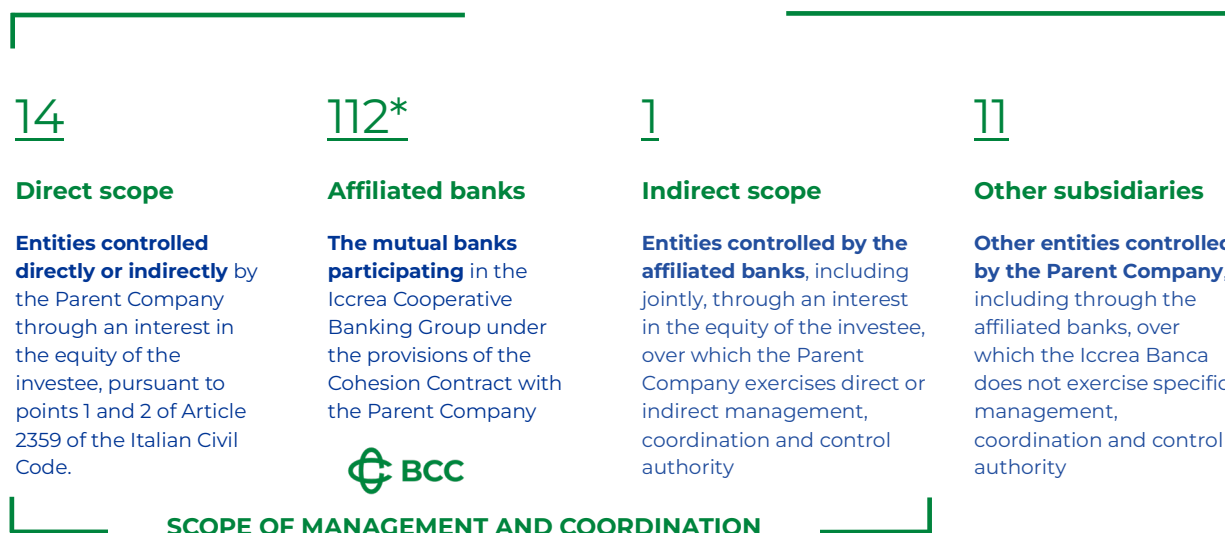
As summarized in the following chart, at June 30, 2026, the Group is structured as follows:

- the Parent Company, Iccrea Banca SpA, which plays a management and coordination role for the Group and for interacting with regulatory and supervisory authorities;
- the companies subject to the management and coordination of the Parent Company, which include:
 - the affiliated banks, participating in the Group in virtue of the Cohesion Contract signed with the Parent Company;
 - the subsidiaries held, directly or indirectly, by the Parent Company in accordance with points 1 and 2 of Article 2359 of the Italian Civil Code, over which the Parent Company exercises management, coordination and control powers (by convention, these companies are said to fall within the “direct scope” of management and coordination);
 - companies controlled by affiliated banks, separately or jointly, by way of equity investments, over which the Parent Company directly or indirectly exercises management, coordination and control powers in

¹⁰ As defined in the Cohesion Contract (pursuant to Article 37-bis of the Consolidated Banking Act) between the Parent Company, Iccrea Banca (the central body), and the affiliated mutual banks (affiliated banks), through which the latter have granted the Parent Company powers of management and coordination, exercised on a proportionate basis and as a function of the relative health of the affiliated banks, with the aim of preserving the stability of the Group and its members and promoting the cooperative spirit and mutualistic function of the mutual banks and the Group.

light of their instrumental roles within the ICBG (by convention, these companies are said to fall within the “indirect scope” of management and control);

- other subsidiaries of the Parent Company, held directly or through the affiliated banks, over which Iccrea Banca does not exercise specific management, coordination, or control power.



*Includes Banca di Pisa e Fornacette C. C. in liquidation

The organizational structure of the Parent Company is based on the operating model and the strategic-operational activities required by regulations and the Cohesion Contract, which can be summarized in the following macro-areas: (i) management, coordination, direction and control, (ii) provision of services to the affiliated banks and the direct scope companies, (iii) performance of the Parent Company's own activities.

The organization of the Parent Company is based on a structure made up of hierarchical levels. The first-level structures reports to the Board of Directors (in the case of Corporate Control Functions - CCFs) or to the General Manager and mainly groups organizational units carrying out synergic/complementary activities, linked in a functional and operational logics and/or belonging to the same technical-operational area, ensuring the completion of the tasks necessary to carry out the activities of the Parent Company and to coordinate the choices and operations of subordinated units.

As of June 30, 2026, the organizational model of the Parent Company therefore includes:

- second and third level Corporate Control functions (CCF), reporting directly to the Board of Directors. The Corporate Control functions are centralized and operate under an outsourcing regime for all Group companies (affiliated banks and direct scope companies);
- organizational structures/areas reporting to the General Manager:
 - Chief Financial Officer Area (CFO);
 - Credit and Associates Activities Area;
 - Chief Operating Officer Area (COO);
 - Chief Business Officer Area (CBO);
 - Chief Information Officer Area (CIO);
 - Institutional Communications unit;
 - GM Staff unit;
 - Transformation Office.

Distinctive features of the mutual banks and their mission

Consistent with their nature as cooperative societies with a predominant mutual purpose, the mutual banks affiliated to the Group pursue the objective of maximizing social utility within their respective territories.

In addition to a business model based on this relationship, the difference between the mutual banks and their more traditional brethren is explicated in the Consolidated Banking Act (Articles 33 et seq. of the Consolidated Banking Act, with significant amendments introduced with the Reform Law 49/2016, which introduced the rules governing cooperative banking groups).

More specifically, primary legislation (Articles 33-37 of the Consolidated Banking Act, as amended by the legislation governing cooperative banking groups) requires the following of mutual banks:

- are established in the form of a limited liability cooperative company;
- must have a minimum of five hundred members;
- have as members individuals who reside, have their registered office or operate on a continuous basis in the territory where the bank is located;
- respect the principle of one vote per members, regardless of the number of shares subscribed;
- no member may own shares with total nominal value exceeding €100 thousand;
- the allocation of at least 70% of annual net profits to the legal reserve (in addition to a 3% share of annual net profits to be allocated to funds for the promotion and development of cooperation).
- the allocation of profits to members but in an amount not exceeding the maximum interest on postal savings certificates, increased by 2.5 points with respect to the capital actually paid;
- the allocation of remaining profits, net of (i) statutory allocations, (ii) any revaluation of shares, (iii) the portion assigned to other reserves, or (iv) distributed to members, to charitable or mutual purposes through the establishment of a dedicated fund managed by the directors;
- the non-distribution of the company's assets to members, neither during the company's life nor upon the dissolution of the company.

The vocation of service to local communities is also expressed in secondary legislation issued by the Bank of Italy (Bank of Italy Circular no. 285, Part III, Chapter 5), which, in implementation of Article 35(2) of the Consolidated Banking Act, states that no less than 95% of all business shall be conducted within the bank's territory, and at least 50% of this business shall be in favor of shareholders or in low-risk activities,¹¹ ensuring that the collected savings essentially support and finance the growth of the real economy in the area of operation. The provisions protecting mutuality and localism were confirmed by the reform of the sector, whose objective – as underscored by the Bank of Italy – was solely to “remove the regulatory and operational constraints typical of entities established as cooperatives – which could have hindered rapid recapitalization, including through access to the capital market, in case of need – and the related diseconomies associated with the small size of such entities”¹².

The principles inspiring the action of mutual banks are also laid down in Article 2 of the Standard Articles of Association of the mutual banks, which states: *“In conducting its business, the Company's action is inspired by the cooperative principles of mutualism free of motives of private speculation. Its purpose is to favor the members of local communities in banking operations and services, pursuing the improvement of their moral, cultural and economic conditions and promoting the development of cooperation and education on savings and welfare issues, as well as social cohesion and responsible and sustainable growth of the local areas in which it operates. The Company is distinguished by its social orientation and its commitment to building the common good. It is also committed to acting in compliance with the Charter of Mutual Banking Values and implementing appropriate forms of economic and financial democracy and mutualism among its shareholders, as well as their participation in the life of the Company”*.

These features are safeguarded by the Iccrea Cooperative Banking Group through the management, coordination and control role of the Parent Company, Iccrea Banca, ensuring stability, help the achievement of efficiency levels appropriate to the market, compliance with Supervisory Provisions, as well as promoting the development of shareholders and the local communities, cooperation and education on savings and pensions, as well as social

¹¹ This specifically refers to exposures to or guaranteed by (i) central governments of the euro area, the ECB and the Bank of Italy, (ii) the parent company or other companies of the group to which it belongs; (iii) the guarantee systems established within the cooperative credit sector.

¹² Circular no. 285, Part Three, Chapter 5, Section 1, sub-section 1.

cohesion and the responsible and sustainable growth of the territories in which they operate.

For their part, the mutual banks operate preferentially with the Group companies, reinforcing the features of partnership and proximity that have long characterized their relationships in order to ensure the implementation of the business vision embodied in the Cohesion Contract.

The branch network and strategic positioning of the Group's retail banks

At June 30, 2026 the Group had 111¹³ affiliated mutual banks distributed in almost all regions of the country, with the exception of Valle d'Aosta, Trentino Alto Adige, Liguria and Umbria (although the Group does have branches in the latter three regions).

The Group has 2,414 branches, with a nationwide market share of 12.6%. In the first half of the year, the affiliated bank branch network saw the closure of 19 branches, more than offset by the opening of new branches in locations with greater potential for business development and market penetration, resulting in a net increase of 5 branches compared with December 2025.

Number of branches per region and associated market share

The Group has at least one branch in 1,675 of the 4,428 Italian municipalities served by banks (37.8% of the total). In 396 of these municipalities (23.6% of the total), the Group's branches are the only banking presence, consistent with the mutual banks' community-centric mission. Lombardy is the region in which the Group is present in the most municipalities (391), while Marche boasts the largest share of municipalities with a banking presence with a Group branch (68.1%).

Region	Municipalities with banking services	with ICBG branch	(%)	in which ICBG is only bank	(%)
Abruzzo	118	56	47.5%	13	23.2%
Basilicata	63	29	46.0%	11	37.9%
Calabria	103	49	47.6%	24	49.0%
Campania	241	81	33.6%	34	42.0%
Emilia-Romagna	303	119	39.3%	10	8.4%
Friuli-Venezia Giulia	147	62	42.2%	12	19.4%
Lazio	181	94	51.9%	16	17.0%
Liguria	98	11	11.2%	0	0.0%
Lombardy	937	391	41.7%	116	29.7%
Marche	141	96	68.1%	25	26.0%
Molise	22	10	45.5%	4	40.0%
Piedmont	401	64	16.0%	12	18.8%
Puglia	188	71	37.8%	5	7.0%
Sardinia	243	12	4.9%	0	0.0%
Sicily	238	98	41.2%	34	34.7%
Tuscany	240	140	58.3%	11	7.9%
Trentino-Alto Adige/Südtirol	241	1	0.4%	0	0.0%
Umbria	59	24	40.7%	3	12.5%
Veneto	445	267	60.0%	66	24.7%
Valle d'Aosta/Vallée d'Aoste	19	0	0.0%	0	0.0%
Total	4,428	1,675	37.8%	396	23.6%

Source: based on Bank of Italy data as at June 30, 2026

¹³ During the first half of 2026, the number of affiliated mutual banks declined from 112 to 111 reflecting the merger of Banca di Credito Cooperativo di Nettuno into Banca di Credito Cooperativo dei Colli Albani, which led to the creation of Banca Colli Albani e Nettuno Credito Cooperativo. The number of operational mutual banks does not include Banca di Pisa e Fornacette C.C. in liquidation.

With regard to competitive pressure, about 43.4% of the municipalities in which the Group is present have at most one branch of another bank, while 33.8% of municipalities have more than three bank competitors. Compared with June 30, 2025 the number of municipalities in which the Group is the only banking presence increased by 5.

No. of other banks present in the municipalities in which ICBG has a presence	0	1	2	3	More than 3	Total
No. of Municipalities	396	332	203	178	566	1,675
% of total	23.6%	19.8%	12.1%	10.6%	33.8%	100%

Source: based on Bank of Italy data as at June 30, 2026

Strategic positioning of the Group commercial distribution

At March 31, 2026 (latest available data), the Group banks have a total market share of lending to resident customers of 6.5%, with a value of about €82.4 billion broken down similarly between loans to consumer households (48%) and firms (52%).¹⁴

By region, the Group has its largest market share, about 16%, of loans to customers in the Marche, followed by Friuli-Venezia Giulia, Basilicata, Veneto and Abruzzo with over 10%.

Region	Market share of lending to households and firms	Market share of lending to consumer households	Market share of lending to firms	Market share of customer deposits (consumer households and firms)
Abruzzo	10.9%	9.7%	12.1%	9.6%
Basilicata	11.4%	6.9%	16.6%	6.8%
Calabria	6.9%	4.1%	11.6%	4.8%
Campania	3.2%	1.9%	4.9%	3.0%
Emilia Romagna	7.8%	9.7%	6.4%	7.1%
Friuli Venezia Giulia	11.4%	13.4%	9.3%	10.3%
Lazio	6.5%	8.0%	5.0%	5.6%
Liguria	1.8%	1.4%	2.4%	1.4%
Lombardy	5.4%	5.5%	5.3%	6.4%
Marche	16.0%	15.4%	16.5%	15.4%
Molise	6.1%	4.4%	8.3%	3.0%
Piedmont	4.3%	3.8%	4.8%	4.1%
Puglia	5.7%	4.3%	7.9%	4.9%
Sardinia	2.5%	1.0%	5.1%	2.0%
Sicily	4.2%	2.9%	6.6%	4.5%
Tuscany	9.3%	9.1%	9.6%	10.8%
Trentino-Alto Adige	0.6%	0.2%	0.8%	0.4%
Umbria	4.6%	3.8%	5.4%	5.3%
Valle d'Aosta/Vallée d'Aoste	0.5%	0.4%	0.5%	0.3%
Veneto	11.1%	11.9%	10.5%	11.1%
ITALY	6.5%	6.5%	6.5%	6.4%

Source: based on supervisory and Bank of Italy data as at March 31, 2026. Loans to customers and customer deposits have been allocated on the basis of counterparty residence.

With regard to deposits by resident customers, market share is at 6.4%, equal to an amount of about €108.5 billion, of which €67.6 billion attributable to consumer households. Customer deposits (consumer households and firms) are also led by Marche, in which the Group has a 15.4% market share, followed by Veneto, Tuscany and Friuli-Venezia Giulia.

¹⁴ Performing loans to consumer households and firms, net of repurchase agreements and Monetary Financial Institutions

Ownership structure of the Group's affiliated banks

In terms of ownership structure, the number of shareholders at March 31, 2026 totaled more than 924 thousands, an increase of more than 15 thousands on March 31, 2025 (+1.7%). Northern and Central Italy account for 43.1% and 45.3% of shareholders, respectively. Northern Italy contributed the most to the growth of the shareholders' base, with an increase of 7,665 between March 31, 2025 and March 31, 2026.

Geographical area	No. Shareholders 31/03/26	(%)	No. Shareholders 31/03/25	(%)	Delta 31/03/26 – 31/03/25
North	398,332	43.1%	390,667	43,0%	7,665
Center	419,027	45.3%	413,221	45,5%	5,806
South	106,843	11.6%	104,559	11,5%	2,284
Total	924,202	100.0%	908,447	100.0%	15,755

Source: based on supervisory and Bank of Italy data as at March 31, 2026

Group personnel

Total Iccrea Cooperative Banking Group personnel at June 30, 2026 numbered 22,684 (22,248.2 FTE¹⁵), broken down as follows:

Scope	Number of employees at June 2026	FTE June 2026
Mutual bank employees	18,863	18,461.2
Iccrea Banca and direct scope companies	3,821	3,787.0
Other companies	0	0
Total	22,684	22,248.2

The Group headcount showed a net increase of 214 at June 30, 2026, with 789 new hirings and 575 terminations (74 of these involving intragroup transfers).

The composition of the workforce by category and gender at June 30, 2026, is reported in the following table:

Position	Men	Women	Total
Senior management	341	43	384
Middle management	5,001	2,125	7,126
Office staff	7,143	8,031	15,174
Total	12,485	10,199	22,684
of which:			
On open-ended contracts	12,209	9,928	22,137
On fixed-term contracts	276	271	547
of which :			
Full time contracts	12,323	8,543	20,866
Part time contracts	162	1,656	1,818

The composition of the workforce by category, age and gender at June 30, 2026, is reported in the following table:

Position	Age group	Men	Women	Total
Senior management	Between 30 and 50	38	7	45
Senior management	Over 50	303	36	339
Total		341	43	384
Middle management	Under 30	6	-	6
Middle management	Between 30 and 50	1,762	860	2,622
Middle management	Over 50	3,233	1,265	4,498
Total		5,001	2,125	7,126
Professional area	Under 30	851	966	1,817
Professional area	Between 30 and 50	3,756	4,567	8,323
Professional area	Over 50	2,536	2,498	5,034
Total		7,143	8,031	15,174
Total		12,485	10,199	22,684

¹⁵ Full Time Equivalent (considers the effective % of part-time work).

Industrial relations

In June 2026, trade unions presented their platform of demands in view of the renewal of the Group supplementary agreement, and formal negotiations have commenced on specific requests - primarily concerning welfare, meal vouchers, employee mortgages, mobility, job profiles, work-life balance and family support measures, labor relations, training and professional assessment, as well as the impact of AI.

During the first half of the year, the procedures for adopting the incentive system pursuant to Article 50 of the national collective bargaining agreement were carried out by 6 new mutual banks; additionally, for 4 mutual banks that had already adopted the system, information regarding amendments to the existing incentive scheme was provided. The Group-level procedure for adopting the evaluation system pursuant to Article 67 of the national collective bargaining agreement (CCNL) was also conducted for 17 mutual banks, with a significant number of representatives from the banks themselves and their respective trade union representatives participating in the consultation process.

Planned/activated terminations

Both direct scope companies and 11 mutual banks held follow-up meetings on the trade union agreements signed in 2024 and 2025 for access to the extraordinary benefits of the Industry Solidarity Fund, also with a view to adjust the duration and expiration of the agreements, in order to mitigate the effects resulting from changes to the eligibility requirements for pension benefits.

Remuneration and incentive policies

The annual Group Remuneration and Incentive Policies report was approved by the Ordinary Shareholders' Meeting of the Parent Company – acting on a proposal of the Board of Directors - on May 8, 2026 and is available on the Parent Company's website.

The Group's asset management company, BCC Risparmio&Previdenza, prepares its own Remuneration and Incentive Policies report, in compliance with specific sector regulations, in accordance with the Group Remuneration and Incentive Policy.

The affiliated mutual banks prepare their own Remuneration and Incentive Policies and define and apply incentive models consistent with the Group policies and in compliance with the applicable regulations and the principle of proportionality.

For more details, see the Report and consolidated financial statements at December 31, 2025.

4. DEVELOPMENTS IN GROUP OPERATIONS

The following provides an overview of the main balance sheet and income statement figures of the Iccrea Cooperative Banking Group as at June 30, 2026. To enable a more immediate understanding of the Group's balance sheet and income statement, the following tables are presented in more summary form than those provided for in Circular no. 262/05 of the Bank of Italy.

Balance sheet

Consolidated assets

€/thousand	30/06/2026	31/12/2025
Cash and cash equivalents	1,160,791	1,703,492
Financial assets measured at fair value through profit or loss	1,596,184	1,540,230
Financial assets measured at fair value through other comprehensive income	8,853,592	7,443,125
Financial assets measured at amortized cost	152,307,394	148,120,749
a) due from banks	2,203,327	1,727,630
b) loans to customers	100,889,798	97,902,052
c) securities	49,214,268	48,491,068
Hedging derivatives and value adjustments of macro-hedged financial assets	253,401	376,203
Equity investments	274,695	310,306
Property, plant and equipment	2,292,389	2,340,620
Intangible assets	234,197	225,120
Tax assets	898,989	969,419
Non-current assets and disposal groups held for sale	7,018	9,245
Other assets	4,208,172	4,608,901
Total assets	172,086,822	167,647,410

The consolidated assets of the Iccrea Cooperative Banking Group totaled €172 billion, up €4.4 billion on December 31, 2025.

Financial assets measured at fair value through profit or loss, in the amount of €1.6 billion, include financial assets held for trading in the amount of €143.6 million (which mainly includes derivatives and securities held for trading), financial assets designated as at fair value in the amount of €312.4 million (represented by instruments in which liquidity from the Guarantee Scheme is invested), and other financial assets mandatorily measured at fair value in the amount of €1.1 billion (mainly in units of collective investment undertakings - CIUs, policies and postal bonds).

€/thousand	Level 1	Level 2	Level 3	Total 30/06/2026
Financial assets held for trading	87,815	55,615	192	143,622
Debt securities	85,519	1,712	2	87,233
Equity securities	2,048	31	-	2,079
Units in collective investment undertakings	-	13	65	78
Financial derivatives	248	53,859	125	54,232
Financial assets designated as at fair value	311,827	-	581	312,408
Debt securities	311,827	-	-	311,827
Financing	-	-	581	581
Financial assets mandatorily measured at fair value	53,299	758,398	328,457	1,140,154
Debt securities	7,951	10,773	2,664	21,388
Equity securities	39,408	38,551	-	77,959
Units in collective investment undertakings	5,940	100,434	313,138	419,512
Financing	-	608,640	12,656	621,296
Financial assets measured at fair value through profit or loss	452,941	814,013	329,230	1,596,184

The portfolio of financial assets measured at fair value through other comprehensive income amounted to €8.9 billion, an increase compared with December 31, 2025 - and is mainly represented by government securities held in accordance with the HTCS business model. The aggregate also includes minority interests in the amount of €510.8 million, which are measured at fair value through other comprehensive income without recycling to profit

or loss.

€/thousand	Total 30/06/2026	Total 31/12/2025
Debt securities	8,342,826	6,932,528
Equity securities	510,766	510,597
Financial assets measured at fair value through other comprehensive income	8,853,592	7,443,125

Financial assets measured at amortized cost amounted to €152.3 billion, of which about 68% is in loans with the remainder in debt securities. These assets can be broken down in their relative level of risk as shown below.

€/thousand	Gross value		Total writedowns		Net value 30/06/2026
	Stage 1 and 2	Stage 3	Stage 1 and 2	Stage 3	
Financing	103,117,509	2,502,368	(634,108)	(1,892,645)	103,093,126
Loans to banks ¹⁶	2,204,836	-	(1,509)	-	2,203,327
Loans to customers ¹⁶	100,912,673	2,502,368	(632,598)	(1,892,644)	100,889,798
Debt securities	48,755,878	594,162	(95,849)	(39,923)	49,214,268
Total financial assets measured at amortized cost	151,873,387	3,096,531	(729,957)	(1,932,567)	152,307,394

More specifically, net loans to customers totaled about €100.9 billion, of which €100.3 billion performing and about €0.6 billion related to impaired positions. Of this total, about 77% was in medium and long-term financing (both loans and leases).

€/thousand	30/06/2026	% share	31/12/2025	% share
Current accounts	6,818,509	6.8%	6,793,586	6.9%
Repurchase agreements	3,789,136	3.8%	2,517,359	2.6%
Medium/long-term loans	74,750,743	74.1%	72,722,350	74.3%
Credit cards, personal loans and salary-backed loans	3,259,915	3.2%	3,163,241	3.2%
Lease financing	3,349,692	3.3%	3,369,549	3.4%
Factoring	669,750	0.7%	900,470	0.9%
Other lending	8,252,053	8.2%	8,435,496	8.6%
Financial assets measured at amortized cost – Loans to customers	100,889,798	100.0%	97,902,052	100.0%

Gross impaired loans, which have continued to decrease in the last eight years thanks to the robust de-risking efforts carried out by the Grous since its establishment, came to about €2.5 billion, or 2.4% of total gross lending (2.4% also considering loans to customers alone).¹⁷

Net impaired loans amounted to about €610 million, equal to 0.6% of net lending (0.6% when considering only ordinary customers).¹⁸ The ratios of net bad loans and net unlikely-to-pay positions to total net lending came to 0.1% and 0.4% (0.1% and 0.4% when considering only ordinary customers).

As shown in the table below, efforts to improve the Group's risk profile can also be seen in the prudent assessment policies, which allowed to confirm high NPL coverage ratios at 75.6%, a slight decrease compared with the end of 2025.

Type of exposure	Gross exposure	Writedowns	Net exposure	Coverage 30/06/2026	Coverage 31/12/2025
Bad loans	807,964	724,095	83,869	89.6%	90.7%
Unlikely-to-pay positions	1,455,191	1,050,146	405,044	72.2%	73.0%
Impaired past-due positions	239,213	118,403	120,810	49.5%	48.4%
Impaired exposures to customers	2,502,368	1,892,644	609,724	75.6%	75.8%

¹⁶ Source: based on consolidated Finrep data

¹⁷ Excluding transactions with institutional counterparties (mainly repurchase agreements and deposits with the Clearing and Guarantee Fund totaling €4.4 billion), the gross NPL ratio is 2.5%.

¹⁸ Excluding transactions with institutional counterparties (mainly repurchase agreements and deposits with the Clearing and Guarantee Fund totaling €4.4 billion), the net 'NPL ratio is 0.6%.

As shown in the table below,¹⁹ the particular business model of the affiliated banks, which account for the largest component of assets and of total loans to customers, is reflected, above all, in the type of counterparty. Total loans disbursed, a gross amount of €103.4 billion, have mainly gone to producer and consumer households, which accounted for 48.2% of total lending. These segments, which have always been the core customer base of mutual banks, feature a lower NPL ratio than non-financial companies.

Type of counterparty	Gross value	Ratio to total loans and advances	Performing loans and advances		Non-performing loans and advances	
			Ratio to total	Ratio to total performing	Ratio to total	Ratio to total NPL
Financial companies	7,322,935	7.1%	99.5%	7.2%	0.5%	1.6%
Non-financial companies	44,896,351	43.4%	96.6%	43.0%	3.4%	61.9%
of which: small and medium-sized enterprises	34,597,006	33.5%	97.5%	33.4%	2.5%	33.9%
of which: secured by non-residential real estate as collateral	13,540,742	13.1%	96.4%	12.9%	3.6%	19.7%
Households	49,825,121	48.2%	98.2%	48.5%	1.8%	36.5%
of which: secured by residential real estate as collateral	39,187,146	37.9%	98.6%	38.3%	1.4%	22.6%
of which: consumer credit	3,337,380	3.2%	98.1%	3.2%	1.9%	2.6%
Government	1,370,635	1.3%	100.0%	1.4%	0.0%	0.0%
Total loans to customers	103,415,041	100.0%	97.6%	100.0%	2.4%	100.0%

With regard to financial assets measured at amortized cost, amounts due from banks amounted to approximately €2.2 billion and include more than €1.6 billion in respect of the reserve requirement with central banks.

€/thousand	Stage 1 and 2	Stage 3	Total 30/06/2026	% share	Total 31/12/2025	% share
Due from central banks – reserve requirement	1,573,536		1,573,536	71.4%	1,521,757	88.1%
Loans to banks - financing	629,791	-	629,791	28.6%	205,873	11.9%
Financial assets measured at amortized cost – Loans to banks	2,203,327	-	2,203,327	100.0%	1,727,630	100.0%

Finally, debt securities measured at amortized cost (held under the HTC business model), largely represented by Italian government securities, totaled almost €49.2 billion, an increase of €723 million on December 31, 2025.

Equity investments (a total €275 million) mainly represent interests in associates, the most significant of which are the investments in Numia Group SpA (€154.8 million), BCC Vita (€60.9 million), Pitagora SpA (€22 million) and BCC Assicurazioni (€8.1 million).

Property, plant and equipment, totaling €2.3 billion, mainly include property used in operations (€1.9 billion) as well as properties contributed to consolidated real estate investment funds in the amount of €0.3 billion.

Intangible assets (€234 million) mainly include software and user licenses (€207.8 million), goodwill recognized on initial consolidation of a number of controlling interests (€15.6 million) and, to a lesser extent, goodwill recognized among assets of the affiliated banks for the acquisition of bank branches before the establishment of the Group (€2.8 million).

Among assets: (i) tax assets totaling about €899 million including current taxes of about €299 million and deferred tax assets of about €600 million, the latter including about €300 million referring to Law 214/2011; (ii) other assets of about €4.2 billion, which among other things include tax credits of about €2.3 billion.

¹⁹ Source: Finrep

Consolidated liabilities

€/thousand	30/06/2026	31/12/2025
Financial liabilities measured at amortized cost	146,930,815	145,644,783
a) due to banks	2,629,233	2,436,775
b) due to customers	128,688,798	127,933,676
c) securities issued	15,612,784	15,274,332
Financial liabilities held for trading	77,053	45,633
Financial liabilities designated as at fair value	63,527	67,763
Hedging derivatives and value adjustments of macro-hedged financial liabilities (+/-)	415,811	245,123
Tax liabilities	103,272	50,498
Other liabilities	5,186,634	3,161,250
Post-employment benefits	162,508	172,471
Provisions for risks and charges	649,372	591,443
Equity	17,429,353	15,736,954
Profit/(loss) for the period	1,068,476	1,931,491
Total liabilities and equity	172,086,822	167,647,410

Total consolidated liabilities and equity amounted to over €172 billion, an increase of €4.4 billion compared with December 31, 2025.

More specifically, financial liabilities measured at amortized cost include direct funding from ordinary customers (securities issued, amounts due to customers, the latter net of institutional funding of about €13 billion) came to a total €131.3 billion, a slight increase on the end of 2025 mainly reflecting the increase in current accounts and demand deposits (+€0.1 billion) and news issues of securities (+€0.3 billion).

€/thousand	30/06/2026	31/12/2025
Due to customers	115,702,059	115,514,324
Current accounts and demand deposits	109,136,136	108,995,386
Time deposits	5,431,880	5,387,124
Other amounts due	1,134,044	1,131,814
Outstanding securities	15,612,784	15,274,332
Bonds	9,263,667	8,549,741
Other securities	6,349,117	6,724,591
Financial liabilities measured at amortized cost – Direct funding from ordinary customers	131,314,843	130,788,656

The remainder of financial liabilities measured at amortized cost comprises funding from institutional customers (€15.6 billion) and includes: (i) €11.5 billion in repurchase agreements, almost entirely with the Clearing & Guarantee Fund, (ii) €2.6 billion in amounts due to non-Group banks.

€/thousand	30/06/2026	31/12/2025
Loans to customers	12,986,738	12,419,352
Repos	11,480,351	10,862,731
Other	1,506,387	1,556,621
Due to banks	2,629,233	2,436,775
Due to central banks	-	-
Due to banks	2,629,233	2,436,775
Current accounts and demand deposits	862,249	1,070,954
Time deposits	13,766	12,944
Loans and repurchase agreements	1,744,461	1,345,805
Other	8,758	7,073
Financial liabilities measured at amortized cost – Funding from institutional customers	15,615,972	14,856,127

Other main liabilities include the following: (i) financial liabilities held for trading, in the amount of €77 million, which include the negative fair value of trading derivatives; (ii) tax liabilities in the amount of €103.3 million, which include deferred tax liabilities on temporarily non-taxable revenues in the amount of €31.6 million; (iii) other liabilities in the amount of €5.2 billion; (iv) post-employment benefits for the Group totaling €162.5 million and (v) provisions for risks and charges of €649.4 million, including about €172.8 million in provisions for credit risk against commitments to disburse funds and financial guarantees issued.

Consolidated shareholders' equity

Consolidated shareholders' equity totaled €18.5 billion. Share capital includes the capital of the Parent Company, amounting to €1.4 billion, and the capital of the mutual banks, which, together with the Parent Company, constitute a single consolidating entity. Treasury shares mainly represent the capital of Iccrea Banca held by the affiliated banks consolidated in application of Article 1072 of Law 145/2018.

Reserves totaled about €16.1 billion, and mainly included legal reserves of €16.4 billion – accumulated as a result of an aggressive use of self-funding by the affiliated banks in relation to the aforementioned obligation for the capitalization of at least 70% of earnings – and a negative IFRS 9 reserve of €1.6 billion.

€/thousand	30/06/2026	31/12/2025
Share capital	2,281,102	2,284,100
Equity instruments	30,139	30,139
Share premium reserve	156,355	156,204
Treasury shares	(1,402,914)	(1,393,479)
Valuation reserves	215,835	248,192
Reserves	16,136,318	14,399,624
Profit for the period	1,068,476	1,931,491
Equity attributable to shareholders of the Parent Company	18,485,311	17,656,271
Non-controlling interests (+/-)	12,518	12,175
Total shareholders' equity	18,497,829	17,668,446

Income statement

Consolidated income statement

€/thousand	30/06/2026	30/06/2025
Net interest income	2,106,139	2,013,484
Net fee and commission income	766,635	713,344
Dividends, net gain/(loss) on trading activities, net gain/(loss) on hedging and net gain/(loss) on assets and liabilities at FVTPL	38,468	67,172
Net gain (loss) on disposals	92,357	61,751
Gross income	3,003,599	2,855,751
Net writedowns/writebacks for credit risk	(157,688)	(66,261)
- of which financial assets measured at amortized cost: loans to customers	(154,423)	(40,026)
Gains/losses from contract modifications without cancellations	(343)	(768)
Net income/(loss) from financial operations	2,845,568	2,788,722
Administrative expenses	(1,727,164)	(1,629,490)
a) personnel expenses	(1,082,730)	(1,048,728)
b) other administrative expenses	(644,434)	(580,762)
Depreciation, amortization and provisions	(97,930)	(111,861)
- of which provisions for guarantees issued	18,732	7,927
Other operating income/expense	187,919	171,777
Operating expenses	(1,637,176)	(1,569,575)
Profit/(loss) from equity investments	116,652	7,206
Net gain/(loss) from fair value measurement of property, plant and equipment and intangible assets	(5,654)	(4,233)
Profit/(loss) from disposal of investments	406	(270)
Profit/(loss) before tax on continuing operations	1,319,796	1,221,850
Income tax expense from continuing operations	(250,972)	(211,376)
Profit/(loss) after tax on discontinued operations	-	42,965
Profit/(loss) for the period	1,068,824	1,053,439
Net profit/(loss) attributable to non-controlling interests	348	426
Net profit/(loss) attributable to shareholders of the Parent Company	1,068,476	1,053,013

The Group ended the first half of 2026 with net profit of €1.1 billion, substantially in line with the same period of the previous year.

More specifically, net interest income came to about €2.1 billion, the net result of interest income of €2.8 billion (including €2.7 billion on loans to customers and €0.9 billion on debt securities) and interest expense of about €0.7 billion (mainly related to amounts due to customers and outstanding securities recognized among financial liabilities and measured at amortized cost).

The change in net interest income at June 30, 2026 compared with the same period of 2025 mainly reflected: (i) a decrease in interest income on loans to customers by €20 million; (ii) an increase in interest income on debt securities by €128 million, related to both the increase in volumes and rates in the period; (iii) a €20 million decrease in interest income on tax credits related to lower volumes; (iv) a €115 million decrease in hedging differentials and (v) a decrease in interests on amounts due to central banks of about €32 million following repayments in the second half of 2025 and (vi) a decrease in interest expense on customer funding of about €95 million.

Interest and similar income

€/thousand	Debt securities	Loans	Other transactions	Total 30/06/2026	Total 30/06/2025
Financial assets measured at fair value through profit or loss	3,532	1,891	650	6,073	9,818
Financial assets measured at fair value through other comprehensive income	106,872	-	-	106,872	88,580
Financial assets measured at amortized cost	777,493	1,927,329	-	2,704,822	2,623,826
- of which loans to banks	30,617	8,136	X	38,753	51,004
- of which loans to customers	746,876	1,919,193	X	2,666,069	2,572,822
Hedge derivatives	-	-	(66,656)	(66,656)	49,001
Other assets	-	-	85,999	85,999	106,361
Financial liabilities	-	-	129	129	740
Interest and similar income	887,897	1,929,220	20,122	2,837,239	2,878,326

Interest and similar expense

€/thousand	Debt securities	Loans	Other transactions	Total 30/06/2026	Total 30/06/2025
Financial liabilities measured at amortized cost	(500,614)	(229,252)	-	(729,866)	(858,187)
- of which central banks	(1)	X	X	(1)	(31,831)
- of which banks	(25,595)	X	X	(25,595)	(34,240)
- of which due to customers	(475,018)	X	X	(475,018)	(569,788)
- of which securities issued	X	(229,252)	X	(229,252)	(222,327)
Financial liabilities held for trading	-	-	-	-	(3,995)
Financial liabilities designated as at fair value	-	(650)	-	(650)	-
Other liabilities and provisions	-	-	(572)	(572)	(642)
Hedge derivatives	-	-	1,762	1,762	722
Financial assets	-	-	(1,775)	(1,775)	(2,740)
Interest and similar expense	(500,614)	(229,901)	(585)	(731,100)	(864,843)

Net fee and commission income in the first half of 2026 came to €766.6 million, a slight increase (+€53 million) on the same period of 2025, and include fee and commission income of about €927.8 million (mainly relating to commissions for collection and payment services, the management of current accounts and distribution of third-party services) net of fee and commission expense of €161.2 million.

Fee and commission income

€/thousand	30/06/2026	30/06/2025
Guarantees issued	12,770	12,904
Management, intermediation and advisory services	127,991	91,694
Management of current accounts	277,628	276,378
Collection and payment services	269,289	262,835
Distribution of third-party services	193,813	166,609
Other services	46,298	44,078
Fee and commission income	927,789	854,498

Fee and commission expense

€/thousand	30/06/2026	30/06/2025
Guarantees received	(2,731)	(1,900)
Management and intermediation services	(7,301)	(6,547)
Collection and payment services	(132,670)	(120,075)
Other services	(18,452)	(12,632)
Fee and commission expense	(161,154)	(141,154)

The net gain on disposals came to €92.4 million, mainly reflecting the gain on the assignment of loans by Group banks in the amount of €44.1 million, and the gains on the sale of debt securities classified at amortized cost and assets measured at fair value through other comprehensive income in the amount of €48.3 million.

At June 30, 2026 net writedowns for credit risk amounted to €157.7 million, up from the same period of 2025. The coverage ratio of impaired positions was 75.6%, confirming the robust monitoring of such positions implemented by the Group since its establishment.

Operating expenses amounted to about €1.6 billion, essentially stable compared with the same period of 2025, mainly reflecting the net effect of: (i) a slight increase in personnel expense in the amount of €34 million; (ii) an increase of €63.7 million in other administrative expenses, mainly related to the increase in IT costs following the disposal of the infrastructure segment of BCC Sistemi Informatici to a no-Group entity and the increase in stamp duties and contribution to Deposit Guarantee Fund); (iii) lower provisions for risks and charges in the amount of €14 million.

Profit from equity investments amounted to €116.7 million, including the financial effect of the equity valuation of investments in associates, the gain on the sale of 19% of insurance companies in the amount of €79 million, the recognition of the earn-out connected with the bancassurance agreements for €22 million and the recognition of the earn-out connected with the sale of the investment in BCC Pay (now Numia SpA) to FSI during 2022 in the amount of €1.1 million.

CONSOLIDATED OWN FUNDS AND CAPITAL ADEQUACY**Own funds**

The following table offers a breakdown of own funds at June 30, 2026, which amounted to about €18.49 billion.

Capital and capital ratios

€/thousand	30/06/2026	31/12/2025
Share capital	2,281,102	2,284,100
Share premium reserve	156,355	156,204
Treasury shares and repurchase commitments	(1,435,574)	(1,414,268)
Reserves	16,389,358	14,653,221
Profit/(Loss) for the period	986,969	1,727,822
Other comprehensive income	(37,205)	(5,405)
Transitional provisions – IFRS 9	-	3,640
Goodwill (net of related tax effects)	(21,451)	(21,461)
Intangible assets (net of related tax effects)	(122,381)	(105,701)
Other deductions	(13,905)	(15,707)
Prudential filters	(13,142)	(20,748)
Common Equity Tier 1 (CET 1)	18,170,126	17,241,694
Additional Tier 1 (AT1)	30,139	30,139
Tier 1 (T1)	18,200,265	17,271,833
Eligible subordinated loans	286,380	294,175
Tier 2 (T2)	286,380	294,175
Total Own funds (TC)	18,486,645	17,566,009

In light of the special accounting rules applicable²⁰ and the obligation under Article 38 of the Consolidated Banking Act for the affiliated banks to allocate at least 70% of annual earnings to reserves, own funds mainly include reserves (€16.4 billion) in addition to share capital (mainly composed of the shareholder contributions of the affiliated banks and the associated share premiums). Group capital in the amount of about €2.3 billion decreased to about €846 million, if we consider the elimination of the capital of the Parent Company held by the affiliated banks (reported under treasury shares).

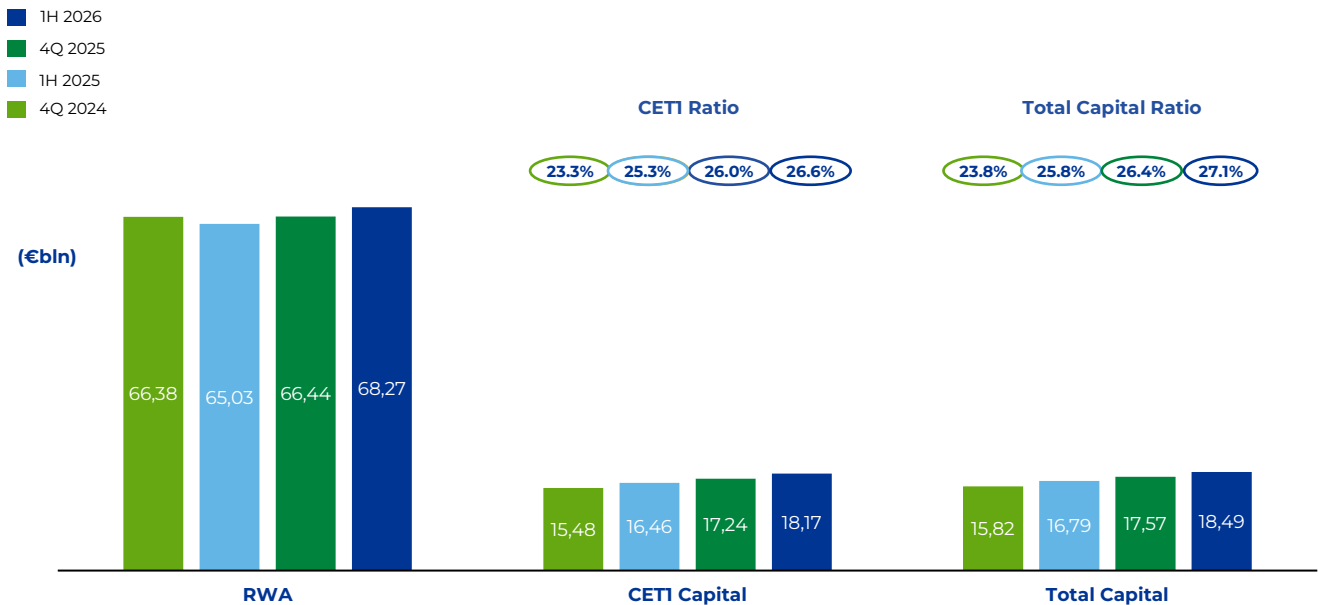
CET1 at June 30, 2026, which represents about 98.3% of total own funds, increases compared with December 2025 by a total of about €928 million, as the algebraic sum of some of its main components, including: (i) the calculation of annual profit - as per the authorization received from the ECB on August 7, 2026 – for a total of about €987 million; (ii) the decrease in the FVOCI reserve, which came to -€37.2 million (-€31.8 million compared with December 2025).

Additional Tier 1 capital did not change, while the change in Tier 2, mainly reflecting the rates on the subordinated bond of Iccrea Banca (paying the annual coupon in January), is not significant.

With the dynamics in own funds noted above, RWAs increased to €68.27 billion at June 2026, from €66.44 billion at December 2025).

At June 30, 2026, the CET1 ratio was 26.6%, while TCR came to 27.1% (respectively 26.0% and 26.4% at December 2025).

²⁰ Pursuant to Art. 1072 of Law no. 145/2018



Prudential requirements for 2026

Following the preliminary discussions undertaken in the second half of 2025, the supervisory authorities, with a notice received on October 28, 2025, informed the Parent Company of the results of the SREP decision, which establishes the prudential requirements to be met at the consolidated level with effect from January 1, 2026 (consisting of own funds requirements and qualitative requirements). With this decision, which replaces the previous SREP decision, the supervisory authorities established that the own funds requirements to be met for 2026 include an additional Pillar 2 own funds requirement (P2R) of 2.25%, of which a minimum of 56.25% to be held in the form of primary Tier 1 capital (Common Equity Tier 1, CET1) and 75% in the form of Tier 1 capital.

As with the previous decisions, the SREP decision did not impose own funds requirements to be met on an individual basis by the Group's affiliated banks.

For more details on the requirements applicable to the Group as a whole, see the relevant disclosures provided within the Basel 3 Pillar 3 public disclosure document at the consolidated level, submitted quarterly to the EBA for publication on the "Pillar 3 Data Hub (P3DH)"—a single electronic access point where the EBA centralizes public disclosures produced by European banks—and also published on the Group's corporate website.

Minimum Requirement of Eligible Liabilities (MREL)

Directive 2014/59/EU on bank recovery and resolution (Bank Recovery and Resolution Directive - BRRD) introduced the "MREL" (Minimum Requirement of Eligible Liabilities), representing the minimum requirement for own funds and eligible liabilities with a view to ensuring the proper functioning of the bail-in mechanism and guaranteeing the continuity of critical economic functions during and after a possible crisis.

In March 2026, Iccrea Banca, as the Group Resolution Entity, received the decision of the Single Resolution Board on the determination of the minimum requirement of own funds and eligible liabilities (MREL - Minimum Requirement of Eligible Liabilities), including the subordination requirement, defined in terms of total risk exposure (RWAs) and a metric of the total leverage exposure (LRE) to be achieved on a consolidated basis by the Resolution Group.

The final mandatory level of the MREL on a consolidated basis (with which the Parent Company is compliant), to be met as from the date of receipt of the MREL decision, is equal to 26.35% of RWAs (including the combined buffer requirement of 3.59% of RWAs at June 30, 2026) and 6.34% of the LRE.

With regard to the subordination requirement on a consolidated basis (with which the Parent Company is compliant), the final mandatory target, to be met as from the date of receipt of the MREL decision, is equal to 17.09% of RWAs (including the combined buffer requirement of 3.59% of RWAs at June 30, 2026) and 6.34% of the LRE.

In order to comply with these requirements, the general-hybrid approach adopted by the Single Resolution Board requires consideration of the following elements:

- own funds at Group level calculated in accordance with the provisions of the CRR (Capital Requirements Regulation - Regulation (EU) no. 575/2013 as updated);
- liabilities eligible for the MREL and the subordination requirement issued by the Parent Company (as the Group Resolution Entity) with a residual maturity greater than one year.

At June 30, 2026 the Group had with respect to:

- the final mandatory MREL on a consolidated basis, a surplus of about €3,208 million in terms of RWAs (+4.71% of consolidated RWAs) and a surplus of about €9,627 million in terms of LRE (+5.29% of consolidated LRE);
- the final mandatory subordination requirement on a consolidated basis, a surplus of about €6,834 million in terms of RWAs (+10.02% of consolidated RWAs) and a surplus of about €6,940 million in terms of LRE (+3.81% consolidated LRE).

5. THE GROUP'S STRATEGIC LINES OF BUSINESS

CONSOLIDATED BANKS AND OTHER COMPANIES

The Group product and service delivery model is based on an organizational structure (defined internally for operational purposes) that is divided into the following strategic lines of business, chosen on the basis of factors that management considers in making its operational and strategic decisions and consistent with the disclosure requirements of IFRS 8. A specific segment has been retained for the mutual banks based on their unique qualities, in line with the sector regulations that distinguish and preserve the nature of cooperative banking.

The following tables show the main operational areas and the result of the individual business areas in which the Group operates.

	CORPORATE	INSTITUTIONAL	RETAIL	MUTUAL BANKS	INTERSEGMENT TRANSACTIONS	TOTAL
Financial assets ²¹	267,814	15,750,486	15,692	49,714,651	(5,186,414)	60,562,229
Due from banks	53,767	19,516,456	610	11,801,359	(29,168,864)	2,203,327
Due from customers	4,441,726	10,795,572	2,392,297	86,620,026	(3,359,823)	100,889,798
Funding from banks	4,081,077	21,035,870	2,318,971	15,092,990	(39,899,674)	2,629,233
Funding from customers	267,744	14,095,829	712	114,501,419	(176,906)	128,688,798
Securities and other financial liabilities ²²	24,033	10,542,104	-	9,391,429	(3,788,390)	16,169,175

	CORPORATE	INSTITUTIONAL	RETAIL	MUTUAL BANKS	INTERSEGMENT TRANSACTIONS	TOTAL
Net interest income	53,307	116,148	34,539	1,879,854	22,290	2,106,139
Net fee and commission income	3,819	48,275	75,329	684,424	(45,212)	766,635
Other financial expense and income	3,242	87,159	87	127,743	(87,406)	130,825
Gross income	60,368	251,582	109,955	2,692,022	(110,328)	3,003,599
Net value adjustments	5,496	(4,522)	(8,234)	(150,770)	-	(158,030)
Net gains/(losses) from financial operations	65,864	247,060	101,721	2,541,252	(110,328)	2,845,568
Operating expenses	(25,475)	(108,762)	(40,091)	(1,467,188)	4,341	(1,637,175)
Other costs and revenues	-	97,142	-	1,383	12,879	111,404
Profit/(loss) before tax on continuing operations	40,388	235,440	61,630	1,075,447	(93,108)	1,319,797
Income tax expense from continuing operations	(14,139)	(31,091)	(19,862)	(184,557)	(1,324)	(250,972)
Profit/(loss) for the period	26,249	204,349	41,768	890,891	(94,432)	1,068,825
Profit/(loss) after tax on continuing operations	-	-	-	-	-	-
Profit/(loss) after tax on discontinued operations	26,249	204,349	41,768	890,891	(94,432)	1,068,825
Profit/(loss) attributable to non-controlling interests	-	348	-	-	-	348
Profit/(loss) attributable to shareholders of the Parent Company	26,249	204,001	41,768	890,891	(94,432)	1,068,476

²¹ "Financial assets" includes item 20 "Financial assets measured at fair value through profit or loss", item 30 "Financial assets measured at fair value other comprehensive income", "Debt securities" of which under item 40 "Financial assets measured at fair value through other comprehensive income" and item 50 "Hedging derivatives".

²² "Securities and other financial liabilities" includes securities issued under item 10 "Financial liabilities measured at amortized cost", item 20 "Financial liabilities held for trading", item 30 "Financial liabilities designated as at fair value" and item 50 "Hedging derivatives".

INSTITUTIONAL BUSINESS AREA

This area includes the companies that provide products and services directly to the affiliated banks and their customers. The wide range of solutions available includes financial services, payment systems, securities administration, credit collection services, Web services, facility management, real estate services, and IT and back-office services, as well as logistical, administrative and infrastructure support.

The main Group companies engaged in this area are Iccrea Banca – which as Parent Company carries out the management, coordination and control activities provided for under applicable law and the Cohesion Contract - BCC Sistemi Informatici, BCC Sinergia and other minor companies.

€/thousand	INSTITUTIONAL							
	Iccrea Banca		BCC Sistemi Informatici		BCC SINERGIA		Other (*)	
	30/06/2026	31/12/2025	30/06/2026	31/12/2025	30/06/2026	31/12/2025	30/06/2026	31/12/2025
Cash and cash equivalents	549,921	968,102	1,137	712	51,289	46,248	11,000	8,932
Financial assets measured at fair value through profit or loss	1,870,438	1,910,013	-	-	-	-	-	-
Financial assets measured at fair value through other comprehensive income	1,449,130	1,141,925	8	8	3	3	-	-
Financial assets measured at amortized cost	43,138,372	41,143,107	-	-	8,517	6,430	-	-
a) due from banks	19,508,034	17,995,976	-	-	8,422	6,335	-	-
b) loans to customers	11,067,849	9,931,011	-	-	95	95	-	-
c) securities	12,562,489	13,216,120	-	-	-	-	-	-
Hedging derivatives and value adjustments of macro-hedged financial assets	97,014	115,208	-	-	-	-	-	-
Equity investments	1,116,652	1,163,434	-	-	-	-	-	-
Property, plant and equipment	89,402	92,446	77,286	94,005	15,635	16,534	41,745	42,462
Intangible assets	1,717	822	203,425	194,426	136	271	28	46
Tax assets	64,219	84,858	5,682	6,217	2,241	2,471	2,244	2,296
Non-current assets and disposal groups held for sale	-	-	-	-	-	-	-	-
Other assets	560,977	602,715	276,095	217,633	56,905	47,472	5,963	5,535
Total assets	48,937,843	47,222,630	563,633	513,001	134,726	119,428	60,980	59,270

€/thousand	INSTITUTIONAL							
	Iccrea Banca		BCC Sistemi Informatici		BCC SINERGIA		Other (*)	
	30/06/2026	31/12/2025	30/06/2026	31/12/2025	30/06/2026	31/12/2025	30/06/2026	31/12/2025
Financial liabilities measured at amortized cost	43,883,556	42,372,138	295,984	258,615	30,814	34,846	17,585	17,941
a) due to banks	21,031,690	20,987,957	240,969	176,903	19,178	22,800	17,585	17,941
b) due to customers	14,041,459	13,363,101	55,014	81,712	11,635	12,046	-	-
c) securities issued	8,810,407	8,021,079	-	-	-	-	-	-
Financial liabilities held for trading	1,093,140	1,130,999	-	-	-	-	-	-
Financial liabilities designated as at fair value	451,291	461,029	-	-	-	-	-	-
Hedging derivatives and value adjustments of macro-hedged financial liabilities (+/-)	187,266	101,324	-	-	-	-	-	-
Liabilities associated with disposal groups held for sale	-	-	-	587	234	-	154	186
Tax liabilities	33,117	3,657	328	-	-	-	-	-
Other liabilities	537,879	503,718	132,571	120,805	61,832	45,178	6,094	4,085
Post-employment benefits	7,940	8,712	1,420	1,599	3,173	3,376	95	110
Provisions for risks and charges	104,576	133,940	8,149	9,646	6,253	7,098	557	626
Equity	2,461,224	2,322,742	121,699	118,349	28,907	20,088	36,318	36,111
Profit/(loss) for the period (+/-)	177,855	184,371	3,482	3,399	3,513	8,842	175	211
Total liabilities and equity	48,937,843	47,222,630	563,633	513,001	134,726	119,428	60,980	59,270

(*) "Other" includes BCC Gestione Crediti, BCC Beni Immobili

CONSOLIDATED REPORT ON OPERATIONS

€/thousand	INSTITUTIONAL							
	Iccrea Banca		BCC Sistemi Informatici		BCC SINERGIA		Other (*)	
	30/06/2026	30/06/2025	30/06/2026	30/06/2025	30/06/2026	30/06/2025	30/06/2026	30/06/2025
Net interest income	118,131	97,147	(3,727)	(2,507)	527	485	(161)	(123)
Net fee and commission income	44,332	38,828	(1)	(1)	(9)	(13)	4,142	4,174
Dividends	60,105	78,785					-	-
Net gain/(loss) on trading	4,425	21,921	10	53			-	-
Net gain/(loss) on hedging	190	(30)					-	-
Net gain/(loss) on disposals	21,169	14,105					-	-
Net gain/(loss) on financial assets and liabilities at FVTPL	(5,420)	1,822					-	-
Gross income	242,932	252,577	(3,718)	(2,455)	517	472	3,981	4,051
Net writedowns/writebacks for credit risk	(4,522)	10,035					-	-
Net gains/(losses) from financial operations	238,410	262,611	(3,718)	(2,455)	517	472	3,981	4,051
Administrative expenses	(267,400)	(249,939)	(169,506)	(132,122)	(77,399)	(68,980)	(3,896)	(4,482)
a) personnel expenses	(126,018)	(121,841)	(22,160)	(22,617)	(34,246)	(32,898)	(1,472)	(1,904)
b) other administrative expenses	(141,382)	(128,098)	(147,346)	(109,505)	(43,152)	(36,082)	(2,424)	(2,579)
Depreciation, amortization and provisions	(1,620)	(8,782)	(27,135)	(27,362)	(2,985)	(2,569)	(742)	(589)
Other operating expenses/income	148,917	124,706	205,712	185,563	84,999	79,643	1,033	1,457
Operating expenses	(120,102)	(134,015)	9,072	26,078	4,615	8,095	(3,606)	(3,614)
Profit/(loss) from equity investments	91,977	93,127					-	-
Profit/(loss) from disposal of investments			-	-	-	-	-	-
Impairment of goodwill							-	-
Profit/(loss) before tax on continuing operations	210,285	221,723	5,354	23,623	5,133	8,567	375	436
Income tax expense from continuing operations	(32,430)	(21,381)	(1,872)	(6,142)	(1,620)	(2,383)	(200)	(172)
Profit/(loss) on discontinued operations after tax	-	-	-	(13,220)	-	-	-	-
Profit/(loss) for the period	177,855	200,342	3,482	4,261	3,513	6,184	175	264

(*) "Other" includes BCC Gestione Crediti, BCC Beni Immobili

ICCREA BANCA SpA

Within the Group, Iccrea Banca performs the duties and responsibilities in respect of the affiliated banks relating to strategic and operational oversight, coordination and control and interacts with supervisory and regulatory authorities. The traditional role of the second-level bank, which, in supporting the operations of the affiliated banks, provides products, services and advisory services to help them meet the needs of their shareholders, customers, households and the development of local communities, is supplemented by the addition of duties connected with the responsibilities of our role and performing the activities needed to ensure the consistency of the Group's strategic policy, operational governance, risk management, pursuit of industrial and operational synergies to achieve ever-improving levels of operational efficiency and effectiveness, and the development of production and distribution models.

Financial services

In the financial services area, the Parent Company supports the affiliated banks with a variety of activities associated with investment services, including trading in equities and bonds, accessing over-the-counter (OTC) markets for unlisted securities, order execution and transmission services both for transactions connected with the management of the proprietary portfolio and for the provision of investment services to their retail and/or professional customers. In this context, i) it provides guidance and investment strategies (also developed during the year within a Finance Steering Committee held on a monthly basis with the participation of the affiliated banks), ii) assumes the role of central counterparty in the liquidity management system; iii) performs capital and money-market activities and hedging, iv) monitors and analyses the ALM position of the affiliated banks in order to predict its development and, if necessary, identify ways and solutions to rebalance the positions, v) offers a delegated risk management service to enhance the efficiency of the arrangements and techniques adopted to manage the risk profiles associated with the finance book of the affiliated banks.

With specific regard to liquidity management, in 2026 the collateralized funding operations of the Group banks through ECB' short-term auctions (MRO/LTRO) was essentially unchanged, at €0.457 billion at June 30, 2026 (€0.09 billion MRO and €0.367 billion LTR). These amounts were entirely financed by the Parent Company, accessing liquidity from intercompany deposits, with the Group's participation in the Central Bank's MRO/LTRO auctions equal to nil.

Collateralized funding activity on the market was mainly conducted through repos on government securities channeled through the central counterparty Clearing & Guarantee Fund. At June 30, 2025, the stock of repos on the market was equal to about €12.7 billion, compared with reverse repos of about €4.12 billion (for a net balance of about €8.6 billion). As part of the diversification of funding sources, at June 30, 2026, there were approximately €500 million in repos outstanding backed by senior GACS securities and self-securitizations (Crediper).

The Group Treasury managed an average balance at the Bank of Italy of about €1.1 billion in the first half of 2026, having regular recourse to the deposit facility at the Bank of Italy (which averaged a balance of about €0.358 billion in the period).

With regard to the deposits and investment accounts held by the mutual banks on the Parent Company, at June 30, 2026, fixed-term deposits amounted to about €5.1 billion, while rolling deposits with maturity beyond one year amounted to about €3.35 billion and rolling deposits with maturity between one and six months amounted to about €509 million.

The balance on the demand account (daily settlement account) held by the mutual banks on the Parent Company amounted to €6.3 billion at June 30, 2026.

As anticipated in the analysis of the macroeconomic framework, in order to counter the inflationary pressures generated by the conflict in the Middle East and pursue the 2% inflation target, the ECB raised its three key interest rates by 25 basis points at its monetary policy meeting on June 11, 2026. In this scenario, the Treasury continued the cost of funding along the curve, conducting repo transactions in addition to ordinary short-term funding operations, including transactions with maturities greater than one year, in order to manage liquidity indicators and transactions requested by the mutual banks.

As regards activities with the MEF in the unsecured segment, where the Group is an authorized counterparty to receive liquidity at short-term maturities on the money market, a €250-million funding operation lasting one week was conducted in the first half of 2026 closed on June 30 with zero outstanding.

With regard to forex operations, 103,102 contracts had been negotiated at June 30, 2026, with a total volume of

about €7.362 billion. In particular, approximately €6.574 billion were negotiated for the mutual banks (€2.087 billion in swap transactions, €4.449 billion in spot transactions and €38 million in outright transactions). Proprietary trading transacted a total €788 million, of which €125 million in spot transactions, €503 million in *fxswap* and the remainder outright.

Bond market funding operations included the issue of a Senior Preferred “Social” bond on January 30, 2026, with a five-year maturity and a nominal amount of €500 million. The transaction was carried out under the €5 billion EMTN program and the Group Green, Social and Sustainability Bond Framework, adopted in October 2021 and updated in November 2024. The updated version is in line with the Green Bond Principles, the Social Bond Principles and the Sustainability Bond Guidelines issued by ICMA (International Capital Market Association) and reflects more precisely the evolution of the Group’s sustainability strategy.

Covered bond issues are detailed in the following section “The covered bond program”, in the discussion of significant events in the period.

At June 30, 2026, the amount of outstanding bonds of Iccrea Banca totaled €8.77 billion, with a weighted average residual life of 4.13 years, broken down as follows:

- senior securities of €2.99 billion with a weighted average residual life of 2.59 years;
- subordinated Tier 2 of €0.30 billion with a weighted average residual life of 5.56 years;
- covered bond of €5.40 billion with a weighted average residual life of 4.90 years;
- certificates of €0.07 billion with a weighted average residual life of 3.12 years.

As regards other structural funding operations, as part of the “EU Blending Programme” of the EIB, the EIB disbursed: i) in March the 2nd tranche (about €40 million), of a medium/long term loan totaling €100 million entered into in December 2024; and ii) in May the only tranche (of about €28 million) of a medium/long-term loan agreement entered in December 2025. The amounts disbursed by the EIB are to be used, through the affiliated banks based in Tuscany and Marche, to finance eligible initiatives promoted by SMEs and mid-cap enterprises.

With regard to Italian government securities, within market making operations on the Vorvel platform, the first half of 2026 saw the listing of 135 securities with a total volume handled of about €2.4 billion. Trading continued on the MOT market of Borsa Italiana, with total volumes handled of about €3.2 billion. Trading on the MTS, BondVision and Bloomberg platforms reserved for institutional investors came to €20.1 billion. As part of market making operations for eurobonds, 381 eurobonds were listed on the Vorvel market, 247 on the EuroTLX market and 174 on ExtraMOT and MOT. Total volumes traded on these markets came to about €1.05 billion.

Execution activities on national and foreign financial markets on behalf of the affiliated banks in the first half of 2026 were characterized by a sharp increase in volumes compared with the same period of 2025. With a total transacted value of €13.5 billion, the Italian equity sector recorded a volume of €4.38 billion, an increase of about 58% compared with the first half of 2025. Foreign equities recorded volumes of €1.10 billion, an increase of 224.5% compared with the first half of 2025. Operations in the bond segment was stable, with a transacted volume of €4.75 billion, a slight increase of 0.67% compared with the first half of 2025. Financial instruments in the amount of €3.29 billion were placed in the period, including €3.27 billion in Italian government bonds (an increase of 20% on the same period of 2025).

The Group mutual banks carried out derivatives transactions in the nominal amount of about €2.26 billion in the first six months of 2026.

More specifically, macro-fair value hedge transactions on mortgage portfolios came to a nominal amount of about €166.4 million, a significant decrease compared with volumes recorded by this type of transaction in the first half of 2025. Derivatives transactions hedging the variable-rate mortgage portfolios, also with a view to optimizing the SOT NII (Supervisory Outlier Test on Net Interest Income) had a notional value of approximately €847.6 million, roughly double than in the first half of 2025.

In managing their securities portfolio, the mutual banks transacted interest rate and inflation risk hedges in the notional amount of around €260.5 million and cash flow hedges on CCTs in the notional amount of about €648.3 million. During the period, unwinding operations (the early termination of outstanding swaps) were carried out for a nominal amount of €320.3 million.

As regards transactions in derivatives with BCC Leasing, new and unwinding transactions were closed with a total notional amount of about €215.3 million.

Transactions on the proprietary financial portfolios focused primarily on the banking book, with trading book

operations were modest.

At June 30, 2026 the size of the financial portfolio on the Parent Company's banking book was about €11.6 billion, down 1.7% on the same period of 2025. The portfolio is diversified as follows: €9.3 billion (81.1% of the total) is represented by Italian sovereign bonds; €0.9 billion (7.7% of the total) by "financial" bonds; €1.2 billion (10.5% of the total) by European sovereign bonds (Spain, France, Germany and Belgium); €0.04 billion (0.4% of the total) by supranational bonds; €0.04 billion by corporate bonds (0.4% of the total); and the remainder is invested in equities and funds. Overall, the financial portfolio consists of 91.5% variable-rate items (originally floater securities, or swapped fixed-rate or inflationary securities), 1.7% inflation-linked items and 6.8% fixed-rate items (with an average duration of 4.8 years).

The HTC business model covers 89.6% of the financial portfolio, whose securities have an average residual duration of 6.3 years, classified on the basis of the fair value policy as 97.3% L1, 2.3% L2 and 0.4% L3. The remaining 10.4% of the financial portfolio allocated to the HTCS category included securities with an average residual maturity of 4.9 years, classified as 95.9% L1 and 4.1% L2.

The financial portfolio also gradually accumulated a position in ESG financial instruments, which at June 30, 2026, amounted to about €0.7 billion, or 6.2% of the total of the portfolio under management.

With regard to the management and mitigation of the financial risks of the portfolios, new hedging and unwinding operations were conducted with a total notional amount of about €1.2 billion.

The trading book in the first half of 2025 registered bond trading activities (cash and listed derivatives and OTC options) totaling €7.4 billion, an increase of 14% on the same period of 2025. Furthermore, OTC bond options with a notional value of €1.5 billion were negotiated, compared with €550 million in the same period of 2025 (up 185%). The average daily VAR was €141 thousand.

In equities segment, in the first half of 2025 the value of securities traded was €60.3 million, from €23.4 million in the same period of 2025, while the value of transactions in equity derivatives was equal to €228.2 million (of which €62.8 million in listed options and €165.4 million in futures) from €95 million in the same period of 2025. The average daily VAR was €69 thousand. Overall traded values increased by 144% on the same period of 2025.

The trading portfolio in OTC derivatives on interest rates and inflation rates saw transactions in contracts with a total notional amount of about €291 million, down 30% compared with the same period of 2025 (€418 million) with an average daily VAR of about €58.2 thousand.

Lending to firms

In the first half of 2026, the Group's lending activity, also carried out through direct scope companies specialized in leasing and factoring, confirmed a positive trend, consolidating its role in supporting businesses in the areas of capital expenditure, working capital and specialized consultancy services, as well as in services supporting internationalization and risk management through state guarantees and the application for incentive measures.

The specialist skills qualifying the Group's offer include structured finance and business consultancy, in supporting SMEs growth and generational transition, energy and environmental transition, social infrastructure and some specialist sectors such as tourism, shipping, healthcare, local public services, with the use of instruments such as LBOs, public private partnerships, project financing, minibonds, often with the involvement of institutional investors specialized in these market areas.

New loans in the Structured Financing and Business Consulting segment, including leases originated and finalized on behalf of BCC Leasing, came to €129 million, up 1% on the first half of 2025. Work with the European Investment Bank continued through the management of Third-Party Funds, with operations on the Tourism Fund (NRRP) of €24 million.

In the agro-industry sector, work continued with the Supply Chain and District Contracts initiative, with Iccrea Banca operating both as lending bank (under contract with the CDP) and as authorized bank (under a contract with the Ministry of Agricultural Policies, Food Sovereignty and Forests). No new calls for tenders were issued and the overall portfolio under management, relating to the IV and V tenders, is confirmed at 39 contracts, for a total of more than 580 companies involved and investments over €1 billion.

Lending to support investments abroad and international trade decreased over the same period of 2025 (- 24%), mainly as a consequence of the international geopolitical situation. Moreover, agreements that had been in place with SACE for years were terminated by the latter effective December 2025, and new agreements were signed only during the month of June.

On the other hand, short-term financing linked to foreign operations show an increase (approx. +12%) in funds disbursed by mutual banks for import financing, export financing, and pre-export financing, as well as a 9.42% increase in transactional activities (i.e., Letters of Credit and cross-border payments).

Activities to support business applications for incentives showed an increase in "Nuova Sabatini" transactions, with 1,218 applications successfully processed—compared to 1,127 in the first half of 2025—representing €260 million in planned business investments and €27 million in grants booked with the Ministry of Italian Enterprise. In addition, the "Sabatini Friuli Venezia Giulia" program for leasing, in the first half of 2026 recorded 23 applications, compared with 16 applications in the first half of 2025. As regards MCC service, the use of the Guarantee Fund by mutual banks on behalf of their clients remained stable. The service provided by Iccrea Banca handled 6,296 guarantee applications—a 5% increase compared with the first half of 2025—covering total financing of €1.2 billion (up 10%), with MCC guarantees amounting to approximately €802 million.

As regards the operations of the Revolving Fund for Investments (FRI-CDP):

- the facility for tourism (FRI-Turismo) allowed total investments in the amount of €16.1 million at June 30, 2026, supported by ordinary financing in the amount of €5.2 million and subsidized CDP financing in the same amount;
- the fund FRI-Specializzazione Intelligente allowed the activation of bank lending in the amount of €2.3 million, linked to subsidized CDP financing of €4.5 million, against investments totaling approximately €12.4 million;
- The activities related to the FRI-Green New Deal, on the other hand, are currently in the start-up phase.

In the period, the agreement with CDP regarding the FRI – Social Economy subsidized financing facility was also finalized. Under this framework, the Group approved standard loans totaling €864,000, complemented by approximately €2 million in subsidized CDP financing, against related investments of approximately €8 million.

Payment systems

In the first half of 2026 Iccrea Banca has pursued its efforts in the analysis, development and management of payment and collection solutions available to the Group banks to help them ensure compliance with evolving EU and international legislation and best serve the needs of shareholders and clients.

Transaction volumes increased compared with the previous year (+2% of transactions handled), confirming the overall growth trend of the sector. Growth focused on digital payment services (+6% for ordinary and instant SEPA credit transfers, direct debits, +11% PagoPA), more than offsetting the contraction experienced by traditional paper-based products (over 15% checks, cashier's checks, bills and MAV). The first half of 2026 continued to show a strong shift in customer activity towards instant credit transfers (+118% year-on-year)—a trend that began in January 2025 as a result of the European Instant Payment Regulation (IPR).

Key initiatives in 2026 as regards the payment systems include activities for the development of the digital euro—also in light of the anticipated adoption of the European Regulation—and the development of PagoPA notifications within home banking services for all payments due to public administrations.

BCC SISTEMI INFORMATICI SPA

The company is responsible for the Group's information technology, managing applications, infrastructure, architecture and security.

Initiatives for the application and technological transformation process of the Group's information system continued in the first half of 2026, also through the partnership with the minority shareholder AFAST/Accenture and Technology Srl.

Relevant developments in operations include the disposal of the business unit ICT Security to the Parent Iccrea Banca effective as from January 1, 2026. This operation is part of a process to strengthen IT security, apply safety guidelines consistently, ensure strategic and operational alignment among affiliated entities, and enable more effective oversight of the IT roadmap and regulatory compliance. At the same time—also effective January 1, 2026 - BCCSI outsourced security services to the Parent Company by entering into a specific agreement.

Major initiatives during the period included: (i) actions to support the coordination and control efforts of the Parent Company; (ii) continued work on the initiative to establish a 3-site data center architecture; (iii) the launch of the rollout phase across the Group's banks regarding the Finance and Terms areas; (iv) the prosecution of other strategic initiatives (new loans platform, cloud adoption, digital projects, data platform, data registry, current accounts, liquidations); (v) the strengthening of security and the extension of control on peripheral systems (e.g.: local computing, teams only).

Balance sheet

The company's assets are characterized by the relevance of property, plant and equipment, and of intangible assets, totaling €280.7 million, and represented by proprietary or licensed software that constitutes the “main” IT system in use at the mutual banks, the Parent Company and the companies of the direct scope and by the components of the data processing infrastructure in existing service contracts (recognized pursuant to IFRS 16).

Other assets, amounting to €276.1 million include prepaid expenses of €196.5 million, tax credits pursuant to Italy's “Salva” and “Cura” Italy Decrees of €24.7 million, trade receivables of €24.7 million and other receivables of €30.2 million.

Tax assets and cash and cash equivalents amounted to €5.7 and €1.1 million.

Liabilities and equity include: financial liabilities of €296 million, of which €241 million is payable to banks and €55 million of obligations to make payments for rights of use assets.

Other liabilities of €132.6 million include payables to suppliers of goods and services in the amount of €85 million, of which €25.7 million to the Parent Company and to other companies in the direct scope, payables to tax authorities and social security institutions in the amount of €4.5 million, accrued liabilities and deferred income for €2.7 million and other debt in the amount of €14.7 million.

Provisions for risks and charges came to €8.1 million, and is mainly attributable to the provision in 2024 following the specific early retirement initiative activated through access to the extraordinary benefits of the fund for the support of employment and earnings of mutual bank staff.

Income statement

The company closed the period with a net profit of €3.5 million.

Administrative expenses amounted to €169.5 million, an increase of €37.4 million on the previous year.

Personnel expenses (€22.2 million) decreased by €0.5 million since the increase in expenses due to new hirings was offset by terminations following the sale of ICT Security to the Parent Company and, partly, other terminations in the period.

The €37.8 million increase in “other administrative expenses” (to €147.3 million) reflects costs related to the IT development program offered to mutual banks as well as the project to strengthen IT security with the outsourcing of the service to AFAST/Accenture.

Other operating expenses/income came to €205.7 million, a €20.1 million increase on 2025 primarily including

revenues from sales and services, the increase in the level of services related to current operations (+€8.1 million) and new projects. Provisions, depreciation and amortization of the period (€27.1 million) slightly decreased from €27.4 million in the previous period.

BCC SINERGIA SPA

Balance sheet

The company's assets showed a positive trend in cash and cash equivalents which amounted, at June 30, 2026, to about €51.2 million.

Other relevant items include:

- property, plant and equipment (€15.6 million), including leased assets;
- “other assets” in the amount of €56.9 million, including prepaid expenses of €6.1 million, tax credits pursuant to Italy's “Salva” and “Cura” Italy Decrees of €17 million, trade receivables of €28.8 million and other receivables of €3.7 million;
- tax assets amounting to €2.2 million.

Liabilities and equity include: financial liabilities of €30.8 million, of which €19.2 million is payable to banks and €11.6 million relating to obligations to make payments for rights of use assets pursuant to IFRS 16.

Other liabilities of €61.8 million include – among other – payables to suppliers of goods and services, to the Parent Company and to other companies in the direct scope for €34.2 million, as well as accrued liabilities and deferred income in the amount of €2.8 million.

Provisions for risks and charges came to €6.3 million.

Income statement

The company reported net profit at June 30, 2026 of €3.5 million.

Administrative expenses amounted to €77.4 million, an increase of €8.4 million on the same period of 2025.

More specifically, personnel expenses (€34.2 million) increased by €1.3 million reflecting the increase in the headcount as well as the security final tranche of the national collective bargaining agreement renewal.

Other administrative expenses amounted to €43.2 million, an increase of €7.1 million in service costs, reflecting the economic impact on the current period of the acquisition of the “Finance Back Office and Contact Center” business unit from BCC Risparmio & Previdenza—completed in 2025. The increase is also attributable to the launch of new initiatives, including co-marketing activities for organizing events on behalf of BCC Risparmio & Previdenza and the new DaaS (Device as a Service) service—which entails the integrated management of IT workstations, covering both hardware and software components—as part of a move towards the gradual rationalization and centralization of activities across the Group.

Other operating expenses/income came to €85 million, an increase of €5.4 million on the same period of 2025), mainly reflecting the increase in revenues from sales and services, due to the increased volume of services provided.

Provisions, depreciation and amortization amounted to €3 million, substantially in line with the same period of the previous year.

RETAIL BUSINESS AREA

€/thousand	RETAIL							
	BCC		BCC CreditoConsumo		BCC R&P		BCC Servizi Assicurativi	
	30/06/2026	31/12/2025	30/06/2026	31/12/2025	30/06/2026	31/12/2025	30/06/2026	31/12/2025
Cash and cash equivalents	7,248,382	7,751,724	30,250	43,896	82,883	54,842	11,705	9,628
Financial assets measured at fair value through profit or loss	1,352,218	1,360,869	-	-	15,690	10,624	-	-
Financial assets measured at fair value through other comprehensive income	8,834,731	7,751,526	-	-	3	3	-	-
Financial assets measured at amortized cost	137,232,298	133,970,566	2,312,465	2,216,286	80,441	61,731	-	-
a) due from banks	11,801,377	11,606,004	38	46	571	141	-	-
b) loans to customers	86,620,026	84,677,391	2,312,427	2,216,240	79,870	61,589	-	-
c) securities	38,810,895	37,687,171	-	-	-	-	-	-
Hedging derivatives and value adjustments of macro-hedged financial assets	147,196	250,730	-	-	-	-	-	-
Equity investments	3,773	3,773	-	-	-	-	703	-
Property, plant and equipment	1,786,805	1,800,624	57	82	3,432	3,530	-	-
Intangible assets	5,330	5,577	2,123	1,832	5,196	6,504	-	-
Tax assets	682,077	728,298	5,774	4,343	753	674	330	347
Non-current assets and disposal groups held for sale	6,788	8,468	-	-	-	-	-	-
Other assets	3,517,679	3,956,841	128,995	125,495	40,490	39,660	16,320	4,934
Total assets	160,817,276	157,588,996	2,479,665	2,391,933	228,888	177,568	29,059	14,909

€/thousand	RETAIL							
	BCC		BCC CreditoConsumo		BCC R&P		BCC Servizi Assicurativi	
	30/06/2026	31/12/2025	30/06/2026	31/12/2025	30/06/2026	31/12/2025	30/06/2026	31/12/2025
Financial liabilities measured at amortized cost	138,755,569	138,033,188	2,213,519	2,116,505	106,164	71,229	-	-
a) due to banks	15,099,683	13,774,067	2,212,808	2,115,854	106,163	71,223	-	-
b) due to customers	114,501,419	114,382,962	711	651	1	7	-	-
c) securities issued	9,154,467	9,876,159	-	-	-	-	-	-
Financial liabilities held for trading	239	77	-	-	-	-	-	-
Financial liabilities designated as at fair value	-	-	-	-	-	-	-	-
Hedging derivatives and value adjustments of macro-hedged financial liabilities	239,062	154,436	-	-	-	-	-	-
Tax liabilities	67,400	45,073	184	-	1,289	576	-	-
Liabilities associated with disposal groups held for sale	-	-	-	-	-	-	1	27
Other liabilities	4,021,435	2,344,911	38,972	44,469	46,780	30,008	18,442	3,815
Post-employment benefits	147,887	156,575	267	282	46	44	527	514
Provisions for risks and charges	542,153	470,112	1,000	282	473	513	742	742
Equity	16,152,163	14,653,999	212,898	192,786	45,198	42,976	9,339	9,011
Profit/(loss) for the period (+/-)	891,368	1,730,625	12,824	37,610	28,937	32,223	7	801
Total liabilities and equity	160,817,276	157,588,996	2,479,665	2,391,933	228,888	177,568	29,059	14,909

CONSOLIDATED REPORT ON OPERATIONS

€/thousand	RETAIL							
	BCC		BCC CreditoConsumo		BCC R&P		BCC Servizi Assicurativi	
	30/06/2026	30/06/2025	30/06/2026	30/06/2025	30/06/2026	30/06/2025	30/06/2026	30/06/2025
Net interest income	1,879,859	1,810,251	33,501	32,432	973	998	65	91
Net fee and commission income	684,404	634,933	8,071	7,677	63,269	40,537	3,989	2,984
Dividends	48,329	9,571	-	-	121	189	-	-
Net gain/(loss) on trading activities	7,477	11,308	-	-	-	-	-	-
Net gain/(loss) on hedging	(5,137)	(424)	-	-	-	-	-	-
Net gain/(loss) on disposals or repurchases	70,810	47,639	-	-	-	-	-	-
Net gain/(loss) on assets and liabilities at FVTPL	7,719	7,026	-	-	(34)	(98)	-	-
Gross income	2,693,460	2,520,303	41,572	40,109	64,329	41,627	4,054	3,075
Net writedowns/writebacks for credit risk	(150,770)	(77,337)	(8,234)	(1,658)	-	-	-	-
Net gains/(losses) from financial operations	2,542,691	2,442,967	33,338	38,451	64,329	41,627	4,054	3,075
Administrative expenses	(1,560,136)	(1,482,043)	(13,880)	(12,843)	(23,269)	(20,620)	(5,772)	(4,466)
<i>a) personnel expenses</i>	(877,604)	(848,409)	(3,656)	(3,430)	(3,568)	(3,597)	(3,143)	(2,790)
<i>b) other administrative expenses</i>	(682,532)	(633,635)	(10,224)	(9,413)	(19,701)	(17,023)	(2,630)	(1,676)
Depreciation, amortization and provisions	(68,943)	(69,578)	(941)	(274)	(1,738)	(1,860)	-	-
Other operating expenses/income	161,907	151,509	1,902	1,701	1,885	1,798	1,722	2,354
Operating expenses	(1,467,172)	(1,400,112)	(12,919)	(11,416)	(23,122)	(20,682)	(4,050)	(2,112)
Profit/(loss) from equity investments	-	-	-	-	-	-	-	-
Profit/(loss) from disposal of investments	406	(272)	-	-	-	-	-	-
Impairment of goodwill	-	-	-	-	-	-	-	-
Profit/(loss) before tax on continuing operations	1,075,924	1,042,582	20,419	27,035	41,207	20,945	4	963
Income tax expense from continuing operations	(184,557)	(157,414)	(7,595)	(8,844)	(12,270)	(6,405)	3	(206)
Profit/(loss) on discontinued operations after tax	-	-	-	-	-	-	-	-
Profit/(loss) for the period	891,368	885,168	12,824	18,191	28,937	14,540	7	757

AFFILIATED BANKS

The segment includes the affiliated mutual banks that represent the largest portion of the Group's consolidated assets.

The structure of the mutual banks' balance sheets reflects the nature of local banking, as already commented, characterized by a high level of funding from customers, with a prevalence of loans to households and small firms and the investment of excess liquidity primarily in government securities.

The sections below summarize the main balance sheet and income statement items of the 112²³ mutual banks of the Iccrea Cooperative Banking Group at June 30, 2026, presented in aggregate form and gross of intercompany items.

Balance sheet

Total assets at June 30, 2026 amounted to about €160.8 billion, up €3.2 billion on December 31, 2025.

Financial assets measured at amortized cost increased by €3.3 billion, to about €137.2 billion and consist of:

- loans to customers totaling €86.6 billion (+€1.9 billion compared with the end of 2025), mainly represented by mortgage loans to customers (€72.2 billion), current accounts (€6.8 billion), other financing (€6.6 billion) and transactions involving credit cards, personal loans and loans repaid by automatic deductions from wages (€0.9 billion);
- amounts due from banks of €11.8 billion, up €0.2 billion on 2025. The item mainly consists of fixed-term deposits (€10.8 billion) and other financing (€0.8 billion);
- debt securities amounting to about €38.8 billion (+€1 billion on December 2025), represented by securities with customers (about €37.5 billion) and securities issued by banks (€1.3 billion).

The characteristics of the mutual banks' business model is reflected primarily by the type of customers served. As shown in the table²⁴ below, total loans to mutual bank customers were made largely to consumer and producer households (52.8% of total lending).

The aggregate NPL ratio stood at 2.5%, while the coverage ratio for impaired loans was 76.7%, unchanged from December 31, 2025.

Type of counterparty	Gross value	Ratio to total loans and advances	Performing loans and advances		Non-performing loans and advances		
			Ratio to total receivables	Ratio to total performing	Ratio to total receivables	Ratio to total NPE	Coverage NPE
Financial companies	2,084,124	2.3%	99.2%	2.4%	0.8%	0.7%	76.3%
Non-financial companies	38,647,807	43.5%	96.5%	43.0%	3.5%	61.0%	79.1%
of which: small and medium-sized enterprises	30,459,724	34.3%	97.6%	34.3%	2.4%	32.7%	73.5%
of which: secured by non-residential real estate as collateral	10,871,336	12.2%	96.5%	12.1%	3.5%	17.0%	78.5%
Households	46,958,843	52.8%	98.2%	53.2%	1.8%	38.3%	72.8%
of which: secured by residential real estate as collateral	39,133,179	44.0%	98.6%	44.5%	1.4%	25.5%	70.2%
of which: consumer credit	978,031	1.1%	98.2%	1.1%	1.8%	0.8%	73.6%
Government	1,183,461	1.3%	100.0%	1.4%	0.0%	0.0%	79.8%
Total	88,874,235	100.0%	97.5%	100.0%	2.5%	100.0%	76.7%

²³ Includes Banca di Pisa e Fornacette in liquidation.

²⁴ Source: Finrep

Financial investments totaled about €46 billion²⁵ and are almost entirely represented by debt securities issued by government entities (in particular the Italian State). Of these, 82% are measured at amortized cost (Hold-to-Collect, HTC, business model) in line with the traditional business model that characterizes these banks, in order to take advantage of the coupon yield and at the same time to not expose its funds to risks associated with volatility.

The portfolio of financial assets measured at fair value through other comprehensive income, represented almost entirely by Italian government securities, amounted to about €8.8 billion, up from the end of the previous year. Financial assets measured at fair value through profit or loss amounted to €1.4 billion and are almost entirely represented by financial assets mandatorily measured at fair value (which also include receivables in respect of the Parent Company for the Ex-Ante contribution to the Guarantee Scheme) and assets held for trading in the amount of €15.9 million.

Finally, other relevant items include property, plant and equipment - which amounted to about €1.8 billion and mainly includes land and buildings for use in operations (€1.7 billion) and other capital equipment - while intangible assets amounted to just about €5.3 million, of which €2.8 million in goodwill paid on the acquisition of bank branches before the formation of the ICBG).

Strong ties with the territory are also reflected in the composition of liabilities, with a large proportion of direct funding from customers, especially current accounts and demand deposits, and to a lesser extent bonds and certificates of deposit. Accordingly, liabilities largely consist of financial liabilities measured at amortized cost, which amounted to €139 billion. More specifically:

- amounts due to customers, up €0.1 billion compared with the end of the previous year, amounted to €114.5 billion and are mainly represented by current accounts and demand deposits (€107.3 billion), fixed-term deposits (€5.4 billion) and other financing (€1.8 billion);
- amounts due to banks came to €15.1 billion, mainly attributable to refinancing transactions with the Parent Company;
- securities issued show a slight decrease compared with the end of 2025, to €9.2 billion, of which €2.8 billion are represented by bonds and €6.4 billion by certificates of deposit.

The aggregate equity of the mutual banks amounted to €17 billion, an increase of €0.7 billion compared with the end of 2025, and consists of about €1 billion of share capital, with the rest made up of reserves.

Income statement

On aggregate, the mutual banks closed the first half of 2026 with a profit of €0.9 billion, substantially in line with the first half of 2025.

More specifically, gross income increased by €173 million, to about €2.7 billion, as a result of:

- an increase in net interest income (+€70 million), largely attributable to higher interest income on debt securities (+€65.8 million), a decrease in positive hedging differentials (-€57.6 million) and lower interest expense on funding from customers (+€64 million);
- an increase of €49 million in net fee and commission income;
- an increase in gains on disposal of about €23 million, mainly attributable to higher profit deriving from the disposal of loans during the period.

During the period writedowns for credit risk amounted to €151 million, an increase of €73 million compared with June 2025.

Operating expenses amounted to about €1.5 billion, up €67 million on the same period of 2025, the net effect of: (i) an increase of €78 million in other administrative expenses, mainly related to the increase in IT expenses and the increase in stamp duties and contributions to Deposit Guarantee Fund); and (ii) an increase in other operating income of €10 million.

²⁵ The aggregate includes securities measured at amortized cost and measured at fair value through other comprehensive income and through profit or loss).

BCC CREDITOCONSUMO S.P.A.

The Company is active in the distribution of consumer credit products to private customers in the form of personal loans and, through a distribution agreement with Pitagora SpA, salary/pension-backed loans. The company makes use of the branches of the mutual banks for the promotion and placement of these products. For personal loans, the company also employs a direct channel both through the Crediper.it website and through online comparison sites (Facile.it and Prestitionline.it).

Balance sheet

Financial assets measured at amortized cost amounted to €2.31 billion, and consisted almost entirely of exposures to customers for consumer credit products. In particular, personal loans amounted to €1.70 billion and salary/pension-backed loans amounted to €617 million.

The table below provides a breakdown of gross loans to customers for consumer credit at June 30, 2026, by credit quality, including an indication of associated loan loss allowance and the coverage percentage.

€/thousand	Gross exposure	Writedowns	Net exposure	% Coverage
Performing exposures	2,317,367	17,354	2,300,013	0.75%
Impaired past due	12,414	5,871	6,543	47.30%
Unlikely to pay	21,917	16,510	5,407	75.33%
Bad loans	13,397	12,938	459	96.57%
Non-performing exposures	47,728	35,319	12,409	74.00%
Total	2,365,095	52,673	2,312,422	2.23%

Other assets amounted to €129 million and include receivables in respect of the self-securitization vehicle in the amount of €97.5 million (arising from the transfer to the vehicle of the amounts collected on the assigned portfolio).

Financial liabilities measured at amortized cost amounted to €2.21 billion and are mainly represented by intercompany liabilities payable to Iccrea Banca in respect of funding (€2.16 billion in medium/long-term financing and €47.9 million for use of current account overdraft).

Other liabilities amounted to €39 million and include €6.3 million in liabilities for fees and commissions due to the affiliated mutual banks.

Income statement

Revenues are represented by interest and similar income in the amount of €63.8 million, fee and commission income from insurance operations and the placement of third-party "salary-backed loan" products in the amount of €19.3 million, and €1.9 million in other operating income/expenses.

Costs include €30.3 million in interest expense on current accounts and loans, €11.3 million in fees and commissions payable to affiliated mutual banks, €8.2 million in value adjustments for the cost of risk, €3.7 million in personnel expenses, €10.2 million in other administrative expenses and €0.9 million in depreciation/amortization.

Income taxes for the period ended at June 30, 2026 totaled €7.6 million.

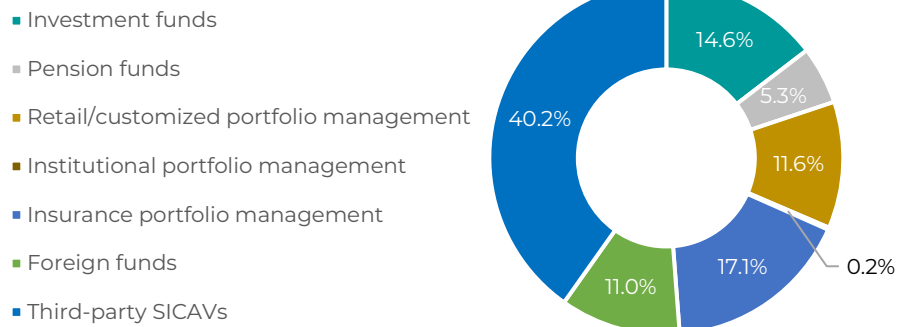
The company closed the first half of the year with a net profit of €12.8 million (€18.2 million at June 30, 2025).

BCC RISPARMIO&PREVIDENZA SGRPA

At June 30, 2026 total assets managed or placed by BCC Risparmio & Previdenza amounted to €39.7 billion, an increase of €4.9 billion compared with the end of 2025 the result of net funding of €2.9 billion, with a positive market effect of €1.2 billion.

The chart below shows the weight of each investment product out of total assets under management as at June 30, 2026:

Assets under management/placed



Assets under management

Net funding from investment funds was a positive €518.2 million. Total assets under management at period end came to €5.8 billion and the number of supplementary pension contracts rose to 292,622, an increase of 9% on the end of 2025 (when the number of contracts was 269,293).

With regard to supplementary pension funds, the company confirmed the positive trend in annual net funding, which amounted to €126.8 million bringing assets under management to about €2 billion and a total number of investors of 227,504 (+6.2% compared with 2025).

With regard to retail, institutional and insurance portfolio management, net funding was also positive at a total of €1,076.7 million (of which €354.6 million in the retail segment, €704.9 million in the insurance segment, €17.2 million in the institutional segment). Total assets under management at period end came to about €11.5 billion. The placement of retail asset management products generated a total of 62,013 accounts at June 30, 2026.

Foreign investment funds

During the first half of 2026, the Company assumed the role of management company for two foreign-law vehicles. As from April 13, 2026, BCC Risparmio&Previdenza became the management company of BCC Investment Partners SICAV, a Luxembourg collective investment undertaking, and, effective April 14, 2026, of Global Investment Managers UCITS ICAV, an Irish collective investment undertaking.

As of June 30, 2026, total assets attributable to the two vehicles amount to €4.4 billion, comprising €3.5 billion for BCC Investment Partners SICAV and €0.9 billion for Global Investment Managers UCITS ICAV, with net funding for the period of €482.5 million.

Assets in placement

Total assets placed at the end of the period amounted to €16 billion with net funding of about €713.4 million.

Income statement

The period at June 30, 2026 closed with pre-tax profit of about €41.2 million (+96.7% compared with the same period of 2025) and net profit of about €28.9 million (+99.02% compared with the same period of 2025).

The results mainly reflect:

- net fee and commission income of €63.3 million, up about €22.7 million on the same period of 2025;
- operating expenses of about €23.3 million (+12.8% on the same period of 2025). reflecting:
 - €3.6 million in personnel expenses (-0.8% on the same period of 2025 in line with the same period of 2025);
 - €19.7 million in other administrative expenses (+15.7% compared with 2025). The increase is mainly attributable to the increase in costs connected to volumes;
- other net income of €1.9 million (+€0.1 million on the same period of 2025).

CORPORATE BUSINESS AREA

€/thousand	CORPORATE							
	BCC Leasing		BCC Rent&Lease		BCC Factoring		BCC Financing	
	30/06/2026	31/12/2025	30/06/2026	31/12/2025	30/06/2026	31/12/2025	30/06/2026	31/12/2025
Cash and cash equivalents	11,660	4,105	417	399	12,897	6,302	172,113	181,111
Financial assets measured at fair value through profit or loss	69,531	72,400	-	-	-	-	17,146	17,531
Financial assets measured at fair value through other comprehensive income	280	280	-	-	11	11	14,361	6,676
Financial assets measured at amortized cost	3,121,002	3,123,447	537,602	512,297	679,620	914,412	326,137	354,824
a) due from banks	18,942	8,213	609	851	-	-	34,565	34,357
b) loans to customers	3,085,013	3,095,377	536,993	511,446	679,620	914,412	142,134	156,434
c) securities	17,047	19,857	-	-	-	-	149,438	164,033
Hedging derivatives and value adjustments of macro-hedged financial assets	-	-	-	-	-	-	-	-
Equity investments	-	-	-	-	-	-	-	-
Property, plant and equipment	6,922	6,869	307	537	-	-	5,726	5,962
Intangible assets	-	-	568	659	111	220	-	-
Tax assets	97,342	102,983	1,751	2,049	2,248	2,459	28,535	30,034
Non-current assets and disposal groups held for sale	230	777	-	-	-	-	-	-
Other assets	39,198	55,138	13,190	10,109	5,972	10,757	7,144	10,830
Total assets	3,346,165	3,365,999	553,835	526,049	700,859	934,159	571,162	606,968

€/thousand	CORPORATE							
	BCC Leasing		BCC Rent&Lease		BCC Factoring		BCC Financing	
	30/06/2026	31/12/2025	30/06/2026	31/12/2025	30/06/2026	31/12/2025	30/06/2026	31/12/2025
Financial liabilities measured at amortized cost	2,826,502	2,850,921	468,699	448,644	629,139	857,431	424,481	458,514
a) due to banks	2,804,776	2,827,551	466,237	446,368	624,347	849,816	185,717	218,162
b) due to customers	21,726	23,371	2,462	2,275	4,792	7,615	238,764	240,352
c) securities issued	-	-	-	-	-	-	-	-
Financial liabilities held for trading	23,192	24,924	-	-	-	-	-	-
Financial liabilities designated as at fair value	-	-	-	-	-	-	-	-
Hedging derivatives and value adjustments of macro-hedged financial liabilities	-	-	-	-	-	-	841	471
Tax liabilities	-	-	151	-	175	2	75	75
Liabilities associated with assets held for sale	-	-	-	-	-	-	-	-
Other liabilities	59,105	67,097	18,198	14,387	36,293	44,070	13,434	15,602
Post-employment benefits	558	661	162	150	303	317	130	131
Provisions for risks and charges	28,681	32,763	1,413	1,347	1,077	1,340	6,013	6,996
Equity	389,629	369,436	61,516	53,365	31,000	26,552	125,069	123,180
Profit/(loss) for the period (+/-)	18,497	20,196	3,696	8,157	2,873	4,447	1,120	2,000
Total liabilities	3,346,165	3,365,999	553,835	526,049	700,859	934,159	571,162	606,968

ICCREA BANCA SPA - 2026 INTERIM REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

€/thousand	CORPORATE							
	BCC Leasing		BCC Rent&Lease		BCC Factoring		BCC Financing	
	30/06/2026	30/06/2025	30/06/2026	30/06/2025	30/06/2026	30/06/2025	30/06/2026	30/06/2025
Net interest income	33,311	30,923	11,453	11,348	5,401	5,575	2,690	2,424
Net fee and commission income	495	512	(357)	(286)	2,575	2,243	1,437	2,633
Dividends	423	0			-	-	368	645
Net gain/(loss) on trading activities	1,587	1,037			11	(38)	(0)	1
Net gain/(loss) on hedging	-	-					(2)	(3)
Net gain/(loss) on disposals or repurchases	-	-	-	-			378	7
Net gain/(loss) on financial assets and liabilities at FVTPL	749	1,484					(271)	(67)
Gross income	36,565	33,956	11,096	11,062	7,988	7,780	4,599	5,640
Net writedowns/writebacks for credit risk	6,250	1,669	(1,935)	(1,146)	1,546	1,438	(365)	1,589
Net income/(loss) from financial operations	42,815	35,625	9,161	9,917	9,533	9,219	4,234	7,229
Administrative expenses	(17,617)	(17,531)	(6,884)	(6,848)	(5,174)	(4,649)	(4,131)	(5,225)
a) personnel expenses	(6,436)	(6,643)	(2,053)	(1,986)	(2,220)	(2,215)	(1,981)	(2,701)
b) other administrative expenses	(11,181)	(10,888)	(4,830)	(4,862)	(2,954)	(2,433)	(2,150)	(2,524)
Depreciation, amortization and provisions	3,748	(3,196)	(195)	(126)	112	(132)	1,122	(882)
Other operating expenses/income	(565)	(1,926)	3,768	3,334	70	41	271	207
Operating expenses	(14,434)	(22,653)	(3,311)	(3,640)	(4,993)	(4,739)	(2,738)	(5,900)
Profit/(loss) from equity investments	-	-						
Profit/(loss) from disposal of investments							-	-
Goodwill impairment								
Profit/(loss) before tax on continuing operations	28,382	12,972	5,850	6,277	4,540	4,479	1,496	1,330
Income tax expense from continuing operations	(9,884)	(4,255)	(2,154)	(2,101)	(1,667)	(1,386)	(376)	(303)
Profit/(loss) after tax on discontinued operations								
Net profit/(loss) for the period	18,497	8,717	3,696	4,177	2,873	3,094	1,120	1,027

BCC LEASING SPA

Company operations are focused exclusively on finance leasing.

Balance sheet

In the first half of 2026 new contracts amounted to a total €431.1 million, up 8.5% from €397.4 million in the same period of 2025. The number of contracts increased from 1,560 to 1,753, up 12.4%.

This performance is the result of a highly differentiated product dynamic: the property segment increased by 84.6% compared with the first half of 2025 with a performance 9.2% higher than budget, while the equipment segment, representing 51% of total output, decreased by 5% (-14.6% compared with the budget).

The total vehicle segment exceeded the budget of the period by 2.8%. The air and nautical segment increased to €4.5 million, while keeping a low weight on the total. The public segment decreased to €9.1 million, down 39%.

The following table provides a breakdown by type of new output in the period.

Product line €/thousand	Lease volumes			
	June-26	June-25	Annual change	% 2026
	Amount	Amount	%	%
Light commercial vehicle leasing	9,679	10,663	-9.2%	2.2%
Heavy vehicle leasing	79,537	79,333	0.3%	18.4%
Equipment	219,983	232,033	-5.2%	51.0%
Air and nautical	4,478	1,730	158.8%	1.0%
Public	9,064	14,878	-39.1%	2.1%
Property	108,409	58,739	84.6%	25.1%
Total leasing	431,149	397,376	8.5%	100.0%
Total contracts	1,753	1,560	12.4%	

Of the bank's lending portfolio, totaling €3.1 billion, about 99% is represented by non-financial counterparties.

€/thousand	30/06/2026	31/12/2025	Change %
1. Debt securities	17,047	19,857	-14.2%
b) Other financial companies	17,047	19,857	-14.2%
2. Financing to	3,085,013	3,095,377	-0.3%
a) Government entities	149,984	164,969	-9.1%
b) Other financial companies	7,544	7,284	3.6%
of which: insurance undertakings	343	438	-21.6%
c) Non-financial companies	2,832,478	2,824,043	0.3%
d) Households	95,006	99,081	-4.1%
Total	3,102,060	3,115,234	-0.4%

As regards impaired loans, note that gross exposure decreased (to about €95 million, down by about €5 million on December 31, 2025) while coverage remained high in application of valuation policies and methodologies based on particularly prudent criteria.

The gross and net NPE ratio stood at 2.96% and 0.92% respectively, (compared with budgeted figures of 2.90% and 0.98% respectively). At June 30, 2026 the coverage ratio of non-performing loans came to 70% (a slight increase from 69.6% at December 31, 2025).

Income statement

The bank closed the first half of 2026 with a profit before tax of €28.4 million (€13 million at June 30, 2025). After taxes, net profit stood at €18.5 million (€8.7 million at June 30, 2025).

A breakdown of the main income statement components that contributed to the result for the period indicates:

- net interest income at June 30, 2026 came to €33.3 million (+€2.4 million on June 30, 2025). Interest income was €72.7 million (down 5% compared with €76.2 million at June 30, 2025). Interest expense decreased by 12.9% to €39.4 million from €45.2 million in the first half of 2025;
- gross income at June 30, 2026 came to €36.6 million, up by €2.6 million on the first half of 2025;
- net writedowns/writebacks for credit risk (item 130) showing net writebacks of €6.3 million compared with €1.7 million at June 30, 2025. This is the combined effect of an improved composition of the performing portfolio and the impact of recovery activities on non-performing exposures, while maintaining careful oversight of non-performing loan coverage;
- administrative expenses amounting to €17.6 million are substantially in line with June 30, 2025 (€17.5 million). Personnel expenses came to €6.4 million (€6.6 million at June 30, 2025) while other administrative expenses came to €11.2 million (€10.9 million at June 30, 2025);
- provisions show a release of €3.7 million for the period, compared with provisions of €3.2 million in 2025 (a change of €6.9 million);
- other operating income and expense showed net expenses of €0.6 million, down on 2025 (€1.9 million) mainly attributable to the decrease in non-recurring items compared with the same period of 2025.

BCC RENT&LEASE S.P.A.

The company operates in the small-ticket lease market. Developments in the first half of 2026 showed an increase of 25.2% in new business (10,911 contracts with a total value of €176 million, compared with 10,069 and €140 million in 2025).

The following table provides a breakdown of operations in the period compared with the same period of 2025.

Balance sheet

	Contracts					
	Jan-Jun2026		Jan-Jun2025		% change	
Equipment vendor	Number	Amount	Number	Amount	% change number	% change value
Operating leases	3,980	35,961	4,307	39,238	-7.6%	-8.4%
Equipment leasing	2,990	61,883	1,926	35,056	55.2%	76.5%
Special-purpose financing	2,728	31,176	2,856	31,057	-4.5%	0.4%
Total vendor	9,698	129,021	9,089	105,351	6.7%	22.5%
Mutual banks	Number	Amount	Number	Amount	% change number	% change value
Light commercial vehicle leasing	600	23,090	548	20,962	9.5%	10.1%
Equipment leasing	400	8,842	295	6,882	35.6%	28.5%
Heavy vehicle leasing	17	1,413	61	4,379	-72.1%	-67.7%
Total mutual banks	1,017	33,345	904	32,224	12.5%	3.5%
Other	Number	Amount	Number	Amount	% change number	% change value
Light commercial vehicle leasing – Agents	71	2,733	67	2,844	6.0%	-3.9%
Heavy vehicle leasing – Agents	9	506	9	457	0.0%	10.9%
Operating leases Sinergia	116	10,825	-	-	-	-
Total other	196	14,064	76	3,300	157.9%	326.1%
Total	10,911	176,430	10,069	140,875	8.4%	25.2%

Net lending came to €537 million, up 5% on the end of 2025 (€511 million).

Gross and net NPE ratio at the end of the period came to 3.4% and 1.1%. The average coverage was 68.3%.

Income statement

Profit before tax for the period amounted to €5.9 million (€6.3 million in the same period of 2025). Net profit stood at €3.7 million (€4.2 million at June 2025).

Gross income totaled €11.1 million, a slight increase on 2025 despite the slight decrease in returns (due to the increase in the average cost of funding) thanks to the increase in volumes.

The cost of risk also increased.

BCC FACTORING SPA

The interim results show a net profit of €2.9 million (€3.1 million at June 2025). The theoretical tax burden amounts to €1.7 million.

The net profit outperformed budget expectations with a stable performance compared with the same period of 2025. The Company's turnover has increased steadily in the last 4 years, closing at over €1,628 million (+18.47% on 2025).

Balance sheet

The company's total assets, almost entirely represented by loans to customers, amounted to €701 million at June 30, 2026.

Gross lending amounted to €685 million (+2.47% on 2025), of which only 1.74% classified as impaired.

Impaired loans decreased by 34% compared with December 2025. The coverage ratio remained at 12.5% for pas due positions, while it was higher than 97% for UTP and higher than 95% for non-performing loans.

Income statement

Net commission income increased by 17%, driven by the growth in turnover, while interest income decreased by 9% reflecting the decrease in interest rates. Interest expense also decreased, by 13% on the same period of 2025. Net interest income came to €5.4 million, from €5.6 million in 2025 (- 3% year on year).

Net commission income came to €2.6 million from €2.2 million in the first half of 2025. Gross income also increased by 2.7% compared with the same period of 2025.

Operating expenses show an overall increase compared with 2025.

Personnel expenses are in line with 2025 and amount to €2.2 million. Over the year, the average headcount remained unchanged at 39 - comprising 38 direct employees and one seconded employee.

Administrative expenses increased by about €0.5 million, mainly reflecting corporate development efforts and the costs associated with related initiatives.

BCC FINANCING SPA

BCC Financing SpA specializes in medium and long-term lending and is also responsible for the lending granted through subsidized financing instruments that the Autonomous Region of Friuli Venezia Giulia (in part under Revolving Funds) and other public entities have made available to businesses.

In the first half of 2026 new lending to businesses in Friuli Venezia Giulia came to a total €52.4 million (of which €32.7 million through subsidized regional financing).

Balance sheet

At June 30, 2026 total assets amounted to €571 million, represented by €326 million in financial assets measured at amortized cost (of which loans to banks in the amount of €35 million, loans to customers in the amount of €142 million and securities for €149 million) and liquidity for €172 million; tax assets amounted to €28.5 million.

Net performing loans came to €140 million, down by 9.93% on the end of Corso 2025. Net impaired exposures increased to €2 million (from €0.9 million at December 31, 2025). The gross and net NPE ratios stood at 7.1% (6.9% at the end of 2025) and 1.45% (0.59% at the end of 2025), respectively.

Direct funding from customers came to €162 million, up by 2.48% from the end of 2025.

Income statement

The income statement at June 30, 2026 shows a profit before taxes of €1.5 million (€1.3 million at June 30, 2025) and a net profit of €1.1 million.

Gross income came to €4.6 million, a decrease from €5.6 million at June 30, 2025, mainly reflecting a contraction in net commission income (to €1.5 million from €2.7 million in the first half of 2025) due to the loss of commissions on the activities of the Home Subsidy Division, transferred to the Autonomous Region of Friuli Venezia Giulia at the end of 2025 (€1.2 million in the first half of 2025).

Net interest income amounted to €2.7 million, an improvement of 11% attributable to the containment of the cost of interest-bearing liabilities, which was more pronounced than the decrease in the yield on interest-earning assets.

In the first half of 2026, results were also affected by a decrease in dividends received (€0.4 million from €0.6 million in the same period of 2025) and an increase in value adjustments of financial assets mandatorily measured at fair value (€0.3 million, from €0.1 million in 2025), partially offset by gains on the disposal of financial assets (€0.4 million compared with a few thousand euros in the first half of 2025).

Operating costs decreased to €2.7 million (from €5.9 million at June 30, 2025) reflecting a 21% decrease in administrative expenses and higher uses of provisions for risks and charges (the aggregate value of depreciation, amortization and provisions was €1.1 million of reversals, compared with a cost of €0.9 million at June 30, 2025).

More specifically, other administrative expenses decreased to €2.2 million (-14.83% compared with June 30, 2025), while personnel expenses decreased to €2 million (-26.65%), both benefitting from the disposal of the Home Subsidy Division and related personnel, as well as from instances of early termination of employment with access to the Solidarity Fund's extraordinary benefits taking place at the end of 2025.

6. DEVELOPMENTS IN PARENT COMPANY OPERATIONS AND THE MAIN ITEMS OF THE BALANCE SHEET AND INCOME STATEMENT

The following provides a summary description of the main items of the Parent Company's balance sheet and income statement at June 30, 2026. In order to permit a more immediate assessment of the items, the balance sheet and income statement schedules shown below are presented in a more summary format than those provided for by Circular 262/05 of the Bank of Italy.

Balance sheet

Assets

€/thousand	30/06/2026	31/12/2025	Change	% change
Cash and cash equivalents	549,921	968,102	(418,181)	(43.2)
Financial assets measured at amortized cost – <i>Due from banks – Loans and securities</i>	22,127,997	20,861,857	1,266,140	6.1
Financial assets measured at amortized cost – <i>Due from customers – Loans</i>	11,067,849	9,931,011	1,136,838	11.4
Financial assets measured at amortized cost – <i>Due from customers – Securities</i>	9,942,527	10,350,239	(407,712)	(3.9)
Financial assets measured at fair value through profit or loss	1,870,438	1,910,013	(39,575)	(2.1)
Financial assets measured at fair value through other comprehensive income	1,449,130	1,141,925	307,204	26.9
Hedging derivatives	97,014	115,208	(18,193)	(15.8)
Equity investments	1,116,652	1,163,434	(46,782)	(4.0)
Other assets	560,977	602,715	(41,738)	(6.9)
Total interest-bearing assets	48,782,505	47,044,504	1,738,001	3.7
Other non-interest-bearing assets	155,339	178,127	(22,788)	(12.8)
Total assets	48,937,843	47,222,630	1,715,213	3.6

At June 30, 2026, total assets amounted to €48.9 billion, up from €47.2 billion at December 31, 2025, mainly reflecting:

- a decrease of €0.4 billion in cash and cash equivalents, mainly attributable to the absence of overnight deposit with the ECB on the reporting date;
- an increase of €2 billion loans measured at amortized cost compared with the end of 2025 resulting from:
 - the increase in amounts due from banks (+€1.3 billion), primarily reflecting the increase in intercompany lending (+€1.2 billion) granted against collateral in the form of refinancable securities (pool collateral) and the increase in reserve requirements (+€0.1 billion);
 - an increase in lending to customers (+€0.7 billion) essentially attributable to an increase in repurchase agreements with central counterparties (+€1.3 billion) partly offset by lower exposure in debt securities (-€0.4 billion, almost exclusively Italian government bonds).
 - The following table provides a breakdown of amounts due from banks including:
 - €16.7 billion in loans to the mutual banks, an increase (+€0.8 billion) on the end of 2025. These loans, secured by securities eligible for refinancing (pool collateral) came to about €8.7 billion while lending connected with covered bonds came to €5.7 billion;
 - €5.4 billion in amounts due from other credit institutions include €3.0 billion in intercompany lending.

€/thousand	30/06/2026	31/12/2025	Change	% change
Mutual banks	16,702,691	15,911,975	790,716	5.0
Other credit institutions	5,425,306	4,949,882	475,424	9.6
Due from banks	22,127,997	20,861,857	1,266,140	6.1

The following table provides a breakdown of impaired positions. In the period the Parent Company participated in single-name and multi-originator non-recourse assignments of non-performing loans. As part of these transactions, receivables were sold with a gross book value of €18.7 million and a net book value of €5.9 million.

€/thousand	30/06/2026			
	Gross exposure	Impairment losses	Net exposure	% coverage
a) Bad loans	28,317	24,781	3,536	87.5
b) Unlikely to pay	75,509	46,399	29,111	61.4
c) Impaired past-due	4,881	948	3,933	19.4
Total 30/06/2026	108,707	72,128	36,579	66.4
Total 31/12/2025	112,052	80,829	31,222	72.1
Change	(3,345)	(8,701)	5,357	(5.8)

- Financial assets measured at fair value through profit or loss, as detailed in the table below, amounted to about €1.9 billion – a decrease of €39.6 million on the end of 2025 reflecting: i) a decrease in the value of trading derivatives (with a similar development in trading derivatives in liabilities) offset by securities held at the reporting date (-€6.9 million); ii) a decrease in financial assets designated at fair value (-€20.2 million) represented by the assets included in the Guarantee Scheme as a result of lower investments during the period; iii) a decrease in other financial assets mandatorily measured at fair value (-€12.4 million), mainly due to redemptions in the period and a decrease in the value of units in CIUs (-€24.0 million) partly offset by investments in the equity securities segment;

€/thousand	30/06/2026			
	Financial assets held for trading	Financial assets designated as at FV	Other financial assets mandatorily measured at FV	Total
Debt securities	72,420	334,887	7,963	415,270
Equity securities	1,588	-	56,073	57,661
Units of CIUs	-	-	302,923	302,923
Derivative instruments	1,094,585	-	-	1,094,585
Total 30/06/2026	1,168,593	334,887	366,958	1,870,438
Total 31/12/2025	1,175,502	355,135	379,376	1,910,013
Change	(6,910)	(20,247)	(12,418)	(39,575)

- Financial assets measured at fair value through other comprehensive income, held under the HTCS business model, came to €1.4 billion, an increase of €307.2 million, essentially attributable to the debt securities with government and bank counterparties;
- Equity investments decreased by €46.8 million, mainly reflecting the combined effect of: i) the disposal– in the bancassurance sector – of 19% of BCC Assicurazioni to Assimoco SpA and 19% of BCC Vita to BNP Paribas Cardif SA (-€54.1 million); ii) the subscription of shares pursuant to Article 150-ter – as the manager of the Guarantee Scheme – issued by Banca di Ancona e Falconara Marittima (+€7.3 million).

Liabilities

€/thousand	30/06/2026	31/12/2025	Change	% change
Financial liabilities measured at amortized cost – <i>Due to banks</i>	21,031,690	20,987,957	43,733	0.2
Financial liabilities measured at amortized cost – <i>Due to customers</i>	14,041,459	13,363,101	678,358	5.1
Financial liabilities measured at amortized cost – <i>Securities issued</i>	8,810,407	8,021,079	789,328	9.8
Financial liabilities held for trading	1,093,140	1,130,999	(37,860)	(3.3)
Financial liabilities designated as at fair value	451,291	461,029	(9,738)	(2.1)
Hedging derivatives	187,266	101,324	85,943	84.8
Other liabilities	537,879	503,718	34,161	6.8
Total interest-bearing liabilities	46,153,132	44,569,208	1,583,924	3.6
Other non-interest-bearing liabilities	145,632	146,309	(677)	(0.5)
Shareholders' equity	2,461,224	2,322,742	138,482	6.0
Profit for the period	177,855	184,371	(6,516)	(3.5)
Total liabilities	48,937,843	47,222,630	1,715,213	3.6

The increase in liabilities compared with the end of 2025 is mainly attributable to the increase of €1.6 billion in interest-bearing funding, which was the net effect of the following developments:

- amounts due to banks were essentially stable at €21.0 billion;
- amounts due to customers increased (+€0.7 billion), to €14.0 billion, essentially attributable to an increase in repurchase agreements with central counterparties;
- securities issued increased (+€0.8 billion) mainly reflecting new issues in the period (+€0.9 billion) connected to the covered bond program and the issue of a Bond Social Senior Preferred program (+€0.5 billion). These issues were partly offset from redemptions and early redemptions of securities (-€0.5 billion).

Amounts due to banks break down as follows:

- €18.4 billion in positions with the affiliated banks mainly in respect of demand and time deposits (€18.0 billion), of which €2.1 billion in mutual bank deposits to meet the reserve requirement, €3.9 billion in “tiered” deposits and €6.4 billion in amounts held on the daily settlement account;
- €2.7 billion in amounts due to other credit institutions, of which €1.5 billion in Repo funding transactions.

€/thousand	30/06/2026	31/12/2025	Change	% change
Mutual banks	18,377,148	18,561,933	(184,785)	(1.0)
Other credit institutions	2,654,542	2,426,024	228,517	9.4
Due to banks	21,031,690	20,987,957	43,733	0.2

Funding with customers amounted to €14.0 billion, an increase of €0.7 billion compared with December 31, 2025 attributable to higher balances in current account and deposit (+€0.1 billion) and repurchase agreements with Central counterparties (+€0.6 billion).

€/thousand	30/06/2026	31/12/2025	Change	% change
Current accounts and deposits	1,941,563	1,809,829	131,733	7.3
Financing	11,747,913	11,200,669	547,244	4.9
Other payables	351,984	352,603	(619)	(0.2)
Due to customers	14,041,459	13,363,101	678,358	5.1

Equity

€/thousand	30/06/2026	31/12/2025	Change	% change
Capital	1,401,045	1,401,045	-	-
Share premium reserve	6,081	6,081	-	-
Reserves	1,003,483	860,134	143,349	16.7
Equity instruments	-	-	-	-
(Treasury shares)	(4,578)	-	(4,578)	-
Valuation reserves	55,192	55,481	(290)	(0.5)
Total	2,461,224	2,322,742	138,482	6.0

At June 30, 2026, the share capital of Iccrea Banca, represented by 27,125,759 ordinary shares with a par value of €51.65 each, was equal to €1.4 billion, unchanged from 2025. Shareholders' equity, excluding profit for the period, amounted to €2.5 billion an increase of €138.5 million on December 31, 2025. The main changes reflect the allocation of 2025 profit (€184.4 million of which €18.4 million to the legal reserve and €125.9 million to retained earnings. Dividends amounting to €40.1 million were also distributed.

Following authorization from the supervisory authorities, the Bank repurchased 86,696 treasury shares for a €4.6 million in the period.

Income statement

€/thousand	30/06/2026	30/06/2025	Change	% change
Net interest income	118,131	97,147	20,984	21.6
Other gains/losses on financial transactions	20,365	37,817	(17,452)	(46.1)
Dividends	60,105	78,785	(18,680)	(23.7)
Net fee and commission income	44,332	38,828	5,504	14.2
Gross income	242,932	252,577	(9,645)	(3.8)
Personnel expenses	(126,018)	(121,841)	(4,177)	3.4
Other administrative expenses	(141,382)	(128,098)	(13,284)	10.4
Net adjustments of property, plant and equipment and intangible assets	(3,033)	(2,886)	(148)	5.1
Other operating expenses and income	148,917	124,706	24,211	19.4
Total operating expenses	(121,516)	(128,119)	6,603	(5.2)
Gross operating profit	121,416	124,458	(3,042)	(2.4)
Net provisions for risks and charges	1,413	(5,896)	7,310	(124.0)
Net losses/recoveries on impairment of loans and other financial transactions	(4,522)	10,035	(14,557)	(145.1)
Total provisions and adjustments	(3,109)	4,138	(7,247)	(175.1)
Profit/(loss) from equity investments	91,977	93,127	(1,150)	(1.2)
Profit/(loss) before tax	210,285	221,723	(11,438)	(5.2)
Income tax expense	(32,430)	(21,381)	(11,049)	51.7
Profit/(loss) after tax on discontinued operations	177,855	200,342	(22,487)	(11.2)

The first half of 2026 closed with a net profit of €177.9 million, compared with net profit of €200.3 million in the same period of 2025. The main factors that contributed to the result for the period are described below:

- a decrease of €9.6 million of gross income, to €242.9 million, reflecting the following factors:
 - an increase in net interest income (+€21.0 million), reflecting: i) a decrease in the cost of Repo funding (+€33.4 million), unsecured transactions with the MEF (+€4.5 million), balances on current accounts and other technical forms of funding (+€32.0 million), together with ii) the increase in returns on medium/long term loans (+€3.7 million); improved margins on other technical forms of lending, including loans to mutual banks using pool collateral mechanisms and auctions (+€6.5 million) and Repo transactions (+€1.9 million). These factors were Falconeri countered by iii) an increase in the cost of funding through bond issues in the period (-€19.2 million); together with iv) a decrease in yield of securities- net of the effect associated with hedging derivatives (-€23.3 million almost all of which are Italian government securities indexed to inflation), of overnight deposits with the ECB (-€13.4 million) and other lending (-€5.2 million);
 - an increase in net commission income (+€5.5 million), mainly attributable to higher placement commissions (+€5.2 million);

- a decrease in "other income/(loss) from financial operations" (-€17.5 million) – as detailed in the table below – as a consequence of the negative contribution of trading mainly related to derivatives (-€13.3 million) and debt securities (-€3.7 million); lower performance of the FVTPL mandatory portfolio (-€7.4 million); but higher gains on disposals of the HTC and HTCS portfolios (+€7.1 million) partly supported by NPL disposals during the period (+€4.5 million);

€/thousand	30/06/2026	30/06/2025	Change	% change
Net gain (loss) on trading activities	4,425	21,921	(17,496)	(79.8)
Net gain (loss) on hedging activities	190	(30)	220	(737.6)
Net gain (loss) on the disposal or repurchase of:	21,169	14,105	7,065	50.1
a) financial assets measured at amortized cost	19,474	11,458	8,016	70.0
b) financial assets measured at fair value through other comprehensive income	1,873	2,701	(829)	(30.7)
c) financial liabilities	(177)	(55)	(123)	224.3
Net gain (loss) of other financial assets and liabilities measured at fair value through profit or loss	(5,420)	1,822	(7,241)	(397.5)
a) financial assets and liabilities measured at fair value	(1,658)	(1,815)	156	(8.6)
b) other financial assets mandatorily measured at fair value	(3,761)	3,636	(7,397)	(203.4)
Total other income/(loss) from financial operations	20,365	37,817	(17,452)	(46.1)

- a decrease in dividend income (-€18.7 million), to €60.1 million; of which €30.0 million from Bcc Risparmio & Previdenza, €17.5 million from BCC CreditoConsumo and €10.6 million from interest held in the Bank of Italy. In 2025 dividend income included €36.8 million from BCC Leasing, €25.8 million from BCC Risparmio & Previdenza, €3.5 from BCC Sinergia and the same interest from the Bank of Italy;
- a decrease of €6.6 million in operating expenses, to €121.5 million, reflecting the following factors:
 - an increase in personnel expenses (+€4.2 million), mainly attributable to the increase in the component related to wages and salaries following the renewal of the collective bargaining agreement;
 - an increase in other administrative expenses (+€13.3 million), mainly due the increase in outsourcing and IT advisory services (+€8.3 million) in particular in the infrastructural component and the increase in the contribution to Deposit Guarantee Fund (+€3.0 million);
 - an increase in other operating expenses/income (+€24.2 million), mainly due to the re-pricing of some services and the recharging of costs related to ICT security services, following the acquisition of the business unit from BCC SI in 2026;
- the change in net provisions for risks and charges (+€7.3 million), attributable to "other provisions for risks and charges" in the amount of €7.1 million and to commitments and guarantees issued falling within the scope of application of the rules for calculating expected losses in accordance with IFRS 9 (better detailed in the following point) in the amount of €0.2 million;
- the increase in the cost of risk (detailed below) with the recognition of writedowns on on-balance-sheet and off-balance-sheet exposures of about €1.5 million, as the net effect of writebacks on stage 1 and 2 exposures (€5.8 million) and writedown of non-performing stage 3 exposures (€7.2 million);

€/thousand	30/06/2026	30/06/2025	Change	% change
A. On-balance sheet exposures				
Stage 1 and 2	2,904	1,359	1,545	113.7
Stage 3	(7,426)	8,676	(16,102)	(185.6)
B. Off-balance sheet exposures				
Stage 1 and 2	2,873	1,669	1,204	72.1
Stage 3	185	1,218	(1,033)	(84.8)
Total	(1,464)	12,922	(14,386)	(111.3)

- the decrease in gains/loss on equity investments (-€1.2 million) to €92.0 million, reflecting the recognition of:
 - i) gains on the disposal of the 19% interest in BCC Assicurazioni to Assimoco SpA and of 19% in BCC Vita to BNP Paribas Cardif SA for a total €68.9 million in the bancassurance segment; ii) the recognition of the earn-out agreed with Assimoco SpA (€22.0 million) and iii) the adjustment of the earn-out on Numia (€1.1 million) relating to the partnership agreements for the complete reorganization of the e-money segment of the Group. In 2025 the item included the gain on the disposal of 100% of the interest held in BCC POS (€91.7 million) and the adjustment of the earn-out on Numia (€1.4 million).

7. SIGNIFICANT EVENTS DURING THE PERIOD

2026-2028 Group Business Plan

The 2026-2028 Group Business Plan was approved by the Board of Directors of the Parent Company on March 26, 2026 and is being implemented. For more details on the strategic guidelines, see the Report and Consolidated financial statements at December 31, 2025.

De-risking projects implemented through non-performing loan assignment transactions

As part of the de-risking strategy aimed at achieving a gross consolidated NPE ratio in line with the average of leading national competitors, In the first half of 2026, non-performing loan assignment transactions were carried out alongside other usual de-risking measures (proactive management of non-performing loans and the most vulnerable performing positions, measures aimed at maximizing recoveries on impaired exposures by streamlining the management processes for judicial and extrajudicial proceedings, collections, liquidations, and write-offs).

Below are the details of the operations carried out.

Project Aurora I

The first quarter saw the finalization of a non-recourse assignment operation with the participation of 4 Group mutual banks, regarding Public Guarantee (MCC) secured loans with a total credit claim of €12 million. As part of the transaction the Group assigned loans with a gross book value (GBV) and a net book value (NBV) at the cut-off date of €12 million and €4.2 million, respectively. The receivables were derecognized as of March 31, 2026,

Single-name disposal

A non-recourse assignment operation of *single name* position was finalized in May, with the participation of 6 Group banks and the Parent Company, mainly regarding Corporate UTP positions, partly backed by Public Guarantee (MCC/SACE) or collateral, with a total credit claim of €15.4 million. As part of the transaction the Group assigned loans with a gross book value (GBV) and a net book value (NBV) at the cut-off date of €14.7 million and €3.3 million, respectively. Iccrea Banca's share amounts to €7.9 million and €2.3 million, respectively. These receivables were derecognized as of May 30, 2026.

Project Themis

In June, a multi-originator assignment operation was finalized in respect of a portfolio of impaired loans, originated by 47 Group banks (46 mutual banks and Iccrea Banca SpA), attributable to positions classified within the Large Ticket, households (mainly residential mortgages) and Corporate clusters with a total credit claim of about €139.2 million. Iccrea Banca's share amounts to €11.5 million.

Within the Corporate cluster the portion of portfolio backed by Public Guarantee (MCC) is a subset included in the "Aurora II" project, for a total credit claim of €16.5 million.

The larger Themis transaction also includes the residual share of receivables assigned by subscription of FIA units for a total credit claim of about €3.2 million.

The overall transaction involved the assignment of receivables with a GBV of about €127 million and a NBV of €35.4 million. Iccrea Banca's share amounts to €10.8 million and €3.6 million, respectively. These receivables were derecognized as of June 30, 2026.

Project Aurora II

A non-recourse assignment operation was finalized in June, with the participation of 25 Group banks and Iccrea Banca, mainly regarding positions backed by Public Guarantee (MCC), for a total GBV of €16.2 million at the cut-off date (€7.5 million NBV), with derecognition as from June 30, 2026.

In the second half of the year, three separate assignment transactions were launched with the aim of consolidating the NPL ratio: the first one, Veradis, is a competitive multi-originator procedure involving a portfolio of positions assigned by 59 mutual banks and Iccrea Banca, for a total credit claim of €226 million. The transaction will be completed by the beginning of December. Concurrently, the Aurora III and Aurora IV projects were launched, involving the non-recourse assignment of exposures backed by MCC guarantees—with a total credit claim of about €80 million—contributed by 47 mutual banks, BCC Financing and Iccrea Banca. Aurora III includes receivables with a total credit claim of about €13 million and will be completed by September 2026, Aurora IV includes receivables with a total credit claim of about €67 million and will be completed by December 2026.

The covered bond program

In the first half of 2026, as part of the Group's Covered Bond Program intended for institutional investors, bonds were issued for a total of € 850 million. This figure was achieved by way of one issue of European Covered Bonds (Premium) compliant with the new European directive and the respective national transposition rules and the reopening of the same issue for an amount of €300 million and a private placement of €50 million.

More specifically, in March 2026 the first issue offered to institutional investors was completed for an amount of €500 million and with a 7-year maturity. Rated Aa2 (Moody's), with a fixed rate coupon of 2.875% and maturity in March 2033, the issue had the following geographical breakdown: Italy (38%), Germany and Austria (23%), Nordic countries (18%), Iberian countries (10%), United Kingdom (6%), Switzerland (3%) and other (2%). In terms of types of investor, 42% of the issue was allocated to banks, 33% to funds, 20% to institutions and central banks and 5% to insurers. The funding raised with this issue met the funding needs of 15 affiliated banks.

In May 2026 the second covered bond issue, (private placement), for institutional investors was completed for an amount of €50 million with a 19-year maturity, while in June series 10 of Covered Bond issued in March 2026 was reopened for an amount of €300 million, meeting the funding needs of Iccrea Banca and 9 affiliated banks.

During the first half of 2026, a new issuance was also finalized under the Retained Covered Bond Program, amounting to €500 million with a five-year maturity.

Reorganization of the Group's Bancassurance segment

In the first half of 2026, activities continued to implement the bancassurance model outlined in the Group Business Plan, through the centralization of insurance expertise within BCC Servizi Assicurativi.

Pursuant to the agreements signed on December 17, 2025, and effective as of January 1, 2026, BCC Servizi Assicurativi has completed the acquisition of the entire share capital of Agecooper Srl—the designated regional agency for affiliated banks in Central Italy and Sardinia—from Banca di Credito Cooperativo di Roma. The transaction was finalized for a price of €0.5 million.

On May 1, 2026, the new horizontal collaboration agreements entered into force—signed by all affiliated mutual banks with BCC Servizi Assicurativi—pursuant to Article 22, paragraphs 10 et seq., of Law Decree 179/2012 (converted with amendments by Law 221/2012) and Article 42 of IVASS Regulation no. 40/2018. These agreements assign to BCC Servizi Assicurativi the role of management, coordination and support in respect of affiliated mutual banks in their insurance distribution activities, with the aim of ensuring high and consistent levels of service quality for customers. In this context, BCC Servizi Assicurativi has received a direct mandate from BCC Assicurazioni and BCC Vita to distribute specific non-life and life insurance products, including insurance-based investment products (IBIPs). The new collaboration agreements thus provide the affiliated banks with the opportunity to distribute to their customers the insurance products made available by BCC Servizi Assicurativi, which periodically updates them to ensure they consistently meet customers' insurance needs.

On May 29, 2026, BCC Servizi Assicurativi also completed the acquisition of the entire capital of Assicooper Toscana Srl, the designated regional agency for affiliated banks of Tuscany. The company was 90.5% owned by the region's affiliated mutual banks, 9.4% by the Tuscan Federation of mutual banks, and the remaining 0.1% by the Tuscan

Regional Union of Cooperatives. The transaction was completed for a purchase price of €0.7 million, plus a price adjustment to be determined (equal to the net result for the period from January 1, 2026, to the closing date).

The entry into force of the new horizontal collaboration agreements and the finalization of the acquisition of Agecooper Srl and Assicooper Toscana Srl (which are expected to be merged into BCC Servizi Assicurativi during the second half of 2026), substantially complete the rationalization of the Group's insurance capabilities, centralizing the Territorial Reference Agencies within BCC Servizi Assicurativi.

Furthermore, under the exclusive agreement for the promotion and placement of bancassurance products signed by the affiliated banks in 2024, the Group has verified the achievement of its qualitative and quantitative targets for the life and protection segments. Specifically, in the life insurance segment, the affiliated banks met the qualitative and quantitative targets established by Group, qualifying for the award of €19.3 million previously set aside by Iccrea Banca in a specific provision for risks and charges.

As regards the protection segment, although the Group's qualitative and quantitative targets were not met, Iccrea Banca nevertheless resolved—on an exceptional basis and by way of derogation from the original agreements—to award a total of €4.3 million to the affiliated mutual banks that achieved their respective individual targets, out of the €20.0 million originally set aside.

The Group's Bancassurance segment – Evolution of insurance partnerships

Consistent with the terms of the partnership agreements signed with Assimoco SpA and BNP Paribas Cardif SA, and following the achievement of the targets by BCC Assicurazioni, BCC Vita, and the affiliated mutual banks during 2025, the following transactions have been finalized:

- On April 1, 2026, Assimoco exercised the option to extend the existing commercial agreement until December 31, 2038. Consequently, on April 24, 2026, Iccrea Banca exercised the put option on the 19% investment held in BCC Assicurazioni. The transaction was completed on May 14, 2026, with Assimoco SpA agreeing to pay Iccrea Banca an upfront consideration of €39 million, plus future payments contingent upon the achievement of specific targets (earn-outs) of approximately €22 million;
- On May 6, 2026, Iccrea Banca exercised the right to extend the commercial agreement of BCC Vita with BNP Paribas Cardif SA until December 31, 2039. On the same date, it also exercised the put option on the 19% investment in BCC Vita. The transaction was completed on June 18, 2026, with BNP Paribas Cardif SA paying to Iccrea Banca an upfront consideration of €84 million, as well as future payments contingent upon the achievement of future targets (earn-outs) that cannot currently be valued.

The evolution of the bancassurance segment and the strengthening of industrial partnerships confirm the validity of the strategic project developed for the benefit of the affiliated banks, enabling them to continue to support the growth of the insurance business, strengthening relationships with their local areas, and consolidating their role as the preferred partner for the insurance needs of the communities they serve.

Acquisition of six branches by BCC Busto Garolfo e Buguggiate and Cassa Rurale e Artigiana di Cantù

Following the public tender and exchange offer launched by BPER Banca for all shares of Banca Popolare di Sondrio—completed successfully on July 25, 2025—on September 24, 2025, at the request of the competent authorities, BPER Banca initiated a competitive procedure for the disposal of six bank branches located in the provinces of Varese and Como, including the associated customer relationships and staff.

BCC Busto Garolfo e Buguggiate and Cassa Rurale e Artigiana di Cantù, with the support and prior approval of the Parent Company, successfully participated in the competitive procedure and, on February 24, 2026, signed agreements with BPER Banca for the transfer of the relevant business units, subject to obtaining the necessary authorizations from the competent authorities.

Under the agreements, BCC di Busto Garolfo e Buguggiate will acquire four branches, while Cassa Rurale e Artigiana di Cantù will acquire the remaining two. The transfer operations was finalized with legal effect on September 21, 2026.

Reorganization of the Group's "ICT" segment

As part of the IT sector reorganization process, in 2025 the Boards of Directors of the Parent Company and BCC SI approved the transfer of the ICT Security business unit from BCC SI to Iccrea Banca for €4.8 million. The initiative aims to strengthen the Parent Company's oversight of key IT services, with expected benefits including:

- consolidating functions within the Parent Company to consistently define and apply security guidelines across the Group, while also ensuring strategic and operational consistency across affiliated entities;
- strengthening strategic and regulatory control through centralized governance within the Parent Company over security issues, enabling more effective oversight of the IT roadmap and regulatory compliance, also to align the organizational model with changing circumstances and increase monitoring of technological and risk aspects.

The sale of the business unit from BCC SI to the Parent Company is effective from January 1, 2026.

Equita Partnership

During the first quarter of 2026, the Board of Directors of Iccrea Banca approved the establishment of a strategic partnership with Equita Group. This involved signing a commercial agreement to develop areas of collaboration as well as acquiring a minority stake in the Equita Group (the parent company of Equita Group and a company listed on the regulated market managed by Borsa Italiana).

More specifically, the partnership aims to foster relationships across the key business areas in which the Equita Group operates—ranging from Investment Banking and Global Markets to Alternative Asset Management and Research—leveraging the high degree of strategic complementarity between the two groups. The agreements provide for Iccrea Banca to acquire an stake of about 15% in Equita Group (or approximately 13% following the finalization of the private equity partnership between Equita Group and Xenon) by subscribing a reserved capital increase involving the issuance of approximately 3.4 million shares and the purchase of 5.1 million shares from a number of managers and shareholders of Equita Group, for a total outlay of about €49 million. On completion of the transaction, the Equita Group shares held by Iccrea Banca will be subject to lock-up restrictions for the three years following the closing date.

On August 28, the Bank of Italy authorized Iccrea Banca to proceed with the transaction, which closed on September 21, 2026.

Mergers and reorganization of mutual banks completed or in progress

The voluntary liquidation of Banca di Pisa e Fornacette Credito Cooperativo started on June 30, 2025, pursuant to Article 96-quinquies of Legislative Decree 385/1993 (TUB) (following authorization by the Bank of Italy on June 9, 2025), resulting in the lapse of its banking license. The voluntary liquidation procedure is tentatively scheduled to conclude in the last quarter of 2026.

On June 23, 2026, the merger of Banca di Credito Cooperativo di Nettuno – Società Cooperativa into Banca di Credito Cooperativo dei Colli Albani – Società Cooperativa became legally effective, with the establishment of Banca Colli Albani e Nettuno Credito Cooperativo.

On June 1, 2026, the ECB authorized the merger of Confidi Sardegna Scpa and Unifidi Sardegna Scpa into Banca di Credito Cooperativo di Arborea. The shareholders' meetings of the companies approved the project in July 2026. The merger is expected to take effect as from November 23, 2026.

On July 21, 2026, the request for a merger of Banca di Udine Credito Cooperativo into Banca di Credito Cooperativo Pordenonese e Monsile Società Cooperativa was submitted to the ECB, with legal effects expected in the second quarter of 2027.

Finally, a merger is currently under study between Banca di Ripatransone e del Fermano Credito Cooperativo and Banca dei Sibillini – Credito Cooperativo di Casavecchia. A dedicated working group, comprising the management of the banks and the technical units of the Parent Company, is working on the business plan and the merger plan, in accordance with Article 2501-ter of the Civil Code.

Actions within the scope of the Guarantee Scheme

In the first half of 2026, the Parent Company implemented a capital support initiative, through the cross Guarantee Scheme, for Banca di Ancona e Falconara Marittima Credito Cooperativo - Società Cooperativa, drawing on the Ex Ante Quota of the Readily Available Funds, through the subscription of shares issued in accordance with Article 150-ter of Legislative Decree 386/93 for a total nominal amount of €7.35 million, as in the intervention provisions approved by the Board of Directors of Iccrea Banca.

The EWS and affiliated mutual banks in the management and coordination scope

As regards the Early Warning System, the usual monitoring activities were carried out on the risk profile of affiliated banks in 2026. The outcome of these activities show an overall balance in the capital, financial and management situation of the affiliated banks.

In the event of imbalances, the affiliated banks are subject to the mechanisms provided for in the Cohesion Contract, which provide for the definition of rebalancing and derisking initiatives. In particular, mutual banks in the management and coordination scope of the Parent Company are subject to specific directives containing actions and remedial plans to be adopted or the recovery targets to be achieved in order to improve their risk profile. Currently, one affiliated banks within the management and coordination scope have a “critical” overall risk situation, based on the EWS classification of March 31 2026 (risk class from “E” to “G”).

Collaborative compliance

The Collaborative Compliance regime, introduced by Legislative Decree no. 128/2015, is aimed at promoting transparency and collaboration between the tax administration and taxpayers. As a rewarding tool, it is reserved for taxpayers who implement an effective Tax Control Framework (TCF), and generates benefits such as reduced intensity of controls, reduced penalties and assessment deadlines, and greater certainty in tax relationships.

The TCF is intended as a structured system for managing tax risk and, in this respect, is a key element of the internal control structure integrated with other organizational models, such as Model 262 and Model 231, thereby yielding positive effects on corporate governance and ESG ratings through responsible and ethical tax management.

Under current regulations, the TCF must be certified, including in respect of compliance with accounting principles, by independent certified professionals. Pursuant to this requirement, a professional from the E.Y. S.p.A. network was engaged in 2026 for the certification of the Group TCF.

At June 30, in addition to the Parent Company, two companies within the direct scope (BCC Credito e Consumo and BCC Risparmio&Previdenza) and two banks (BCC Provincia Romana and BCC Basilicata) have been admitted to the cooperative compliance regime, while three other banks (BCC Fano, BCC Filottrano, and BCC Ravennate Forlivese e Imolese) have applied, joining the process of progressive adoption of the regime initiated by the Group.

Main changes to the regulatory framework

The Parent Company continuously monitors regulatory developments, adopting the necessary initiatives for their implementation and guiding the activities of the banks and companies within its scope accordingly. With regard to organizational and procedural adjustments, the main areas of significant regulatory review are outlined below.

Interventions in the banking sector to support the competitiveness of the European economy and initiatives of banking supervisors

The international regulatory landscape is going through a phase of increasing divergence among major jurisdictions. In the United States, the debate focuses on revising certain aspects of the prudential framework, with a leaning towards reducing regulatory burdens and applying Basel standards more flexibly. While maintaining a high level of supervision, the United Kingdom is pursuing an approach aimed at enhancing the competitiveness of its financial market through a selective review of rules and greater reliance on the principle of proportionality.

Against this backdrop, the European Union, while not intending to alter the prudential objectives of its regulatory

framework, has launched a broad simplification process aimed at reducing operational complexity and administrative burdens for intermediaries.

In the first half of 2026, the European regulatory agenda reaffirmed the priority of the Savings and Investment Union (SIU). In this context, in February 2026, the European Commission launched a consultation aimed at identifying the reasons why European banks are undervalued on stock markets compared with international peers, and at determining the extent to which the fragmentation and complexity of the regulatory framework create barriers to the development of cross-border activities and result in disproportionate administrative costs. The consultation received contributions from numerous stakeholders, including European supervisory and regulatory authorities, and was concluded in mid-July with the publication of the EU Commission's report on the competitiveness of the banking sector. The measures outlined in the report will be translated into legislative proposals to amend European regulations in the first quarter of 2027. While acknowledging that the reforms introduced after the financial crisis have significantly strengthened the system's resilience, the Commission considers that the current framework has reached a level of complexity that limits banks' ability to support the investment needs of the European economy. In response to these issues, the report outlines a regulatory review program based on three key pillars.

The first pillar is the completion of the single banking market through measures addressing the prudential framework applicable to cross-border banking groups, including potential amendments to the Capital Requirements Regulation (CRR) and the Capital Requirements Directive (CRD), aimed at fostering greater capital and liquidity fungibility, harmonizing the treatment of intra-group exposures, and reducing regulatory obstacles to cross-border consolidation. The Commission has also announced a review of the current deposit protection arrangements and the bank crisis management framework, with measures expected to affect the Bank Recovery and Resolution Directive (BRRD), the Single Resolution Mechanism Regulation (SRMR), and the rules governing deposit guarantee schemes.

The second pillar concerns the implementation of international Basel standards, taking greater account of the specific features of the European banking model. In this context, the Commission has announced an assessment of potential amendments to the CRR provisions regarding the output floor and the prudential treatment of exposures to unrated corporates, residential mortgages, project finance, trade finance, and investments in intangible assets and software.

The third pillar focuses on simplifying the regulatory framework by revising Pillar 2 rules, the MREL regime, macroprudential tools, and reporting obligations, with the aim of revisiting primary European banking legislation as well as the Level 2 and Level 3 technical regulations issued by the EBA, ECB, and SRB.

The Commission's approach is therefore to pursue greater proportionality and coherence in the regulatory framework.

The issue of European bank competitiveness also arises in other regulatory initiatives aimed at maintaining a level playing field internationally. A significant case concerns the implementation of the Fundamental Review of the Trading Book (FRTB), a key component of the final Basel III package regarding market risk. Indeed, the implementation of this standard has seen growing divergence among major international jurisdictions, both in terms of timing and application methods. Repeated delays announced in the United States and the United Kingdom have fueled concerns that European banks might be subjected to more burdensome capital requirements ahead of their major global competitors. On June 4, 2026, the Commission published a proposal for a Delegated Regulation introducing temporary measures to neutralize the impact of new market risk rules on banks' regulatory capital ratios until 2029. The aim is to preserve the competitiveness of European banks in a market segment, investment banking services, that is particularly exposed to global competition, especially given that the United States and the United Kingdom have not yet implemented the standard.

Alongside prudential measures, the Commission has also continued its work on updating European regulations regarding financial innovation and the digitalization of financial services. In particular, the EU Commission has addressed the regulation of digital finance by initiating the review process for the Markets in Crypto-Assets (MiCA) Regulation; it launched a consultation to assess the adequacy of the regulatory framework and the advisability of extending its scope to areas currently excluded (such as decentralized finance (DeFi)) and, more broadly, to improve the understanding and legal classification of emerging products, such as tokenized deposits.

Together with regulatory initiatives, the Eurosystem's operational projects aimed at evolving European market infrastructures have continued. In particular, during the first half of 2026, the Pontes-Appia strategy, designed to foster integration between infrastructures based on distributed ledger technology (DLT) and TARGET Services, was further developed. While the Pontes project aims to enable the settlement of transactions on DLT platforms in central bank money through interoperability mechanisms with Eurosystem infrastructures, Appia represents the

longer-term vision for creating an integrated European ecosystem for managing tokenized financial assets, payments, and cross-border settlements. With the publication of the Appia roadmap in March 2026, the Eurosystem outlined a program aimed at defining by 2028 a European model for tokenized financial markets based on maintaining central bank money as the anchor of the monetary and financial system. The initiative aims to promote the adoption of common standards, ensure interoperability between DLT platforms, support the use of tokenized assets in monetary policy operations, and strengthen European strategic autonomy by avoiding reliance on non-European infrastructures, technologies, or legal frameworks.

New tax measures for 2026

Regarding tax measures, the 2026 Budget Law introduced a scheme for increased depreciation on capital expenditure made between January 1, 2026, and September 30, 2028, in new capital goods essential for the technological and digital transformation of businesses, thereby replacing the previous Transition 5.0 and 4.0 plans (the so-called "Hyper-depreciation 2026").

The 2026 Budget Law also included the following measures affecting the banking sector.

- an extraordinary contribution related to the 2023 extraordinary tax on windfall profits to be paid in the event of dividend distributions starting from January 1, 2029, with the option of tax relief at a preferential rate. Under an express statutory provision, mutual banks are exempt from paying the contribution;
- a two-percentage-point increase in the IRAP rate for the years 2026–2028, with the application of a €90,000 exemption threshold for 2027 and 2028: these new regulations resulted in the recognition of new deferred tax assets (DTAs) amounting to approximately €9.6 million for the entire Group;
- limited deductibility of interest expense for the years 2026–2029, at a rate decreasing from 4% to 1%;
- the deductibility over five financial years of write-downs on loans to customers in stage 1 and stage 2 for the 2026–2029 tax periods;
- the reintroduction of the postponement of the deduction of part of the write-downs on loans to customers and of the expected losses arising from the IFRS9 FTA for the year 2027.

Finally, attention is drawn to the revision of the deductibility regime for write-downs of bonds and UCITS classified as financial non-current assets, which is currently being amended via a decree that has not yet been issued.

Following the suspension applied in 2025, deductibility was restored in 2026 for the portion of write-downs on receivables existing at December 31, 2015, the portion of negative components arising from first time adoption of IFRS 9; and the portion of goodwill and other intangible assets not yet deducted as of December 31, 2017.

8. INTERNAL CAPITAL AND LIQUIDITY ADEQUACY ASSESSMENT PROCESS

The outcome of the capital adequacy and liquidity assessments conducted at a consolidated level were formalized within the Group's "ICAAP and ILAAP package", submitted to the supervisory authorities on March 13, 2026, and were reported in detail in the consolidated report and financial statements at December 31, 2025, to which reference is made.

9. RISKS AND UNCERTAINTIES

Geopolitical events continue to be the primary source of vulnerability for the global economy and significantly impact macroeconomic prospects. The conflict involving Iran has further heightened uncertainty, already fueled by ongoing conflicts in Ukraine and tensions in the Middle East. Rising energy prices, driven by the closure of the Strait of Hormuz, combined with the risk of disruption to production and distribution infrastructure in the Middle East, have fundamentally altered the macroeconomic landscape, which had recently been characterized by global economic growth and a gradual improvement in consumer and business confidence.

Overall, renewed inflationary pressures and a slowdown in the global economy are expected for 2026. The risks are primarily linked to the duration of the conflict in the Middle East, the extent of the damage to production capacity, and the monetary policy response to renewed inflationary pressures. The global growth forecast for 2026 has been revised downward from 2.7% to 2.6%, and Europe is expected to be most affected by slower growth. Italy's growth forecasts for 2026 have also been revised downward from 0.7% to 0.4%, and inflation, averaging close to 3%, is expected to particularly affect households.

Higher energy costs and increased tariffs on exports to the United States are expected to have a negative impact on businesses. Further adverse effects on business operations and profitability could also stem from shifts in monetary policy and other extraordinary events (such as political instability, terrorism, and similar events). Moreover, the economic and political uncertainty of recent years has led to significant volatility and uncertainty in financial markets.

These factors are driving a significant increase in the risks for the banking sector, compelling it to adjust valuations in order to mitigate future impacts on the economic, financial, and capital position of the Italian and international financial systems.

As part of its routine analysis and monitoring of macroeconomic scenarios, the Group also updated its capital adequacy analyses under an adverse scenario to account for escalating geopolitical tensions following the US-Iran conflict and the resulting further deterioration of the macroeconomic outlook. These analyses confirmed the Group's fully adequate capital position, with a "depletion" (i.e. the difference between capital levels under the baseline and adverse scenarios at the end of the 2028 time horizon) substantially in line with that derived from analyses conducted within the ICAAP framework.

During the first half of the year, the euro area saw a rise in risk-free rates in the short- and medium-term segments, while the long-term segment (maturities exceeding 10 years) showed a slight contraction. This development was accompanied by a widening of credit spreads on European government bonds, particularly Italian ones. The systemic factors affecting risk-free rates, which are expected to drive further instability, have impacted interest rate risk. Against this backdrop, the Group has defined a strategy aimed at ensuring a positioning consistent over time with the expected interest rate scenario, while simultaneously limiting the risk of losses under stress scenarios.

As regards credit risk, wherever the economic environment during the year showed a slight deterioration in credit quality, a trend that, in light of the previously discussed uncertainties, could persist and intensify further, the Group implemented methodological adjustments designed to introduce additional prudential measures (overlays). The purpose of the overlay is, in fact, to incorporate higher prudential levels for sub-portfolios that could prove more vulnerable in terms of creditworthiness following further macroeconomic shocks.

In this regard, starting with the June 2026 interim report, and taking into account the latest updates on macroeconomic developments, the post-model overlay clusters have been updated with the aim of:

- update the treatment of "geopolitical risks" in light of evolving macroeconomic scenarios;
- remove clusters of risks already factored into current forecasts, focusing prudential margins on areas not yet fully covered.

Finally, taking into account that certain elements of uncertainty and unexpected deterioration in the macroeconomic outlook are already affecting the macroeconomic forecasts used, and that back-testing results revealed risk levels for the best-rated classes significantly lower than ordinarily projected, the scope of the overlay was more specifically targeted at the segment of higher-risk counterparties (limiting it to counterparties with a credit risk assessment exceeding the level envisaged in the Group Business Plan, i.e., PD PIT > 1.5%).

Therefore, effective June 30, 2026, post-model overlay have been applied to the following portfolio segments:

- customers in the "Construction and Real Estate" sectors, if their credit risk assessment is higher than that projected in the Group Strategic Plan (PD PIT > 1.5%);

- industrial clients needing geopolitical risk coverage if their credit risk assessment is higher than that projected in the Group Strategic Plan for 2026 (PD PIT > 1.5%).

Climate-related and environmental risks remain a key area of focus for the Group, given the potential impacts arising from both physical risks associated with climate change and environmental degradation, and transition risks linked to the evolution of the regulatory, technological, and market landscape towards more sustainable economic models. These factors can act as drivers of the risks to which the Group is exposed, impacting, in particular, the risk profile of counterparties and, consequently, credit quality, the value of collateral, operational aspects, and the Group's profitability and business model.

Although the results of the Climate & Environmental Materiality Assessment show the Group's exposure to climate and environmental risk factors evaluated over various time horizons, the analyses conducted have not, to date, revealed vulnerabilities significant enough to alter the Group's overall risk profile. These evaluation are periodically updated, taking into account changes in the context and projections of the impact of climate and environmental factors, the economic transition pathway, and the progressive availability, completeness, and quality of the information required for such assessments.

Therefore, the Group continues to strengthen its climate and environmental risk management framework, in line with evolving legal and regulatory requirements, through initiatives aimed at increasingly refining methodological, organizational, and control mechanisms, and at consolidating the integration of climate and environmental factors into governance processes, corporate strategies, and the identification, measurement, monitoring, and managing of risks.

Particular areas of focus concern credit processes, climate and environmental risk monitoring systems, the integration of the related factors into the Group's strategic and commercial processes, and activities related to defining the Group Transition Plan.

As part of this evolutionary journey, the Climate & Environmental Materiality Assessment process has been further developed through the adoption of more granular analyses and a broader consideration of medium- to long-term outlooks, thereby enhancing the understanding of key sources of exposure and supporting the continuous refinement of processes and methodologies for managing the associated risks.

Work also continued on evolving climate and environmental risk measurement models, with a particular focus on assessing the environmental dimension and developing forward-looking and resilience analyses aimed at evaluating the impact of various climate and environmental scenarios on the Group's risk profiles.

Despite the progressive strengthening of frameworks for the governance, control, and management of climate-related and environmental risks, uncertainty remains, stemming from the evolving climate, environmental, regulatory, and economic landscape, as well as from the availability, reliability, and granularity of ESG data. Such factors, combined with the forward-looking, long-term nature of climate and environmental risks, can influence the assessment of the Group's exposure to these risks and the estimation of their impact on the Group's risk profiles, operating conditions, and profitability.

In the complex and constantly evolving macroeconomic environment, the Group faces these prevailing conditions with a more than adequate capital base and a robust liquidity position and appears fully capable of ensuring compliance with both regulatory requirements and stricter internally set limits.

Risks and uncertainties are subject to constant monitoring through the body of risk policies, the management of their updates, and monitoring activities aimed at verifying their implementation status and adequacy. Furthermore, the Group consistently focuses on assessing and promptly implementing appropriate measures to manage and mitigate the potential impact of risks on its operations, and on subsequently adjusting its strategies to reflect changing circumstances.

For a more detailed description of risks in general and, within that context, financial risks (credit and market risks) and operational risks, see the relevant sections of Part E of the notes to the financial statements.

As regards capital soundness, more information is provided in the section specifically dedicated to own funds and capital adequacy. Additional details are also provided in conjunction with updates provided within the Basel 3 Pillar 3 public disclosure document at the consolidated level, submitted quarterly to the EBA for publication on the "Pillar 3 Data Hub (P3DH)"—a single electronic access point where the EBA centralizes public disclosures produced by European banks—and also published on the Group's corporate website.

10. SUBSEQUENT EVENTS

There are no subsequent events worth mentioning at the date of approval of the Report.

11. OTHER INFORMATION

Treasury shares

At June 30, 2026, the share capital of Iccrea Banca was represented by 27,125,759 ordinary shares with a par value of €51.65 each, equal to €1,401,045,452.35. Of this, 97.475%, for a nominal value of €1,365,675,945.55 is represented by 26,440,967 ordinary shares held by affiliated banks, which are to be considered as treasury shares held for the purposes of the consolidated financial statements.

No shares of the Parent Company were sold during the period.

On November 19, 2025, in response to a request submitted on August 7, 2025, Iccrea Banca was authorized to reduce its own funds through the repurchase of ordinary CET1 instruments; more precisely the supervisors authorized:

- Iccrea Banca and 112 affiliated mutual banks to reduce their consolidated and individual own funds through the repurchase of CET1 cooperative instruments for maximum amount of €43,603,700 of their CET1, net of the subscription of new CET1 cooperative capital instruments fully paid-in;
- Iccrea Banca to reduce its consolidated and individual own funds through the repurchase of ordinary CET1 instruments for a nominal amount of €552,448. The maximum aggregate amount that the Parent Company is authorized to purchase is €564,748, plus transaction costs.

The authorization a) is valid from January 1, 2026 to December 31, 2026. The authorization b) is valid for one year from the date of its notification. Regarding the latter in January 2026, Iccrea Banca proceeded with the repurchase of its own shares – for the maximum aggregate amount permitted by the aforementioned provision (€564,748).

On January 9, 2026, in response to a request submitted on October 31, 2025, Iccrea Banca was authorized to reduce its consolidated and individual own funds through the repurchase of between 89,015 and 90,997 ordinary shares, with a nominal value of €51.65 each and a maximum aggregate nominal value of approximately €4.7 million. Therefore, the Parent Company has been authorized to purchase a maximum aggregate nominal value of approximately €4.7 million, plus transaction costs. The authorization is valid for one year from the date of entry into force of the decision.

Under the aforementioned authorization in March 2026, the Parent Company proceeded to repurchase treasury shares in the amount of €4,012,800.

At June 30, 2026 the Parent Company had repurchase a total 86,696 treasury shares for €4,577,548.

Iccrea rating

Based on current ratings, the Group maintains an "investment grade" rating:

- S&P Global Ratings: BBB/A-2 with a "stable" outlook,
- DBRS Morningstar: BBB(high)/R-1 (low) con "stable" trend,
- Fitch Ratings: BBB+/F2 with a "stable" outlook.

In December 2025, the Group's ESG Risk Rating was raised to 13.7 by Morningstar Sustainalytics, corresponding to a "Low" ESG risk grade, on a 5-grade scale (Negligible, Low, Medium, High, Severe).

Investment under the Guarantee Scheme

The resources of the Ex Ante Quota are invested in liquid and enforceable assets, in accordance with the prescriptions, limits and requirements set out in the Investment Policy approved by the Board of Directors of Iccrea Banca. The financial resources constituting the Ex Ante Quota of the RAFs are invested in readily convertible

instruments, with a limited risk profile and sufficiently diversified in order to pursue the objective of capital conservation and ready availability.

At June 30, 2026 the assets consist of i) approximately €22.56 million of liquid assets held at the Central Bank and Euroclear Bank SA, ii) approximately €337.91 million of securities (of which approximately €23 million represented by subordinated loans and approximately €3 million by AT1 Irredeemable Securities subscribed as part of capital support interventions), and iii) approximately €130.35 million of equity investments (of which approximately €116.79 million represented by financing shares pursuant to art. 150-ter of the TUB subscribed as part of capital interventions).

Transactions with related parties

Group policy for the management of conflicts of interest and transactions with related parties governs the management of conflicts of interest in respect of transactions with related parties, decisions within the scope of application of Article 136 of the Consolidated Banking Act and Article 2391 of the Italian Civil Code, loans granted to company officers and their related parties pursuant to Article 88 of the CRD-V Directive, transactions whose counterparties are senior personnel and, where applicable, conflicts of interest connected with the application of the Early Warning System. The policy establishes the responsibilities of the companies subject to the management and coordination of the Parent Company, creating management arrangements consistent with the regulations established by the Bank of Italy while at the same time serving the Group's organizational and corporate structure.

With particular regard to transactions with connected parties, the policy underscores the obligation to comply with the limits on exposures to connected parties established in banking supervisory regulations and lays down specific evaluation, decision-making and reporting procedures that involve, where necessary, the TCP committees set up within the companies of the banking group.

In addition, decision-making procedures have been tailored to the risk level of the transactions involved. Since the materiality threshold envisaged under supervisory regulations is 5% of consolidated own funds, a lower threshold, equal to 5% of the individual own funds of the Bank, has been established to identify significant-value transactions of lesser importance for which the enhanced decision-making process should be activated.

In order to streamline the procedures for low-risk transactions, the Policy fully exempts certain operations from the decision-making and disclosure procedures, including the low-value transactions, transactions connected with guarantee interventions, the centralization agreements between the affiliate banks and the Parent Company and the intercompany service agreements governed by the Group rules if their value classifies them as being of lesser importance. Although the materiality threshold would be €1 million on the basis of the applicable legislation for all entities of the ICBG, lower thresholds have been set in relation to the type of company and the amount of own funds.

During the period, there were no transactions with connecting parties approved by the deliberating body despite an adverse opinion of the TCP Committee.

In order to strengthen the oversight of this type of transaction and ensure the continuous monitoring of developments and the total value of exposures in relation to the limits established by the Parent Company - on the occasion of the annual update of the Group Risk Appetite Statement - the scope of the indicators included therein was expanded by introducing, among others, an indicator measuring exposures to related parties and connected parties, operationally implemented at both a consolidated level and the individual level of the Group banks.

The results of the monitoring activities are included in the periodic reporting to the corporate bodies produced for RAF/RAS purposes on a quarterly basis.

As far as transactions with related parties are concerned, during the period no positions associated with atypical or unusual transactions whose significance or scale might have raised concerns about the integrity of the company's financial position were undertaken.

Part H – "Transactions with related parties" in the notes to the financial statements provides information on the remuneration paid to key management personnel and loans and guarantees granted, in compliance with Article 136 of the Consolidated Banking Act.

Disclosures on business continuity, financial risks, verification of impairment of assets and uncertainty in the use of estimates

As better specified in Part A of the Notes, these consolidated financial statements have been prepared on a going-concern basis. In this regard, the Directors are not aware of any significant uncertainties, events or conditions that could warrant serious concern about the Group's ability to continue to operate as a going concern in the foreseeable future.

For more information on financial risks, verification of impairment of assets and uncertainties in the use of estimates, please see the details provided in this report on operational performance and/or in the specific sections of the notes to the financial statements.

Main characteristics of the risk management and internal control systems with regard to the financial reporting process (Article 123-bis, paragraph 2, letter b) of the Consolidated Law on Financial Intermediation (TUF) and voluntary establishment of the Financial Reporting Officer (art. 154-bis of TUF)

The control activities and processes relating to the generation of the information required for the preparation of the financial reports are an integral part of the Group's general control system for managing risks. While noting that no internal control system can entirely eliminate the risks of error or fraud, but can only measure those risks and lessen the likelihood of occurrence and mitigate the effects, these features seek to provide a reasonable guarantee of the reliability, accuracy and timeliness of financial reporting.

The control system is based upon two primary guidelines:

- the information on transactions handled by different subsystems is entered in the accounting system. The line control processes are therefore incorporated either within IT and transaction management procedures or assigned to specially-formed units. Organizational procedures assign the duties of verifying the accounting records to the heads of the organizational units. Second-level controls are performed by the organizational unit responsible for managing the general accounts and preparing the annual and interim reports. Controls are performed daily, weekly or monthly depending upon the type and frequency of the transactions processed;
- the valuation components that have the greatest impact on the financial statements are delegated to specialized units. The data relating to the fair value of balance sheet items, in addition to those for hedging relationships and the related effectiveness tests, are supplied by specialized structures equipped with appropriate calculation tools. The data are then re-examined by the appropriate units of the Parent Company. Data concerning the classification and measurement of non-performing loans are provided by highly specialized, appropriately separated structures that operate on the basis of detailed procedures approved by the Board of Directors.

The annual consolidated and interim financial statements are audited by Forvis Mazars SpA which also conducted an accounting review pursuant to Article 14 of Legislative Decree 39/2010.

With the aim of further strengthening the control over the system of internal controls relevant on individual and consolidated financial reporting, Iccrea Banca voluntarily appointed the officer in charge of preparing corporate accounting documents (the Financial Reporting officer, FRO), a position introduced by Law 262/2005 and regulated by the Consolidated Finance Act. The FRO exercises governance, supervision and coordination functions over the entire corporate accounting and reporting process, and has the responsibility of controlling and documenting the procedures and of the Group internal and external communication.

With regard to the supervision and control functions, the FRO:

- certifies, together with the CEO, the appropriateness and the effective adoption of the administrative and accounting procedures for the preparation of the separate financial statements of the Parent Company Iccrea Banca and the consolidated financial statements, pursuant to Art. 154-bis TUF, paragraph 5, as well as that these documents are compliant with international accounting standards, correspond to the information in the books and other accounting records, and provide a true and fair representation of the financial position, financial performance and cash flows, and a reliable analysis of operations and performance, with a description of the main risks and uncertainties to which the Group is exposed;
- certifies, pursuant to the provisions of Article 154-bis, paragraph 5-ter, of the TUF, that the consolidated sustainability statement, included in the Report on Operations was prepared in compliance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council

of June 26, 2013 and Legislative Decree adopted in application of Art. 13 of Law 15 of February 21, 2024, and with the specifications adopted pursuant to Art. 8, paragraph 4, of Regulation (EU) 2020/852 of the European Parliament and of the Council, of June 18, 2020;

- certifies the conformity of the documents and communications disclosed to the market against documents results, books and accounting records, pursuant to art. 154-bis TUF, paragraph 2.

The affiliated mutual banks and direct scope companies carrying out compliance checks on operations and representing the first organizational control over the working the internal control system are involved proportionally, according to a risk-based approach.

With regard to the "Transparency Directive", the Parent Company has chosen Luxembourg as its home member state, as the majority of securities issues are concentrated on this stock exchange.

Outlook

The Group operates in an increasingly complex environment characterized by high and rising uncertainty and persistent geopolitical risks, where the adverse effects of the war in the Middle East continue to ripple through energy prices, inflation, market volatility, and economic weakness, while operational risks are mounting due to the rapid adoption of artificial intelligence, cyberattacks, and exposures to non-bank financial counterparties. These risks are rapidly and continuously evolving, and require constant vigilance.

Against this backdrop, the Group—which continues to operate from a position of strength, characterized by a solid capital base, strong liquidity, high-quality assets, and sustainable profitability—confirms the strategic importance of:

- initiatives to monitor and protect credit quality, to be pursued by further intensifying the management and recovery of positions with performance anomalies and continuing to sell portions of the non-performing portfolio, with the aim of further improving asset quality measures;
- actions aimed at ensuring sustainable growth and profitability in the medium term: support for profitability will continue to be provided by initiatives to increase commission margins, with the support of already established partnerships, and to contain costs, including through efficiency-enhancement initiatives already underway, as well as by progress in the streamlining of the branch network and the direct scope companies;
- maintaining its capital strength while offering the market the issuance of financial instruments designed to ensure compliance with MREL and liquidity requirements, with an adequate margin of safety.

ATTACHMENT 1 - RECONCILIATION OF EQUITY AND NET PROFIT OF THE PARENT COMPANY WITH GROUP EQUITY AND NET PROFIT

	SHARE CAPITAL	RESERVES	VALUTATION RESERVES	EQUITY INSTRUMENTS	NET PROFIT	SHAREHOLDERS' EQUITY
Iccrea Banca SpA Financial Statements	1,401,045	1,004,987	55,192	-	177,855	2,639,079
Financial statements of fully consolidated company	1,001,957	15,178,253	181,214	30,139	966,494	17,358,056
Financial statements of companies accounted for using equity method		73,535	189		14,565	88,289
Elimination of Group company dividends		87,702			(87,702)	-
Adjustment of intercompany writedowns (revaluations)		161,708			-	161,708
Goodwill		15,426			-	15,426
Other consolidation adjustments	(121,900)	(1,631,852)	(20,760)		(2,736)	(1,777,248)
Consolidated shareholders' equity	2,289,247	14,893,771	215,848	30,139	1,068,824	18,497,829
Non-controlling interests	8,145	4,012	13		348	12,518
Group shareholders' equity	2,281,102	14,889,759	215,835	30,139	1,068,476	18,485,311

ATTACHMENT 2 - ALTERNATIVE PERFORMANCE MEASURES

Pursuant to Article 16 of Regulation (EU) 1095/2010, the European Securities and Markets Authority (ESMA) has issued a series of guidelines on the criteria for the presentation of Alternative Performance Measures (APMs). APMs are defined as indicators of historical or future financial performance, financial position or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. The APMs are generally derived (or are based) on the financial statements prepared in accordance with the applicable financial reporting framework. This type of measure is included by European issuers in their regulated information, therefore including the Report on Operations, when these measures are not defined or provided for by the financial reporting framework. These guidelines are intended to promote the usefulness and transparency of the APMs, in such a way as to adopt a common approach to the use of these measures, with improvements in terms of comparability, reliability and understandability and consequent benefits for the users of financial information.

Measures published in application of prudential rules, including the measures specified in the Regulation and the Directive on capital requirements (CRR/CRD IV), physical or non-financial indicators, and social and environmental indicators are not strictly included in the definition of APM.

Iccrea Banca draws up its consolidated financial statements, in application of Legislative Decree 38 of February 28, 2005, in accordance with the IAS/IFRS accounting standards issued by the International Accounting Standards Board (IASB) and the related interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and endorsed by the European Commission, as established by Regulation (EC) no. 1606 of July 19, 2002, using the formats and rules envisaged by Circular no. 262 of December 22, 2005 "Bank financial statements: formats and rules of compilation" as detailed in Part A of the notes to the financial statements.

Iccrea Banca uses Alternative Performance Measures (APMs), determined in accordance with the aforementioned ESMA guidelines, with the aim of providing a faithful representation of the financial information disclosed to the market in terms of profit or loss, financial position and performance obtained, and which represent useful metrics for investors to facilitate their understanding of developments in performance and financial position.

In addition to being widely used in banking and finance, the APMs selected by Iccrea Banca are considered key factors by management in its decision-making at both the operational and strategic level.

The values for the measures can be reconciled with these financial statements for the purposes of the associated measures defined under the IFRS. For each published measure, the corresponding value for the comparative period is also provided, appropriately restated to ensure a uniform comparison where the restatement is necessary and of a material amount.

Note that the Alternative Performance Measures represent supplementary information with respect to the measures defined in the IFRS and are in no way a substitute for the latter.

Structural indicators

- Loans to customers: the aggregate includes loans to customers recognized as financial assets measured at amortized cost, net of exposures represented by securities.
- Total direct funding from ordinary customers: the aggregate includes outstanding debt securities, current accounts, deposits and other liabilities recognized as liabilities measured at amortized cost relating to funding from ordinary customers, with the exception of the sub-item financing.
- Net loans to customers at amortized cost/Total assets: the measure compares loans to customers at amortized cost with total balance sheet assets. For a definition of the "loans to customers" aggregate, please see the foregoing.
- Direct funding from customers/Total liabilities: the measure is the amount of total direct funding from ordinary customers as a proportion of total balance sheet liabilities. For a definition of "direct funding from customers" aggregate, please see the foregoing.
- Loan to deposit ratio: a measure of loans to customers at amortized cost as a proportion direct funding from customers, which includes amounts due to customers and outstanding securities, and provides summary information on liquidity.

Profitability measures

- ROE - Return On Equity: the measure is calculated as the ratio between net profit and shareholders' equity and expresses the profitability generated by available equity.
- ROTE - Return On Tangible Equity: the measure is calculated as the ratio between net profit and tangible equity.²⁶
- ROA - Return On Assets: the measure is calculated as the ratio between net profit and total assets and provides an indication of the profitability of company assets.
- Cost/Income Ratio: the measure is calculated as the ratio between operating costs and gross income and provides an indication of the efficiency of operations.

Risk measures

- Net bad loans/Loans to customers at amortized cost: the measure is calculated as the ratio between bad loans and total loans to customers. For a definition of the loans to customers aggregate, please see the foregoing.
- Impairment losses on bad loans/Gross bad loans: the measure is calculated as the ratio between total impairment losses accumulated on bad loans to customers and the amount of bad loans to customers, gross of the associated accumulated impairment losses. It provides an indication of the coverage level for bad loans. For a definition of the loans to customers aggregate, please see the foregoing.
- Net NPL Ratio (Net non-performing loans/Net loans to customers at amortized cost): the measure is calculated as the ratio between non-performing loans to customers net of the associated accumulated impairment losses and total net loans to customers. It provides an indication of the quality of the loan portfolio. For a definition of the loans to customers aggregate, please see the foregoing.
- Net UTP/Net loans to customers at amortized cost: the measure is calculated as the ratio between unlikely to pay loans to and total loans to customers. For a definition of the loans to customers aggregate, please see the foregoing.
- Impairment losses on gross UTP/UTP: the measure is calculated as the ratio between total accumulated impairment losses on unlikely to pay loans to customers and unlikely to pay loans to customers gross of the associated accumulated impairment losses. It provides an indication of the coverage level for unlikely to pay positions. For a definition of the loans to customers aggregate, please see the foregoing.
- Impairment losses on impaired past-due exposures/gross impaired past-due exposures: the measure is calculated as the ratio between total accumulated impairment losses on impaired past-due loans to customers and impaired past-due loans to customers gross of the associated accumulated impairment losses. It provides an indication of the coverage level for impaired past-due loans. For a definition of the loans to customers aggregate, please see the foregoing.
- Gross NPL Ratio (Gross non-performing loans/Gross loans to customers at amortized cost): the measure is calculated as the ratio between gross non-performing loans to customers and total gross loans to customers. It provides an indication of the quality of the loan portfolio. For a definition of the loans to customers aggregate, please see the foregoing.
- NPL Coverage (Accumulated impairment losses on non-performing loans/Gross non-performing loans to customers): the measure is calculated as the ratio between total accumulated impairment losses on loans to customers and non-performing loans to customers gross of the associated accumulated impairment losses. It provides an indication of the coverage level for non-performing loans to customers.
- Cost of risk (Net writedowns/writebacks) for credit risk/net loans to customers measured at amortized cost): the measure is calculated as the ratio between impairment losses for the year and the amount of loans to customers at the end for the year. It provides an indication of the impact of impairment losses on the portfolio during the year. For a definition of the loans to customers aggregate, please see the foregoing.

²⁶ Determined as the difference between the Group's book equity and intangible assets.

- Texas ratio: the ratio between gross non-performing loans to customers and the sum, in the denominator, of the related provisions and tangible equity.

GROUP FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

Assets	30/06/2026	31/12/2025
10. Cash and cash equivalents	1,160,791	1,703,492
20. Financial assets measured at fair value through profit or loss	1,596,184	1,540,230
a) financial assets held for trading	143,622	81,765
b) financial assets designated as at fair value	312,408	332,783
c) other financial assets mandatorily measured at fair value	1,140,154	1,125,682
30. Financial assets measured at fair value through other comprehensive income	8,853,592	7,443,125
40. Financial assets measured at amortized cost	152,307,394	148,120,749
a) due from banks	3,789,934	3,227,015
b) loans to customers	148,517,460	144,893,734
50. Hedging derivatives	898,185	1,071,800
60. Value adjustments of financial assets hedged generically (+/-)	(644,784)	(695,597)
70. Equity investments	274,695	310,306
90. Property, plant and equipment	2,292,389	2,340,620
100. Intangible assets	234,197	225,120
- of which goodwill	18,408	18,408
110. Tax assets	898,989	969,419
a) current	298,600	346,388
b) deferred	600,389	623,031
120. Non-current assets and disposal groups held for sale	7,018	9,245
130. Other assets	4,208,172	4,608,901
Total assets	172,086,822	167,647,410

Liabilities and shareholders' equity		30/06/2026	31/12/2025
10.	Financial liabilities measured at amortized cost	146,930,815	145,644,783
	a) due to banks	2,629,233	2,436,775
	b) due to customers	128,688,798	127,933,676
	c) securities issued	15,612,784	15,274,332
20.	Financial liabilities held for trading	77,053	45,633
30.	Financial liabilities designated as at fair value	63,527	67,763
40.	Hedging derivatives	415,811	245,123
60.	Tax liabilities	103,272	50,498
	a) current	71,667	9,725
	b) deferred	31,605	40,773
80.	Other liabilities	5,186,634	3,161,250
90.	Employee termination benefits	162,508	172,471
100.	Provisions for risks and charges	649,373	591,443
	a) commitments and guarantees issued	172,845	191,831
	c) other provisions for risk and charges	476,528	399,612
120.	Valuation reserves	215,835	248,192
140.	Equity instruments	30,139	30,139
150.	Reserves	16,136,318	14,399,624
160.	Share premium reserves	156,355	156,204
170.	Share capital	2,281,102	2,284,100
180.	Treasury shares (-)	(1,402,914)	(1,393,479)
190.	Non-controlling interests (+/-)	12,518	12,175
200.	Net profit (loss) for the period (+/-)	1,068,476	1,931,491
Total liabilities and shareholders' equity		172,086,822	167,647,410

CONSOLIDATED INCOME STATEMENT

		30/06/2026	30/06/2025
10.	Interest and similar income	2,837,239	2,878,327
	of which: interest income calculated using effective interest rate method	2,811,694	2,712,406
20.	Interest and similar expense	(731,100)	(864,843)
30.	Net interest income	2,106,139	2,013,484
40.	Fee and commission income	927,789	854,498
50.	Fee and commission expense	(161,154)	(141,154)
60.	Net fee and commission income (expense)	766,635	713,344
70.	Dividends and similar income	21,166	22,056
80.	Net gain (loss) on trading activities	12,424	25,952
90.	Net gain (loss) on hedging activities	(3,519)	4,689
100.	Net gain (loss) on the disposal or repurchase of:	92,357	61,750
	a) financial assets measured at amortized cost	81,613	45,610
	b) financial assets measured at fair value through other comprehensive income	10,813	15,976
	c) financial liabilities	(69)	164
110.	Net gain (loss) of other financial assets and liabilities measured at fair value through profit or loss	8,397	14,476
	a) financial assets and liabilities designated as at fair value	390	1,492
	b) other financial assets mandatorily measured at fair value	8,007	12,984
120.	Gross income	3,003,599	2,855,751
130.	Net losses/recoveries for credit risk in respect of:	(157,688)	(66,261)
	a) financial assets measured at amortized cost	(155,479)	(66,918)
	b) financial assets measured at fair value through other comprehensive income	(2,209)	657
140.	Gains/losses from contractual modifications without derecognition	(343)	(768)
150.	Net income (loss) from financial operations	2,845,568	2,788,722
180.	Net income (loss) from financial and insurance operations	2,845,568	2,788,722
190.	Administrative expenses:	(1,727,164)	(1,629,490)
	a) personnel expenses	(1,082,730)	(1,048,728)
	b) other administrative expenses	(644,434)	(580,762)
200.	Net provisions for risks and charges	16,580	827
	a) commitments and guarantees issued	18,732	7,927
	b) other net provisions	(2,152)	(7,100)
210.	Net adjustments of property, plant and equipment	(92,751)	(89,349)
220.	Net adjustments of intangible assets	(21,758)	(23,339)
230.	Other operating expenses/income	187,918	171,776
240.	Operating costs	(1,637,176)	(1,569,575)
250.	Profit (loss) from equity investments	116,652	7,206
260.	Net gain (loss) from valuation at fair value of property, plant and equipment and intangible assets	(5,654)	(4,233)
280.	Profit (loss) from disposal of investments	406	(270)
290.	Profit (loss) before tax on continuing operations	1,319,797	1,221,850
300.	Income tax expense from continuing operations	(250,972)	(211,376)
310.	Profit (loss) after tax on continuing operations	1,068,824	1,010,474
320.	Profit (loss) after tax on discontinued operations	-	42,965
330.	Net profit (loss) for the period	1,068,824	1,053,439
340.	Net profit (loss) for the period – non-controlling interests	348	426
350.	Net profit (loss) for the period – shareholders of the Parent Company	1,068,476	1,053,013

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

		30/06/2026	30/06/2025
10.	Net profit (loss) for the period	1,068,824	1,053,439
	Other comprehensive income net of taxes not recyclable to profit or loss	(8,510)	10,270
20.	Equity securities designated as at fair through other comprehensive income	(7,193)	8,000
30.	Financial liabilities designated at fair value through profit or loss (changes in the entity's own credit risk)	(133)	1,243
70.	Defined-benefit plans	(1,184)	1,027
	Other comprehensive income net of taxes recyclable to profit or loss	(21,427)	33,618
130.	Cash flow hedges	(8,601)	2,601
150.	Financial assets (other than equity investments) measured at fair value through other comprehensive income	(12,753)	34,675
170.	Share of valuation reserves of equity investments accounted for with equity method	(73)	(3,657)
200.	Total other comprehensive income net of taxes	(29,937)	43,888
210.	Comprehensive income (item 10 + 200)	1,038,887	1,097,327
220.	Consolidated comprehensive income - non-controlling interests	346	424
230.	Consolidated comprehensive income - shareholders of the Parent Company	1,038,541	1,096,903

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY AT JUNE 30, 2026

	As at 31/12/2025	Change in opening balance	As at 1/1/2026	Allocation of net profit of previous year		Change in the period										Comprehensive income at 30/6/2026	Equity at 30/6/2026	Equity attributable to shareholders of the Parent Company	Non-controlling interests
						Equity transactions													
				Reserves	Dividends and other allocations	Change in reserves	Issue of new shares	Purchase of treasury shares	Extraordinary dividends	Change in equity instruments	Derivatives on treasury shares	Stock options	Change in equity holdings						
Share capital:																			
- ordinary shares	2,292,245		2,292,245	3,193			7,793	(13,984)							2,289,247	2,281,102	8,145		
- other shares																			
Share premium reserve	157,580		157,580				151								157,731	156,355	1,376		
Reserves:																			
- earnings	14,432,863		14,432,863	1,725,556		11,494									16,169,913	16,167,274	2,639		
- other	(30,940)		(30,940)			(19)									(30,959)	(30,956)	(3)		
Valuation reserves	248,207		248,207			(2,422)							(29,937)		215,848	215,835	13		
Equity instruments	30,139		30,139												30,139	30,139			
Treasury shares	(1,393,479)		(1,393,479)				1,187	(10,622)							(1,402,914)	(1,402,914)			
Net profit (loss) for the period	1,931,831		1,931,831	(1,728,749)	(203,082)								1,068,824	1,068,824	1,068,476	348			
Total equity	17,668,446		17,668,446		(203,082)	9,053	9,131	(24,606)					1,038,887	18,497,829	18,485,311	12,518			
Equity - shareholders of Parent Company	17,656,271		17,656,271		(203,082)	9,056	9,131	(24,606)					1,038,541	18,485,311					
Equity - non-controlling interests	12,175		12,175			(3)		-					346	12,518					

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY AT JUNE 30, 2025

	As at 31/12/2024	Change in opening balance	Allocation of net profit of previous year		Change in the period								Equity at 30/6/2025	Equity attributable to shareholders of the Parent Company	Non-controlling interests
			Reserves	Dividends and other allocations	Change in reserves	Equity transactions									
						Issue of new shares	Purchase of treasury shares	Extraordinary dividends	Change in equity instruments	Derivatives on treasury shares	Stock options	Change in equity holdings			
		As at 1/1/2025										Comprehensive income at 30/6/2025			
Share capital:															
- ordinary shares	2,300,590	2,300,590	1,863			4,464	(10,433)						2,296,484	2,288,339	8,145
- other shares													-	-	-
Share premium reserve	156,000	156,000				490							156,490	155,114	1,376
Reserves:															
- earnings	12,577,292	12,577,292	1,836,015		19,188								14,432,495	14,430,195	2,300
- other	(30,710)	(30,710)			(142)								(30,852)	(30,852)	-
Valuation reserves	201,307	201,307			(296)							43,888	244,899	244,885	14
Equity instruments	30,139	30,139											30,139	30,139	
Treasury shares	(1,387,019)	(1,387,019)				1,429	(4,652)						(1,390,242)	(1,390,242)	
Net profit (loss) for the period	2,030,145	2,030,145	(1,837,878)	(192,267)								1,053,439	1,053,439	1,053,013	426
Total equity	15,877,745	15,877,745		(192,267)	18,750	6,383	(15,085)					1,097,328	16,792,852	16,780,591	12,261
Equity - shareholders of Parent Company	15,865,908	15,865,908		(192,267)	18,750	6,383	(15,085)					1,096,903	16,780,591		
Equity - non-controlling interests	11,837	11,837										424	12,261		

CONSOLIDATED STATEMENT OF CASH FLOWS: INDIRECT METHOD

	30/06/2026	30/06/2025
A. OPERATING ACTIVITIES		
1. Operations	1,317,180	1,190,885
- net profit (loss) for the period (+/-)	1,068,824	1,053,439
- gains (losses) on financial assets held for trading and on financial assets/liabilities at fair value through profit or loss(-/+)	19,450	(3,244)
- gains (losses) on hedging activities (-/+)	6,316	2,453
- net losses/recoveries on impairment (+/-)	142,549	40,873
- net adjustments of property, plant and equipment and intangible assets(+/-)	114,509	112,688
- net provisions for risks and charges and other costs/revenues (+/-)	(10,228)	402
- taxes, duties and tax credits to be settled (+/-)	(31,089)	(29,865)
- other adjustments (+/-)	6,849	14,139
2. Net cash flows from/used in financial assets	(5,404,496)	(3,384,805)
- financial assets held for trading	(85,780)	(36,202)
- financial assets designated as at fair value	20,376	5,839
- other assets mandatorily measured at fair value	(10,000)	(40,769)
- financial assets measured at fair value through other comprehensive income	(1,432,731)	(64,449)
- financial assets measured at amortized cost	(4,348,324)	(4,313,884)
- other assets	451,963	1,064,660
3. Net cash flows from/used in financial liabilities	3,649,610	230,082
- financial liabilities measured at amortized cost	1,286,032	(1,240,840)
- financial liabilities held for trading	31,420	(12,561)
- financial liabilities designated as at fair value	(4,235)	33,735
- other liabilities	2,336,393	1,449,748
Net cash flows from/used in operating activities	(437,706)	(1,963,838)
B. INVESTING ACTIVITIES		
1. Cash flow from	1,286,032	119,982
- sales of equity investments	146,209	-
- dividends on equity investments	21,166	501
- sales of property, plant and equipment	26,516	24,348
- sales of intangible assets	-	6
- sales of subsidiaries and business units	-	95,127
2. Cash flow used in	(86,370)	(184,665)
- purchases of property, plant and equipment	(56,189)	(157,977)
- purchases of intangible assets	(30,181)	(26,688)
Net cash flows from/used in investing activities	107,522	(64,682)
C. FINANCING ACTIVITIES		
- issues/purchases of own shares	(9,435)	(5,968)
- dividend distribution and other	(203,082)	(192,267)
Net cash flows from/used in investing activities	(212,517)	(198,235)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	(542,701)	(2,226,756)

Key
(+) generated
(-) absorbed

RECONCILIATION

	30/06/2026	30/06/2025
Cash and cash equivalents at beginning of period	1,703,492	3,316,821
Net increase/decrease in cash and cash equivalents	(542,701)	(2,226,756)
Cash and cash equivalents at end of period	1,160,791	1,090,065

NOTES TO THE FINANCIAL STATEMENTS

PART A - ACCOUNTING POLICIES

A.1 – GENERAL INFORMATION

SECTION 1 – DECLARATION OF CONFORMITY WITH INTERNATIONAL ACCOUNTING STANDARDS

In compliance with the provisions of Legislative Decree 38 of February 28, 2005, the interim consolidated financial statements of the Iccrea Cooperative Banking Group have been prepared in condensed form and in accordance with the recognition and measurement criteria of the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), and the related interpretations of the International Financial Reporting Interpretations Committee (IFRS - IC), endorsed by the European Commission and in force as of the reporting date.

The IASs/IFRSs have also been applied in accordance with the “Conceptual Framework for Financial Reporting” (the Framework), with particular regard to the key principle of the prevalence of substance over form, as well as the concepts of relevance and materiality of information.

These interim consolidated financial statements were prepared using the same accounting standards as those used for the consolidated financial statements at December 31, 2025, supplemented by the amendments to IFRS 9 and IFRS 7 effective from January 1, 2026, described below.

These interim consolidated financial statements comply with the provisions of IAS 34 *Interim Financial Reporting*, which requires less extensive disclosure than that provided in the annual financial statements. They have been prepared using the format and main schedules provided for in Circular no. 262 of December 22, 2005 “Bank financial statements: formats and rules of preparation”– 8th update of November 17, 2022 – including, where required, the new disclosures provided for by the amendments to IFRS 9 and IFRS 7.

The following table sets out the new international accounting standards and amendments to existing accounting standards, with the related endorsement regulations of the European Commission, that took effect, either on a mandatory basis or with the option of early adoption, as from January 1, 2026.

ENDORSEMENT REGULATION	IAS/IFRS AND SHORT DESCRIPTION	ENTRY INTO FORCE
1047/2025	Amendments to IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments The amendments primarily regard: - the derecognition of a financial liability settled through electronic transfer; - the classification of financial assets, with specific regard to those with variable returns linked to environmental, social and corporate governance (ESG) objectives and the criteria to adopt in the assessment of the SPPI test; - the disclosure requirements for investments in equity instruments designated as at FVOCI.	Annual reporting periods beginning on or after January 1, 2026
1266/2025	Amendments to IFRS 9 and IFRS 7 Contracts referencing nature-dependent electricity The amendments include: - a clarification on the application of the “own use exception” to this type of contracts; - the criteria permitting hedge accounting if these contracts are used as hedging instruments; and - new disclosure requirements to help users understand the effects of such contracts on the entity's cash flows and financial performance.	Annual reporting periods beginning on or after January 1, 2026
1331/2025	Annual improvements to IFRS – Volume 11 The document includes clarifications, simplifications, corrections and changes aimed at improving the consistency of several IFRS Accounting Standards. The amended principles are: - IFRS 1 First-time Adoption of International Financial Reporting Standards; - IFRS 7 Financial Instruments: Disclosures and related guidance on the implementation of IFRS 7; - IFRS 9 Financial Instruments; - IFRS 10 Consolidated Financial Statements; - IAS 7 Statement of Cash Flows.	Annual reporting periods beginning on January 1, 2026. Early application is permitted.

The amendments provided for in the endorsed regulation did not have a material impact on the financial position or performance of the Group.

More specifically, with Commission Regulation (EU) 2025/1047 Amendments to IFRS 9 and IFRS 7: Amendments to

the Classification and Measurement of Financial Instruments, the European Commission endorsed the document issued by the IASB. This document introduces amendments regarding the following key areas (categorized by the standard being amended), in response to certain issues raised with the IFRS Interpretations Committee and matters that emerged during the post-implementation review of the classification and measurement requirements of IFRS 9:

IFRS 9

1. derecognition of financial liabilities;
2. classification of financial assets:
 - elements of interest in basic lending arrangements ("solely payments of principal and interest assessment –SPPI test");
 - contractual terms that change the timing or amount of contractual cash flows;
 - financial assets with non-recourse features;
 - investments in multiple contractually linked instruments.

IFRS 7

Disclosure requirements in respect of:

- a) investments in equity instruments designated at fair value through other comprehensive income;
- b) contractual terms that change the timing or amount of contractual cash flows.

The amendments to IFRS 9 referred to in point 1 set out the requirements relating to the date of initial recognition or derecognition of financial assets and financial liabilities, specifying —among other things—that financial liabilities must be derecognized on the settlement date. Financial liabilities settled in cash via an electronic payment system may, however, be derecognized prior to the settlement date, subject to the adoption of a specific accounting policy and the fulfillment of certain conditions. An entity electing to apply this option is required to apply it to all settlements made through the same electronic payment system. When considering the liability settled through the exercise of the above option, the right to the cash used to settle that liability must also be deemed to have lapsed once it is no longer materially possible to access that cash. The Group has not elected to apply this option.

The above amendments do not impact on the Group's consolidated financial statements.

The main amendments to IFRS 9 referred to in point 2 clarify the classification of financial assets with environmental, social, and governance (ESG)-linked and similar features, whose returns vary based on the achievement of specific targets (such as, for example, ESG-related targets).

More specifically, in respect of instruments with ESG-linked and similar features, the amendments clarify the provisions applying to elements of interest in a basic lending arrangement and contractual terms that change the timing or amount of contractual cash flows.

As regard the scope of letter a), provided that the interest recognized in a contract may also include consideration for other basic lending risks and costs associated with holding the financial asset for a particular period of time, as well as a profit margin consistent with a basic lending arrangement, the amendments clarify that:

- the assessment of the interest must focus on what the entity is being compensated for, rather than how much compensation it receives;
- the amount of compensation an entity receives may indicate that it is being compensated for something other than basic lending risks and costs;
- contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost or if they represent a share of the debtor's revenue or profit, even if such contractual terms are common in the market in which the entity operates.

As regard the scope of letter b), the amendment specifies that, to determine whether the contractual cash flows that could arise over the life of the instrument are SPPI, the entity is required to assess the contractual cash flows that could arise both before and after the change in the contractual cash flows, regardless of the likelihood of such a change taking place and across all contractually possible scenarios.

These amendments have been incorporated into the procedures used to conduct the SPPI test for debt securities.

An assessment of the new test execution methods applied to securities held as of December 31, 2025, and June 30, 2026, show no impact on their classification and measurement. More generally, no impacts arising from the application of the aforementioned amendments on the Group's consolidated financial position as of June 30, 2026, have been identified, as there are no credit exposures with ESG-linked contingent clauses as of that date.

With regard to financial assets with “non-recourse” features, in the Basis for Conclusions to the amendments, the IASB clarifies the distinction between non-recourse financial assets and financial assets where the creditor's claim is secured by assets pledged as collateral: for a loan to be considered non-recourse, the limitation on the cash flows the creditor may receive must be based on a contractual restriction rather than a purely economic one. Such a limitation may also be established through a combination of contracts, as in the case of a loan to a structured entity. Conversely, in the case of a secured loan, the creditor's claim is covered by the collateral only in the event of default; over the life of the loan, the creditor may seek repayment from the debtor.

As the Group did not previously assessed the non-recourse features of financial assets based on economic constraints or implicit terms, no impacts arise from the application of the amendments.

As regards investments in contractually linked instruments (CLI), the amendments confirm the need to carry out the assessment of the underlying pool of instruments of structured financing agreements to provide greater credit protection to a creditor or group of creditors, where:

- the priority of payments to tranche holders is established with a waterfall payment structure;
- the payment structure creates concentrations of credit risk and translates into a disproportionate allocation of losses of the underlying pool between tranches.

The above amendments do not significantly impact the Group's consolidated financial statements.

The amendments to IFRS 7 regarding investments in equity instruments designated at fair value through other comprehensive income (OCI) require the disclosure of fair value gains or losses recognized in other comprehensive income during the period, presented separately for each class of investment:

- the fair value gain or loss related to investments derecognized during the reporting period;
- the fair value gain or loss related to investments held at the end of the reporting period.

As regards contractual terms that may change the timing or amount of contractual cash flows, the amendments to IFRS 7 require the disclosure of:

- a qualitative description of the nature of the contingent event
- quantitative information about the possible changes to contractual cash flows that could result from those contractual terms;
- the gross carrying amount of financial assets and the amortized cost of financial liabilities subject to those contractual terms.²⁷

²⁷ These disclosure requirements, together with those introduced by IFRS 18 coming into force on January 1, 2027, have been incorporated in the 9th update of Circular no. 262/2005 of the Bank of Italy “Bank financial statements: formats and rules of preparation”, issued in August 2026,

The following table reports new international accounting standards and amendments to existing standards issued by the IASB that have not yet entered force:

ENDORSEMENT REGULATION	IAS/IFRS AND SHORT DESCRIPTION	ENTRY INTO FORCE
338/2026	IFRS 18 Presentation and Disclosure in Financial Statements IFRS 18 replaces IAS 1 Presentation of Financial Statements. IFRS 18 sets out specific principles for aggregating and disaggregating financial statement information and which of these must be provided in the schedules or in the notes. In particular: - it requires assets, liabilities, equity, income, expenses or cash flows to be classified into items based on shared characteristics and, otherwise, to disaggregate financial statement items if the disclosure resulting from the disaggregation is material; - it allows an item to be labeled as “other” only if a more informative label is not available. In the case of the aggregation of several material items, the entity shall use a label that describes the aggregated item as precisely as possible, for example, “other operating expenses” or “other finance expenses”; - it requires the presentation of “additional line items” and “additional subtotals” (for example, after operating profit) when such items are necessary to provide a “useful structured summary” in the income statement”.	Annual reporting periods beginning on or after January 1, 2027
To be determined	IFRS 19 Subsidiaries without Public Accountability: Disclosures IFRS 19 permits entities that do not have public accountability and are subsidiaries of a parent company producing financial statements complying with the IFRS to apply IFRS with reduced disclosure requirements.	Annual reporting periods beginning on or after January 1, 2027
To be determined	Amendments to IAS 21 Effects of changes in exchange rates - Translation to a Hyperinflationary Presentation Currency The amendments define translation procedures in the event that the presentation currency is the currency of an hyperinflationary economy. The amendments may result in updates to IFRS 19 and IAS 29.	Annual reporting periods beginning on or after January 1, 2027
To be determined	IFRS 20 Regulatory Assets and Regulatory Liabilities The new standard regards entities that are subject to specific type of rate regulation (such as providers of essential services such as electricity, water, and gas) and intends to help investors better understand how such regulation affects the company's performance, financial position, and future cash flow prospects, reducing the inconsistency of accounting practices and improving comparability among companies operating in regulated sectors.	Annual reporting periods beginning on January 1, 2029. Early application is permitted.

At June 30, 2026, the possible impact on the financial position and performance of the Group of rules issued by the IASB that have not yet entered force is being assessed.

SECTION 2: GENERAL PREPARATION PRINCIPLES

These interim consolidated financial statements, prepared in condensed form as permitted by IAS 34, consist of the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows, the notes to the financial statements and associated comparative information, along with the Report on Operations and the performance and financial position of the Iccrea Cooperative Banking Group.

In compliance with Article 5 of Legislative Decree 38/2005, the financial statements use the euro as the reporting currency.

Unless otherwise specified, the figures in the financial statements and the explanatory notes are expressed in thousands of euros.

The financial statements have been prepared in accordance with the general principles set out in IAS 1 “Presentation of Financial Statements” and the accounting standards endorsed by the European Commission and described in Part A.2 of these explanatory notes, as well as the general assumptions set out in the Conceptual Framework for Financial Reporting issued by the IASB. No exceptions have been made in applying the IASs/IFRSs.

The financial statements also comply with the following general principles of preparation:

- accrual basis accounting;
- understandability of information;
- materiality of information (relevance);
- reliability of information (faithful representation; prevalence of economic substance over legal form; neutrality of information; completeness of information; prudence in estimation to avoid overestimating revenues/assets or underestimating costs/liabilities);
- comparability over time.

In compliance with the provisions of IAS 1, these interim consolidated financial statements have been prepared on a going-concern basis.

In this regard, the Management is not aware of any significant uncertainties, events or conditions that could warrant serious concern about the Group’s ability to continue to operate as a going concern in the foreseeable future, taking particular account of the system of cross-guarantees on which the Cooperative Banking Group is based, for which a discussion is provided in the Report on Operations.

In assessing the validity of the going-concern assumption, the Management also considered the prevailing macroeconomic and financial framework, which is characterized by persistent uncertainty linked to the evolution of the international geopolitical environment. The uncertainties resulting from the current economic environment, although likely to impact the financial statements, do not undermine the going-concern assumption.

In light of these elements and assessments, the Group has a reasonable expectation of continuing to operate as a going concern for the foreseeable future and has therefore prepared the financial statements at June 30, 2026 on the going-concern basis.

Content of the financial statements and the explanatory notes

Balance sheet and income statement

The balance sheet and the income statement contain items, sub-items and further information (the “of which” for items and sub-items). Items without values for the reference period and the previous period are not included. In the income statement, revenues are shown without indicating their sign, while cost figures are shown within parentheses.

Statement of comprehensive income

The items concerning other comprehensive income after taxes in the statement of comprehensive income report changes in the value of assets recognized in the valuation reserves. Items without balances for the period and for the previous period are not reported. Negative amounts are presented within parentheses.

Statement of changes in equity

The statement of changes in equity shows the composition and movements of equity accounts during the reference period and the previous period, broken down by share capital (ordinary and savings shares), earnings reserves, capital reserves and valuation reserves for assets or liabilities, equity instruments and the net profit (loss) for the period. The value of any treasury shares is deducted from equity.

Statement of cash flows

The statements of cash flows for the present period and the previous period were prepared using the indirect method, under which cash flows from operating activities are represented by the profit (loss) for the period, adjusted for the impact of non-monetary transactions. Cash flows are broken down into cash flows from/used in operating activities, investing activities and financing activities. Cash flows generated during the period are shown without a sign, while those used are shown within parentheses.

Content of the notes to the financial statements

The explanatory notes to the financial statements include the information required by international accounting standards, in particular IAS 34 Interim Financial Reporting, using the tables provided for in Bank of Italy Circular no. 262/2005 – 8th update of November 17, 2022.

SECTION 3 – SCOPE AND METHODS OF CONSOLIDATION

The scope of consolidation of the Iccrea Cooperative Banking Group includes:

- the financial statements of Iccrea Banca SpA in its capacity as Parent Company and Central Body;
- the financial statements of the mutual banks, which together with Iccrea Banca SpA comprise the Consolidating Entity;
- the financial statements of the companies over which, in application of IFRS 10, IFRS 11 and IAS 28, Iccrea Banca and the affiliated mutual banks exercise control, joint control or significant influence.

Please see “Assessments and significant assumptions in determining the scope of consolidation” in section 2 below for a discussion of the assumptions underlying the determination of the scope of consolidation and the associated consolidation methods.

The following table reports the companies included in the scope of consolidation of the Iccrea Cooperative Banking Group.

1. COMPANIES CONSOLIDATED ON A LINE-BY-LINE BASIS

		Headquarters	Type of relationship (A)	Equity investment		% share of votes (B)
				Investor	% holding	
A. Consolidated on a line-by-line basis						
1	Iccrea Banca SpA	Rome				
2	BCC di Bari e Taranto SC	Bari				
3	Banca dell'Elba - Credito Cooperativo SC	Portoferraio				
4	Credito Cooperativo Mediocrati SC	Rende				
5	Banca di Credito Cooperativo Magna Grecia – Società Cooperativa	Vallo della Lucania				
6	Credito Cooperativo Romagnolo - BCC di Cesena E Gatteo - SC	Cesena				
7	Emil Banca - Credito Cooperativo SC	Bologna				
8	Banca Cremasca e Mantovana - Credito Cooperativo SC	Crema				
9	Banca della Marca Credito Cooperativo SC	Orsago				
10	Credito Cooperativo Friuli (CrediFriuli) SC	Udine				
11	BCC dell'Adriatico Teramano SC	Atri				
12	Banca di Credito Cooperativo della Calabria Ulteriore - Società Cooperativa	Crotone				
13	BCC di Cagliari SC	Cagliari				
14	Banca di Andria Di Credito Cooperativo SC	Andria				
15	BCC Agrigentino SC	Agrigento				
16	BCC di Napoli SC	Naples				
17	BCC di Putignano SC	Putignano				
18	Banca di Ancona e Falconara Marittima Credito Cooperativo SC	Ancona				
19	BCC di Montepaone SC	Montepaone				
20	BCC di Basciano SC	Basciano				
21	BCC della Valle del Trigno SC	San Salvo				
22	Valpolicella Benaco Banca Credito Cooperativo SC	Costermano Sul Garda				
23	Banca Veronese Credito Cooperativo di Concamarise SC	Bovolone				
24	Banca Centropadana Credito Cooperativo SC	Lodi				
25	Banco Fiorentino - Mugello Impruneta Signa - Credito Cooperativo SC	Firenzuola				
26	BCC di Roma SC	Rome				
27	BCC Brianza e Laghi SC	Lesmo				
28	BCC di Altofonte e Caccamo SC	Altofonte				
29	Banca di Anghiari E Stia - Credito Cooperativo SC	Anghiari				
30	BCC di Avetrana SC	Avetrana				
31	BCC Pordenonese e Monsile SC	Azzano Decimo				
32	Banca di Pescia e Cascina - Credito Cooperativo SC	Pescia				
33	BCC di Arborea SC	Arborea				
34	BCC Campania Centro - Cassa Rurale e Artigiana SC	Battipaglia				
35	BCC di Bellegra SC	Bellegra				
36	Cassa Rurale e Artigiana di Binasco - Credito Cooperativo SC	Binasco				

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37	Banca delle Terre Venete Credito Cooperativo SC	Vedelago				
	Headquarters	Type of relationship (A)	Equity investment Investor	% holding	% share of votes (B)	
38	BCC di Busto Garolfo e Buguggiate SC	Busto Garolfo				
39	Cassa Rurale e Artigiana di Cantù BCC SC	Cantù				
40	BCC di Capaccio Paestum e Serino S.C	Capaccio Paestum				
41	BCC Abruzzese - Cappelle Sul Tavo SC	Cappelle Sul Tavo				
42	BCC del Basso Sebino SC	Capriolo				
43	BCC di Carate Brianza e Treviglio SC	Carate Brianza				
44	Credito Cooperativo Di Caravaggio Adda e Crema SC - Cassa Rurale SC	Caravaggio				
45	BCC di Terra D'Otranto SC	Carmiano				
46	Banca Alpi Marittime Credito Cooperativo Carrù SC	Carrù				
47	BCC di Venezia, Padova E Rovigo - Banca Annia SC	Cartura				
48	BCC di Milano SC	Carugate				
49	Credito Padano Banca di Credito Cooperativo SC	Cremona				
50	Banca dei Sibillini - Credito Cooperativo Di Casavecchia SC	Pieve Torina				
51	Credito Cooperativo Valdarno Fiorentino Banca di Cascia SC	Reggello				
52	Cassa Rurale e Artigiana di Castellana Grotte Credito Cooperativo SC	Castellana Grotte				
53	BCC di Castiglione Messer Raimondo e Pianella SC	Castiglione Messer Raimondo				
54	Banca del Piceno Credito Cooperativo SC	Acquaviva Picena				
55	BCC dell'Oglio e Del Serio SC	Calcio				
56	Banca della Valsassina Credito Cooperativo SC	Cremeno				
57	BCC di Fano SC	Fano				
58	BCC di Alba, Langhe, Roero e Del Canavese SC	Alba				
59	Credito Cooperativo Cassa Rurale Ed Artigiana Di Erchie SC	Erchie				
60	Credito Cooperativo Ravennate, Forlivese E Imolese SC	Faenza				
61	Banca di Filottrano - Credito Cooperativo di Filottrano e Camerano SC	Filottrano				
62	BCC di Gaudiano Di Lavello SC	Lavello				
63	Banca di Pisa e Fornacette Credito Cooperativo SC	Pisa				
64	BCC di Gambatesa SC	Gambatesa				
65	BCC Agrobresciano SC	Ghedi				
66	BCC Basilicata - Credito Cooperativo Di Laurenzana e Comuni Lucani SC	Laurenzana				
67	BCC Valle Del Torto SC	Lercara Friddi				
68	BCC di Leverano SC	Leverano				
69	BCC di Canosa - Loconia SC	Canosa Di Puglia				
70	BCC di Lezzeno SC	Lezzeno				
71	Chiantibanca - Credito Cooperativo SC	Monteriggioni				
72	BCC del Garda - BCC Colli Morenici Del Garda SC	Montichiari				
73	BCC di Mozzanica SC	Mozzanica				
74	BCC di Marina Di Ginosa SC	Ginosa				
75	BCC del Metauro SC	Terre Roveresche				
76	BCC di Ostra e Morro D'alba SC	Ostra				
77	BCC di Ostra Vetere SC	Ostra Vetere				
78	BCC di Ostuni SC	Ostuni				
79	BCC di Pachino SC	Pachino				
80	Banca di Udine Credito Cooperativo SC	Udine				
81	Credito Cooperativo Cassa Rurale e Artigiana di Paliano SC	Paliano				
82	Banca Versilia Lunigiana e Garfagnana - Credito Cooperativo SC	Pietrasanta				
83	BCC di Pergola e Corinaldo SC	Pergola				
84	BCC Vicentino - Pojana Maggiore SC	Pojana Maggiore				
85	BCC di Pontassieve SC	Pontassieve				
86	BCC di Pratola Peligna SC	Pratola Peligna				
87	Centromarca Banca - Credito Cooperativo di Treviso e Venezia, SC	Treviso				
88	BCC di Recanati e Colmurano SC	Recanati				
89	Banca di Ripatransone e Del Fermano - Credito Cooperativo SC	Ripatransone				
90	Cassa Rurale e Artigiana di Rivarolo Mantovano Credito Cooperativo SC	Rivarolo Mantovano				
91	BCC della Provincia Romana SC	Riano				
92	BCC Veneta - Credito Cooperativo SC	Fara Vicentino				
93	Banca del Valdarno - Credito Cooperativo SC	San Giovanni Valdarno				

PART A - ACCOUNTING POLICIES

94	Banca di Pesaro Credito Cooperativo SC	Pesaro				
		Headquarters	Type of relationship (A)	Equity investment Investor	% holding	% share of votes (B)
95	BCC di Santeramo In Colle SC	Santeramo In Colle				
96	Banca TEMA - Terre Etrusche di Valdichiana e di Maremma SC	Chiusi				
97	BCC di Scafati e Cetara SC	Scafati				
98	BCC Appulo Lucana SC	Spinazzola				
99	BCC di Staranzano e Villesse SC	Staranzano				
100	Banca Centro Credito Cooperativo Toscana - Umbria SC	Sovicille				
101	BCC di Triuggio e della Valle del Lambro SC	Triuggio				
102	BCC della Valle del Fitalia SC	Longi				
103	Banca Alta Toscana Credito Cooperativo SC	Quarrata				
104	BCC Bergamasca e Orobia SC	Cologno Al Serio				
105	Banca Don Rizzo - Credito Cooperativo della Sicilia Occidentale SC	Alcamo				
106	BCC dei Colli Albani e Nettuno SC	Genzano di Roma				
107	BCC G. Toniolo di San Cataldo SC	San Cataldo				
108	Banca San Francesco Credito Cooperativo SC	Canicatti				
109	BCC delle Madonie SC	Petralia Sottana				
110	BCC Terra Di Lavoro - S. Vincenzo De' Paoli SC	Casagiove				
111	BCC degli Ulivi - Terra di Bari SC	Palo Del Colle				
112	RivieraBanca Credito Cooperativo di Rimini e Gradara SC	Rimini				
113	BCC di San Marco Dei Cavoti e Del Sannio - Calvi SC	San Marco Dei Cavoti				
114	BCC Risparmio&Previdenza SGrpA	Milan	1	Iccrea Banca SpA	100.0	100.0
115	BCC Leasing SpA	Rome	1	Iccrea Banca SpA	100.0	100.0
116	BCC Factoring SpA	Rome	1	Iccrea Banca SpA	100.0	100.0
117	BCC Financing SpA	Udine	1	Iccrea Banca SpA	100.0	100.0
118	BCC Gestione Crediti SpA	Rome	1	Iccrea Banca SpA	100.0	100.0
119	BCC Sinergia SpA	Rome	1	Iccrea Banca SpA	100.0	100.0
120	BCC Beni Immobili Srl	Rome	1	Iccrea Banca SpA	100.0	100.0
121	BCC Rent&Lease SpA	Rome	1	Iccrea Banca SpA	100.0	100.0
122	BCC CreditoConsumo SpA	Rome	1	Iccrea Banca SpA	100.0	100.0
123	BCC Sistemi Informatici SpA	Milan	1	Iccrea Banca SpA	90.0	90.0
124	BCC Servizi Assicurativi S.r.l.	Milan	1	Iccrea Banca SpA	100.0	100.0
125	Fondo Securis Real Estate	Rome	4	Iccrea Banca SpA	78.0	78.0
				BCC Brianza e Laghi SC	1.2	1.2
126	Fondo Securis Real Estate II	Rome	4	Iccrea Banca SpA	84.8	84.8
127	Fondo Securis Real Estate III	Rome	4	Iccrea Banca SpA	79.5	79.5
128	Fondo Sistema BCC	Rome	4	BCC di Milano SC	44.4	44.4
				Credito Cooperativo Di Caravaggio Adda e Cremasco - Cassa Rurale SC	8.9	8.9
				BCC del Garda - BCC Colli Morenici Del Garda SC	29.4	29.4
				BCC di San Marco Dei Cavoti e Del Sannio - Calvi SC	10.6	10.6
129	Asset Bancari V	Rome	4	BCC di Milano SC	16.0	16.0
				Banca di Anghiari e Stia - Credito Cooperativo SC	16.0	16.0
				BCC del Garda - BCC Colli Morenici Del Garda SC	19.3	19.3
				Cassa Rurale e Artigiana di Binasco - Credito Cooperativo SC	4.0	4.0
				Credito Padano Banca di Credito Cooperativo SC	11.3	11.3
				Banca Cremasca e Mantovana - Credito Cooperativo SC	26.0	26.0

Key:

A) Type of relationship: 1= majority of voting rights in ordinary shareholders' meeting; 4 = other forms of control.

B) Votes available in ordinary shareholders' meeting.

Compared with December 31, 2025, changes in the consolidation scope exclusively reflect the merger of BCC di Nettuno into BCC di Colli Albani establishing BCC di Colli Albani e Nettuno, with accounting effect as from January 1, 2026.

2. ASSESSMENTS AND SIGNIFICANT ASSUMPTIONS IN DETERMINING THE SCOPE OF CONSOLIDATION

Introduction

The concept of cooperative banking group was introduced into Italian law with Decree Law 18 of February 14, 2016, ratified with amendments with Law 49 of April 8, 2016, which amended Legislative Decree 385/1993 (the Consolidated Banking Act) with the introduction of Article 37-bis establishing, among other things, that the Parent Company shall exercise management and coordination activities “on the basis of a Cohesion Contract that ensures the existence of control as defined by the international accounting standards adopted by the European Union.

From the point of view of the associated regulation, the provisions of Bank of Italy Circular 285 containing supervisory provisions for banks implement Articles 37-bis and 37-ter of the Consolidated Banking Act concerning the cooperative banking group. They govern the prudential and supervisory requirements to be met by the parent company, the minimum content of the Cohesion Contract, the characteristics of the joint and several guarantee system and the requirements of membership in the group. The cooperative banking group is based on the management and coordination powers of the parent company, defined in the Cohesion Contract agreed between the latter and the affiliated mutual banks, which are intended to ensure the unity of strategic direction and the control system as well as compliance with the prudential provisions applicable to the Group and its members, including by way of measures issued by the Parent Company that are binding on the affiliated banks”.

A cooperative banking group, as defined in Bank of Italy Circular 285, is a group of entities affiliated to a central body pursuant to Article 10 of Regulation (EU) no. 575/2013 (the CRR), with the simultaneous presence of a mutual guarantee system. In particular, the definition of Central Body, defined in Article 2, paragraph 4, letter a) of Directive 77/780/EEC, establishes that:

- the commitments of the central body and the affiliated institutions are joint and several liabilities;
- the solvency and liquidity of all the affiliated institutions are monitored as a whole on the basis of consolidated accounts.

From the point of view of financial reporting regulations, Law 145 of December 30, 2018 concerning the “State budget for the 2019 fiscal year and the multi-year budget for the 2019-2021 period” (the 2019 Budget Act) amended Legislative Decree 136/2015 “Implementation of Directive 2013/34/EU on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings”, with the introduction of Article 2, paragraph 2, letter b) of Directive 86/635/EEC, which governs the consolidated accounts of central bodies.

In particular, Article 1072 of Law 145 of December 30, 2018 amended Article 38 of Legislative Decree 136/2015 with the following paragraph 2-bis: “In the case of cooperative banking groups pursuant to Article 37-bis of Legislative Decree 385 of September 1, 1993, the parent company and the mutual banks affiliated to it by virtue of the Cohesion Contract shall constitute a single consolidating entity”.

The single consolidating entity represents the community of interests created by the system of cross-guarantees in the context of the Cohesion Contract, aimed at ensuring the financial and governance unity of the Group as a whole.

The explanatory report to the 2019 Budget Act (*Legge di bilancio 2019. Le modifiche approvate dal Senato della Repubblica, 23 dicembre 2018*) summarizes the effects of the aforementioned regulatory change as follows:

- “for the purposes of preparing the consolidated financial statements, the parent company and the banks belonging to the cooperative banking group shall constitute a single consolidating entity”;
- “in the preparation of the consolidated financial statements, the accounting items pertaining to the Parent Company and the affiliated banks shall be recognized on a consistent basis;

The regulatory changes introduced in the Italian legal system are consistent with the position expressed by the European Commission in 2006 regarding the adoption of international accounting standards, according to which the obligation to draw up the consolidated financial statements must be determined in accordance with the provisions of the national legislation transposing European directives²⁸ notwithstanding the provisions of those accounting standards.

An authoritative option has been issued on the consolidation of the financial statements of cooperative banking

²⁸ European Commission, Agenda Paper for the Meeting of the Accounting Regulatory Committee on 24th November 2006, paragraph 4.3. [... the determination of whether or not a company is required to prepare consolidated accounts will continue to be made by reference to national law transposed from the Seventh Council Directive”].

groups in application of the regulatory and financial reporting provisions described above.

Taking account of the foregoing and, in particular:

- the provisions introduced with the 2019 Budget Act that specify the procedures for complying with consolidation requirements in the case of groups of banks affiliated to a central body;
- the provisions of the Consolidated Banking Act, which are important in defining the governance powers of the central body over the affiliated mutual banks, defined in the Cohesion Contract;
- that the 2019 Budget Act, in introducing paragraph 2-bis of Article 38 of Legislative Decree 136/2015 (in implementation of Directive 86/635) as a special rule, prevails and specifies the generic reference of Article 37 bis, paragraph 1 of the Consolidated Banking Act to control for the purposes of the accounting standards.

the consolidated financial statements of the Iccrea Cooperative Banking Group have been prepared on the basis of the following procedures:

- the entity required to draw up the consolidated financial statements is represented by the aggregation of the central body and the affiliated mutual banks (hereinafter the “consolidating entity”);
- in the consolidated financial statements, the accounting entries of the Parent Company and the affiliated mutual banks are recorded at the same values;
- in the consolidated financial statements, the accounting entries of the Parent Company and the affiliated mutual banks are recorded at the existing value reported in the individual financial statements;
- the provisions of IFRS 10 are applied for the purpose of identifying the scope of consolidation of the consolidating entity (subsidiaries of the Parent Company and the affiliated mutual banks);
- IFRS 3 is applicable only for any business combinations between the single consolidating entity and third parties;
- balance sheet and income statement positions between companies included in the scope of consolidation are eliminated in full;
- Parent Company shares held by the affiliated mutual banks are eliminated in full and accounted for as treasury shares of the consolidating entity.

Scope and methods of consolidation

In view of the foregoing, the scope of consolidation of the Iccrea Cooperative Banking Group includes:

- the financial statements of Iccrea Banca SpA in its capacity as Parent Company and Central Body;
- the financial statements of the 112 affiliated mutual banks, which together with Iccrea Banca SpA comprise the Consolidating Entity;
- the financial statements of the companies over which, in application of IFRS 10, IFRS 11 and IAS 28, Iccrea Banca and the affiliated mutual banks exercise control, joint control or significant influence.

Subsidiaries

Subsidiaries are those entities over which the consolidating entity has the power to direct the relevant activities as a result of a legal right or a mere situation of fact and is exposed to the variable returns resulting from that power.

More specifically, pursuant to IFRS 10 the control requirement is met when an investor simultaneously has:

- the power to direct the relevant activities of the entity;
- is exposed, or has rights, to variable returns from its involvement with the investee;
- has the ability to use its power over the investee to affect the amount of its returns (link between power and returns).

The carrying amount of equity interests in companies either consolidated on a line-by-line basis, held by the Consolidating Entity or other companies within the Group, is eliminated – as the subsidiaries' assets and liabilities are absorbed into those of the Group – offsetting the corresponding percentage of the subsidiaries' equity pertaining to the Group.

Asset and liability items, off-balance sheet transactions, expenses and income, as well as profits and losses which occur between companies falling within the scope of consolidation are eliminated.

Costs and revenues of a subsidiary are included in consolidation from the date on which control is acquired. Costs and revenues from a subsidiary disposed of are included in the consolidated income statement up to the date of disposal, which is to say up to the point at which control over the subsidiary is lost. The difference between the payment received on disposal of the subsidiary and the carrying amount of its net assets at the same date is recognized in profit or loss under item 280 "Gain/(loss) from the disposal of investments". Any residual interest held must be measured at fair value as of the date control is lost.

The share pertaining to non-controlling interests is presented on the balance sheet under item 190. "Non-controlling interests", separately from the liabilities and equity pertaining to the shareholders of the Parent Company. The portion pertaining to non-controlling interests is also presented separately in the income statement, under item 340 "Profit/(loss) pertaining to non-controlling interests".

For companies that are included in the scope of consolidation for the first time, the fair value of the costs incurred in order to obtain control of that equity interest, inclusive of ancillary costs, is measured as at the acquisition date.

Changes in interests in a subsidiary that do not entail loss of control are recognized in equity.

Controlling equity investments held for sale are consolidated on a line-by-line basis and reported separately in the financial statements as a disposal group valued as of the reporting date at the lower of carrying amount or fair value less costs to sell.

Non-material subsidiaries are not consolidated.²⁹ Their exclusion from the scope of consolidation does not have a material impact on Group equity.

Associates

Associates are companies in which the Consolidating entity directly or indirectly holds at least 20% of the voting rights or over which, even with a smaller share of the voting rights, it exercises a significant influence, which is defined as the power to participate in determining the financial and operational policies of the associate without having control or joint control.

More specifically, Significant influence is assumed to exist when the parent company:

- directly or indirectly holds at least 20% of the voting rights of another company;
- is able, including through shareholders' agreements, to exercise significant influence through:
 - representation on the company's management body;
 - participation in the process of setting policies, including participation in the decision-making process concerning dividends;
 - the existence of significant transactions;
 - the exchange of management personnel.

Associates are accounted for using the equity method. Equity in the associated company includes goodwill (net of any impairment loss) paid for the acquisition. Under the equity method, the investment in an associate is initially recognized at cost. The carrying amount of the interest is increased or decreased to reflect the share of the post-acquisition profits or losses of the associate and is recognized in the income statement under item 250. "Profit/(loss) from equity investments". Any distribution of dividends is indicated as a decrease in the carrying amount of the equity investment. The goodwill associated with an associate or joint venture is included in the carrying amount of the investment and does not undergo separate impairment testing.

Any change in the other comprehensive income relating to these investee companies is presented as part of the comprehensive income of the Group. In addition, if an associated company recognizes a change allocated directly to equity, the Group recognizes its share, where applicable, in the statement of changes in equity.

If the portion of the losses pertaining to the Group equals or exceeds the carrying amount of the investment in the associate, further losses are not recognized unless there is contractual obligation to cover such losses or in the

²⁹ The scope of consolidation does not include subsidiaries with total assets of less than €10 million, subject to the condition that the total assets of all unconsolidated subsidiaries do not exceed €50 million.

presence of payments made on behalf of the associate.

Unrealized profits on transactions between the Group and its associated companies are eliminated at the same percentage of the Group's interest in the profits of the associates. Unrealized losses are also eliminated, unless the transactions carried out show evidence of an impairment loss on the assets involved. Valuation reserves for associated companies are recognized separately in the statement of comprehensive income.

A number of interests of more than 20%, albeit of limited amount, over which the Parent Company does not have the direct or indirect ability to participate in setting management policies are excluded from the scope of consolidation and classified in accordance with the provisions of IFRS 9. Non-material associates are also excluded from the scope of consolidation. Their exclusion from the scope of consolidation does not have a material impact on Group equity.

Joint arrangements

Entities held under joint arrangements are those over which control is shared under a contractual agreement with other investors. More specifically, a joint arrangement is a contractual arrangement whereby two or more parties exercise joint control.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Under IFRS 11 joint arrangements are classified as either joint operations or joint ventures based upon the contractual rights and obligations held by the Group. A joint operation is a joint arrangement whereby the parties have rights to the assets and obligations for the liabilities relating to the arrangement. A joint venture is a joint arrangement whereby the parties have rights to the net assets of the arrangement. Investments in joint arrangements are accounted for using the equity method.

Structured entities

Subsidiaries may also include any "structured entities" in which the voting rights are not deemed significant in assessing control and include special purpose entities and investment funds.

Structured entities are treated as subsidiaries where:

- the Group has the power through contractual rights to direct the relevant activities;
- the Group is exposed to the variable returns arising from such activities.

The structured entities that are consolidated because the Group has the power to govern the relevant activities of the entity as a result of the financial instruments it has subscribed, include:

- real estate investment funds;
- special purpose securitization vehicles.

Structured entities – Real estate investment funds

In the real estate investment funds, the control relationship takes account of the purpose/scope of the operation and has been deemed to exist in the following cases:

- the involvement of the investor/sponsor in structuring the operation;
- the participation of the Group companies on the committees provided for in the fund's rules (participants' advisory committee), which have the power to direct/govern the relevant activities of the fund and/or control the activities of the fund manager;
- the presence of contractual relationships that tie the fund to the Group for the subscription/placement/sale of its units.

The consolidated real estate investment funds are Fondo Securis Real Estate, Fondo Securis Real Estate II, Fondo Securis Real Estate III, Fondo Sistema BCC and Fondo Asset Bancari V.

In view of their business model (real estate) and the composition of their assets, essentially composed of properties measured at market value, these funds have been consolidated, recognizing their assets under property, plant and

equipment in the consolidated financial statements, recognizing any increases/decreases under “*Net gain/loss from valuation at fair value of property, plant and equipment*” in the income statement.

Structured entities –securitizations

In securitizations, the indicators that a control relationship exists include:

- the involvement of the Group companies in structuring of the operation (originator/investor/servicer/facility provider);
- the subscription of substantially all of the ABSs issued by the SPV by Group companies;
- the purpose/scope of the operation.

The segregated assets of the operations originated by banks of the Group that did not give rise to the derecognition of the assigned loans have been consolidated through consolidation of the originating banks.

3. INVESTMENTS IN SUBSIDIARIES WITH SIGNIFICANT NON-CONTROLLING INTERESTS

3.1 NON-CONTROLLING INTERESTS, VOTING RIGHTS OF NON-CONTROLLING INTERESTS AND DIVIDENDS DISTRIBUTED TO NON-CONTROLLING INTERESTS

	%	Non-controlling interest percentage of votes ⁽¹⁾	Dividends distributed to non-controlling interests
BCC Sistemi Informatici SpA	10.00%	10.00%	-

(1) Percentage of votes in ordinary shareholders' meeting

4. SIGNIFICANT RESTRICTIONS

There are no significant restrictions as envisaged under IFRS 12, paragraph 13, applicable to the banks and companies that form the area of consolidation of the Iccrea Cooperative Banking Group.

5. OTHER INFORMATION

Data used for consolidation

The accounting data used for line-by-line consolidation are those at June 30, 2025, as approved by the competent bodies of the companies included in the scope of consolidation, adjusted where necessary to adapt them to the uniform Group accounting policies.

Subsidiaries whose annual financial statements have not been drawn up on the basis of the international accounting standards (IAS-IFRS) prepare a specific reporting package using such standards to permit the Parent Company to perform the consolidation.

SECTION 4 – EVENTS SUBSEQUENT TO THE REPORTING DATE

In the period between the reporting date of these interim financial statements and their approval by the Board of Directors on September 23, 2026, no events occurred that would entail a modification of the financial data approved at that meeting.

SECTION 5 – OTHER MATTERS

Risks and uncertainties associated with the use of estimates

In conformity with the IAS/IFRS, management is required to formulate accounting estimates that can impact the values of the assets, liabilities, costs and revenues recognized in the financial statements. The formulation of these estimates is based on prior experience, available information, the adoption of assumptions and subjective judgements.

Estimation processes were used to support the carrying amount of some of the largest items recognized in the consolidated financial statements, such as:

- the verification of compliance with the requirements for classifying financial assets in the accounting portfolios that adopt the amortized cost criterion (SPPI test), with particular regard to the performance of the benchmark test;
- the quantification of impairment losses on loans and, more generally, other financial assets;
- the assessment of the appropriateness of the value of equity investments and other non-financial assets (e.g. goodwill);
- the use of valuation techniques in the recognition of the fair value of financial assets not listed on active markets;
- the use of valuation techniques in the recognition of the fair value of the tax credits referred to in the “Cure Italy” and “Save Italy” decrees;
- the estimation and assumptions concerning the recoverability of deferred tax assets;
- the determination of the discount rates for lease liabilities;
- the quantification of provisions for legal and tax risks and charges.

The description of the accounting policies applied to the main financial statement aggregates provides the information necessary to identify the main assumptions and subjective assessments used in the preparation of the financial statements. In particular:

- for allocation to the three stages of credit risk provided for under IFRS 9 of loans and debt securities classified under financial assets measured at amortized cost and financial assets measured at fair value through other comprehensive income and the associated calculation of expected losses, the main estimates regard the determination of the parameters representing a significant increase in credit risk, the inclusion of forward-looking factors in determining PD, EAD and LGD and the determination of future cash flows from impaired loans;
- for the quantification of provisions for risks and charges, the estimation of the amount of outlays necessary to discharge liabilities, taking account of the effective probability of having to employ resources to do so.

For further information concerning the composition and associated carrying amounts of the items affected by these estimates, please see the specific sections in the explanatory notes.

By their nature, estimates may vary from year to year and, therefore, it cannot be ruled out that in subsequent years the current values recorded in the financial statements may differ significantly as a result of changes in the circumstances on which they were based, the emergence of new information or the acquisition of greater experience (e.g. developments in inflation dynamics, the evolution of the Russia-Ukraine conflict).

In particular, given the uncertainties of the global macroeconomic scenario, primarily attributable to:

- the high level of uncertainty arising from numerous conflicts, with consequent potential risks of supply chain disruptions and pressure on energy and raw material prices, as well as risks to the stability of financial markets;
- the uncertainties arising from US trade policy, with ongoing threats of further tariffs and the potential repercussions in terms of inflation;
- it is not possible to rule out the need to revise the financial statement estimates after the closing of these financial statements, in light of new information that may become available from time to time. For more detailed information on the main issues and variables impacting the market, see the Report on Operations.

The following summarizes the Group's choices concerning the primary circumstances in which subjective

judgment is required.

Calculating the ECL for performing credit exposures

From the financial statements at June 30, 2026, the calculation of the IFRS 9 ECL of the Group's performing credit exposures included implementation of the following:

- review of post-model overlays in light of the evolving macroeconomic environment and the associated level of uncertainty;
- update of the probation period duration from 6 to 3 months, in line with the process of consolidating the stage allocation system.

In light of the most recent developments in the macroeconomic environment, it was also deemed appropriate to revise the post-model overlay clusters,³⁰ with the aim of:

- update the treatment of "geopolitical risks" in light of evolving macroeconomic scenarios;
- remove clusters of risks already factored into current forecasts, focusing prudential margins on areas not yet fully covered.

Therefore, starting with this interim report, customers in the "Construction and Real Estate" sectors (for which the development of a sector-specific rating system is still underway) and the "Geopolitical Risk (GPR) – Industry" sector are subject to a post-model adjustment if their credit risk assessment is higher than that projected in the Group Strategic Plan (PD PIT > 1.5%).

Note that the in-model overlays regarding C&E risks (transition risk and physical risk) have undergone no changes compared with the version currently in use; for a description, see the disclosure in Iccrea Banca separate and consolidated financial statements at December 31, 2025.

Finally, as part of the conditioning of IFRS 9 risk parameters, the standard update of macroeconomic scenarios was applied based on the most recent available data (March 2026).

For further details, please see Part E of the Notes to the financial statements – Section 1 - Credit Risk.

Exposures in senior securities from securitizations under the GACS mechanism

As part of the periodic monitoring of the Group's GACS securitizations, we assessed the contractual performance indicators (namely the cumulative collection ratio, CCR, and the cumulative profitability ratio, CPR) as well as the operational performance indicators (namely the senior coverage ratio, SCR, and the senior performance ratio, SPR) of the subscribed GACS notes.

The assessment of the senior note of GACS III (classified in stage 2 as from the 2025 interim report), showed the following values at the last payment date:

- SCR: between 100% and 150%;
- SPR: close to 100%;
- CCR: significantly lower than the trigger value of 90%.

These results and the following tests led to the classification of the notes in stage 3, consistent with the approach adopted in 2025 for the senior notes of GACS I and GACS II.

Note that, despite the negative performance of the above indicators, the recovery performance of GACS III has not, as of today, resulted in any missed payments that would trigger a call on the guarantee. However, based on the latest simulations, recovery dynamics might trigger the activation of the State guarantee at maturity to ensure repayment of the nominal value, with the SPR indicator expected to fall below the 100% threshold as early as the next measurement.

Based on the above analysis, at June 30, 2026 the senior note of GACS III was classified in stage 3 (UTP).

³⁰ Note that starting from the close of December 2022, the Group has also carried out the introduction of post-model adjustments (Overlays) in order to incorporate even greater prudence for specific sub-portfolios that could prove riskier by the occurrence of unexpected events deviating from the likely macroeconomic environment.

Early retirement incentives

The 2026 Budget Law increased the eligibility requirements for pension benefits (one month for the year 2027, two months for the year 2028).

Furthermore, on January 20, 2026, the Ministry for the Economy published an update note to Report no. 26 of 2025 on the medium-long term trends of the pension and social health system, estimating further increases in the pension access requirements equal to:

- 3 months in 2029-2030
- 2 months in 2031-2032
- 1 month in 2033-2034

These increases - already incorporated into the INPS procedure for verifying eligibility for pension benefits - could be modified in a subsequent decree implementing the provisions of Article 12, paragraph 12-bis, of Decree-Law 78/2010.

All the changes affect employees who, pursuant to established trade union agreements, have already accessed - or will access in the near future - the extraordinary benefits of the Cooperative Banking Solidarity Fund managed by INPS.

More specifically:

- employees who have terminated their employment and are already covered by the Cooperative Banking Solidarity Fund, might face - pursuant to Interministerial Decree 82761/2014 - an extension of their period of coverage by the Fund, up to the limits determined by the new timeframes for accessing pension benefits;
- employees who have not yet accessed the Fund, might - depending on the circumstances and the overall new projected duration of coverage by the Fund - have to postpone access or sign an agreement to extend their coverage.

That said, for the purposes of the closing at June 30, 2026, the Group companies assessed the need to supplement the provision previously recognized for agreed voluntary early retirement schemes, taking into account the projected increase in the cost of allowances for employees who had already begun receiving benefits from the Fund (where the duration of their coverage exceeded the estimates made at the time of the original provision) and/or for employees who - despite not having accessed the Fund - had signed an agreement by June 30, 2026 to extend their coverage by the Fund.

The impact of the estimated adjustment at June 30, 2026 also taking into account the need for INPS to recalculate the allowances due to the extended timeframe - was recognized under the provision for risks and charges (with the expense being recognized under the relevant personnel cost items).

Securities obtained against assets transferred in non-cash transactions

In compliance with applicable accounting standards and the guidelines set out in Document no. 8 of the Bank of Italy, CONSOB and IVASS coordination group, investment fund units acquired in return for the transfer of impaired loans (bad loans or unlikely-to-pay positions), having verified the absence of any obligation to consolidate the fund and the possibility of derecognizing the transferred loans (given failure to pass the SPPI test) are classified as instruments measured at FVTPL.

Use of valuation models in the determination of the fair value of units held in unlisted investment funds

For the purposes of determining the fair value of units held in unlisted investment funds, both at initial recognition and in subsequent measurement, the analysis of cash flows, the discount rates applied and the other assumptions adopted are consistent with the characteristics of the fund assets.

For this type of investment, a liquidity discount ("liquidity adjustment") is determined for application to the net asset value (NAV) of the funds. In this regard, the methodological approach adopted provides for consideration, in line with market best practice, of the following main elements:

- the average holding period of the individual unlisted funds, before they can be realized;

- the characteristics of the individual assets held by the fund and their volatility in the holding period (degree of uncertainty);
- the level of risk aversion specified with a prudent threshold, which for a distribution of the possible returns/final value of the asset/portfolio considered makes it possible to measure any deviation from their expected value.

The consideration of this information in the methodological approach used made it possible to estimate a discount with respect to the NAV, calculated as a percentage adjustment of the risk premium linked to the uncertainty concerning potential unfavorable changes in value before realization, taking due account of the management costs of funds not incorporated in the NAVs of the individual unlisted funds.

Main tax measures of the 2026 Stability law (Law 199 of December 30, 2025)

The 2026 Stability law, in force since January 1, 2026, has introduced important changes in the determination of business income. The main impacted areas considered relevant in this context are recalled below.

Article 1, paragraphs 56-58: deductibility of writedowns for expected losses on loans to customers

The article provides that from the 2026 tax period up to and including the 2029 tax period, in derogation from the provisions of art. 106, para 3, of Presidential Decree 917/1986 for IRES purposes and art. 6, para 1, letter c-bis, of Legislative Decree 446/1997 for IRAP purposes, writedowns of stage 1 and 2 credit losses according to the recognition model of the loss allowance under the "ECL model" pursuant to IFRS 9, which was fully deductible until the 2025 tax period, will be deductible in equal installments over 5 years: the first in the year in which the writedowns are recognized and the remaining 4 in the four subsequent years.

Paragraph 57 specifies that the rules on the conversion into tax credits for tax losses and statutory losses (Article 2, paragraphs 55, 56-bis, 56-bis,1 and 56-ter of Legislative Decree no. 225/2010) do not apply to DTAs recognized as a result of the postponement of the deductibility of the aforementioned writedowns. Consequently, the DTAs relating to the postponed instalments do not "qualify" and will have to pass a "probability test" in order to be recognized as assets in the balance sheet. Furthermore, these DTAs cannot be included in the taxable base of the DTA fee that financial intermediaries must pay annually to use this regime for converting DTAs into tax credits (Article 11, paragraph 2, Legislative Decree no. 59/2016). The amount of writedowns to which this provision applies is assumed net of writebacks (always pertaining to stages 1 and 2).

As regards the calculation of the IRES advance payment for the 2026 tax period, this will be based on the tax amount that would have been determined in 2025 applying the new instalment deduction rule. The provision produces an anticipated financial effect for the Treasury, as the 2026 advance payments will be higher than those calculated on the basis of the previous full deduction regime.

Article 1, paragraphs 68 to 73: revision of the extraordinary contribution and lifting of the reserve

The Stability Law introduced, starting from January 1, 2029, a tax rate of 40% on distributed profits – including interim dividends or distribution of reserves – based on the absolute presumption that the amounts to be distributed come from the reserves set aside to cover the extraordinary tax (2023 extra-profit tax), i.e. the reserves referred to in Article 26, paragraph 5-bis, of Legislative Decree 104/2023, irrespective of the relevant accounting classification and decisions of the shareholders' meeting.

In light of the aforementioned extraordinary tax, in 2023 the Group's mutual banks that had a net interest income for 2023 higher than in 2021 had set aside reserves pursuant to Article 37 of the Consolidated Banking Act (Legislative Decree No. 385 of September 1, 1993) to cover 2.5 times the amount of the potential tax.

A specific amendment has modified the provision to exclude the mutual banks from the above mentioned absolute presumption and consequently from the payment of the extraordinary tax.³¹

³¹ Paragraph 68 provides that "Starting from the financial year beginning after January 1, 2028, for entities referred to in paragraph 1, any distribution of profits, including interim dividends, or reserves, is presumed, irrespective of the shareholders' resolution, to be a distribution of the reserve referred to in paragraph 5-bis; this presumption does not apply if and to the extent that the reserve is constituted with profits allocated to the reserves referred to in Article 37 of the Consolidated banking act (Legislative Decree no. 385 of September 1, 1993). Since the above paragraph 5-bis, included

Therefore, mutual banks are not subject to the obligation in question.

Article 1, paragraphs 76 to 81: suspension of the deduction of negative components related to DTAs

In article 1, paragraphs 76 to 81, the Stability law provides for the suspension of the deduction of a portion of the negative components related to the DTAs with a direct impact on the accounting frameworks of:

- writedowns and losses on receivables not deducted until the year ending on December 31, 2015. For the year ending on December 31, 2027 only, a portion of 3.8% shall be deferred and deducted in two equal instalments in 2028 and 2029;
- goodwill and other intangible assets not yet deducted at December 31, 2017. Of the portion deductible in 2027, 12.36% shall be deferred and deducted in two equal instalments in 2028 and 2029;
- the reversal of writedowns on receivables from first-time adoption of IFRS 9. Again, a 2027 portion equal to 9.50% shall be deferred and deducted in two equal instalments to 2028 and 2029.

The 2026 Budget law also impacts the deduction of losses carried forward pursuant to Article 84 of the Consolidated Income Tax Code (TUIR) and of the "ACE surplus" pursuant to Article 5 of Legislative Decree 216/2023. Previously with paragraph 18 of Article 1 of Law 207/2024, the legislator had already limited deductibility for the 2025 tax period to 54% of the higher taxable income determined on the basis of Article 1, paragraphs 14 -17 of Law 207/2024. With these provisions, the deduction of tax losses and residual ACE for the 2026 tax period is limited to 35% of the higher taxable income determined from the postponement of the deductions referred to in Article 1 paragraphs 14 -17 of Law 207/2024, while for the tax period in progress on December 31, 2026, the deduction of tax losses and residual ACE can be limited to 42% of the higher taxable income resulting from the postponement of the deductions referred to in the provision in question on the determination of the advance payments due for the 2026, 2027 and 2028 tax periods.

These changes will have a financial impact on the 2026, 2027 and 2028 financial statements.

Article 1, paragraphs 133 to 136: limits on the deductibility of interest expense

Article 1, paragraphs 133-136, of the Stability law introduces limits on the deductibility of interest expenses starting January 1, 2026, for banks and financial intermediaries (excluding asset management companies and investment firms). Specifically, the law limits the deductibility of interest expenses for the 2026, 2027, 2028, and 2029 tax periods to the following rates:

- 96% for the 2026 tax period;
- 97% for the 2027 tax period;
- 98% for the 2028 tax period;
- 99% for the 2029 tax period.

Interest expense will be fully deductible again starting from the 2030 tax period.

By express reference to Article 96, paragraph 13 (2) of the TUIR, the mechanism of full deductibility of intercompany interest expense applies within the scope of the consolidated tax mechanism up to the amount of expense paid outside the Group. The provision requires recalculating advance payments for the tax periods 2027 to 2030, assuming that the tax for the previous period is the tax which would have been determined if the lower deductibility of interest expense had not been applied.

Article 1, paragraphs 74 and 75: increase in the IRAP rate

For the 2026, 2027, and 2028 tax periods only, the 2026 Stability law, Article 1, paragraphs 74 and 75, increased the

during the ratification of Decree Law 104/2023, provides that "Profits allocated to the legal reserve pursuant to Article 37, paragraph 1, of the Consolidated Banking Act, pursuant to Legislative Decree No. 385 of September 1, 1993, are considered to be allocated to the non-distributable reserve", all reserves allocated by the mutual banks to cover the extraordinary tax (2023 extra-profit tax) are constituted solely with reserves referred to in Article 37 of the Consolidated Banking Act and consequently the presumption of distribution is automatically disapplied starting from January 1, 2029.

IRAP rate for banks and other financial intermediaries (with the exception of asset management companies, investment firms, SICAVs, and holding companies) by two percentage points.

Global minimum tax

As discussed in the Report on Operations, on February 17, 2025 the Ministry for the Economy and Finance published the guidelines on global minimum taxation specifically for cooperative banking groups (*"Linee guida in materia di imposizione minima globale, introdotta con Decreto Legislativo 27 dicembre 2023, n. 209 – carenza dei presupposti applicativi in capo ai gruppi bancari cooperativi"*), establishing the exclusion of mutual banks affiliated with a cooperative banking group from the scope of the law, which is now limited to the Parent Company and its direct scope subsidiaries.

Presentation of tax credits in the financial statements

Among the urgent measures deployed in response to the COVID 19 pandemic and to support the real economy, Decree Law 18/2020 (the "Cure Italy Decree") and Decree Law 34/2020 (the "Revival Decree") introduced specific tax incentives into Italian law in the form of tax credits.

The Government has intervened again on the issue through (i) Decree Law 50/2022 (so-called "Aid" Decree), mainly by reshaping the group of potential transferees, (ii) Decree Law 11/2023 which prohibits, albeit with certain derogations, opting for discounting on the invoice or for transferring the credit instead of directly using the deduction, and (iii) Decree Law 38/2024 with which the possibility of using the tax credit to offset social security liabilities has been limited to financial intermediaries and insurance companies.

The main characteristics of these tax credits are: (i) they are offsettable, (ii) they can be transferred to third parties, (iii) they are non-refundable by the Treasury.

The accounting of tax credits purchased at a financial discount from a third party cannot be classified according to a specific international accounting principle. IAS 8 provides that, for transactions not explicitly covered by IAS/IFRS accounting standards, the management must define an accounting policy suitable for providing relevant and reliable information on the transaction.

Therefore, taking into account the indications of the document "Accounting treatment of tax credits connected with the Cure Italy and Revival Decrees, purchased from direct beneficiaries or previous purchasers" jointly published on January 5, 2021 by the Bank of Italy, Consob and IVASS on the application of IAS/IFRS, the Group has adopted an accounting policy that refers, by analogy and to the extent applicable based on the characteristics of the case, to the accounting rules set out in IFRS 9.

Upon acceptance of the tax credit in the "tax box", the Bank classifies:

- under the Hold to Collect business model, the credits acquired within the limits of its tax capacity for the purpose of holding them to offset against tax liabilities. These credits are measured at amortized cost with representation of the pro-rata remuneration in the interest margin during the recovery period;
- under the Hold to Collect and Sell business model, the credits acquired within its tax capacity to possibly sell them. Tax credits classified under the HTCS business model are measured at fair value;³²
- under the "Other" business model, the credits acquired for the purpose of portfolio active management, i.e. trading them. These credits are measured at fair value through profit or loss.

The fair value measurement of these credits is based on the construction of discount factor vectors determined on the basis of the credits traded in the reference quarter by the Group mutual banks, through bootstrapping. Receivables subject to fair value measurement for which at the reporting date a transfer contract has already been signed and is being finalized are measured at the corresponding value defined in the contract itself.

In all the business models above, initial recognition of the tax credit occurs upon transfer to the Bank's tax box and at the purchase price, which is equivalent to Level 3 fair value, given that there are no official markets or comparable

³² The correct amount of interest at each reporting date with which to adjust the fair value change in equity as a balancing entry in the income statement is calculated using the IRR (and, consequently, the amortized cost) of these credits. Interest income is recognized according to the same logic used for credits at amortized cost. Fair value changes are initially recognized in OCI. When the tax credit is derecognized, the fair value changes previously recognized in OCI and accumulated in equity are reclassified to the income statement.

transactions. Therefore, no day-one profit/loss is recognized.

The IFRS 9 accounting framework for calculating expected losses is not deemed to be applicable to these tax credits as there is no refunding from the Treasury (the credit being either offset against the Bank's tax debts or reassigned to a third party).

Given the operating and control methods implemented by the Group's banks, the risks of non-use of tax credits are believed to be substantially non-existent. As a matter of fact, the Group has set prudential thresholds in respect of its effective tax capacity (irrespective of the business model) for the purposes of acquiring credits and assessing from time to time the compatibility of the portfolio with the relevant offsetting deadlines and constantly monitors that the portfolio remains within the aforementioned limits, in all reference years.

Since the acquired tax credits do not represent, pursuant to IAS/IFRS, tax assets, government grants, intangible assets or financial assets, their classification in the balance sheet is in the residual "Other assets" item.

Covered bond

Since 2021, the Group initiated a covered bond issue program, under which a number of Group banks sold high credit quality assets to a vehicle in a multi-originator transaction. The assets were of a quality such as to serve as collateral for the guarantee issued by the vehicle to the subscribers of the covered bonds issued under the program. At the same time, the banks granted the vehicle a subordinated loan (the CB Loan) to fund the purchase of those assets, the repayment of which is linked to the performance of the asset portfolio transferred to the vehicle. Following the sale, the Parent Company issued the covered bonds backed by the aforementioned guarantee. Subsequently, the Parent Company granted a loan with conditions and characteristics consistent with those of the covered bonds issued to the affiliated banks that contributed the assets to be sold.

Under the transaction structure, the Vehicle, making use of a custodian, receives from the Originator the cash flows represented by the loan payments it collects, the principal amount of which it retains, returning the interest portion to the Originator as remuneration of the loan received. Periodically, the cumulative loan principal collections on the assets forming the cover pool are used to purchase other high credit quality assets from the Originator. The Originator banks undertake to maintain the credit quality of the cover pool over the course of the transaction. In the event of a deterioration in credit quality, they will repurchase the loans involved from the Vehicle and transfer new high credit quality assets in an amount suitable to replenish the original guarantee.

Very briefly, in addition to the multi-originator profile of the parties transferring the assets that form the cover pool, the transaction is characterized by the identity of the originator bank and the bank granting the vehicle the subordinated loan to purchase the assets. The subordinated loan from the Originator to the Vehicle to finance the purchase of receivables qualifies as a limited-recourse loan, as the repayment and return are conditional on developments in the cover pool. From a substantive point of view, the assignor/lending banks therefore remain exposed to the risk of the assets pledged as collateral as if the transfer had not taken place. They are also required to replenish the guarantee if the quality of the assets deteriorates and their value falls below the thresholds specified in the contractual arrangements.

Taking account of the role played in the transaction and the corresponding risk profiles, as a result of the sale the banks lose legal title to the assets making up the cover pool. However, those assets continue to be recognized for accounting and financial reporting purposes (as well as for supervisory reporting and prudential purposes) since they do not pass the derecognition test because the assignors retain exposure to the risks and rewards of the assets through the grant of the subordinated limited-recourse loan to the vehicle (in compliance with the provisions of paragraphs 3.2.15 and B3.2.1 of IFRS 9). Accordingly, the banks continue to apply the ordinary accounting treatment adopted prior to the sale to the transferred assets and recognize a receivable due from the vehicle for the principal amounts collected from the transferred borrower and consequently retroceded to the Vehicle.

Consolidated tax mechanism option

Iccrea Banca SpA and the Group subsidiaries belonging to the so-called "direct scope" have adopted the "consolidated tax mechanism", governed by Articles 117-129 of the Uniform Income Tax Code ("TUIR"), introduced with Legislative Decree 344/2003. It consists of an optional tax regime under which total net income or the tax losses of each subsidiary taking part in the tax consolidation –along with withholdings, deductions and tax credits – are transferred to the parent company. Only one taxable income or tax loss that can be carried forward (the algebraic sum of the parent company's and its participating subsidiaries' income/losses resulting in a single tax payable/receivable) is calculated and attributed to the parent company. Under this option, the Group companies

that participate in the consolidated tax mechanism calculate their tax liabilities and the corresponding taxable income, which is transferred to the parent company. If one or more subsidiaries report negative taxable income, the tax losses are transferred to the parent company when there is consolidated income for the period or a high probability of future taxable income.

Audit

The consolidated financial statements have been audited by Forvis Mazars SpA which has also been engaged to monitor the keeping of the accounts pursuant to Article 14 of Legislative Decree 39/2010; the engagement for the period 2021-2029 was conferred in execution of the shareholders' resolution of May 28, 2021.

Financial reporting officer

On May 16, 2024 the Shareholders' Meeting of Iccrea Banca approved the amendment to the Articles of Association required under the Consolidated Law on Financial Intermediation (TUF) to establish the position of officer responsible for preparing corporate financial reporting documents (Financial Reporting Officer). The Bank's Board of Directors subsequently appointed Marianna Di Prinzio, previously Head of Administration and Financial Reporting, to this position.

In light of this appointment, the certification issued by the Financial Reporting Officer in accordance with the provisions of paragraph 5 of Art. 154-bis of the TUF is attached to these consolidated financial statements.

A.2 - THE MAIN ITEMS OF THE FINANCIAL STATEMENTS

This section sets out the accounting policies adopted in preparing the consolidated financial statements. The presentation of these accounting policies is broken down into stages – classification, recognition, measurement and derecognition – for the various asset and liability items. A description of the impact on profit or loss, where material, is provided for each stage.

Classification of financial assets

Financial assets are classified in the categories envisaged by IFRS 9 on the basis of both of the following elements:

- the business model used to manage the financial assets;
- the characteristics of the contractual financial flows of the financial asset (the “SPPI Test” - *Solely Payments of Principal and Interest Test*).

If the business model is identified as hold to collect and the asset passes the SPPI test, the asset is recognized at amortized cost (AC).

If the business model is identified as hold to collect and sell and the asset passes the SPPI test, the asset is recognized at fair value through other comprehensive income (FVTOCI).

Finally, if the business model differs from those specified above or the asset does not pass the SPPI test in both of the two previous cases, the asset is recognized at fair value through profit or loss (FVTPL).

The business model

IFRS 9 identifies three different business models, which in turn reflect the ways in which financial assets are managed:

- “Hold to collect”: this includes financial assets held with the objective of collecting contractual cash flows, retaining the financial instrument to maturity, with the exception of sales permitted under Group policies in line with IFRS 9;
- “Hold to collect and sell”: this includes financial assets held with the aim of both collecting contractual cash flows over the life of the assets and the proceeds from the sale of those assets;
- “Other”: this is a residual business model that includes financial instruments that cannot be classified in the previous categories, mainly represented by financial assets held for the purpose of generating cash flows through sale (including trading).

The business model does not depend on management’s intentions for each individual instrument, but is determined at a higher level of aggregation. It is therefore possible for an entity to adopt more than one business model in managing financial instruments, including in respect of the same financial asset. For example, a tranche of a security could be purchased as part of a hold to collect business model, while a second tranche of the same instrument could be acquired both to collect the contractual cash flows and to sell it (HTCS). The assessment of which business model has been adopted is based on reasonably possible scenarios and not on scenarios that unlikely to occur (such as “worst case” or “stress case” scenarios), taking account, among other things, of the way in which:

- the performance of the business model and the assets at initial recognition are evaluated by key management personnel;
- risks that impact the performance of the business model and the assets involved in initial recognition are managed;
- the managers of the business are remunerated.

From an operational point of view, the Iccrea Group identifies the business models used to manage financial assets in accordance with its own judgment, as governed by internal rules. The assessment is not determined by a single factor or activity, but rather by considering all the relevant information available at the assessment date, ensuring ongoing consistency with strategic and operational planning. In this sense, the business models of the Iccrea Group are identified on the basis of the granularity of the portfolio and the level of definition of the business, identifying key managers in accordance with the provisions of IAS 24, the nature of the products and type of underlying asset, the methods for evaluating performance and how these are reported to key management, the risks that impact

the business accounting model and how these risks are managed, manager remuneration arrangements and the volume of sales.

With specific reference to the “hold to collect” model, according to IFRS 9, the sale of a debt instrument or a loan does not itself determine the business model. In fact, an HTC business model does not necessarily imply that an instrument will be held to maturity and the standard itself offers examples of sales deemed admissible within this model. Accordingly, the Group’s policies govern the types of sale considered consistent with this model, as in the case of sales made in response to an increase in the credit risk of the counterparty.

Specifically, sales that have occurred as a result of the following circumstances are considered consistent with this business model:

- in the case of an increase in credit risk and, more specifically:
 - on the basis of developments in CDS spreads with regard to the securities portfolio, taking due account of all reasonable and supportable information concerning forecasts, approved/authorized as appropriate;
 - on the basis of the staging indicator for the loan portfolio;
- in the case of sales that occur near the maturity date, i.e. when they approximate the cash flows that would be generated obtained by not selling the security;
- to manage structural liquidity in order to respond to extreme liquidity situations;
- when the sales are frequent but not material in value terms or are occasional even if material in value terms. Frequency and materiality thresholds have been specified to determine those aggregates:
 - frequency is defined as the number of trading days considered in the period considered;
 - materiality is defined as the percentage ratio between the nominal value of sales and the total nominal value of the instruments held in the portfolio during the period considered.

In cases where both frequency and materiality thresholds are exceeded, an assessment must be conducted to determine compliance with the requirements of the business model identified.

The SPPI test

In order to determine whether a financial asset can be measured at amortized cost or at fair value through other comprehensive income, it is important to determine whether the contractual cash flows of the asset are represented by solely payments of principal and interest on the principal amount outstanding. Such contractual flows are compatible with a basic lending arrangement, where the consideration for the time value of money and credit risk are typically the most significant elements of interest. However, interest may also include consideration for other risks, such as liquidity risk, and the costs associated with holding the financial asset. Furthermore, interest may also include a profit margin that is compatible with a basic lending arrangement. The principal amount is represented by the fair value of the financial asset at recognition. Contractual terms introducing exposure to risks or volatility in contractual cash flows that is unrelated to a basic lending arrangement, such as exposure to inverse changes in interest rates, in equity prices or in commodity prices, do not give rise to contractual cash flows that are solely payments principal and interest on the principal amount outstanding. As determined by analysis conducted by the Group, such types of instrument cannot be considered SPPI-compliant and must therefore be measured at fair value through profit or loss.

In some cases, the time value of money element may be modified. That would be the case if a financial asset’s interest rate is periodically reset but the frequency of that reset does not match the tenor of the interest rate (for example, the interest rate resets every month to a one-year rate). When assessing a modified time value of money element, the objective is to determine how different the contractual cash flows could be from the cash flows that would arise if the time value of money element was not modified. In these cases, IFRS 9 requires the performance of a “benchmark test”, an exercise that involves comparing the interest on the actual instrument, calculated at the contractually specified interest rate, and the interest on the benchmark instrument, calculated using the interest rate that does not contain the change in the time value of money, all other contractual clauses being equal. The benchmark test therefore consists of a comparison between the sum of the undiscounted expected cash flows of the actual instrument and the sum of those for the benchmark instrument. In doing so, we consider only reasonably possible scenarios, therefore excluding stress test scenarios.

Furthermore, for the purposes of the SPPI test, any contractual term that could change the timing or amount of the contractual cash flows (for example, the case of a prepayment option, subordinated instruments or an option to extend the term for payment of principal and/or interest) shall also be considered.

Finally, a contractual cash flow characteristic does not affect the classification of the financial asset if it could only have a de minimis effect on the cash flows. At the same time, if a contractual cash flow characteristic is “not genuine”, it does not affect the classification of the financial asset. A cash flow characteristic is not genuine if it affects the instrument's contractual cash flows only on the occurrence of an event that is extremely rare, highly abnormal and very unlikely to occur. To make a determination of the de minimis effect, an entity must consider the possible effect of the contractual cash flow characteristic in each reporting period and cumulatively over the life of the financial instrument.

From an operational standpoint, the Group has established guidelines for conducting the SPPI test, which represent the methodology adopted by the Group and reflected in its internal rules, so as to be able to represent the benchmark instrument for the performance of the testing by all the functions involved. In this context, with specific reference to the loan portfolio, these guidelines have been implemented in a tool within the Group's application systems that enables the benchmark test to be performed. With specific reference to the securities portfolio, on the other hand, the outcome of the test is provided by a leading sector info-provider, based on the guidelines and methods defined by the Group.

1 - Financial assets measured at fair value through profit or loss

Classification

This category includes financial assets, regardless of their technical form, which are not recognized under financial assets measured at fair value through other comprehensive income or financial assets measured at amortized cost. More specifically, the category comprises:

- financial assets held for trading, mainly represented by debt securities, equity instruments and the positive value of derivatives held for trading;
- financial assets designated as at fair value, i.e. financial assets so designated at the time of initial recognition and where the appropriate conditions are met. In particular, financial assets are designated as irrevocably measured at fair value through profit or loss if, and only if, doing so eliminates or significantly reduces an accounting mismatch;
- financial assets mandatorily measured at fair value, represented by financial assets that do not meet the requirements for measurement at amortized cost or at fair value through other comprehensive income. These comprise financial assets whose contractual terms do not provide for solely payments of principal and interest on the principal amount outstanding (i.e. that do not pass the SPPI test) or which are not held within the framework of a business model whose objective is the hold assets in order to collecting their contractual cash flows (the hold to collect business model) or to both collect the contractual cash flows and sell the financial assets (the hold to collect and sell business model).

The category therefore includes:

- debt securities and loans that are held as part of an “other” business model or that do not pass the SPPI test;
- equity instruments - that do not represent an interest in subsidiaries, associates or joint arrangements - held for trading or for which the option at the time of initial recognition to designate them as held at fair value through other comprehensive income was not exercised;
- units in collective investment undertakings and derivative instruments.

With regard to derivatives, this item also includes derivatives embedded in a financial liability or in a non-financial contract (the “host contract”). The combination of a host contract and the embedded derivative is a hybrid instrument. In this case the embedded derivative is separated from the host contract and recognized as a derivative if:

- the economic characteristics and risks of the embedded derivative are not closely related to the characteristics of the host;

- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative;
- the hybrid contract is not measured at fair value with changes in fair value recognized in profit or loss.

In accordance with the provisions of IFRS 9, reclassifications are allowed only following a modification of the business model. Such changes are expected to be very infrequent and are determined by the entity's senior management (as identified pursuant to IAS 24) as a result of external or internal changes and must be significant to the Group's operations and demonstrable to external parties. This occurs, for example, when the entity has acquired, disposed of or terminated a business line.

The transfer value is represented by the fair value at the time of the reclassification, which takes place prospectively starting from that date. In this case, the effective interest rate is redetermined based on the fair value of the reclassified financial asset at the time of the change and that moment is considered to be the initial recognition date for the purpose of verifying a significant increase in credit risk.

Recognition

Debt and equity securities are initially recognized at the settlement date, while derivative contracts are recognized at the trade date. Financial assets are initially recognized at fair value, which is usually the amount paid or received. Where the price is different from the fair value, the financial asset is recognized at its fair value and the difference between the two amounts is recognized through profit or loss.

Measurement

Financial assets measured at fair value through profit or loss are measured at fair value following initial recognition. The effects of the application of this treatment are recognized through profit or loss.

For financial instruments listed on active markets, the fair value of financial assets or liabilities is determined on the basis of the official prices at the reporting date. For financial instruments that are not listed on active markets, including equity instruments, fair value is determined using valuation techniques and observable market data, such as: the price of listed instruments with similar features, calculation of discounted cash flows, option pricing models and prices registered in recent similar transactions.

With specific regard to equity instruments not listed on an active market, cost is used as an estimate for fair value only in rare cases in a limited number of circumstances, i.e. where cost represents the best estimate of fair value among a wide range of fair values, making cost the most significant value, or in cases in which the valuation techniques referred to above are not applicable.

For more information on the determination of fair value, please see section A.4 "Fair value disclosures" of Part A of the notes to the financial statements.

Derecognition

Financial assets measured at fair value through profit or loss are derecognized when the contractual rights to the cash flows expire, are extinguished or a disposal transfers all the risks and rewards connected with ownership to a third party. Conversely, when a prevalent share of the risks and rewards associated with ownership of the financial asset are retained, the asset continues to be recognized even if legal title has been transferred.

Where it is not possible to ascertain whether substantially all the risks and rewards of ownership have been transferred, financial assets are derecognized when no form of control over the instrument has been retained. Conversely, if the Bank retains even a portion of control, the asset continues to be recognized to the extent of the continuing involvement, measured by exposure to changes in the value of the assets transferred and to changes in the related cash flows.

Finally, financial assets sold are derecognized in the event in which the contractual rights to receive the related cash flows are retained with the simultaneous assumption of an obligation to pay such flows, and only such flows, to third parties.

Recognition of income components

The results of the measurement of financial assets held for trading are recognized through profit or loss under “Net gain (loss) on trading activities”. The results of the measurement of financial assets designated as at fair value and of those mandatorily measured at fair value are instead recognized under “Net gain (loss) of other financial assets and liabilities measured at fair value through profit or loss”, respectively under sub-items “a) financial assets and liabilities designated as at fair value” and “b) other financial assets mandatorily measured at fair value. Dividends from equity instruments held for trading are recognized through profit or loss under “Dividends and similar income” when the right to receive payment is established.

2 - Financial assets measured at fair value through other comprehensive income

Classification

This category includes financial assets held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets (the HTCS business model) and the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (i.e. they pass the SPPI test).

The category also includes capital instruments not held for trading for which the option envisaged under IFRS 9 was exercised at the time of initial recognition to designate them as held at fair value through other comprehensive income with no recycling to profit or loss of any gains or losses on disposal.

Specifically, the item includes:

- loans and debt securities held with a “hold to collect and sell” business model that pass the SPPI test;
- equity interests - that do not represent an interest in subsidiaries, associates or joint arrangements – not held for trading for which the option was exercised at the time of initial recognition to designate them as held at fair value through other comprehensive income. This includes equity investments intended to strengthen the Group’s commercial presence and extend its reach into business areas in which it is not present. Similarly, this option is exercised for equity instruments that have been acquired for strategic and institutional purposes and are therefore held with no intention of selling them in the short term, representing instead a medium/long-term investment.

In accordance with the provisions of IFRS 9, reclassifications are only allowed following a modification of the business model. Such changes are expected to be very infrequent and are determined by the entity’s senior management (as identified pursuant to IAS 24) as a result of external or internal changes and must be significant to the Group’s operations and demonstrable to external parties. This occurs, for example, when the entity has acquired, disposed of or terminated a business line.

The transfer value is represented by the fair value at the time of the reclassification, which takes place prospectively starting from that date. In this case, the effective interest rate is redetermined based on the fair value of the reclassified financial asset at the time of the change and that moment is considered to be the initial recognition date for the purpose of verifying a significant increase in credit risk. In the event of the reclassification of financial assets measured at fair value through other comprehensive income to the category of financial assets measured at amortized cost, the cumulative gain or loss previously recognized in other comprehensive income is removed from equity and adjusted against the fair value of the financial asset at the reclassification date. In the event of reclassification to financial assets measured at fair value through profit or loss, the cumulative gain or loss previously recognized in other comprehensive income is recognized through profit or loss.

Recognition

Financial assets measured at fair value through other comprehensive income are initially recognized at the settlement date for debt or equity securities and at the disbursement date for loans.

Financial assets are initially recognized at fair value, which is generally the amount paid or received. Where the price is different from the fair value, the financial asset is recognized at its fair value and the difference between the two amounts is recognized through profit or loss. The initial recognition value includes direct transaction costs or revenue determinable at the recognition date, even if settled at a later time.

Measurement

Following initial recognition, financial assets measured at fair value through other comprehensive income, other than equity instruments, are measured at fair value, with the value corresponding to the amortized cost recognized in the income statement. Gains and losses from changes in the fair value are recognized in a special equity reserve until the asset is derecognized or they incur an impairment loss. Upon disposal or the recognition of an impairment loss, the cumulative gain or loss recognized in the equity reserve is reversed to profit or loss.

Equity instruments classified in this category under the option provided for by IFRS 9 are measured at fair value through other comprehensive income. Unlike other instruments classified here, however, those amounts are not subsequently transferred to profit or loss, even if the instruments are sold (no recycling). Accordingly, the only element associated with the equity instruments recognized through profit or loss is any associated dividends.

Fair value is determined using the criteria adopted for financial assets measured at fair value through profit or loss.

Financial assets measured at fair value through other comprehensive income represented by debt securities are assessed for any significant increase in credit risk (impairment) like assets measured at amortized cost, with the consequent recognition through profit or loss of a provision to cover expected loss. More specifically, if at the measurement date no significant increase in credit risk is found compared with the date of initial recognition (stage 1), the 12-month expected loss is recognized. Conversely, the lifetime expected loss is recognized for instruments whose credit risk has increased significantly since initial recognition (stage 2) and for impaired exposures (stage 3). Equity instruments do not undergo lifetime impairment testing, i.e. calculated over the entire residual life of the financial asset. Equity securities do not undergo impairment testing.

Derecognition

Financial assets measured at fair value through other comprehensive income are derecognized when the contractual rights to the cash flows expire extinguished or a disposal transfers all the risks and rewards connected with ownership to a third party. Conversely, when a prevalent share of the risks and rewards associated with ownership of the financial asset are retained, the asset continues to be recognized even if legal title has been transferred.

Where it is not possible to ascertain whether substantially all the risks and rewards of ownership have been transferred, financial assets are derecognized when no form of control over the instrument has been retained. Conversely, if the Bank retains even a portion of control, the asset continues to be recognized to the extent of the continuing involvement, measured by exposure to changes in the value of the assets transferred and to changes in the related cash flows.

Financial assets sold are derecognized in the event in which the contractual rights to receive the related cash flows are retained with the simultaneous assumption of an obligation to pay such flows, and only such flows, to other third parties.

Recognition of income components

Gains and losses from changes in fair value are recognized in a specific equity reserve until the asset is derecognized. The equity reserve representing the cumulative changes in the fair value of equity instruments for which the option to irrevocably designate the instrument as at fair value through other comprehensive income was exercised is not reversed through profit or loss even when the asset is derecognized, while dividends in respect of such instruments are recognized through profit or loss.

Interest calculated on debt instruments using the effective interest method, which takes account of both the amortization of transaction costs and the differential between the initial value and the repayment value, are recognized under "Interest and similar income".

Writedowns and writebacks for credit risk and the recognition of an impairment loss are recognized under the item "Net losses/recoveries for credit risk in respect of financial assets measured at fair value through other comprehensive income", with a corresponding adjustment of the relevant valuation reserve in equity.

Cumulative gains and losses recognized in other comprehensive income are recognized through profit or loss under item 100 "Gain (loss) on disposal of financial assets measured at fair value through other comprehensive income" on the disposal of the asset.

Dividends on an equity instrument are recognized through profit or loss when the right to receive payment is

established.

3 - Financial assets measured at amortized cost

Classification

This category comprises financial assets such as loans and debt securities held within a business model whose objective is achieved by collecting contractual cash flows on a financial asset ("hold to collect" business model) that are solely payments of principal and interest on the principal amount outstanding (i.e. they pass the SPPI test).

Specifically, this category includes credit exposures to banks (including the central bank) and to customers that, regardless of technical form (bonds, loans, credit lines and deposits), meet the requirements indicated above.

In accordance with the provisions of IFRS 9, reclassifications are allowed only following a modification of the business model. Such changes are expected to be very infrequent and are determined by the entity's senior management (as identified pursuant to IAS 24) as a result of external or internal changes and must be significant to the Group's operations and demonstrable to external parties. This occurs, for example, when a relevant activity is begun or terminated after the entity has acquired, disposed of or terminated a business line.

The transfer value is represented by the fair value at the time of the reclassification, which takes place prospectively starting from that date. In this case, the effective interest rate is redetermined based on the fair value of the reclassified financial asset at the time of the change and that moment is considered to be the initial recognition date for the purpose of verifying a significant increase in credit risk. In the event of the reclassification of financial assets measured at amortized cost to the category of financial assets measured at fair value through other comprehensive income, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in other comprehensive income. In the event of reclassification to financial assets measured at fair value through profit or loss, the gain or loss is recognized through profit or loss.

Recognition

Financial assets are initially recognized at the settlement date for debt securities and at the disbursement date for loans. The initial amount recognized is equal to the amount disbursed or subscription price, including costs and revenue directly attributable to the transaction and determinable from the inception of the transaction, even if settled at a later time. The initially recognized amount does not include costs to be reimbursed by the debtor or that can be characterized as normal administrative overhead costs.

The initial recognition amount of loans disbursed at non-market conditions is equal to the fair value of the loans, determined using valuation techniques. The difference between the fair value and the amount disbursed or the subscription price is recognized through profit or loss.

Securities repurchase transactions are recognized as funding or lending transactions. Transactions involving a spot sale and a forward repurchase are recognized as payables in the amount received spot, while those involving a spot purchase and a forward sale are recognized as receivables in the amount paid spot.

Transactions with banks through correspondent accounts are recognized at the time of settlement and, therefore, these accounts are adjusted for all non-liquid items regarding bills and documents received or sent registered as 'subject to collection' or after actual collection.

Where, in the event of unusual circumstances, the assets are recognized in this category following reclassification from financial assets available for sale or from financial assets held for trading, the fair value of the assets at the date of reclassification shall be deemed to be the new amortized cost of the assets.

Measurement

Subsequent to initial recognition, financial assets are measured at amortized cost, using the effective interest rate method. The amortized cost equals the amount at which a financial asset is measured at initial recognition decreased by principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount, minus any reduction (directly or through the use of a provision) due to impairment or non-recoverability.

In certain cases, a financial asset may be considered impaired at initial recognition because its credit risk is very high and, in the case of a purchase, is acquired at a large discount to its value at initial issue.

Amortized cost is not used for very-short-term loans, loans without a specified maturity or revocable loans, for which the impact of this method can be considered not material. These positions are measured at cost.

The measurement effects strictly consider the three different credit risk stages provided for in IFRS 9. The stages can be summarized as follows:

- stage 1 and 2 including performing financial assets;
- stage 3 including impaired financial assets.

With regard to the presentation of measurement effects in the accounts, value adjustments of this type of asset are recognized through profit or loss:

- at the time of initial recognition in an amount equal to 12-month expected credit losses;
- at the time of subsequent measurement of the asset where credit risk has not increased significantly since initial recognition in an amount equal to the change in the loss allowance for 12-month expected credit losses (stage 1);
- at the time of subsequent measurement of the asset where credit risk has increased significantly since initial recognition in an amount equal to the loss allowance for lifetime expected credit losses (stage 2);
- at the time of subsequent measurement of the asset where credit risk has increased significantly since initial recognition but the increase is no longer “significant” in an amount equal to the adjustment of the cumulative loss allowances to take account of the transition from lifetime expected credit losses to 12-month expected credit losses (return to stage 1).

Financial assets recognized in this category are tested for impairment periodically and in any event at the close of each reporting period in order to determine any value adjustments to be recognized at the level of individual loans (or tranches of a security) as a function of the risk parameters represented by Probability of Default (PD), Loss Given Default (LGD) and Exposure At Default (EAD), appropriately modeled to take account of the provisions of IFRS 9. The amount of the value adjustment recognized through profit or loss therefore takes into consideration so-called forward-looking information and possible alternative recovery scenarios. If, in addition to a significant increase in credit risk, financial assets show objective evidence of impairment, the amount of the loss is measured as the difference between the carrying amount of the assets (classified as “impaired”) and the present value of estimated future cash flows, discounted at the original effective interest rate of the financial assets. The assessment of the impairment loss and the consequent amount to be recognized in profit or loss is conducted on an individual basis or determined by creating groups of positions with a uniform risk profile.

Non-performing loans, unlikely-to-pay positions, restructured exposures and past-due or over-limit exposures are considered impaired in accordance with the applicable rules of the Bank of Italy, consistent with the IAS/IFRS and European supervisory regulations (stage 3).

Measurement of the financial assets takes account of the best estimate of expected future cash flows in respect of principal and interest payments. Also taken into consideration is the realizable value of any guarantees excluding recovery costs, recovery times estimated based on contractual maturities, if any, and on reasonable estimates in the absence of contractual provisions, and the discount rate, which is the original effective interest rate. For impaired positions at the transition date, where determining this figure would be excessively burdensome, the Bank has adopted reasonable estimates, such as the average rate of loans for the year in which the loan was first classified as a bad debt, or the restructuring rate.

If the reasons for the impairment should cease to obtain following an event that occurred subsequent to the recognition of the impairment loss, a writeback is taken to profit or loss. The value of the financial asset after the writeback shall not exceed the amortized cost that the instrument would have had in the absence of the prior writedown. See the section on procedures for determining impairment for more information.

Where these financial assets are classified as measured at amortized cost or at fair value through other comprehensive income, they are classified as “purchased or originated credit impaired” (“POCI”) and receive special treatment in terms of impairment, with the recognition of lifetime expected credit losses. In addition, the credit-adjusted effective interest rate is calculated for financial assets identified as POCIs at initial recognition. This rate reflects initial expected losses in estimating cash flows. In using amortized cost method, and the consequent calculation of interest, therefore, this credit-adjusted effective interest rate is therefore used.

Derecognition

Financial assets measured at fair value through other comprehensive income are derecognized when the contractual rights to the cash flows expire/are extinguished or a disposal transfers all the risks and rewards connected with ownership to a third party. Conversely, when a prevalent share of the risks and rewards associated with ownership of the financial asset are retained, the asset continues to be recognized even if legal title has been transferred.

Where it is not possible to determine whether substantially all the risks and rewards have been transferred, the financial assets are derecognized if no form of control over it is retained. Conversely, where even a portion of control is retained, the asset continues to be recognized to the extent of the continuing involvement in the asset, measured by the exposure to changes in value of the transferred assets and changes in their cash flows.

Transferred financial assets are derecognized in the event in which the contractual rights to receive the related cash flows are retained with the simultaneous assumption of an obligation to pay such flows, and only such flows, to other third parties.

In certain cases, during the course of the life of financial assets, in particular loans, the terms of the contract may be modified from those in force at the time of initial recognition. In these circumstances, the modified terms must be analyzed to determine whether the original assets can continue to be recognized or must instead be derecognized, with the consequent recognition of new modified financial assets. In general, modifications of contractual terms lead to the derecognition of the financial asset and the recognition of a new asset when they are considered to be “substantial”, with the recognition in profit or loss of any difference in carrying amounts.

In conducting this assessment, qualitative judgments are called for. To this end, the assessment shall consider:

- the reasons for the modifications, distinguishing, for example, between renegotiations carried out for commercial reasons or in response to the counterparty's financial difficulties:
 - transactions carried out with performing counterparties for reasons other than debtor's financial difficulties, and therefore not related to a change in the creditworthiness of the borrower, are considered commercial renegotiations, which have the main objective of adjusting the cost of credit to market conditions. These cases include all renegotiations aimed at maintaining the commercial relationship with the client, and are therefore carried out with the aim of retaining the counterparty, who might otherwise turn to another bank. In this case, these modifications are considered substantial because if they did not occur, the customer could turn to another financial institution, thus causing the bank to lose future revenue;
 - transactions whose objective is to maximize the recoverable amount of the loan are considered renegotiations due to financial difficulties of the counterparty, with the creditor therefore willing to accept a restructuring of the debt on terms potentially favorable to the debtor. In these circumstances, it is generally assumed that there has essentially been no extinguishment of the original cash flows that would therefore require derecognition of the original loan. Consequently, these types of renegotiation represent the majority of cases presented in the financial statements through “modification accounting”, in which the difference between the carrying amount and the recalculated value of the financial asset is recognized in profit or loss by discounting the renegotiated or modified cash flows at the original effective interest rate;
- the presence of specific objective elements that substantially modify the characteristics and/or cash flows of the financial instrument, such that they would entail the derecognition of the instrument and the consequent recognition of a new financial asset. This includes, for example, the introduction of new contractual terms that would cause the asset to fail the SPPI test or a change in the denomination of the currency of the instrument, as the entity would be exposed to a new risk.

Recognition of income components

Interest on financial assets measured at amortized cost is recognized under “Interest and similar income” in the income statement using the effective interest criterion, which takes account of both the amortization of transaction costs and the differential between the initial value and the repayment value.

Gains or losses on the financial assets in question are recognized in profit or loss when the assets are derecognized or have incurred an impairment loss.

More specifically, gains or losses deriving from the sale of an asset are, as previously noted, recognized in the income statement under the item “Gain (loss) on the disposal or repurchase of: a) financial assets measured at amortized cost” on the disposal of the asset.

Writedowns and writebacks for credit risk are recognized under “Net losses/recoveries for credit risk in respect of: a) financial assets measured at amortized cost”, with a corresponding adjustment of the relevant provision.

4 - Hedging

The Iccrea Cooperative Banking Group has elected to exercise the option to continue to apply the rules provided for in IAS 39 governing hedge accounting for each type of hedge (the “opt-out” option).

Classification

Risk hedging transactions are intended to neutralize the potential losses recognized on a given element or group of elements attributable to a given risk in the event that risk should actually be realized.

The types of hedges permitted under IAS 39 are as follows:

- fair value hedges, which are intended to hedge the exposure to the risk of changes in the fair value (due to the various types of risk) of assets and liabilities or portions of assets and liabilities, groups of assets and liabilities, irrevocable commitments and portfolios of financial assets and liabilities as permitted under IAS 39 as endorsed by the European Commission;
- cash flow hedges are intended to hedge the exposure to the risk of changes in the future cash flows on recognized assets or liabilities or on highly probable forecast transactions. This type of hedge is essentially used to stabilize interest flows on variable-rate funding to the degree that the latter finances fixed-rate lending. In some circumstances, analogous transactions are carried out for certain types of variable-rate lending.

Only instruments that involve a non-Group counterparty can be designated as hedging instruments.

The items “hedging derivatives” among assets and liabilities include the positive and negative values of derivatives that establish effective hedging relationships.

Recognition

Hedging derivatives and the hedged financial assets and liabilities are reported in accordance with hedge accounting rules. In particular, derivative instruments with a positive fair value are recognized under “Hedging derivatives” on the asset side of the balance sheet, while derivatives with a negative fair value at the reporting date are recognized under “Hedging derivatives” on the liability side of the balance sheet.

Measurement and recognition of income components

Hedging derivatives are measured at fair value. More specifically:

- in the case of fair value hedges, the change in the fair value due to the risk on the hedged item has a corresponding impact on the income statement, where the change in the fair value of the hedging instrument is recognized. Any difference between the two changes, which represents the partial ineffectiveness of the hedge, represents the net impact in profit or loss;
- in the case of cash flow hedges, changes in the fair value of the derivative are recognized in a specific equity reserve in the amount of the effective portion of the hedge and in profit or loss in the amount of the ineffective or overhedging portion. The reserve is reclassified to profit or loss only when the cash flows on the hedged item whose variability is being hedged manifest themselves or in the event the hedging relationship is discontinued in the manner specified for the circumstance that prompted the interruption of the hedge.

The derivative is designated as a hedging instrument where there is formal documentation of the relationship between the hedged item and the hedging instrument and if the hedge is effective at the moment of inception and throughout its life.

The effectiveness of a hedge depends on the extent to which changes in the fair value of the hedged item or the associated cash flows are offset by those of the hedging instrument. Accordingly, effectiveness is quantified on the

basis of the comparison of those changes, taking account of the intentions of the entity at the time the hedge is established.

A hedge is deemed effective when the changes in fair value (or in cash flows) of the hedging instrument nearly entirely offset (i.e. within a range of 80-125%) changes in the hedged instrument for the risk factor being hedged.

Effectiveness is measured at every reporting date through:

- prospective tests, which justify the use of hedging accounting, as they demonstrate the hedge's expected effectiveness;
- retrospective tests, which indicate the level of effectiveness of the hedge achieved in the period under review, measuring the difference between actual results and theoretical results (perfect hedges).

If the tests do not confirm the effectiveness of the hedge, hedge accounting is discontinued in accordance with the above criteria, the hedging derivative is reclassified as a trading instrument or extinguished early and the hedged financial instrument is measured using the criteria normally adopted for instruments of its category. Subsequent changes in the fair value of the derivative are recognized through profit or loss. For cash flow hedges, when it becomes certain that the hedged transaction will no longer be carried out, the cumulative gain or loss recognized in the equity reserve is reversed through profit or loss.

The changes in the fair value of the hedged instruments and those used to hedge a fair value hedge transaction are recognized in the income statement under "Net gain (loss) on hedging activities". The ineffective or overhedging portion of the cash flow hedging derivative measured with respect to the hypothetical derivative (hedge ineffectiveness) is also recognized under this item.

5 – Equity investments

Classification

The item includes equity investments in subsidiaries, associates and joint ventures.

Subsidiaries are those entities over which the investor has the power to direct the relevant activities as a result of a legal right or a mere situation of fact and is exposed to the variable returns resulting from that power.

Pursuant to IFRS 10 the control requirement is met when an investor simultaneously has:

- the power to direct the relevant activities of the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee;
- has the ability to use its power over the investee to affect the amount of its returns (link between power and returns).

Joint control is the contractually agreed sharing of control of an arrangement.

Associated companies comprise companies in which the Group holds, either directly or indirectly, at least 20% of the voting rights or, independently of the proportion of voting rights, companies over which the Group exercises a significant influence, which is defined as the power to participate in determining financial and operating policies, but without exercising either control or joint control.

Equity interests in subsidiaries, joint ventures and associates held for sale are reported separately in the financial statements as a disposal group and are measured at the lower of the carrying amount and the fair value excluding disposal costs.

Recognition

Equity investments are initially recognized at cost at the settlement date including costs and revenue that are directly attributable to the transaction.

Measurement

Investments in subsidiaries are measured at cost, while investments in associates or joint ventures are measured using the equity method (for more details, see Section 3 – Scope and methods of consolidation in Part A Accounting

policies: A.1 – General information). Where there is evidence that the value of an equity investment may be impaired, its recoverable amount is determined, taking account of both its market value and the present value of future cash flows. If this value is lower than the carrying amount, the difference is recognized through profit or loss as an impairment loss.

Impairment testing of equity investments

As required by the accounting standards referred to earlier and by IAS 36, if there is evidence (triggers) of possible impairment, equity investments undergo impairment testing to determine whether there is objective evidence that the carrying amount of such assets is not fully recoverable and to determine the amount of any writedown.

Impairment indicators are essentially divided into two categories:

- qualitative indicators, such as the posting of losses or in any case a significant divergence with respect to budget targets or the objectives set out in the long-term plans announced to investors, the announcement/start of composition with creditors or restructuring plans, and the downgrading of the rating issued by a specialist agency;
- quantitative indicators consisting of a reduction in fair value below the carrying amount of over 30%, or for a period of more than 24 months, or a carrying amount for the equity investment in the separate financial statements greater than the carrying amount in the consolidated financial statements of the company's net assets and goodwill, or the distribution by the latter of a dividend greater than its comprehensive income.

In the presence of evidence of impairment, the size of any writedown is determined on the basis of the difference between the carrying amount and the recoverable amount, which is equal to the greater of fair value less costs to sell and the value in use.

Derecognition

Control, joint control and significant influence cease in cases in which the power to determine financial and operating policies of the company is removed from the governance bodies of the company and transferred to a governmental body, a court and in similar cases. The equity investment in these cases is subject to the treatment of IFRS 9, as provided for financial instruments.

Equity investments are derecognized when the contractual rights to the cash flows from the assets expire or when substantially all the risks and rewards connected with ownership of the equity investment are transferred.

Recognition of income components

Dividends received from equity investments are recognized in the income statement under "Dividends and similar income" when the right to receive payment is established.

Impairment losses on equity investments are recognized in the income statement under the item "Profit (loss) from equity investments". If the reasons for the impairment loss should be removed following an event occurring after the recognition of the impairment loss, the consequent writebacks are recognized in the income statement (in an amount not exceeding the previous writedowns) under the same item.

The recognition of the income effects in respect of equity investments accounted for using the equity method is discussed in Section 3 – Scope and methods of consolidation in Part A Accounting policies: A.1 – General information.

6 - Property, plant and equipment

Classification

Property, plant and equipment includes land and buildings used in operations and those held for investment purposes, plant, vehicles, furniture, furnishings and equipment of any kind.

According to IAS 16, buildings used in operations are those held for use in the supply of services or for administrative purposes. Pursuant to IAS 40, investment property includes property held to earn rentals or for capital appreciation or both.

The item also includes assets in accordance with IAS 2 - Inventories, which mainly include assets deriving from the enforcement of guarantees or purchase at auction that the Group intends to sell in the near future without carrying out significant restructuring works and which do not meet the conditions for classification in the previous categories ("for use in operations" or "for investment"). This therefore includes assets acquired following the closure of an impaired credit exposure (for example from acceptance of the asset in lieu of the original performance or "datio in solutum"), from the consolidation of companies acquired as a result of loan restructuring/recovery agreements, the non-exercise of the purchase option in a finance lease or the termination of an impaired lease, etc.).

Where the requirements for the application of IFRS 5 to these assets are not met, the Group normally initially classifies the assets as inventories, subsequent measuring them in accordance with the criteria set out in IAS 2, except in rare cases in which the conditions are met for classification as:

- asset held for use in operations (see IAS 16);
- assets held for investment purposes (see IAS 40), insofar as they are held for the purpose of generating income through the receipt of lease payments or for capital appreciation.

Finally, property, plant and equipment also includes the rights of use for assets held under leases (whether finance or operating leases) pursuant to IFRS 16, even though the lessor retains legal ownership of the assets.

Recognition

Property, plant and equipment is recognized at cost, which includes all incidental expenses directly attributable to purchasing and placing the asset in service.

Expenses subsequently incurred (e.g. extraordinary maintenance costs) increase the carrying amount of the asset or are recognized as separate assets if it is likely that the future economic benefits will exceed initial estimates and the costs can be reliably calculated.

All other subsequent expenses (e.g. ordinary maintenance costs) are recognized in the income statement in the year incurred.

Property, plant and equipment originally held as collateral for credit and acquired in recovery activities carried out on the basis of specific contracts or legal proceedings is recognized when both of the following conditions are met:

- recovery activities have been completed;
- the Group has acquired ownership of the property.

Normally these exchange transactions lack commercial substance as defined in paragraph 24 of IAS 16 and, consequently, the asset is initially recognized at the carrying amount of the asset given up.

In the rare cases where, in an exception to the general principle mentioned above, the enforcement operation has commercial substance, the asset acquired is initially recognized at fair value.

In the case of recognition of rights of use in respect of leased assets pursuant to IFRS 16, the cost of the right-of-use asset is determined as follows:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the lessee;
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Measurement

Property, plant and equipment used in operations is measured at cost less depreciation and impairment. Depreciation is determined systematically over the remaining useful life of the asset.

For assets purchased and placed in service during the year, the period of depreciation is calculated on the basis of the actual number of days the assets contributes to the production cycle. For assets transferred and/or disposed of during the year, depreciation is calculated on a daily basis up to the date of transfer or disposal.

The depreciable value is represented by the cost of the assets since the residual value at the end of the depreciation process is considered negligible. Buildings are depreciated at a rate of 3% per year, deemed to appropriately represent the deterioration of the assets over time from their use, taking into account extraordinary maintenance costs, which increase the value of the asset. Land, whether purchased individually or incorporated into the value of a building, is not depreciated.

In accordance with the provisions of paragraph 32a) of IAS 40, investment property as defined in IAS 40 is valued using the cost model and is depreciated, with the exception of properties deriving from the consolidation of real estate investment funds, which are measured at fair value since they are connected with liabilities that produce a return directly linked to the fair value of the investment property.

Assets classified as inventory are measured at the lower of recognition cost and net realizable value and are not depreciated. The net realizable value is equal to the estimated price for sale in the normal course of business, net of the estimated completion costs and those necessary for the sale of the asset.

Following initial recognition, assets acquired through recovery or enforcement of guarantees in debt collection activities carried out by the Group for impaired loans are measured in accordance with the criteria established for the classification adopted (for use in operations, for investment purposes, inventories).

Right-of-use assets determined in compliance with IFRS 16 are subsequently measured using a cost model, less depreciation and impairment losses, in accordance with IAS 16.

Derecognition

Property, plant and equipment is derecognized when disposed of or when permanently withdrawn from use and no future benefits are expected from its disposal.

Recognition of income components

Depreciation of property, plant and equipment measured at cost, with the exception of inventories, is recognized through profit or loss under "Net adjustments of property, plant and equipment".

In the first year, depreciation is recognized in proportion to the period the asset is effectively available for use. For assets sold or otherwise disposed of during the year, depreciation is calculated on a daily basis up to the date of transfer and/or disposal.

If there is evidence of possible impairment of the asset, the asset's carrying amount is compared against its recoverable amount, which is equal to the greater of the value in use of the asset, meaning the present value of future cash flows originated by the asset and its fair value, net of any disposal costs. Any negative difference between the carrying amount and the recoverable amount is recognized in the income statement. If the reasons for the impairment should cease to obtain, a writeback is recognized in the income statement. The carrying amount following the writeback shall not exceed the value that the asset would have had, net of depreciation, in the absence of the prior writedowns.

Gains (losses) deriving from changes in the fair value of investments deriving from the consolidation of real estate investment funds are recognized in the income statement under "Net gain (loss) from valuation at fair value of property, plant and equipment and intangible assets".

Gains and losses deriving from the disposal or decommissioning of property, plant and equipment are determined as the difference between the net sale price and the carrying amount of the asset. They are recognized in profit and loss at the same date on which the assets are derecognized, under the item "Profit (loss) from the disposal of investments".

7 - Intangible assets

Classification

Intangible assets are recognized as such if they are identifiable and are based on legal or contractual rights. They include application software.

Right-of-use assets have not been recognized in respect of leases involving intangible assets as such recognition is optional under IFRS 16.

Recognition

Intangible assets are recognized at cost, adjusted for any incidental expenses, only if it is probable that the future economic benefits attributable to the asset will be realized and if the cost of the asset can be reliably determined. Otherwise, the cost of the intangible asset is recognized in profit or loss in the period in which it is incurred.

Recognition of intangible assets generated internally, and software in particular, is subject to verification of the above conditions and distinguishing between the research activities and development activities carried out to produce the asset. Costs associated with research cannot be capitalized, as the generation of probable future economic benefits cannot be demonstrated.

Intangible assets can be recognized in respect of goodwill arising from business combinations (purchases of business units). This goodwill is recognized in an amount equal to the positive difference between the purchase price of the business combination (the consideration transferred) and the fair value of the assets and liabilities acquired if that positive difference represents future economic benefits. Goodwill in respect of business combinations carried out prior to the date of transition to the IFRS are measured on a cost basis and represent the same value as that given using Italian GAAP.

Measurement

After initial recognition, intangible assets with a finite useful life are recognized at cost, net of total amortization and accumulated impairment losses. Amortization begins when the asset becomes available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended and ceases when the asset is derecognized. Intangible assets are amortized on a straight-line basis, so as to reflect the long-term use of the asset over its estimated useful life, which for application software does not exceed 5 years.

Goodwill is not amortized and is tested for impairment at the reporting date.

Derecognition

Intangible assets are derecognized upon disposal or when no future economic benefits are expected to be generated by the use or disposal of the asset.

Recognition of income components

Amortization is recognized through profit or loss under "Net adjustments of intangible assets", as are impairment losses. If the reasons for the impairment of intangible assets other than goodwill should cease to obtain, a writeback is recognized in profit or loss. The value of the asset after the writeback shall not exceed the value that the asset would have had, net of amortization, in the absence of the prior writedowns for impairment.

Writedowns of goodwill are recognized in the income statement under "Writedowns of goodwill". Goodwill previously written down may not be written back.

Gains and losses from the disposal or other transfer of an intangible asset are determined as the difference between the net sale price and the carrying amount of the asset and recognized in the income statement under the item "Profit (Loss) from disposal of investments".

8 - Non-current assets and liabilities and disposal groups held for sale

Classification

Non-current assets and disposal groups, including associated liabilities, are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is met only when their sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. The Group must be committed to the sale, which must be expected to be completed within one year of classification as held for sale.

Properties obtained through the enforcement of guarantees are classified under this item when the following conditions are met:

- the asset is available for immediate sale in its present condition, subject to terms that are usual and customary for sales of such assets;
- the sale is highly probable. In particular, the appropriate level of management must be committed to a plan to sell the asset, and an active program to locate a buyer and complete the plan must have been initiated. Further, the asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value. Finally, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification, except as permitted by IFRS 5, and actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Recognition

Non-current assets and disposal groups held for sale are valued at the lower of their carrying amount and their fair value less costs to sell, with the exception of assets for which IFRS 5 requires measurement in accordance with the applicable IFRSs (e.g. financial assets within the scope of IFRS 9).

Measurement and recognition of income components

Following initial recognition in this category, the assets are measured at the lower of their carrying amount and their fair value less costs to sell, with the exception of assets that IFRS 5 requires be measured using the provisions of the relevant accounting standard (for example, financial assets within the scope of IFRS 9). If the assets held for sale can be depreciated, any such depreciation ceases upon classification to non-current assets held for sale. Non-current assets and disposal groups held for sale, as well as “discontinued operations”, and the associated liabilities are reported under specific items of assets (“Non-current assets and disposal groups held for sale”) and liabilities (“Liabilities associated with disposal groups held for sale”).

The results of the measurement, income, expenses and gains/losses upon disposal (net of any tax effect), of “discontinued operations” are recognized in the income statement under “Profit (loss) after tax of discontinued operations”. Gains and losses associated with individual assets held for sale are recognized under the most appropriate item of the income statement.

Derecognition

Non-current assets and disposal groups held for sale are derecognized upon disposal.

9 - Current and deferred taxation

Classification

Income taxes, which are calculated on the basis of national tax law, are accounted for as a cost on an accruals basis, in line with the recognition of the costs and revenue that gave rise to the tax liability. They therefore represent the balance of current taxes and deferred taxes in respect of income for the year. Current tax assets and liabilities report the net tax positions of the Group companies in respect of Italian and foreign tax authorities. More specifically, they report the net balance between current tax liabilities for the year, calculated on the basis of a prudent estimate of the tax liability for the period, as determined on the basis of applicable tax law, and current tax assets represented by payments on account and other tax receivables for withholding tax incurred or other tax credits for previous

years which the Group companies opted to offset against taxes for subsequent years. Current tax assets also report tax receivables for which the Group companies have requested reimbursement from the competent tax authorities.

While taking account of the adoption of the national consolidated taxation mechanism by the companies forming part of the “direct scope” of the Group (the former Iccrea Banking Group), the tax positions of each Group company are managed separately for administrative purposes.

Deferred taxation is determined using the balance sheet liability method, taking account of the tax effect of temporary differences between the carrying amount of assets and liabilities and their value for tax purposes, which will give rise to taxable or deductible amounts in future periods. To that end, “taxable temporary differences” are those that in future periods will give rise to taxable amounts and “deductible temporary differences” are those that in future periods will give rise to deductible amounts. Deferred taxes are recognized on all taxable temporary differences, with the following exceptions: i) deferred tax liabilities arising from the initial recognition of goodwill or ii) an asset or liability in a transaction that does not represent a business combination and, at the time of the transaction, does not affect either the balance sheet or the tax situation.

Deferred tax assets are recognized against all deductible temporary differences, tax receivables and unused tax losses that can be carried forward, insofar as it is probable that sufficient future taxable income will be available to allow the use of the deductible temporary differences and the tax receivables and losses carried forward, except for cases in which the deferred tax asset related to deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that does not represent a business combination and, at the time of the transaction, does not affect either the balance sheet or the tax situation.

Deferred tax is calculated by applying the tax rates established in applicable tax law, laws already issued or substantially in force at the reporting date that are expected to be applied during the year in which those assets are realized or those assets are extinguished to taxable temporary differences for which it is likely that a tax charge will be incurred and to deductible temporary differences for which it is reasonable certain there were be future taxable income at the time they become deductible (the probability test).

Current tax assets and liabilities and deferred tax assets and liabilities are offset in the financial statements if, and only if, they relate to income taxes applied by the same taxation authority and there is a legally enforceable right to set off tax assets.

Recognition and measurement

Where the deferred tax assets and liabilities regard items that impact profit or loss, that effect is recognized under income taxes.

In cases where the deferred tax assets and liabilities regard transactions that directly impact equity with no effect on profit or loss (such as adjustments on first-time adoption of the IAS/IFRS, measurement of financial instruments measured at fair value through other comprehensive income or cash flow hedge derivatives), they are recognized in equity, under specific reserves where required (i.e. the valuation reserves).

The potential taxation in respect of items on which taxation has been suspended that will be “taxed in the event of any use” is recognized as a reduction in equity. Deferred taxes in respect of revaluations prompted by conversion of amounts to the euro that were directly allocated to a specific reserve under Article 21 of Legislative Decree 213/98 on a tax-suspended basis are recognized as a reduction of that reserve. The potential taxation in respect of items that will be taxed “only in the event of distribution” is not recognized as the amount of available reserves that have already been taxes is sufficient to conclude that no transactions will be carried out that would involve their taxation.

Deferred taxation in respect of companies participating in the consolidated taxation mechanism is recognized in their financial statements on an accruals basis in view of the fact that the consolidated taxation mechanism is limited to settlement of current tax positions.

The potential taxation of components of the equity of the consolidated companies is not recognized where the circumstances that would give rise to their taxation are not considered likely to arise, taking due consideration of the lasting nature of the investment.

The value of deferred tax assets and liabilities is reviewed periodically to take account of any changes in legislation or in tax rates.

Recognition of income components

Income taxes are recognized through profit or loss, with the exception of those debited or credited directly to equity. Current income taxes are calculated based on taxable income for the period.

In determining income taxes, any uncertainties over tax treatments are taken into account, in accordance with the provisions of IFRIC 23.

Current tax payables and receivables are recognized at the value that payment to or recovery from the tax authorities is expected by applying current tax rates and regulations. Deferred income tax assets and liabilities are calculated, using expected tax rates, on the basis of temporary differences between the value attributed to the assets and liabilities in the financial statements and the corresponding values recognized for tax purposes.

Derecognition

Deferred tax assets and deferred tax liabilities are derecognized in the period in which:

- the temporary difference that originated them becomes taxable for deferred tax liabilities or deductible for deferred tax assets;
- the temporary difference that originated them is no longer relevant for tax purposes;
- for deferred tax assets only, the probability test envisaged by IAS 12 indicates that sufficient future taxable income will not be available.

10 - Provisions for risks and charges

Provisions for commitments and guarantees issued

This sub-item reports provisions estimated in respect of the credit risk on commitments to disburse funds and guarantees issued, which fall within the scope of application of the rules for calculating expected losses in accordance with IFRS 9. In principle, these cases use the same methods for allocation to the three risk stages and the calculation of expected losses that are adopted for financial assets measured at amortized cost or at fair value through other comprehensive income.

This sub-item also includes are provisions for other types of commitments and guarantees issued that, on the basis of their characteristics, do not fall within the scope of application of impairment in accordance with IFRS 9.

Other provisions for risks and charges

The other provisions for risks and charges include provisions for legal obligations or related to employment relationships or disputes originating from a past event for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The item also includes long-term employee benefits.

Recognition

A provision shall be recognized if and only if:

- the entity has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Measurement and recognition of income components

The amount recognized is the best estimate of the expenditure required to settle the obligation or to transfer it to third parties at the end of the reporting period and reflects the risks and uncertainties that inevitably surround many events and circumstances.

Where the time value of money is material and the payment dates of the obligation can be estimated reliably, the provision shall be discounted at market rates as of the reporting date.

Provisions are reviewed at every reporting date and are adjusted to reflect the best estimate of the charge required to settle the obligations existing at the close of the period. The impact of the time value of money and that of changes in interest rates are reported in profit or loss under net provisions for the period.

Actuarial gains and losses are recognized immediately in profit or loss.

Derecognition

Provisions are only used when the charges for which they were originally established are incurred. When the use of resources to fulfil the obligation is no longer deemed to be probable, the provision is reversed through profit or loss.

11 - Financial liabilities measured at amortized cost

Classification

Financial liabilities measured at amortized cost include amounts due to banks, amounts due to customers and securities issued, comprising all technical forms of interbank and customer funding, repurchase agreements and funding through certificates of deposit, bonds and other funding instruments in circulation, net of any amounts repurchased.

The item also includes liabilities recognized by the lessee in respect of leases (finance or operating) pursuant to IFRS 16.

Recognition

The liabilities are initially recognized at fair value, which is normally equal to the amounts received or the issue price, plus or minus any additional costs or revenue directly attributable to the transaction that are not reimbursed by the creditor. Internal administrative costs are excluded.

Financial liabilities issued on non-market terms are recognized at estimated fair value and the difference with respect to the amount paid or the issue price is taken to the income statement.

Measurement and recognition of income components

Following initial recognition, these liabilities are measured at amortized cost using the effective interest rate method, excluding short-term liabilities, which are recognized in the amount received in keeping with the general principles of materiality and significance. See to the section on assets measured at amortized cost for information on the criteria for determining amortized cost.

Interest expense recognized on financial liabilities is reported under "Interest and similar expense" in the income statement.

In addition to cases of extinguishment and expiration, financial liabilities reported in these items are also derecognized when previously issued securities are repurchased. In this case, the difference between the carrying amount of the liability and the amount paid to repurchase it is recognized in the income statement under "Gain (loss) on the disposal or repurchase of: c) financial liabilities". If the repurchased security is subsequently placed again on the market, this is treated as a new issue and is recognized at the new placement price, with no impact on the income statement.

Derecognition

Financial liabilities are derecognized when the obligation underlying the liability is extinguished, waived or discharged. Where a financial liability is replaced with another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, this exchange or modification is treated as the derecognition of the original liability accompanied by the recognition of a new liability, with the recognition of any difference in their carrying amounts through profit or loss.

12 – Financial liabilities held for trading

Classification

The item reports the negative value of trading derivatives that are not part of hedging relationships as well as the negative value of embedded derivatives to be separated from hybrid instruments representing financial liabilities. Liabilities deriving from short positions in by securities trading activities are recognized under “Financial liabilities held for trading”.

Recognition

Debt and equity securities representing financial liabilities are initially recognized at the settlement date, while derivative contracts are recognized at the date they are signed. The financial liabilities are initially recognized at fair value, which generally equals the amount received.

In cases in which the amount paid differs from the fair value, the financial liability is recognized at fair value, and the difference between the amount paid and the fair value is recognized through profit or loss.

Derivative contracts embedded in financial liabilities or other contractual forms and which have financial and risk characteristics that are not correlated with the host instrument or which meet the requirements to be classified themselves as derivative contracts, are recognized separately among financial liabilities held for trading if their value is negative, with the exception of cases in which the compound instrument containing the derivative is entirely measured at fair value through profit or loss.

Measurement

Subsequent to initial recognition, the financial liabilities are recognized at fair value through profit or loss. Please see Part 4 “Fair value disclosures” of these notes to the financial statements for information on determining fair value.

Derecognition

Financial liabilities are derecognized when the obligation underlying the liability is extinguished, waived or discharged. Where a financial liability is replaced with another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, this exchange or modification is treated as the derecognition of the original liability accompanied by the recognition of a new liability, with the recognition of any difference in their carrying amounts through profit or loss.

Recognition of income components

Gains and losses from the measurement of and transactions in financial liabilities held for trading are recognized through profit or loss.

13 - Financial liabilities designated as at fair value

Classification

This item reports financial liabilities designated as at fair value through profit or loss under the option permitted to entities in IFRS 9 (the “fair value option”). More specifically, financial liabilities may be irrevocably designated as at

fair value through profit or loss if it eliminates or significantly reduces an accounting mismatch due to a measurement inconsistency or where they contain one or more embedded derivatives.

Recognition

Financial liabilities at fair value through profit or loss are initially recognized at the issue date at their fair value, which normally corresponds to the price paid. If the price is different from the fair value, the financial liability is recognized at its fair value and the difference between the price and the fair value is recognized in the income statement.

Measurement and recognition of income components

After initial recognition, financial liabilities reported under this item are measured at fair value in accordance with the following rules:

- if the change in fair value is attributable to a change in the credit risk of the liability, it shall be recognized in other comprehensive income (equity) and is not subsequently recycled through profit or loss;
- all other changes in fair value shall be recognized through profit or loss under "Net gain (loss) of other financial assets and liabilities measured at fair value through profit or loss: a) financial assets and liabilities designated as at fair value".

Pursuant to IFRS 9, this accounting method shall not be applied if would create or enlarge an accounting mismatch in the income statement. In this case, the gains or losses related to the liability falling under this item shall be recognized through profit or loss.

Derecognition

Financial liabilities are derecognized when the obligation underlying the liability is extinguished, waived or discharged. Where a financial liability is replaced with another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, this exchange or modification is treated as the derecognition of the original liability accompanied by the recognition of a new liability, with the recognition of any difference in their carrying amounts through profit or loss.

14 - Foreign currency transactions

Classification

In addition to those explicitly denominated in a currency other than the euro, foreign currency assets and liabilities also include those that have indexing clauses linked to the exchange rate of the euro with a specific currency or with a certain basket of currencies.

Recognition

Transactions in a foreign currency are initially recognized in the functional currency by translating the amount in the foreign currency into the functional currency at the exchange rate prevailing on the date of the transaction.

For the purposes of translation, foreign currency assets and liabilities are divided into monetary items (classified under current items) and non-monetary items (classified under non-current items). Monetary items comprise cash and assets and liabilities to be received or paid in fixed or determinable amounts of money. Non-monetary items are characterized by the absence of a right to receive, or an obligation to deliver, a fixed or determinable amount of money.

Measurement

At the reporting date, foreign currency items are measured as follows:

- monetary items are translated at the exchange rate prevailing at the reporting date;

- non-monetary items measured at historic cost are translated at the exchange rate prevailing at the transaction date;
- non-monetary items measured at fair value are translated using the exchange rate prevailing at the reporting date.

Recognition of income components

Exchange rate differences relating to financial assets/liabilities other than those designated as at fair value and those mandatorily measured at fair value through profit or loss are recognized in the income statement under the item "Net gain (loss) on trading activities". Exchange rate differences relating to the two categories referred to above are recognized in under the item "Net gain (loss) of other financial assets and liabilities measured at fair value through profit or loss". In addition, if the financial asset is measured at fair value through other comprehensive income, exchange rate differences are allocated to the relevant valuation reserve.

Exchange rate differences resulting from the settlement of monetary items or from the translation of monetary items at exchange rates other than the initial translation rate, or translation of the previous financial statements, are recognized through profit or loss in the period in which they emerge.

When gains or losses relating to a non-monetary item are recognized in equity, the exchange rate difference for the item is also recognized in equity. Likewise, when a gain or loss is recognized through profit or loss, the corresponding exchange rate difference is also recognized through profit or loss.

15 – Insurance assets and liabilities

There are no insurance undertakings in the scope of consolidation.

16 – Other information

Employee termination benefits

Following the reform of supplementary pension schemes introduced by Legislative Decree 252 of December 5, 2005, changes were made to the way in which employee termination benefits are recognized. The portion of termination benefits accrued through December 31, 2006 is treated as a defined-benefit plan, since the company is required under law to pay the employee an amount determined pursuant to Article 2120 of the Italian Civil Code.

The portion of termination benefits accrued from January 1, 2007 allocated to a supplementary pension scheme or to the treasury fund managed by INPS (Italy's National Social Security Institute) are treated as a defined-contribution plan since the company's obligation towards the employee ceases upon transfer of the amounts to the fund.

Therefore, starting January 1, 2007, the Group:

- continues to recognize the obligation accrued at December 31, 2006 in accordance with the rules for defined-benefit plans, i.e. using the projected unit credit method. This means that it measures the obligation for benefits accrued by employees using actuarial techniques, projecting into the future the amount to pay at the time the employment relationship is termination and discounting the accrued portion. To this end, the projected unit credit method considers each individual service period as the originator of an additional unit of termination benefits to be used in constructing the final obligation by projecting future outflows on the basis of statistical analysis of historical developments and the demographic curve, discounting those flows using a market interest rate. Total actuarial gains and losses are recognized, in line with the provisions of IAS 19, in equity, while the interest cost component of the change in the defined benefit obligation is recognized in profit or loss;
- recognizes the obligation for portions accrued starting January 1, 2007, payable to a supplementary pension scheme or to the treasury fund managed by INPS, on the basis of the contributions owed in each period, as a defined contribution plan for employee service, in profit or loss. More specifically, in the case of termination benefits payable to a supplementary pension scheme that treatment begins at the time of the choice or, if the employee does not exercise any option, as from July 1, 2007.

Recognition of revenue

Revenue is recognized when realized or, in the case of the sale of goods or services, in relation to the extent to which the performance obligation has been satisfied, as specified below.

Specifically:

- interest is recognized on an accruals basis using the contractual interest rate or the effective interest rate where the amortized cost method is applied;
- default interest, if any, is recognized through profit or loss only upon receipt;
- dividends are recognized in the income statement when their distribution is authorized;
- commissions for revenue from services are recognized in relation to the effective provision of the services to a customer, as discussed in greater detail below;
- revenue from the placement of funding instruments, calculated on the basis of the difference between transaction price and the fair value of the financial instrument, are recognized in the income statement when the transaction is recognized if the fair value can be determined with reference to parameters or transactions recently observed in the same market in which the instrument is traded. If these amounts cannot be easily determined or the instrument is not highly liquid, the financial instrument is recognized in an amount equal to the transaction price, excluding the commercial margin. The difference between this amount and the fair value is taken to profit or loss over the duration of the transaction through the gradual reduction in the valuation model of the corrective factor reflecting the reduced liquidity of the instrument;
- revenue from the sale of non-financial assets are recognized at the time the performance obligation is satisfied with the transfer of the asset, i.e. when the customer obtains control of the asset.

In application of IFRS 15, the following steps are followed in recognizing revenue from contracts with customers:

- identification and analysis of the contract signed with the customer to identify the type of revenue. In some specific cases, multiple contracts may have to be combined and accounted for as a single contract;
- identification of the specific performance obligations in the contract. If the goods/services to be transferred are distinct, they qualify as performance obligations and are accounted for separately;
- determination of the transaction price, considering all the performance obligations in the contract. This price may be a fixed amount, but may sometimes include variable or non-monetary consideration;
- allocation of the transaction price to the performance obligations. The transaction price is allocated to the various performance obligations on the basis of the selling prices of each distinct good or service provided contractually. If it is impossible to determine the standalone selling price, it is necessary to estimate it. The assessment must be carried out as from the start date of the contract (the inception date);
- recognition of revenue when the performance obligation is satisfied. Revenue is recognized following the satisfaction of the performance obligation to the customer, i.e. when the latter obtains control of the good or service. Some revenue is recognized at a point in time, while other is accrued over time. It is therefore necessary to identify the moment in which the performance obligation is satisfied. In the case of performance obligations satisfied over time, revenue is recognized over the reference period, selecting an appropriate method to measure the progress made towards complete satisfaction of the performance obligation".

Accruals and deferrals

Accruals and deferrals reporting costs and revenue accruing in the period on assets and liabilities are recognized as adjustments to the assets and liabilities to which they refer. In the absence of such assets or liabilities, they are recognized under "Other assets" or "Other liabilities".

Expenditure for leasehold improvements

Expenses for refurbishments of buildings belonging to third parties that do not have an independent function or use are conventionally classified under "Other assets". Amortization is performed over the useful life of the right of use in respect of the buildings and amortization charges are reported under other operating expenses.

Determination of amortized cost

Amortized cost is applied to financial assets and liabilities measured at amortized cost and to the income components of financial assets measured at fair value through other comprehensive income.

The amortized cost of a financial asset or financial liability is the value at which it is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

The effective interest rate is the rate that discounts the contractual flow of future or received payments until the maturity date or the next repricing date to the present value of a financial asset or financial liability.

For instruments bearing a fixed rate or a fixed rate for periods of time, future cash flows are determined on the basis of the specified interest rate over the life of the instrument. For variable-rate financial assets or liabilities, future cash flows are determined on the basis of the last known rate. At each repricing date, the residual amortization and the effective yield over the residual useful life (i.e. until maturity) of the financial instrument are recalculated.

For purchased or originated credit-impaired financial assets ("POCI"), the effective interest rate corrected for credit risk is calculated, discounting estimated future cash flows over the expected life of the financial asset, taking account all the contractual terms of the asset (e.g. prepayment options, call options, etc.) as well as expected credit losses.

Financial assets and liabilities transacted on market terms are initially recognized at their fair value, which normally corresponds to the amount paid or received including directly attributable transaction costs and fees: internal marginal costs and income not recoverable from customers are considered transaction costs attributable at the time of initial recognition of the instrument.

These ancillary components, which must be attributable to the individual asset or liability, affect the effective return and cause the effective interest rate to differ from the contractual interest rate: therefore, costs and income referable indiscriminately to multiple transactions and related components that they may be recognized during the life of the financial instrument are not included. Furthermore, costs that the Group incurs independently of the transaction, such as administrative, office supplies and communication costs, are not considered in the calculation of the amortized cost.

With particular regard to inflation-linked BTPs - the overall performance of which does not depend solely on its real components but also on the developments in inflation, to which these bonds are indexed³³ - the measurement method adopted provides for the sterilization of the inflation effect in the calculation of the IRR and its inclusion in amortized cost, so as to generate a perfect adjustment of the value of holdings to changes in inflation. Accordingly, the value of the holding increases (or decreases) in proportion to the inflation coefficient, so that at the maturity of the security its value is equal to the redemption value.

More specifically, the methodology applied makes it possible to adjust the average carrying price of the security to the presumable redemption value by varying the associated value of the holdings in a manner consistent with the indexing parameter. In this way, the effect of inflation is accounted for in the year in which it occurs, in line with the accrual principle, and is summed with the real yield on the securities.

Net interest income reflects the contribution linked to both the real yield of the security (coupons and accrued interest) and the inflation component, the latter through the recognition of the portion at amortized cost deriving from the periodic revaluation of the value of the holdings of the securities.

Determination of impairment

Financial assets

At each reporting date, the Group determines whether there is objective evidence that a financial asset or group of financial assets has incurred a significant increase in the related credit risk since initial recognition and requires the definition of a methodology for calculating the expected loss (ECL) and the related risk parameters necessary to calculate it, namely: Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD).

The staging methodology provides for the allocation each exposure/tranche (loans and securities) to the three

³³ The overall performance of inflation-linked BTPs depends on two components: an a priori element, i.e. the real yield, and another linked to inflation, which determines the revaluation of coupons and principal. The value of the security is therefore made to evolve as a function of both effects.

distinct stages on the basis of the following:

- stage 1: this includes newly issued instruments/tranches and exposures to counterparties classified as performing that, as at the reporting date, have a PD lower than or equal to a given threshold (qualifying for the low credit risk exemption) or have not experienced a significant increase in credit risk with respect to that measured the date of disbursement/purchase. The 12-month expected loss is measured for these positions;
- stage 2: this includes all performing instruments/tranches that, as at the reporting date, simultaneously:
 - have a higher PD than that specified for the low credit risk exemption;
 - have experienced a significant increase in credit risk with respect to the date of disbursement;

In general, in the absence of a rating/PD at the reporting date the exposure is allocated in stage 2 (without prejudice to the use of additional criteria specifically adopted for the management of particular types of portfolios/positions not covered by the use of an internal rating model). In this case, the lifetime expected loss is measured;

- stage 3: this includes all instruments/tranches associated with loans/securities in default, for which the loss is calculated as the difference between the contractual cash flows and expected cash flows, discounted at the effective interest rate of the instrument (lifetime expected loss), which is essentially unchanged compared with the previous accounting standard.

A so-called grace period is also granted, under which newly disbursed exposures are conventionally classified in stage 1 for the first 3 months of the relationship, unless they derive from forbearance measures.

Furthermore, in order to reduce the volatility of allocations of exposures to the various stages, the mechanisms for transferring exposures between stages envisage a 3-month probation period (the minimum period for which positions are allocated to a given stage), defined as follows:

- an exposure allocated to stage 2 can be transferred to stage 1 if at the reporting date the conditions for allocation to stage 1 are met and at least 3 continuous months have elapsed since the factors that prompted allocation to stage 2 no longer exist;
- the reclassification as performing of an exposure previously allocated to stage 3 involves direct allocation to stage 2 for at least 3 months following the return to performing status, unless events requiring reallocation to stage 3 should occur.

If at least one of the criteria for classification in stage 2 is activated for a position within the probation period, the probation period recommences from the month in which the criteria that determined the allocation to stage 2 are no longer active.

Performing forborne exposures for which the regulatory probation period of 24 months is already activated and positions that are classified in stage 2 because of the activation of the cluster rule (unrated exposures) are excluded from the application of this criterion.

With regard to the securities portfolio, the methodology for staging performing exposures is based solely on quantitative information consisting in:

- the application of the low credit risk exemption, under which quantitative staging criteria are applied only to positions that, at the measurement date, have a credit risk that exceeds a specific threshold;
- the use of criteria based on a comparison between the 12-month PD conditioned on the origination date and the 12-month PD conditioned on the observation date (current PD). In this case, the criteria are defined on the basis of which the increases in PD represent a significant increase in credit risk such as to give rise to the allocation of the exposure to stage 2;
- a comparison at the observation date between the conditioned PD measure and a specified threshold value such as to give rise to the allocation of the exposure to stage 2 when this threshold is exceeded;
- the verification of the PD/rating measurement at the observation date and at the origination date such as to give rise the allocation to Stage 2 if one of the two pieces of information is missing³⁴ even if a rating system for evaluating the counterparty is available.

Exposures associated with securities in default are classified in stage 3.

³⁴ Unless the low credit risk exemption applies.

With regard to expected credit loss, the risk parameters necessary for calculating that value have been distinguished by differentiating between the securities portfolio and the loan portfolio.

With regard to the securities portfolio:

- Probability of Default (PD): the PD at 12 months and multi-period PDs used underwent forward-looking conditioning;
- Loss Given Default (LGD): the unconditioned LGD measures used are the same for both stage 1 and stage 2 exposures. More specifically, and unconditioned LGD metric of 45% is used, which subsequently undergoes forward-looking conditioning;
- Exposure At Default (EAD): for the purposes of quantifying the EAD associated with each securities issue, the gross value of the exposure at the reporting dates is generally used.

With regard to the loan portfolio:

- Probability of Default (PD): the approach defined by the Group envisages:
 - the use of internal rating models to determine the transition matrix based on rating classes, conditioned to incorporate forward-looking macroeconomic scenarios and used to obtain lifetime PDs;
 - where an internal rating model is absent, calculating default rates on an annual basis, conditioned to include forward-looking macroeconomic scenarios and used to obtain cumulative lifetime PDs;
- Loss Given Default (LGD): the approach for estimating LGD developed by the Group provides for the determination of historical loss rates on closed impaired positions and the application of the so-called danger rate, conditioned by macroeconomic scenarios;
- Exposure At Default (EAD): the estimation approach for EAD differs by type of portfolio, product and stage to which the exposure has been assigned.

In order to condition the PD and LGD risk parameters for future macroeconomic scenarios, the Group uses an approach consisting in:

- the estimation of internal “satellite models”, which explain the relationship linking the reference variables, proxies of the risk parameters, to a set of explanatory macroeconomic variables;
- the adoption of macroeconomic scenarios, which describe the possible evolution of the explanatory variables identified in the estimation of the models. The use of at least two different scenarios is envisaged, typically distinguishing them based on the “severity” of the forecasts and associating each of them with a probability of occurrence.

Bad loans, unlikely-to-pay positions, restructured exposures and exposures that are past due or overlimit are considered impaired in accordance with the current rules specified by the Bank of Italy, consistent with the IAS/IFRS and European supervisory regulations (stage 3).

The valuation of financial assets considers the following components: the best estimate of the expected cash flows and interest income, the realizable value of any guarantees net of recovery costs; recovery times, estimated on the basis of contractual time limits where present and on the basis of reasonable estimates in the absence of contractual agreements; the discount rate, equal to the original effective interest rate - for impaired loans outstanding at the transition date, where obtaining the figure was excessively onerous, reasonable estimates were adopted, such as the average rate on loans in the year of classification as non-performing or the restructuring rate.

The measurement of the impaired financial asset using these criteria is conducted on a specific basis under two possible alternative scenarios that assume operational continuity (the “going concern” scenario) or the cessation of operations (“gone concern”) or on a generic basis, using specific defaulted asset LGD models.

Equity securities and units of collective investment undertakings

Equity securities and units of collective investment undertakings, regardless of the accounting portfolio to which they are allocated, do not undergo impairment testing as they are measured at fair value.

Other non-financial assets

Property, plant and equipment and intangible assets with a finite useful life undergo impairment testing if there is evidence that the carrying amount of the asset cannot be recovered. The recoverable amount is determined as the greater of the fair value of the item of property, plant and equipment or the intangible asset net of costs of disposal and the value in use.

As regards real estate, fair value is mainly determined on the basis of an appraisal prepared by an independent expert.

Intangible assets recognized following acquisitions and in application of IFRS 3 at each reporting date undergo impairment testing to determine whether there is objective evidence that the asset may have incurred an impairment loss.

If there is evidence of impairment, intangible assets with a finite life undergo a new valuation to determine the recoverability of the carrying amount. Recoverable amount is determined on the basis of value in use, i.e. present value, as estimated using a rate representing the time value of money, the specific risks of the asset and the margin generated by relationships in place at the valuation date over a time horizon equal to the residual term of those relationships.

Since intangible assets with an indefinite life, represented by goodwill, do not generate autonomous cash flows, they undergo annual testing of their carrying amount for the cash generating unit (CGU) to which the values were allocated in the related business combinations. The amount of any impairment is determined on the basis of the difference between the carrying amount of the CGU and the recoverable amount of the unit, represented by the greater of its fair value, net of costs of disposal, and its value in use.

The carrying amount of the CGU must be determined in a manner consistent with the criteria used to determine its recoverable amount. From the standpoint of a banking enterprise, it is not possible to determine the cash flows of a CGU without considering the flows generated by financial assets and liabilities, given that the latter represent the core business of the company. In other words, the recoverable amount of the CGUs is impacted by those cash flows and, accordingly, the carrying amount of the CGUs must be determined using the same scope of estimation used for the recoverable amount and, therefore, must include the financial assets/liabilities. To that end, these assets and liabilities must be allocated to the CGUs.

Following this approach, the carrying amount of the CGUs can be determined in terms of their contribution to consolidated equity, including non-controlling interests.

The value in use of a CGU is calculated by estimating the present value of the future cash flows that are expected to be generated by the CGU on the basis of criteria and methodological models in line with best market practice and the literature in this field. Those cash flows are determined using the most recent public business plan or, in the absence of such a plan, an internal forecasting plan developed by management.

Normally, the specific forecasting period covers a maximum time horizon of three years. The flow in the final year of the forecasting period is projected forward in perpetuity, using an appropriate growth rate "g" for the purposes of the terminal value.

In calculating value in use, the cash flows must be discounted using a rate that reflects the current time value of money and the specific risks to which the asset is exposed. More specifically, the discount rates adopted incorporate current market values for the risk-free rate and equity premiums observed over a sufficiently long period of time to reflect different market conditions and business cycles.

With specific reference to the rights of use recognized in accordance with IFRS 16, evidence that an asset may have suffered an impairment loss may be associated both with internal factors (deterioration, obsolescence, etc.) and external factors (market value, technological changes, etc.). Failure to exercise a right of use or the subletting of the underlying asset are considered potential indicators of impairment of the right of use.

Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability between willing and knowledgeable market participants in an orderly transaction. In the definition of fair value, a key assumption is that an entity is fully operational (the assumption that an entity is a going concern) and does not have the intention or the need to liquidate, significantly reduce its operations or undertake transactions on unfavorable terms. In other words, fair value is not the amount an entity would receive or would pay in a forced transaction, an involuntary liquidation or a distress sale. Nevertheless, the fair value reflects the credit quality of the instrument as it incorporates counterparty risk.

Financial instruments

Please see section A.4 Fair value disclosures for more information on the methods used to determine the fair value of financial instruments.

Non-financial assets

Investment property is primarily valued using external appraisals, considering transactions at current prices in an active market for similar properties, in the same location and condition and subject to similar conditions for rentals and other contracts.

Financial guarantees

As part of its ordinary banking operations, the Group grants financial guarantees in the form of letters of credit, acceptances and other guarantees. Commission income earned on guarantees, net of the portion representing the recovery of costs incurred in issuing the guarantee, are recognized on an accruals basis under "Fee and commission income", taking account of the term and residual value of the guarantees.

Following initial recognition, the financial guarantees are measured as the greater of the amount of the provision covering the losses determined in accordance with the rules governing impairment and the initial recognition amount (fair value) less (where appropriate) the cumulative amount of the income that the Group has recognized in accordance with IFRS 15 (deferred income).

Any losses and value adjustments on such guarantees are reported under "Net provisions for risks and charges: a) commitments and guarantees issued" in the income statement. Writedowns due to the impairment of guarantees issued are reported under "Provisions for risk and charges: a) commitments and guarantees issued" in liabilities in the balance sheet.

Guarantees are off-balance-sheet transactions and are reported under "Other information" in Part B of the notes to the financial statements.

Business combinations

The transfer of control of an entity (or a group of integrated activities and assets, conducted and managed together) is a business combination.

IFRS 3 requires that an acquirer be identified for all business combinations. The acquirer is the entity that obtains control over another entity or group of activities. If it is not possible to identify a controlling entity using the definition of control described earlier, such as for example in the case of an exchange of equity interests, the acquirer must be identified using other factors such as: the entity whose fair value is significantly greater, the entity that possibly pays cash or the entity that issues new equity instruments.

The acquisition (and therefore the first consolidation of the acquired entity) must be accounted for on the date on which the acquirer actually obtains control over the entity or the assets acquired. When the business combination is achieved in a single exchange transaction, the date of exchange normally coincides with the acquisition date. However, it is always necessary to check for any agreements between the parties that may involve a transfer of control before the exchange date.

The consideration transferred as part of a business combination is determined as the sum of the fair value, at the exchange date, of the assets transferred, the liabilities incurred or assumed and the equity instruments issued by the acquirer in exchange for control.

In transactions involving payment in cash (or when payment is made using financial instruments comparable to cash) the consideration is the agreed price, possibly discounted if payment will be made in installments over a period longer than short term. If payment is made using an instrument other than cash, such as through the issue of equity instruments, the price is equal to the fair value of the means of payment net of costs directly attributable to the equity issue.

The consideration in a business combination at the acquisition date includes adjustments subordinated to future events if envisaged in the transfer agreements and only if they are probable, reliably determinable and made within the twelve months following the date of acquisition of control, while indemnities for a reduction in the value of the assets used are not included as they are already considered in the fair value of the equity instruments or as a reduction in the premium or increase in the discount on the initial issue of debt instruments, where applicable.

The costs related to the acquisition are charges that the acquirer incurs to carry out the business combination. By way of example, these include professional fees paid to auditors, experts, legal consultants, fees for appraisals and the auditing of accounts, preparation of information documents required by regulations, as well as consulting costs incurred to identify potential targets for acquisition if it is contractually established that payment is made only in the event of a successful combination, as well as the costs of registration and the issue of debt or equity securities.

The acquirer must account for the costs related to the acquisition as charges in the periods in which these costs are incurred and the services are received, with the exception of the costs of issuing equity or debt securities, which must be recognized in accordance with the provisions of IAS 32.

Business combinations are accounted for using the acquisition method, under which the identifiable assets acquired (including any intangible assets previously not recognized by the acquiree) and the identifiable liabilities assumed (including contingent liabilities) must be recognized at their respective fair values on the acquisition date. Furthermore, for each business combination, any non-controlling interests in the acquiree can be recognized at fair value (with a consequent increase in the consideration transferred) or as a proportion of the share of the non-controlling interests in the identifiable net assets of the acquiree.

If control is obtained in stages, the acquirer shall recalculate the interest previously held in the acquiree at its respective fair value on the acquisition date and record any difference with respect to the previous carrying amount through profit or loss. The excess of the consideration transferred (represented by the fair value of the assets transferred, the liabilities incurred or the equity instruments issued by the acquirer), increased by the value of any non-controlling interest (determined as indicated above), and the fair value of the interest previously held by the acquirer, over the fair value of the assets and liabilities acquired must be recognized as goodwill. However, if the latter exceed the sum of the consideration, non-controlling interest and the fair value of the interest previously held, the difference is recognized in profit or loss.

Following initial recognition, goodwill is measured at cost net of accumulated impairment losses. For the purpose of impairment testing, the goodwill acquired in a business combination is allocated, from the acquisition date, to each cash generating unit of the Group that is expected to benefit from the synergies of the combination, regardless of whether other assets or liabilities of the acquired entity are assigned to those units.

If goodwill has been allocated to a cash-generating unit and the entity disposes of part of the assets of the unit, the goodwill associated with the transferred asset is included in the carrying amount of the asset when determining the gain or loss on disposal. The goodwill associated with the transferred asset is determined on the basis of the relative values of the transferred asset and the part retained by the cash-generating unit.

Business combinations can be accounted for provisionally by the end of the reporting period in which the combination occurs, with the accounting to be completed within twelve months of the acquisition date.

If the business combination is carried out for reorganizational purposes, i.e. between two or more entities or businesses that already belong to the same group and the combination does not involve a change in control regardless of the extent of non-controlling interests before and after the business combination (business combinations of entities under common control), the transaction is considered to be without economic substance. Accordingly, in the absence of specific instructions in the IASs/IFRSs and in compliance with the presumptions of IAS 8 which require that - in the absence of a specific standard - an entity shall use of its judgment in applying an accounting policy that provides relevant, reliable, prudent information that reflects the economic substance of the transaction, such combinations are accounted for preserving the values in the financial statements of the acquiree in those of the acquirer.

Mergers are the form of business combination that represents the most complete form of combination, as they involve both the legal and economic unification of the participating parties.

Mergers, whether they are mergers of equals, i.e. with the establishment of a new legal entity following the combination, or the combination of one entity into another surviving entity, are treated in accordance with the criteria illustrated previously, and in particular:

- if the transaction involves the transfer of control of an entity, it is treated as a business combination within the scope of IFRS 3;
- if the transaction does not involve the transfer of control, it is accounted for by preserving the values in the financial statements of the merged entity in the surviving entity.

A.3 – DISCLOSURES ON TRANSFERS BETWEEN PORTFOLIOS OF FINANCIAL ASSETS

In execution of shareholders' resolutions passed in December 2018 and following the establishment and launch of the Iccrea Cooperative Banking Group, at the beginning of 2019 71 mutual banks reconfigured the business model of their financial portfolio, reclassifying about €3.7 billion of securities held under the hold to collect and sell (HTCS) business model to the hold to collect (HTC) business model and reclassifying about €0.3 billion of securities held under the hold to collect (HTC) business model to the hold to collect and sell (HTCS) business model.

No financial assets were reclassified in the years after 2019.

The following table reports the reclassified carrying amount at January 1, 2019 of the reclassified assets as at that date and still recognized at the reporting date as they were not sold or otherwise derecognized during the year.

A.3.1 RECLASSIFIED FINANCIAL ASSETS: CHANGE IN BUSINESS MODEL, CARRYING AMOUNT AND INTEREST INCOME

Type of financial instrument	Original portfolio	New portfolio	Reclassification date	Reclassified carrying amount	Interest income recognized in the period (before taxes)
Debt securities	Financial assets measured at fair value through other comprehensive income	Financial assets measured at amortized cost	31/12/2019	32,583	-

A.4 – FAIR VALUE DISCLOSURE

QUALITATIVE DISCLOSURES

This section provides the disclosures on the fair value of financial instruments as requested under IFRS 13, in particular paragraphs 91 and 92.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (the “exit price”) on the principal (or most advantageous) market, regardless of whether that price is directly observable or is estimated using a valuation technique.

Prices on an active market are the best indication of the fair value of financial instruments (Level 1 in the fair value hierarchy). In the absence of an active market or where prices are affected by forced transactions, fair value is determined on the basis of the prices of financial instruments with similar characteristics (Level 2 inputs – the comparable approach) or, in the absence of such prices as well, with the use of valuation techniques that use market inputs to the greatest extent possible (Level 2 inputs – model valuation - mark to model). Where market data is not available, inputs not drawn from the market and estimates and model forecasts may be used (Level 3 inputs – model valuation - mark to model). Where market data is not available, inputs not drawn from the market and estimates and model forecasts may be used (Level 3 inputs – model valuation - mark to model).

For financial instruments measured at fair value, the Group assigns maximum priority to prices quoted on active markets and lower priority to the use of unobservable inputs, as the latter are more discretionary, in line with the fair value hierarchy noted above and discussed in greater detail in section A.4.3 below. The policy establishes the order of priority, the criteria and general conditions used to determine the choice of one of the following valuation techniques:

- mark to market: a valuation approach using inputs classified as Level 1 in the fair value hierarchy;
- the comparable approach: a valuation approach based on the use of the prices of instruments similar to the one undergoing valuation, which are classified as Level 2 in the fair value hierarchy;
- mark to model: a valuation approach based on the use of pricing models whose inputs are classified as Level 2 (in the case of the exclusive use of market observable inputs) or Level 3 (in the case of the use of at least one significant unobservable input) in the fair value hierarchy.

Mark to market

Classification in Level 1 of the fair value hierarchy represents the mark-to-market approach. For an instrument to be classified in Level 1 of the fair value hierarchy, its value must be based solely on quoted prices in an active market to which the Bank has access at the time of valuation (Level 1 inputs).

A quoted price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value.

The concept of active market is a key concept in allocating a financial instrument to Level 1. An active market is a market (or dealer, broker, industrial group, pricing service or regulatory agency) in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. Thus, the definition implies that the concept of active market is associated with the individual financial instrument and not the market itself, and it is therefore necessary to conduct materiality tests.

The definition of “active market” is broader than that of “regulated market”: regulated markets are defined as the markets included in the list provided for by Article 63, paragraph 2, of the Consolidated Finance Act (TUF) and in the special section of the same list (see Article 67, paragraph 1, of the TUF). These markets are managed by companies authorized by CONSOB that operate in accordance with the provisions of the TUF and under the supervision of CONSOB itself.

Other markets in addition to regulated markets include organized trading systems (Multilateral Trading Systems and Systematic Internalizers) defined, pursuant to Legislative Decree 58/98, as a “set of rules and structures, including automated structures, which make exchange possible, on an ongoing or periodic basis, in order to collect and transmit orders for transactions in financial instruments and to settle these orders, for the purpose of concluding contracts”: although normally the financial instruments listed on these markets fall within the definition of instruments listed on active markets, there may be situations in which officially listed instruments are

not liquid due to low trading volumes. In such cases, quoted prices cannot be considered representative of the fair value of an instrument. Generally speaking, multilateral trading facilities (MTF) can be considered active markets if they are characterized by continuous and significant trading and/or by the presence of binding prices provided by the market maker, such as to ensure the formation of prices that actually represent the fair value of the instrument.

Financial instruments are also listed on regulated markets in other countries, and therefore not regulated by CONSOB, whose prices are available daily. These prices are considered representative of the fair value of the financial instruments insofar as they represent the result of a regular transaction and not only of offers to buy or sell. Finally, other markets, while not regulated, can also be considered active markets (e.g. platforms such as Bloomberg or Markit). Electronic over-the-counter (OTC) trading circuits are considered active markets to the extent that the quotations provided actually represent the price at which a normal transaction would occur. Similarly, the quotes published by brokers are representative of fair value if they reflect the actual price level of the instrument in a liquid market (that is, they are not indicative prices, but rather binding offers).

Ultimately, in order to consider a market active, the significance of the price observed on the market itself is of particular importance and, for this reason, the following factors are considered:

- bid-ask spreads: the difference between the price at which an intermediary undertakes to sell the securities (ask) and the price at which it undertakes to buy them (bid). The larger the spread, the lower the liquidity of the market and therefore the significance of the price;
- breadth and depth of the trading book: the first concept refers to the presence of offers of large dimensions, while the depth of the book means the existence of both purchase and sell orders for numerous price levels;
- number of contributors: number of market participants providing purchase or sell offers for a specific instrument. The larger the number of active market participants, the greater the significance of the price;
- availability of information on the terms and conditions of transactions;
- price volatility: presence of daily prices of the instrument outside a certain range. The lower the volatility of the prices, the greater the significance of the price.

Comparable approach

As already noted, the fair value of financial instruments classified in Level 2 can be determined using two different approaches: the so-called comparable approach, which presupposes the use of prices quoted on active markets for similar assets or liabilities or the prices of identical assets or liabilities on inactive markets, and the model valuation approach (or mark to model), which uses valuation techniques based on observable inputs concerning the instrument itself or similar instruments.

In the case of the comparable approach, measurement is based on the prices of substantively comparable instruments in terms of risk-return, maturity and other trading conditions. The following Level 2 inputs are necessary for use of the comparable approach:

- quoted prices on active markets for similar assets or liabilities;
- quoted prices for the instrument involved or for similar instruments on inactive markets, i.e. markets in which transactions are infrequent, prices are not current, change significantly over time or among the various market makers or on which little information is made public.

If there are quoted instruments that meet all of the comparability criteria indicated here, the value of the Level 2 instrument is considered to correspond to the quoted price of the comparable instrument, adjusted if necessary for factors observable on the market.

However, if the conditions for using the comparable approach directly do not apply, the approach may still be used as an input in Level 2 mark-to-model valuations.

Mark to model approach

In the absence of quoted prices for the instrument or for comparable instruments, valuation models are adopted. Valuation models must always maximize the use of market inputs. Accordingly, they must make priority use of observable market inputs (e.g. interest rates and yield curves observable at commonly quoted intervals, volatilities, credit spreads, etc.).

In the absence of directly or indirectly observable inputs or where they are insufficient to determine the fair value of an instrument, inputs that are not observable on the market can be used (discretionary estimates and assumptions). With the consequent allocation of the estimate obtained to Level 3 of the fair value hierarchy.

The mark-to-model technique therefore does not give rise to a single classification within the fair value hierarchy. Depending on the observability and materiality of the inputs used in the valuation model, an instrument could be assigned to Level 2 or Level 3.

A.4.1 FAIR VALUE LEVELS 2 AND 3: VALUATION TECHNIQUES AND INPUTS USED

The Group uses mark-to-model approaches in line with methods that are generally accepted and used in the industry. The valuation models comprise techniques based on the discounting of future cash flows and the estimation of volatility. They are reviewed both during their development and periodically thereafter in order to ensure their full consistency with the valuation objectives.

In the absence of quoted prices on active markets, financial instruments are measured as follows:

- bonds are measured using a discounted cash flow model adjusted for the credit risk of the issuer. The inputs used are yield curves and credit spreads for the issuer. The discount rule based on the guarantor's yield curve is applied to these securities, failing which the sectoral curve corresponding to the rating of the security (or of the guarantor in case of unavailability) and the guarantor's product sector is used. The inputs used include yield curves and any illiquidity spread;
- structured bonds are measured using a discounted cash flow model that incorporates valuations from option pricing models, adjusted for the credit risk of the issuer. The discount rule based on the guarantor's yield curve is applied to these securities, failing which the sectoral curve corresponding to the rating of the security (or of the guarantor in case of unavailability) and the guarantor's product sector is used. The inputs used include yield curves and any illiquidity spread, as well volatility surfaces and the correlation matrix for the underlyings;
- asset backed securities (ABS) are measured using the discounted sum of expected future cash flows. The cash flow model estimates future developments in the underlying asset portfolio, taking account of payment reports, market data and model input parameters, applying the priority of payments to obtain the expected future cash flows for the notes (interest and principal). Once the expected cash flows have been obtained, the PV of each individual note is obtained by discounting these flows using the discount margin method for variable-rate securities, or the discount yield for fixed-rate securities. The inputs used include, in addition to the government securities yield curve, the illiquidity spread and yield curves;
- derivatives on interest rates are measured using discounted cash flow models, within the multi-curve framework based on OIS discounting;
- derivatives involving options on rates, such as caps/floors and European swaptions, are measured using the Bachelier model, which uses the volatility matrix for these instruments and interest rates as market input parameters, in accordance with the multi-curve measurement framework based on OIS discounting;
- equity and CIU derivatives are valued using the Black&Scholes models (or models based on it, such as the Rubinstein model for forward starts and the Nengju Ju model for Asian options), which includes an estimate of volatility through interpolation by maturity and strike prices on a volatility matrix, as well as the inclusion of dividends. The inputs used are the price of the underlying equity, the volatility surface and the interest rate dividend curve. The estimate of the value uses the OIS/BC discounting approach;
- derivatives on exchange rates are valued using a discounted cash flow approach for plain-vanilla contracts or a Garman and Kohlhagen model for European options on exchange rates. The inputs are spot exchange rates and the forward points curve and volatility surfaces for plain-vanilla options. The estimate of the value uses the OIS/BC discounting approach;
- inflation derivatives, such as zero-coupon indexed inflation swaps and CPI swaps, are measured using a discounted cash flow approach, which in turn are measured on the basis of the term structure of inflation and seasonal factors (CPI Cash Flow Model), in accordance with the multi-curve measurement framework based on OIS discounting;
- equity securities are measured at fair value estimated using models applied in valuation practice or using balance sheet, income or mixed methods or with reference to direct transactions in the same security or similar securities observed over an appropriate span of time with respect to the valuation date. They are measured at cost if their carrying amount is below the materiality thresholds set by the Group both at individual and consolidated level and in cases where the cost represents a reliable estimate of fair value (e.g. because the most recent information to evaluate fair value is not available);
- investments in CIUs other than open-end harmonized funds are generally valued on the basis of the NAVs (adjusted where necessary with a specific liquidity adjustment if not fully representative of the fair value) made available by the asset management companies. These investments include private equity funds, real estate investment funds, bond funds and loan-based funds (impaired and performing)

- medium/long-term loans to customers are measured on the basis of a mark-to-model process using the discounted cash flow approach for the positions and other models for estimating option components where applicable;
- for medium/long-term liabilities, represented by securities for which the fair value option was chosen, the fair value is determined alternatively by either discounting the residual contractual cash flows using the zero-coupon yield curve, by applying the asset swap method or by using other yield curves deemed representative of the Bank's credit standing;
- for tax credits pursuant to the Cure Italy and Revival Decrees, the fair value is estimated by constructing two discount factor vectors applicable to, respectively, tax credits held by the Parent Company and by the mutual banks. The fair value of each credit designated as held under the Other or HTCS business models is obtained by multiplying the nominal value of the portion of the credit applicable to future portions of each year by the appropriate discount factor.

Significant unobservable inputs used in valuing instruments in Level 3 mainly include:

- estimates and assumptions underlying the models used to measure investments in equity securities and units in CIUs;
- Probability of Default (PD) and Loss Given Default (LGD): the parameters are derived from the impairment model. They are used to measure financial instruments for disclosure purposes only;
- credit spreads: the figure is extrapolated to create sector CDS curves using regression algorithms on the basis of a panel of single-name CDS curves. The figure is used to value financial instruments for disclosure purposes only;
- the liquidity spreads used in the mark-to-model measurement of ABS.

The Group also provides for the possibility of applying valuation adjustments to the prices of financial instruments when the valuation technique used does not capture factors that market participants would use in estimating fair value, for example when it is necessary to ensure that the fair value reflects the value of a transaction that could actually be carried out in a market.

The factors impacting the need for an adjustment include the complexity of the financial instrument; the credit standing of the counterparty; and the presence of any collateral agreements. In particular, the Group uses a method for calculating the CVA/DVA (Credit Value Adjustments/Debt Value Adjustments) in order to adjust the calculation of the fair value of uncollateralized derivatives in order to take account of counterparty risk (non-performance risk). The CVA/DVA is not calculated when collateral agreements have been formalized and are operational for derivatives positions.

With particular regard to units held in unlisted alternative investment funds (so-called AIFs), a liquidity adjustment is determined to be applied to the Net Asset Value (NAV) of the unlisted funds held.

The methodological approach adopted provides for the consideration, in line with market best practice, of the following main elements:

- the average holding period of the individual unlisted funds before they can be sold;
- the characteristics of the individual assets held by the fund and their level of volatility in the holding period considered (degree of uncertainty);
- the level of risk aversion reflected in a prudent threshold which, with reference to the distribution of the possible returns/final value of the asset/portfolio considered, makes it possible to measure any divergence from their expected value.

The use of these elements made it possible to estimate a discount with respect to the NAV, calculated as a percentage adjustment of the risk premium linked to the uncertainty concerning potential unfavorable changes in value before their realization while also taking account of the management costs of the funds not incorporated in the NAVs of the individual unlisted funds.

In these interim financial statements, the percentage adjustment applied was respectively 3.6% for real estate funds, 11.3% for private debt – bad loan funds, 4.5% for private debt –NPL UTP funds, 3.6% for private debt – Performing loan funds, 1.6% for private debt – bond funds and 7.9% for private equity funds.

A.4.2 VALUATION PROCESSES AND SENSITIVITY

The Group conducted an analysis of the potential sensitivity of the valuations of instruments classified in Level 3 and measured at fair value on a recurring basis to changes in the unobservable market parameters.

Level 3 exposures to financial instruments are mainly represented by units in CIUs, property, plant and equipment and equity securities.

The sensitivity analysis of unobservable inputs is conducted through a stress test of all significant unobservable inputs for the different types of assets. The tests are used to determine the potential changes in the fair value by category of asset attributable to changes in the determination of unobservable inputs (such as the volatility and the correlation of the recovery rates of the clusters for the NPL component of funds and the distribution haircut for the real estate component).

This analysis demonstrated that the sensitivity impacts were not material.

A.4.3 FAIR VALUE HIERARCHY

Under the provisions of IFRS 13, all fair value valuations must be classified within the three levels that delineate the valuation process on the basis of the characteristics and significance of the inputs used:

- Level 1: unadjusted quoted prices on an active market. Fair value is drawn directly from quoted prices observed on active markets. A financial instrument is considered to be quoted on an active market if prices are readily and regularly available and represent actual market transactions carried out on normal terms on a regulated market or MTF;
- Level 2: inputs other than the quoted prices noted above that are observable on the market either directly (prices) or indirectly (derivatives on prices). Fair value is determined using valuation techniques that provide for: a) the use of market inputs indirectly connected with the instrument being valued and derived from instruments with similar risk characteristics or quoted on inactive markets (the comparable approach); or b) that use observable inputs;
- Level 3: inputs that are not observable on the market. Fair value is determined using valuation techniques that use significant unobservable inputs, such as non-binding quotes provided by infoproducers (Mark to Model approach).

The following are normally considered Level 1:

- shares, debt securities and units of CIUs listed on regulated markets. Units of CIUs include mutual investment funds (UCITS, AIFs and restricted FIAs), SICAVs/SICAFs and ETPs (Exchange Traded Products);
- debt securities listed on Multilateral Trading Facilities (MTF) which meet the “specific requirements for multilateral trading systems” set out in MiFID II;
- debt securities whose fair value is equal to the unadjusted prices provided by brokers/market makers from an active market for an identical instrument and executable at the declared level;
- Units of CIUs whose value (NAV) is provided directly by the market operator;
- listed derivative financial instruments and issued financial liabilities whose fair value at the valuation date corresponds to the price quoted on an active market.

The following are normally considered Level 2:

- debt securities issued by national and international issuers that are not listed on an active market and are measured using approaches that mainly employ observable market inputs;
- debt securities whose fair value is equal to the prices provided by brokers/market makers determined with a valuation model based on observable market inputs;
- OTC financial derivatives entered into with institutional counterparties for which the main inputs are observable market data;
- units of CIUs whose prices are provided by the issuing entity (the so-called “soft NAV”) or whose fair value is adjusted using pricing models based on observable market inputs;

- insurance policies and interest-bearing postal bonds whose fair value is approximated, respectively, by the surrender and redemption value, which under applicable regulations represent the exit prices for those instruments.

Finally, the following are normally considered Level 3:

- debt securities not listed on an active market and measured using approaches that mainly employ unobservable inputs;
- debt securities whose fair value is equal to the prices provided by brokers/market makers determined with a valuation model based on unobservable inputs;
- equity securities and issued financial liabilities for which there are no prices quoted on active markets at the valuation date and which are mainly valued using techniques based on unobservable market data;
- OTC financial derivatives entered into with institutional counterparties and measured using pricing models similar to those used for Level 2 valuations but from which they differ in the degree of observability of the inputs used in the pricing techniques;
- financial derivatives entered into with customers for which the fair value adjustment taking account of default risk is significant with respect to the total value of the financial instrument;
- units of CIUs whose prices are provided by the issuing entity (the so-called “soft NAV”) or whose fair value is adjusted using pricing models not based entirely on observable market inputs.

The fair value of tax credits under the “Cure Italy” and “Revival” Decrees is treated as Level 3.

In general, transfers of financial instruments between Level 1 and Level 2 in the fair value hierarchy only occur in the event of changes in the market in the period considered. For example, if a market previously considered active no longer meets the minimum requirements for being considered active, the instrument will be reclassified to a lower level; in the opposite case, it will be raised to a higher level.

A.4.4 OTHER INFORMATION

The circumstances referred to in paragraphs 48, 93 letter (i) and 96 of IFRS 13 do not apply to the Group's financial statements as the Group is not managing groups of financial assets and liabilities on the basis of its net exposure to a specific market risk (or risks) or to the credit risk of a specific counterparty and the highest and best use of a non-financial asset does not differ from its current use.

QUANTITATIVE DISCLOSURES**A.4.5 FAIR VALUE HIERARCHY****A.4.5.1 ASSETS AND LIABILITIES MEASURED AT FAIR VALUE ON A RECURRING BASIS: BREAKDOWN BY FAIR VALUE INPUT LEVEL**

	30/06/2026			31/12/2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Financial assets measured at fair value through profit or loss	452,941	814,013	329,231	396,780	796,922	346,528
a) financial assets held for trading	87,815	55,615	192	26,358	55,218	188
b) financial assets designated as at fair value	311,826	-	581	332,060	-	723
c) other financial assets mandatorily measured at fair value	53,299	758,398	328,457	38,362	741,704	345,617
2. Financial assets measured at fair value through comprehensive income	8,321,513	471,726	60,352	6,915,539	469,820	57,766
3. Hedging derivatives	109	898,076	-	469	1,071,331	-
4. Property, plant and equipment	-	-	252,259	-	-	277,560
5. Intangible assets	-	-	-	-	-	-
Total	8,774,563	2,183,815	641,842	7,312,788	2,338,073	681,854
1. Financial liabilities held for trading	30,298	46,755	-	2,022	43,612	-
2. Financial liabilities designated as at fair value	63,527	-	-	-	67,763	-
3. Hedging derivatives	518	415,293	-	352	244,771	-
Total	94,343	462,048	-	2,374	356,146	-

PART B – INFORMATION ON THE CONSOLIDATED BALANCE SHEET

ASSETS

SECTION 1 - CASH AND CASH EQUIVALENTS – ITEM 10

1.1 CASH AND CASH EQUIVALENTS: BREAKDOWN

	Total 30/06/2026	Total 31/12/2025
a) Cash	662,307	824,286
b) Current accounts and demand deposits with Central Banks	252,314	730,542
c) Current accounts and demand deposits with Banks	246,170	148,664
Total	1,160,791	1,703,492

The item “Current accounts and demand deposits with central banks”, a sharp decrease compared with the end of 2025, includes deposits with the Bank of Italy, of which €2.8 million attributable to the Guarantee Scheme operated by the Parent Company and €249.5 million connected with the instant payments service. The decrease is mainly attributable to the closure, during the period, of an overnight deposit of €478 million.

SECTION 2 - FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS – ITEM 20

2.1 FINANCIAL ASSETS HELD FOR TRADING: BREAKDOWN BY PRODUCT

	Total 30/06/2026			Total 31/12/2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
A. Financial assets (non-derivatives)						
1. Debt securities	85,519	1,712	2	24,029	1,775	-
1.1 Structured securities	28,658	58	1	9,313	11	-
1.2 Other debt securities	56,861	1,654	1	14,716	1,764	-
2. Equity securities	2,048	31	-	1,448	2	-
3. Units in collective investment undertakings	-	13	65	687	735	94
4. Loans	-	-	-	-	-	-
4.1 Repurchase agreements	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
Total (A)	87,567	1,756	67	26,164	2,512	94
B. Derivatives						
1. Financial derivatives	248	53,859	125	194	52,707	94
1.1 Trading	248	49,712	125	194	49,373	94
1.2 Associated with fair value option	-	4,147	-	-	3,333	-
1.3 Other	-	-	-	-	-	-
2. Credit derivatives	-	-	-	-	-	-
2.1 Trading	-	-	-	-	-	-
2.2 Associated with fair value option	-	-	-	-	-	-
2.3 Other	-	-	-	-	-	-
Total (B)	248	53,859	125	194	52,707	94
Total (A+B)	87,815	55,615	192	26,358	55,219	188

The sub-item A.1 – 1.2 “other debt securities”, up by €61.4 million compared with the end of 2025, mainly includes government securities held for trading in the amount of €62 million.

The sub-item B.1 – 1.1 reports the market value of the derivatives originated by Group operations, in the amount of €54.2 million.

2.3 FINANCIAL ASSETS DESIGNATED AS AT FAIR VALUE: BREAKDOWN BY PRODUCT

	Total 30/06/2026			Total 31/12/2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt securities	311,826	-	-	332,060	-	-
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	311,826	-	-	332,060	-	-
2. Loans	-	-	582	-	-	723
2.1 Structured	-	-	-	-	-	-
2.2 Other	-	-	582	-	-	723
Total	311,826	-	582	332,060	-	723

The item 1.2 “other debt securities” includes the balance for securities in which the liquidity from the Guarantee Scheme operated by Parent Company is invested.

2.5 OTHER FINANCIAL ASSETS MANDATORILY MEASURED AT FAIR VALUE: BREAKDOWN BY PRODUCT

	Total 30/06/2026			Total 31/12/2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt securities	7,951	10,773	2,664	10,870	11,123	3,062
1.1 structured securities	3,845	4,545	-	6,347	4,206	-
1.2 Other debt securities	4,106	6,228	2,664	4,523	6,917	3,062
2. Equity securities	39,408	38,551	-	21,791	34,256	-
3. Units in collective investment undertakings	5,940	100,434	313,137	5,700	80,484	326,975
4. Loans	-	608,640	12,656	-	615,841	15,580
4.1 Repurchase agreements	-	-	-	-	-	-
4.2 Other	-	608,640	12,656	-	615,841	15,580
Total	53,299	758,398	328,457	38,361	741,704	345,617

The item includes financial instruments that under IFRS 9 do not meet the requirements for measurement at amortized cost or at fair value through other comprehensive income (unit in CIUs, insurance policies, postal savings bonds, debt securities and loans failing to pass the SPPI test).

The largest components of loans reported under 4.2 “Other” include insurance policies underwritten by the banks of the Group in the amount of about €536 million and interest-bearing postal bonds in the amount of about €55 million.

SECTION 3 - FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME – ITEM 30

3.1 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME: BREAKDOWN BY PRODUCT

	Total 30/06/2026			Total 31/12/2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt securities	8,286,524	56,301	-	6,882,231	50,297	-
1.1 structured securities	828,115	17,342	-	629,580	43,292	-
1.2 other debt securities	7,458,409	38,959	-	6,252,651	7,005	-
2. Equity securities	34,990	415,425	60,352	33,308	419,523	57,766
3. Loans	-	-	-	-	-	-
Total	8,321,514	471,726	60,352	6,915,539	469,820	57,766

The item “Debt securities “, came to €8.3 billion, and includes €7 billion of government securities.

“Equity securities - Level 2” includes the equity investment in the Bank of Italy in the amount of €375 million, unchanged over the previous year. The remainder of equity securities mainly includes non-controlling interests.

3.3 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME: GROSS VALUE AND TOTAL IMPAIRMENTS

	Gross amount					Total impairments				
	Stage 1	of which: instruments with low credit risk	Stage 2	Stage 3	Purchased or originated credit- impaired	Stage 1	Stage 2	Stage 3	Purchased or originated credit- impaired	Total partial write-offs*
Debt securities	8,295,982	7,817,103	52,009	810	-	(3,010)	(2,766)	(200)	-	-
Loans	-	-	-	-	-	-	-	-	-	-
Total 30/06/2026	8,295,982	7,817,103	52,009	810	-	(3,010)	(2,766)	(200)	-	-
Total 31/12/2025	6,902,387	6,607,678	34,288	11	-	(2,250)	(1,908)	-	-	-

* Value to be reported for information purposes

SECTION 4 - FINANCIAL ASSETS MEASURED AT AMORTIZED COST - ITEM 40

4.1 FINANCIAL ASSETS MEASURED AT AMORTIZED COST: BREAKDOWN BY PRODUCT OF LOANS AND RECEIVABLES WITH BANKS

	Total 30/06/2026						Total 31/12/2025					
	Carrying amount			Fair value			Carrying amount			Fair value		
	Stage 1 and 2	Stage 3	Purchased or originated credit- impaired	Level 1	Level 2	Level 3	Stage 1 and 2	Stage 3	Purchased or originated credit- impaired	Level 1	Level 2	Level 3
A. Due from Central Banks	1,573,536	-	-	-	-	1,573,536	1,521,757	-	-	-	-	1,521,757
1. Fixed-term deposits	-	-	-	X	X	X	-	-	-	X	X	X
2. Reserve requirements	1,573,536	-	-	X	X	X	1,521,757	-	-	X	X	X
3. Repurchase agreements	-	-	-	X	X	X	-	-	-	X	X	X
4. Other	-	-	-	X	X	X	-	-	-	X	X	X
B. Due from Banks	2,216,398	-	-	1,331,343	229,005	397,093	1,705,258	-	-	1,234,507	262,891	222,350
1. Financing	629,791	-	-	1,488	33,049	346,749	205,873	-	-	-	33,613	172,058
1.1 Current accounts and demand deposits	-	-	-	X	X	X	-	-	-	X	X	X
1.2. Fixed-term deposits	21,316	-	-	X	X	X	33,826	-	-	X	X	X
1.3. Other financing:	608,475	-	-	X	X	X	172,047	-	-	X	X	X
- Repurchase agreements	353,981	-	-	X	X	X	63,413	-	-	X	X	X
- Finance leases	32	-	-	X	X	X	205	-	-	X	X	X
- Other	254,462	-	-	X	X	X	108,429	-	-	X	X	X
2. Debts securities	1,586,607	-	-	1,329,855	195,956	50,344	1,499,385	-	-	1,234,507	229,278	50,292
2.1 Structured securities	836,325	-	-	756,725	85,944	-	768,776	-	-	688,510	89,063	-
2.2 Other debt securities	750,282	-	-	573,130	110,012	50,344	730,609	-	-	545,997	140,215	50,292
Total	3,789,934	-	-	1,331,343	229,005	1,970,629	3,227,015	-	-	1,234,507	262,891	1,744,107

“Due from Central Banks” total €1.6 billion and include the balance of the Group banks’ reserve requirement managed on behalf of the mutual banks by the Parent Company.

The sub-item “debt securities” comes to €1.6 billion, a slight increase compared with the end of the previous year, and is attributable to bank bonds held by the Group.

4.2 FINANCIAL ASSETS MEASURED AT AMORTIZED COST: BREAKDOWN BY PRODUCT OF LOANS AND RECEIVABLES WITH CUSTOMERS

	Total 30/06/2026						Total 31/12/2025					
	Carrying amount			Fair value			Carrying amount			Fair value		
	Stage 1 and 2	Stage 3	Purchased or originated credit- impaired	Level 1	Level 2	Level 3	Stage 1 and 2	Stage 3	Purchased or originated credit- impaired	Level 1	Level 2	Level 3
1. Loans	100,278,115	609,431	2,252	-	1,361,179	103,557,826	97,284,869	614,724	2,459	-	1,223,203	101,071,638
1.1. Current accounts	6,745,171	73,320	18	-	-	-	6,721,168	72,401	18	-	-	-
1.2. Repurchase agreements	3,789,136	-	-	X	X	X	2,517,359	-	-	X	X	X
1.3. Medium/long term loans	74,293,410	455,887	1,445	X	X	X	72,266,536	454,301	1,514	X	X	X
1.4. Credit cards, personal loans and loans repaid by automatic deductions from wage	3,243,261	16,654	-	X	X	X	3,147,696	15,545	-	X	X	X
1.5. Finance leases	3,316,014	33,678	-	X	X	X	3,333,782	35,767	-	X	X	X
1.6. Factoring	662,744	7,006	-	X	X	X	888,129	12,341	-	X	X	X
1.7. Other loans	8,228,379	22,886	789	X	X	X	8,410,201	24,369	927	X	X	X
2. Debt securities	47,073,422	554,240	-	44,799,636	1,961,387	926,233	46,596,792	394,890	-	44,835,981	1,435,274	1,013,501
2.1. Structured securities	952,371	-	-	539,655	387,417	26,579	824,709	-	-	435,202	368,080	28,524
2.2. Other debt securities	46,121,051	554,240	-	44,259,981	1,573,970	899,654	45,772,083	394,890	-	44,400,779	1,067,194	984,977
Total	147,351,537	1,163,671	2,252	44,799,636	3,322,566	104,484,060	143,881,661	1,009,614	2,459	44,835,981	2,658,476	102,085,139

Loans to customers classified here came to a total €148.5 billion up by €3.6 billion on the end of 2025.

In particular, the balance of “Loans” increased by a total of €3 billion on the end of 2025.

“Repurchase agreements” came to €3.8 billion, and mainly reports amounts connected with transactions with the Clearing & Guarantee Fund, an increase of €1.3 billion on the previous year.

Medium/long-term loans, amounting to €74.8 billion, are mainly granted to households and non-financial companies and increase by about €2 billion on the previous year.

“Debt securities” classified here came to €47.6 billion, up by €0.6 billion over the end of the previous year, and mainly includes about €46 billion of government securities.

4.4 FINANCIAL ASSETS MEASURED AT AMORTIZED COST: GROSS AMOUNT AND TOTAL IMPAIRMENTS

	Gross amount					Total impairments				Total partial write-offs *
	Stage 1	of which: instruments with low credit risk	Stage 2	Stage 3	Purchased or originated credit-impaired	Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired	
Debt securities	48,474,800	46,660,110	281,078	594,162	-	(10,322)	(85,527)	(39,922)	-	-
Loans	95,226,380	38,905,784	7,889,150	2,497,219	7,128	(219,500)	(414,588)	(1,887,788)	(4,876)	(380,891)
Total 30/06/2026	143,701,180	85,565,894	8,170,228	3,091,381	7,128	(229,822)	(500,115)	(1,927,710)	(4,876)	(380,891)
Total 31/12/2025	139,528,289	77,569,539	8,319,134	2,955,468	8,285	(250,697)	(488,049)	(1,945,855)	(5,826)	(410,831)

* Value to be reported for information purposes

SECTION 5 – HEDGING DERIVATIVES - ITEM 50

5.1 HEDGING DERIVATIVES: BREAKDOWN BY PRODUCT OF CONTRACT AND LEVEL OF INPUT

	FV			NV 30/06/2026	FV			NV 31/12/2025
	30/06/2026				31/12/2025			
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
A. Financial derivatives								
1. Fair value	109	891,217	-	15,539,803	469	1,058,145	-	16,058,945
2. Cash flows	-	6,859	-	1,236,365	-	13,186	-	2,135,082
3. Investments in foreign operations	-	-	-	-	-	-	-	-
B. Credit derivatives								
1. Fair value	-	-	-	-	-	-	-	-
2. Cash flows	-	-	-	-	-	-	-	-
Total	109	898,076	-	16,776,168	469	1,071,331	-	18,194,027

Key
FV= fair value
NV=notional value

The decrease in fair value hedging derivatives under A.1 compared with the end of 2025 is attributable to the decrease in long-term floating rates in the period.

SECTION 6 - VALUE ADJUSTMENTS OF FINANCIAL ASSETS HEDGED GENERICALLY – ITEM 60

6.1 VALUE ADJUSTMENTS OF HEDGED ASSETS: BREAKDOWN BY HEDGED PORTFOLIOS

	Total 30/06/2026	Total 31/12/2025
1. Positive adjustments	8,141	8,214
1.1 Of specific portfolios:	8,141	8,214
a) financial assets measured at amortized cost	8,141	8,214
b) financial assets measured at fair value through comprehensive income	-	-
1.2 Comprehensive	-	-
2. Negative adjustments	(652,925)	(703,811)
2.1 Of specific portfolios:	(652,925)	(703,811)
a) financial assets measured at amortized cost	(652,925)	(703,811)
b) financial assets measured at fair value through comprehensive income	-	-
2.2 Comprehensive	-	-
Total	(644,784)	(695,597)

The item refers to the negative value adjustment of macro-hedged assets and is correlated with the positive fair value of macro-hedging derivatives.

SECTION 7 – EQUITY INVESTMENTS – ITEM 70

7.1 EQUITY INVESTMENTS: INFORMATION ON INVESTMENTS

	Registered office	Operational headquarters	Type of relationship	Investment		% of votes
				Investor	% holding	
A. Joint ventures						
Federazione BCC Friuli Venezia Giulia Srl	Udine	Udine	Joint control	Iccrea Banca SpA	50.0%	50.0%
B. Companies subject to significant influence						
Numia Group SpA	Milan	Milan	Significant influence	Iccrea Banca SpA	28.6%	28.6%
BCC Vita SpA	Milan	Milan	Significant influence	Iccrea Banca SpA	30.0%	30.0%
BCC Assicurazioni SpA	Milan	Milan	Significant influence	Iccrea Banca SpA	30.0%	30.0%
Pitagora SpA	Turin	Turin	Significant influence	Iccrea Banca SpA	20.0%	20.0%
Sigest Srl	Calcinaia	Calcinaia	Significant influence	Iccrea Banca SpA	49.0%	49.0%
Vorvel SIM SpA	Milan	Milan	Significant influence	Iccrea Banca SpA	20.0%	20.0%
Polo Verde Srl	Cremona	Cremona	Significant influence	Credito Padano Banca di Credito Cooperativo SC	25.0%	25.0%
Solaria Srl	Grosseto	Grosseto	Significant influence	Banca TEMA - Terre Etrusche e di Maremma SC	40.0%	40.0%
Hbenchmark Srl	Altavilla Vicentina	Altavilla Vicentina	Significant influence	Iccrea Banca SpA	10.0%	10.0%

7.2 SIGNIFICANT EQUITY INVESTMENTS: CARRYING AMOUNT, FAIR VALUE AND DIVIDENDS RECEIVED

	Carrying amount	Fair value*	Dividends received
A. Joint ventures			
B. Companies subject to significant influence			
Numia Group SpA	154,757		
BCC Vita SpA	60,922		
BCC Assicurazioni SpA	8,108		
Pitagora SpA	21,981		1,069
Sigest Srl	13,753		
Total	259,521		1,069

* The fair value of investments must be indicated only for listed securities

7.6 ASSESSMENTS AND SIGNIFICANT ASSUMPTIONS FOR ESTABLISHING THE EXISTENCE OF JOINT CONTROL OR SIGNIFICANT INFLUENCE

Part A – Accounting Policies, “Section 3 – Scope and methods of consolidation” of the notes to the financial statements sets out the general criteria for the assessment and significant assumptions made in establishing whether or not we exercise joint control or significant influence over an investee company or another entity.

SECTION 9 - PROPERTY, PLANT AND EQUIPMENT – ITEM 90

9.1 OPERATING PROPERTY, PLANT AND EQUIPMENT: BREAKDOWN OF ASSETS CARRIED AT COST

	Total 30/06/2026	Total 31/12/2025
1. Owned assets	1,583,890	1,597,357
a) land	294,130	294,355
b) buildings	1,079,454	1,094,210
c) movables	63,483	62,863
d) electronic systems	33,601	35,602
e) other	113,222	110,327
2. Right of use of leased assets	307,234	312,244
a) land	1,793	1,800
b) buildings	203,274	201,965
c) movables	12	23
d) electronic systems	79,381	95,375
e) other	22,774	13,081
Total	1,891,124	1,909,601
of which: obtained through enforcement of guarantees received	1,206	1,224

The rights of use of leased assets for buildings are attributable almost entirely to the leases of properties used as branches and spaces used to host ATMs or offices.

9.2 INVESTMENT PROPERTY, PLANT AND EQUIPMENT: BREAKDOWN OF ASSETS CARRIED AT COST

	Total 30/06/2026				Total 31/12/2025			
	Carrying amount	Fair value			Carrying amount	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
1. Owned assets	119,585	-	23,861	149,922	123,347	-	23,923	153,891
a) land	29,179	-	666	28,828	30,089	-	668	29,909
b) buildings	90,406	-	23,195	121,094	93,258	-	23,255	123,982
2. Right of use of leased assets	-	-	-	-	-	-	-	-
a) land	-	-	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-	-	-
Total	119,585	-	23,861	149,922	123,347	-	23,923	153,891
of which: obtained through enforcement of guarantees received	27,631	-	-	29,904	28,610	-	-	31,012

9.4 INVESTMENT PROPERTY, PLANT AND EQUIPMENT: COMPOSITION OF ASSETS AT FAIR VALUE

	Total 30/06/2026			Total 31/12/2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Owned assets	-	-	252,259	-	-	277,560
a) land	-	-	525	-	-	575
b) buildings	-	-	251,734	-	-	276,985
2. Right of use of leased assets	-	-	-	-	-	-
a) land	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-
Total	-	-	252,259	-	-	277,560
of which: obtained through enforcement of guarantees received	-	-	-	-	-	-

9.5 INVENTORIES OF PROPERTY, PLANT AND EQUIPMENT WITHIN THE SCOPE OF IAS 2: BREAKDOWN

	Total 30/06/2026	Total 31/12/2025
1. Inventories of property, plant and equipment obtained through enforcement of guarantees received	24,988	25,469
a) land	12,775	12,768
b) buildings	5,423	5,736
c) movables	-	-
d) electronic systems	-	-
e) other	6,790	6,965
2. Other inventories of property, plant and equipment	4,433	4,643
Total	29,421	30,112
of which: measured at fair value net of selling costs	2,020	2,020

SECTION 10 – INTANGIBLE ASSETS – ITEM 100

10.1 INTANGIBLE ASSETS: BREAKDOWN BY CATEGORY

	Total 30/06/2026		Total 31/12/2025	
	Finite life	Indefinite life	Finite life	Indefinite life
A.1 Goodwill	X	18,408	X	18,408
A.1.1 pertaining to the Group	X	18,408	X	18,408
A.1.2 pertaining to non-controlling interests	X	-	X	-
A.2 Other intangible assets	215,785	5	206,707	5
of which software	207,778	-	198,243	-
A.2.1 Assets carried at cost	215,785	5	206,707	5
a) internally generated intangible assets	5,583	-	4,320	-
b) other assets	210,202	5	202,387	5
A.2.2 Assets designated at fair value	-	-	-	-
a) internally generated intangible assets	-	-	-	-
b) other assets	-	-	-	-
Total	215,785	18,412	206,707	18,412

Item A.1.1 includes goodwill paid in the acquisition of bank branches by the Group banks (€2.8 million) and goodwill recognized upon first-time consolidation of certain controlling interests (€15.6 million) prior to the formation of the Mutual Banking Group.

Other intangible assets mainly comprise software and licenses.

10.3 OTHER INFORMATION

IAS 36 requires that certain types of asset, including goodwill, undergo impairment testing at least annually (in the case of the Iccrea Cooperative Banking Group and the main Italian banking groups, at the end of the calendar year) in order to verify the recoverability of their value.³⁵

The standard also establishes that the annual detailed calculation can be considered valid for the purposes of subsequent assessments as long as the probability that the recoverable value of the assets is less than the carrying amount is considered remote. This judgment is essentially based on an analysis of events that have occurred and any circumstances that may have changed since the date of the most recent annual impairment test.

Specifically, IAS 36 requires the performance of certain qualitative and quantitative analyses in the preparation of the interim financial statements in order to identify the possible existence of impairment indicators (“internal” and “external”) and consequently whether the conditions have been met for performing impairment tests more frequently than the ordinary annual testing.

In consideration of the foregoing, analyses were performed to verify the presence or absence, compared with the

³⁵ In the financial statements at December 31, 2025, which readers are invited to consult for more information, impairment tests were conducted to assess the carrying amount of the goodwill recognized by the affiliated banks (€2.8 million) and the goodwill recognized in the consolidated financial statements following the acquisition of control over the investees (€15.6 million).

In order to perform impairment testing of the goodwill recognized by the banks, the Group has adopted common criteria and methodological models, in line with best market and theoretical practice, to determine the value in use of the assets. Consistent with the provisions of IAS 36 and taking account of the general principles of reasonableness and demonstrability of the estimates to be used, two distinct approaches have been adopted within the Group (based on the use of a CGU represented, respectively, by the entire company or the branches that originally led to the recognition of goodwill). In the case of the “entire company CGU”, the dividend discount model (DDM) - excess capital variant – has been applied. It estimates the value of a company (in this case, the affiliated mutual bank) on the basis of future dividends distributable to shareholders. This method is widely used in accepted valuation practice and supported by the literature on corporate valuation techniques, with particular regard to companies operating in the financial sector. Affiliates that adopt the “branches acquired CGU” use the discounted cash flow (“DCF”) – levered variant. It estimates the value of the economic capital of a company (“equity value”) as the sum of the present value of the cash flows distributable to shareholders that it will generate over a specified explicit period for planning projected economic/financial data and of the residual value at the end of the that period (“TV”), discounted at a rate equal to the cost of equity (“Ke”).

In the measurement of the goodwill recognized in the consolidated financial statements following the acquisition of control over the investee, the CGU is represented by each of these investees. The companies were measured using the market multiples method, which is based on the assumption that the value of a company can be determined by drawing information from the stock exchange market for companies operating in the same sector of the company being valued (“comparable companies”).

date of approval of the impairment test performed in the preparation of the consolidated financial statements at December 31, 2025, of indicators/events of either an external or internal nature (so-called trigger events) such as to give rise to the need to perform impairment testing for the interim financial report at June 30, 2026.

More specifically, in consideration of the above, the following external factors were analyzed:

- the evolution of the macroeconomic scenario and the forecasts of the banking sector for the medium term with respect to the assumptions underlying the projections considered in the impairment testing at December 31, 2025;
- the components of the discount rate compared between the situation prevailing at the time of the impairment testing exercise and the current situation;

as well as the following internal factors:

- a comparison of the preliminary data at June 30, 2026 and the expected profit forecasts in the budget for investee companies undergoing assessment.

The analysis performed found no evidence of impairment for the assets involved.

SECTION 11 - TAX ASSETS AND LIABILITIES – ITEM 110 OF ASSETS AND ITEM 60 OF LIABILITIES

11.1 DEFERRED TAX ASSETS: BREAKDOWN

	30/06/2026		Total	31/12/2025		Total
	IRES	IRAP		IRES	IRAP	
1) Recognized in income statement:	495,522	69,255	564,778	518,760	70,278	589,038
a) DTAs pursuant to Law 214/2011	262,786	37,531	300,317	282,271	40,051	322,322
Writedowns of loans to customers	261,885	37,410	299,296	281,205	40,003	321,207
Goodwill and other intangible assets at December 31, 2014	206	47	252	212	48	261
Tax losses/negative value of production pursuant to Law 214/2011	695	74	769	854	-	854
b) Other	232,736	31,724	264,460	236,489	30,227	266,716
Writedowns of amounts due from banks	1,558	-	1,558	1,646	-	1,646
Writedowns of loans to customers	27,381	11,558	38,939	19,801	9,748	29,549
Goodwill and other intangible assets	2,653	489	3,142	2,872	509	3,380
Tax losses	5,708	-	5,708	8,277	-	8,277
Writedowns of financial instruments	297	227	523	320	232	552
Writedowns from impairment of guarantees issued recognized under liabilities	44,838	-	44,838	48,952	-	48,952
Provisions for risks and charges	75,621	9,273	84,894	77,416	9,327	86,743
Costs of predominantly administrative nature	631	-	631	1,037	-	1,037
Difference between value for tax purposes and carrying amount of property, plant and equipment and intangible assets	36,082	5,281	41,363	36,895	5,400	42,294
Other	37,968	4,896	42,864	39,274	5,012	44,286
2) Recognized in shareholders' equity:	29,774	5,838	35,611	28,431	5,562	33,993
a) Valuation reserves	26,736	5,285	32,021	25,484	5,041	30,525
Capital losses on financial assets measured through OCI	26,736	5,285	32,021	25,484	5,041	30,525
b) Other:	3,038	553	3,591	2,947	521	3,468
Actuarial gains/losses on provisions for employees	32	-	32	24	-	24
Other	3,006	553	3,559	2,922	521	3,443
A. Total deferred tax assets	525,296	75,093	600,389	547,191	75,840	623,031
B. Offsetting with deferred tax liabilities	-	-	-	-	-	-
C. Net deferred tax assets - Total item 110 b)	525,296	75,093	600,389	547,191	75,840	623,031

The DTAs referred to in Law 214/2011, equal to €300.3 million (down €21.9 million compared with the previous year) are mainly represented by prepaid taxes attributable to writedowns of loans to customers accounted for up to 2015 and not yet deducted, which can be converted into tax credits in the event of a net loss for the year and/or a tax loss.

DTAs recognized in the income statement other than those referred to in Law 214/2011 amount to a total €264.5 million. Among these, the sub-item “Provisions for risks and charges”, which amounts to €84.9 million, represents the prepaid taxes recognized in respect of provisions for risks and charges that are expected to be deducted in future years.

The sub-item “Writedowns of loans to customers”, equal to €38.9 million, includes the deferred tax assets that can be recognized in respect of the nine-tenths of writedowns on loans to customers recognized at first-time adoption of IFRS 9, which under Law 145 of December 30, 2018 were deducted in tenths, as well the deferred tax assets recognized starting from the 2026 tax year pursuant to Law 199 of December 30, 2025 (2026 Stability Law), which provides for the deferral of the tax deductibility of four-fifths of writedowns on performing loans.

11.2 DEFERRED TAX LIABILITIES: BREAKDOWN

	30/06/2026		Total	31/12/2025		Total
	IRES	IRAP		IRES	IRAP	
1) Deferred tax liabilities recognized in income statement	3,466	254	3,721	4,249	283	4,532
Writedowns of loans to customers deducted in tax return	-	-	-	-	-	-
Difference between value for tax purposes and carrying amount of property, plant and equipment and intangible assets	939	168	1,108	1,019	182	1,201
Other	2,527	86	2,613	3,230	101	3,331
2) Deferred tax liabilities recognized in shareholders' equity	23,284	4,601	27,884	30,248	5,993	36,241
Valuation reserves						
Capital gains on financial assets measured through OCI	20,553	4,085	24,638	24,528	4,880	29,408
Revaluation of property	500	83	583	500	83	583
Other	2,231	433	2,664	5,220	1,030	6,250
A. Total deferred tax liabilities	26,750	4,855	31,605	34,498	6,276	40,773
B. Offsetting with deferred tax assets	-	-	-	-	-	-
C. Net deferred tax liabilities	26,750	4,855	31,605	34,498	6,276	40,773

SECTION 12 - NON-CURRENT ASSETS AND DISPOSAL GROUPS HELD FOR SALE AND ASSOCIATED LIABILITIES - ITEM 120 OF ASSETS AND ITEM 70 OF LIABILITIES

12.1 NON-CURRENT ASSETS AND DISPOSAL GROUPS HELD FOR SALE: BREAKDOWN BY PRODUCT

	30/06/2026	31/12/2025
A. Assets held for sale		
A.1 Financial assets	230	777
A.2 Equity investments	-	53
A.3 Property, plant and equipment	6,788	8,415
of which obtained through enforcement of guarantees received	5,846	6,342
A.4 Intangible assets	-	-
A.5 Other non-current assets	-	-
Total A	7,018	9,245
of which carried at cost	4,135	5,123
of which measured at fair value level 1	-	-
of which measured at fair value level 2	2,041	3,280
of which measured at fair value level 3	842	842
B. Discontinued operations		
B.1 Financial assets measured at fair value through profit or loss	-	-
- Financial assets held for trading	-	-
- Financial assets designated as at fair value	-	-
- Other financial assets mandatorily measured at fair value	-	-
B.2 Financial assets measured at fair value through other comprehensive income	-	-
B.3 Financial assets measured at amortized cost	-	-
B.4 Equity investments	-	-
B.5 Property, plant and equipment	-	-
of which: obtained through enforcement of guarantees received	-	-
B.6 Intangible assets	-	-
B.7 Other assets	-	-
Total B	-	-
of which carried at cost	-	-
of which measured at fair value level 1	-	-
of which measured at fair value level 2	-	-
of which measured at fair value level 3	-	-
C. Liabilities associated with assets held for sale		
C.1 Debt	-	-
C.2 Securities	-	-
C.3 Other liabilities	-	-
Total C	-	-
of which carried at cost	-	-
of which measured at fair value level 1	-	-
of which measured at fair value level 2	-	-
of which measured at fair value level 3	-	-
D. Liabilities associated with discontinued operations		
D.1 Financial liabilities measured at amortized cost	-	-
D.2 Financial liabilities held for trading	-	-
D.3 Financial liabilities designated as at fair value	-	-
D.4 Provisions	-	-
D.5 Other liabilities	-	-
Total D	-	-
of which carried at cost	-	-
of which measured at fair value level 1	-	-
of which measured at fair value level 2	-	-
of which measured at fair value level 3	-	-

At June 30, 2026 assets and liabilities held for sale mainly include properties that are expected to be sold within twelve months.

SECTION 13 - OTHER ASSETS – ITEM 130

13.1 OTHER ASSETS: BREAKDOWN

	Total 30/06/2026	Total 31/12/2025
Shortfalls, embezzlement and robberies	1,921	1,922
Trade receivables	65,496	43,726
Stamp duty and other valuables	916	916
Gold, silver and other precious metals	1,921	1,739
Receivables for future premiums on derivatives	6,960	7,874
Fees and commissions and interest to be received	46,002	40,566
Tax receivables due from central govt. tax authorities and other tax agencies	542,974	600,307
Receivables from social security institutions	3,331	2,463
Tax receivables	2,262,228	2,920,605
Receivables from employees	3,418	2,705
Items in transit between branches and items being processed	671,690	526,258
Accrued income not attributable to separate line item	290,823	166,970
Leasehold improvements	59,213	57,735
Other (security deposits, assets not attributable to other items)	249,066	232,658
Balance of illiquid portfolio items	2,213	2,457
Total	4,208,172	4,608,901

“Tax receivables”, totaling €2.3 billion, include almost exclusively tax credits connected with the Revival Decree acquired by Group banks following assignment by the direct beneficiaries (the so-called Superbonus 110% program), down by about €0.6 billion on the end of the previous year mainly reflecting offsets in the period.

The item “Balance of illiquid portfolio items” includes differences between the value dates applied in the various accounts, which are generated during the accounting elimination of the items in respect of the crediting and debiting of portfolios under reserve and after collection, whose settlement date is after the reporting date.

“Items in transit between branches and items being processed” reports assets that for technical/procedural reasons will be allocated definitively in the early days of the subsequent period, such as checks, incoming bank transfers pending or items in transit between banks.

“Tax receivables due from central government tax authorities and other tax agencies” includes taxes managed by Group companies as withholding agent and their own indirect taxes (stamp duty, substitute tax, local taxes, etc.).

LIABILITIES

SECTION 1 - FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST – ITEM 10

1.1 FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST – DUE TO BANKS: BREAKDOWN BY PRODUCT

	Total 30/06/2026				Total 31/12/2025			
	Carrying amount	Fair value			Carrying amount	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
1. Due to central banks	-	X	X	X	-	X	X	X
2. Due to banks	2,629,233	X	X	X	2,436,775	X	X	X
2.1 Current accounts and demand deposits	862,249	X	X	X	1,070,954	X	X	X
2.2 Fixed term deposits	13,766	X	X	X	12,944	X	X	X
2.3 Loans	1,744,461	X	X	X	1,345,805	X	X	X
2.3.1 Repurchase agreements	1,579,010	X	X	X	1,236,274	X	X	X
2.3.2 Other	165,451	X	X	X	109,531	X	X	X
2.4 Liabilities in respect of commitments to repurchase own equity instruments	-	X	X	X	-	X	X	X
2.5 Lease liabilities	1,411	X	X	X	4,664	X	X	X
2.6 Other payables	7,346	X	X	X	2,408	X	X	X
Total	2,629,233	-	1,607,015	1,021,057	2,436,775	-	1,240,066	1,192,763

1.2 FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST – DUE TO CUSTOMERS: BREAKDOWN BY PRODUCT

	Total 30/06/2026				Total 31/12/2025			
	Carrying amount	Fair value			Carrying amount	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
1. Current accounts and demand deposits	109,136,136	X	X	X	108,995,386	X	X	X
2. Time deposits	5,431,880	X	X	X	5,387,124	X	X	X
3. Loans	12,986,738	X	X	X	12,419,352	X	X	X
3.1 Repurchase agreements	11,480,351	X	X	X	10,862,731	X	X	X
3.2 Other	1,506,387	X	X	X	1,556,621	X	X	X
4. Liabilities in respect of commitments to repurchase own equity instruments	-	X	X	X	-	X	X	X
5. Lease liabilities	271,196	X	X	X	297,764	X	X	X
6. Other payables	862,848	X	X	X	834,050	X	X	X
Total	128,688,798	-	11,369,124	117,145,455	127,933,676	-	10,866,346	116,981,614

Amounts due to customers increased by €0.8 billion compared with December 2025, mainly reflecting the increase in repurchase transactions with the Clearing & Guarantee Fund and to a lower extent the increase in current accounts and demand deposits.

The sub-item “Loans-other” comprises about €0.4 billion in respect of a loan from Cassa Depositi e Prestiti.

1.3 FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST - SECURITIES ISSUED: BREAKDOWN BY PRODUCT

	Total 30/06/2026				Total 31/12/2025			
	Carrying amount	Fair value			Carrying amount 0	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
A. Securities								
1. Bonds	9,263,667	8,604,712	691,295	-	8,549,741	7,929,107	697,214	-
1.1 structured	-	-	-	-	-	-	-	-
1.2 other	9,263,667	8,604,712	691,295	-	8,549,741	7,929,107	697,214	-
2. Other securities	6,349,117	-	6,321,818	2,943	6,724,591	-	6,609,840	132,381
2.1 structured	-	-	-	-	-	-	-	-
2.2 other	6,349,117	-	6,321,818	2,943	6,724,591	-	6,609,840	132,381
Total	15,612,784	8,604,712	7,013,113	2,943	15,274,332	7,929,107	7,307,054	132,381

The item increased by an overall €0.3 billion compared with the end of 2025, reflecting among other things the Social bond and Covered bond issues carried out by the Parent Company, partly offset by the repayment of other bonds and certificates of deposit.

The sub-item 2.2 “Other securities– other” include certificates of deposit issued by Group banks in the amount of €6.3 billion.

SECTION 2 - FINANCIAL LIABILITIES HELD FOR TRADING - ITEM 20

2.1 FINANCIAL LIABILITIES HELD FOR TRADING: BREAKDOWN BY PRODUCT

	Total 30/06/2026					Total 31/12/2025				
	NV	Fair value			Fair value *	NV	Fair value			Fair value *
		Level 1	Level 2	Level 3			Level 1	Level 2	Level 3	
A. Cash liabilities										
1. Due to banks	22	18	1	-	19	7	6	-	-	6
2. Due to customers	30,213	29,847	-	-	29,847	2,159	2,002	102	-	2,104
3. Debt securities	-	-	-	-	X	-	-	-	-	X
3.1 Bonds	-	-	-	-	X	-	-	-	-	X
3.1.1 Structured	-	-	-	-	X	-	-	-	-	X
3.1.2 Other bonds	-	-	-	-	X	-	-	-	-	X
3. Other	-	-	-	-	X	-	-	-	-	X
3.2.1 Structured	-	-	-	-	X	-	-	-	-	X
3.2.2 Other	-	-	-	-	X	-	-	-	-	X
Total A	30,234	29,865	1	-	29,866	2,166	2,008	102	-	2,110
B. Derivatives										
1. Financial derivatives	X	433	46,754	-	X	X	14	43,509	-	X
1.1 Trading	X	433	46,754	-	X	X	14	43,509	-	X
1.2 Associated with fair value option	X	-	-	-	X	X	-	-	-	X
1.3 Other	X	-	-	-	X	X	-	-	-	X
2. Credit derivatives	X	-	-	-	X	X	-	-	-	X
2.1 Trading	X	-	-	-	X	X	-	-	-	X
2.2 Associated with fair value option	X	-	-	-	X	X	-	-	-	X
2.3 Other	X	-	-	-	X	X	-	-	-	X
Total B	X	433	46,754	-	X	X	14	43,509	-	X
Total (A+B)	X	30,298	46,755	-	X	X	2,022	43,611	-	X

Key:

NV=nominal or notional value

Fair value*= Fair value calculated excluding changes in the amount attributable to changes in the creditworthiness of the issuer since the issue date

SECTION 3 - FINANCIAL LIABILITIES DESIGNATED AS AT FAIR VALUE - ITEM 30

3.1 FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE: BREAKDOWN BY PRODUCT

	Total 30/06/2026					Total 31/12/2025				
	NV	Fair value			Fair value *	NV	Fair value			Fair value *
		Level 1	Level 2	Level 3			Level 1	Level 2	Level 3	
1. Due to banks	-	-	-	-	-	-	-	-	-	-
1.1 Structured	-	-	-	-	X	-	-	-	-	X
1.2 Other	-	-	-	-	X	-	-	-	-	X
Of which:										
- commitments to disburse funds	-	X	X	X	X	X	X	X	X	X
- financial guarantees issued	-	X	X	X	X	X	X	X	X	X
2. Due to customers	-	-	-	-	-	-	-	-	-	-
2.1 Structured	-	-	-	-	X	-	-	-	-	X
2.2 Other	-	-	-	-	X	-	-	-	-	X
Of which:										
- commitments to disburse funds	-	X	X	X	X	X	X	X	X	X
- financial guarantees issued	-	X	X	X	X	X	X	X	X	X
3. Debt securities	64,636	63,527	-	-	63,214	69,166	67,763	-	-	67,549
3.1 Structured	64,636	63,527	-	-	X	69,166	67,763	-	-	X
3.2 Other	-	-	-	-	X	-	-	-	-	X
Total	64,636	63,527	-	-	63,214	69,166	67,763	-	-	67,549

The item includes investment certificates issued by the Parent Company and placed by the Affiliated banks with customers.

SECTION 4 - HEDGING DERIVATIVES – ITEM 40

4.1 HEDGING DERIVATIVES: BREAKDOWN BY PRODUCT OF HEDGE AND LEVEL OF INPUT

	Fair value	30/06/2026			NV	Fair value	31/12/2025			NV
	Level 1	Level 2	Level 3	30/06/2026	Level 1	Level 2	Level 3	31/12/2025	Level 1	31/12/2025
A) Financial derivatives	518	415,293	-	8,866,328	352	244,771	-	5,654,714		
1) Fair value	518	372,258	-	5,522,538	352	225,103	-	3,615,952		
2) Cash flows	-	43,036	-	3,343,790	-	19,668	-	2,038,762		
3) Investments in foreign operations	-	-	-	-	-	-	-	-		
B. Credit derivatives	-	-	-	-	-	-	-	-		
1) Fair value	-	-	-	-	-	-	-	-		
2) Cash flows	-	-	-	-	-	-	-	-		
Total	518	415,293	-	8,866,328	352	244,771	-	5,654,714		

Key:
NV=notional value

The increase of the negative fair value of hedging derivatives under item A.1 compared with 2025 reflects the decrease in long-term floating rates in the period.

SECTION 6 – TAX LIABILITIES – ITEM 60

See section 11 under assets.

SECTION 8 - OTHER LIABILITIES – ITEM 80

8.1 OTHER LIABILITIES: BREAKDOWN

	Total 30/06/2026	Total 31/12/2025
Amounts due to social security institutions and State	57,702	96,568
Trade payables	237,225	242,781
Amounts available to customers	91,053	85,765
Fees and commissions to be settled	33,580	32,936
Liabilities for future premiums on derivatives	11,117	2,805
Tax payables due to tax authorities	679,386	484,283
Payables due to employees	516,774	363,673
Deferred income and accrued expenses not attributable to separate line item	25,413	36,157
Items in transit and items being processed	660,707	460,610
Other (failed purchase transactions, trade payables, insurance liabilities, security deposits, items not attributable to separate line item)	334,657	342,847
Consolidation adjustments	493,110	227,503
Balance of illiquid portfolio items	2,045,611	785,038
Dividends to be paid	88	73
Tax consolidation mechanism	211	211
Total	5,186,633	3,161,250

The item “Items in transit and items being processed” includes liabilities that for technical or procedural reasons will be settled in the subsequent period, such as pending outward credit transfers or items in transit between banks.

The item “Tax payables due to tax authorities” reports amounts owed by the Group to these entities other than income taxes. This includes, in addition to amounts in respect of tax returns paid by mutual bank customers and withholdings made by the banks on customer transactions, tax payables accrued by the Group companies in respect of their indirect taxes, such as, for example, stamp duty, tax in lieu, tax on stock exchange contracts, VAT, local taxes, etc.

The item “Balance of illiquid portfolio items” includes differences the value dates applied in the various accounts, which are generated during the accounting elimination of the items in respect of the crediting and debiting of portfolios under reserve and after collection, whose settlement date is after the reporting date.

SECTION 9 - EMPLOYEE TERMINATION BENEFITS – ITEM 90**9.1 EMPLOYEE TERMINATION BENEFITS: CHANGE FOR THE PERIOD**

	Total 30/06/2026	Total 31/12/2025
A. Opening balance	172,471	197,279
B. Increases	5,173	8,056
B.1 Provisions for the period	3,081	7,319
B.2 Other increases	2,092	737
C. Decreases	15,136	32,864
C.1 Benefit payments	5,862	13,126
C.2 Other decreases	9,274	19,738
D. Closing balance	162,508	172,471
Total	162,508	172,471

The table reports changes in the provision for termination benefits under the Italian severance pay mechanism (*trattamento di fine rapporto*, TFR). It does not report payments to external pension funds and the INPS treasury fund, which are presented in Section 8 “Other liabilities”.

The sub-item C.1 “Decreases – Benefit payments” reports uses of the termination benefit provision associated with advances granted in accordance with applicable regulations and national collective bargaining agreements and with terminations of the employment relationship.

SECTION 10 - PROVISIONS FOR RISKS AND CHARGES – ITEM 100**10.1 PROVISIONS FOR RISKS AND CHARGES: BREAKDOWN**

	Total 30/06/2026	Total 31/12/2025
1. Provisions for credit risk in respect of commitments and financial guarantees issued	172,845	191,831
2. Provisions for other commitments and guarantees issued	-	-
3. Company pension plans	-	-
4. Other provisions for risks and charges	476,528	399,612
4.1 legal disputes	92,318	98,307
4.2 personnel expense	125,354	127,525
4.3 other	258,856	173,780
Total	649,373	591,443

Item 1. “Provisions for credit risk in respect of commitments and financial guarantees issued” includes provisions for credit risk in respect of commitments to disburse funds and financial guarantees issued that are subject to the impairment rules of IFRS 9.

The sub-item 4.1 “legal disputes” mainly includes provisions for disputes over interest, compound interest, contract terms and banking and investment services, as well as provisions for labor disputes and legal costs for debt collection.

The main provisions recognized under sub-item 4.2 “personnel expenses” include that for termination incentives and for employee loyalty bonus.

The sub-item 4.3 “Other” includes, among other things, allocations to charity funds from profit for the previous years.

SECTION 13 - SHAREHOLDERS' EQUITY - ITEMS 120, 130, 140, 150, 160, 170 AND 180**13.1 "SHARE CAPITAL" AND "TREASURY SHARES": BREAKDOWN**

As described in Part A Accounting Policies, Section 3 – Scope and methods of consolidation, pursuant to Law 145 of December 30, 2018 ("2019 Budget Act") the Parent Company, Iccrea Banca SpA, and the affiliated mutual banks under the Cohesion Contract represent a single consolidating entity. In the Group's shareholders' equity, share capital is therefore represented by the share capital of the Parent Company and that of the mutual banks. The intercompany portion, represented by shares of the Parent Company held by the mutual banks belonging to the Group under the provisions of the Cohesion Contract, is reported under treasury shares, as the shares were issued and subscribed by the single consolidating entity.

Share capital is represented by 27,125,759 ordinary shares with a par value of €51.65 each, for a total of €1,401,045,452.

As at the reporting date, share capital of the mutual banks belonging to the Iccrea Cooperative Banking Group amounted to €1,001,956.64 (€880,056.79 net of shares issued pursuant to Article 150-ter by seven mutual banks and subscribed by the Parent Company). In accordance with the bylaws of the mutual banks, their share capital is variable as it is composed of shares that in principle can be issued without limit.

13.2 SHARE CAPITAL – NUMBER OF SHARES OF THE PARENT COMPANY: CHANGE FOR THE PERIOD

	Ordinary	Other
A. Shares at the start of the year	27,125,759	-
- fully paid	27,125,759	-
- partially paid	-	-
A.1 Treasury shares (-)	(26,440,967)	-
A.2 Shares in circulation: opening balance	684,792	-
B. Increases	-	-
B.1 new issues	-	-
- for consideration:	-	-
- business combinations	-	-
- conversion of bonds	-	-
- exercise of warrants	-	-
- other	-	-
- bonus issues:	-	-
- to employees	-	-
- to directors	-	-
- other	-	-
B.2 Sales of own shares	-	-
B.3 Other changes	-	-
C. Decreases	(86,696)	-
C.1 Cancellation	-	-
C.2 Purchase of own shares	(86,696)	-
C.3 Disposal of companies	-	-
C.4 Other changes	-	-
D. Shares in circulation: closing balance	598,096	-
D.1 Treasury shares (+)	26,527,663	-
D.2 Shares at the end of the year	27,125,759	-
- fully paid	27,125,759	-
- partially paid	-	-

13.3 SHARE CAPITAL– OTHER INFORMATION

The Group share capital of €2,281,102 is represented only by ordinary shares (subscribed share capital, fully paid up).

13.4 EARNINGS RESERVES: OTHER INFORMATION

Group reserves amount to a total €16.1 billion.

In particular, earning reserves amount to €16.2 billion and include, among the largest, the legal reserve in the amount of €16.4 billion as well as a negative IFRS 9 reserve of €1.6 billion.

13.5 EQUITY INSTRUMENTS: BREAKDOWN AND CHANGE FOR THE PERIOD

The item amounts to €30 million and is represented by six Additional Tier 1 bonds issued by mutual banks between 2016 and 2018.

SECTION 14 - NON-CONTROLLING INTERESTS – ITEM 190**14.1 BREAKDOWN OF ITEM 190 “NON-CONTROLLING INTERESTS”**

	Total 30/06/2026	Total 31/12/2025
Equity investments in consolidated companies with significant non-controlling interests		
BCC Sistemi Informatici SpA	12,518	12,175
Total	12,518	12,175

PART C - INFORMATION ON THE CONSOLIDATED INCOME STATEMENT

SECTION 1 - INTEREST -ITEMS 10 AND 20

1.1 INTEREST AND SIMILAR INCOME: BREAKDOWN

	Debt securities	Loans	Other transactions	Total 30/06/2026	Total 30/06/2025
1. Financial assets measured at fair value through profit or loss	3,532	1,891	650	6,073	9,818
1.1 Financial assets held for trading	744	-	650	1,393	4,204
1.2 Financial assets designated at fair value	1,338	10	-	1,348	2,706
1.3 Other financial assets mandatorily at fair value	1,450	1,881	-	3,331	2,908
2. Financial assets measured at fair value through other comprehensive income	106,872	-	X	106,872	88,580
3. Financial assets measured at amortized cost	777,493	1,927,329	-	2,704,822	2,623,826
3.1 Due from banks	30,617	8,136	X	38,753	51,004
3.2 Loans to customers	746,876	1,919,193	X	2,666,069	2,572,822
4. Hedging derivatives	X	X	(66,656)	(66,656)	49,001
5. Other assets	X	X	85,999	85,999	106,361
6. Financial liabilities	X	X	X	129	740
Total	887,897	1,929,220	19,993	2,837,239	2,878,326
of which: interest income on impaired financial assets	2,222	43,739	-	45,961	52,151
of which: interest income on finance leases	X	86,459	X	86,459	89,540

Interest on loans to customers include interest income in respect of loans to customers of €1.9 billion, down by €20 million on the end of same period of 2025 mainly reflecting the decrease in interest rates.

Interest income on debt securities came to €887.9 million, and mainly includes interest on securities issued by government entities, a decrease of €127.6 million on June 30, 2025 reflecting both the increase in volumes and in rates in the period.

“Hedging derivatives” include differences on hedging derivatives adjusting interest income on the hedged financial instruments, securities and loans.

The amount reported under “Other assets” regards interest income on tax credits associated with government tax incentive programs established since 2020 (the “ecobonus”), down compared with 2025, also reflecting a decrease in volumes.

1.3 INTEREST AND SIMILAR EXPENSE: BREAKDOWN

	Debt	Securities	Other transactions	Total 30/06/2026	Total 30/06/2025
1. Financial liabilities measured at amortized cost	(500,614)	(229,252)	X	(729,865)	(858,187)
1.1 Due to central banks	-	X	X	-	(31,831)
1.2 Due to banks	(25,595)	X	X	(25,595)	(34,240)
1.3 Due to customers	(475,018)	X	X	(475,018)	(569,788)
1.4 Securities issued	X	(229,252)	X	(229,252)	(222,327)
2. Financial liabilities held for trading	-	-	-	-	(3,995)
3. Financial liabilities designated at fair value	-	(650)	-	(650)	-
4. Other liabilities and provisions	X	X	(572)	(572)	(642)
5. Hedging derivatives	X	X	1,762	1,762	722
6. Financial assets	X	X	X	(1,775)	(2,740)
Total	(500,614)	(229,901)	1,190	(731,100)	(864,843)
of which: interest expense on finance leases	(4,493)	X	X	(4,493)	(4,576)

The decrease in the item compared with the same period of 2025, equal to €133.7 million, mainly reflects:

- the decrease in item “Due to central banks” on loans from the European Central Bank, in the amount of €31.8 million, following repayments in the 2nd half of 2025;
- the decrease in item “Due to customers” in the amount of about €94,8 million, significantly attributable to interest rates developments.

SECTION 2 - FEES AND COMMISSIONS – ITEMS 40 AND 50

2.1 FEE AND COMMISSION INCOME: BREAKDOWN

	Total 30/06/2026	Total 30/06/2025
a) Financial instruments	52,721	45,499
1. Securities placement	11,092	8,517
1.1 With underwriting and/or irrevocable commitment	-	-
1.2 Without irrevocable commitment	11,092	8,517
2. Order receipt and transmission and order execution for customers	18,954	16,814
2.1 Order receipt and transmission for one or more financial instruments	15,394	14,649
2.2 Order execution for customers	3,560	2,165
3. Other fees and commissions connected with financial instruments	22,676	20,169
of which: trading on own account	401	363
of which: individual portfolio management	22,275	19,805
b) Corporate finance	-	-
1. Merger and acquisition advisory services	-	-
2. Treasury services	-	-
3. Other fees and commissions connected with corporate finance services	-	-
c) Investment advisory services	637	556
d) Clearing and settlement	-	-
e) Collective portfolio management	70,356	41,335
f) Custody and administration	4,276	4,304
1. Depository bank	-	-
2. Other fees and commissions connected with custody and administration services	4,276	4,304
g) Central administrative services for collective portfolio management	-	-
h) Trustee services	-	-
i) Payment services	546,917	539,213
1. Current accounts	277,628	276,378
2. Credit cards	21,359	21,367
3. Debit cards and other payment cards	41,477	38,320
4. Credit transfers and other payment orders	89,477	88,106
5. Other fees and commissions connected with payment services	116,975	115,043
j) Distribution of third-party services	193,813	166,609
1. Collective portfolio management	496	504
2. Insurance products	81,712	66,975
3. Other products	111,604	99,131
of which: individual portfolio management	2,806	2,939
k) Structured finance	-	-
l) Securitization servicing	1,101	853
m) Commitments to disburse funds	-	-
n) Financial guarantees issued	12,770	12,904
of which: credit derivatives	-	-
o) Lending transactions	7,788	7,266
of which: for factoring transactions	3,687	3,215
p) Currency trading	2,662	2,630
q) Goods	-	-
r) Other fee and commission income	34,748	33,329
of which: for management of multilateral trading facilities	-	-
of which: for management of organized trading facilities	-	-
Total	927,789	854,498

The composition of fee and commission income, totaling €927.8 million (an increase of about €73.3 million on June 30, 2025), reflects the operations of the Group's mutual banks and captive companies, which are typically composed of customer current accounts (€277.6 million), other payment services (€269.3 million) and distribution of third-party products and services (€193.8 million), including insurance products for €81.7 million).

Fees and commissions concerning item e) collective portfolio management came to €70.4 million, up by €29 million on the same period of 2025, regard assets management activities which are exclusively performed by the

Group asset management company. These were accompanied by management fees on individual portfolios in the amount of €22.3 million.

2.2 FEE AND COMMISSION EXPENSE: BREAKDOWN

	Total 30/06/2026	Total 30/06/2025
a) Financial instruments	(2,564)	(2,031)
of which: trading in financial instruments	(716)	(185)
of which: placement of financial instruments	(20)	(39)
of which: individual portfolio management	(1,828)	(1,807)
- Own	(1,819)	(1,774)
- Delegated to third parties	(9)	(33)
b) Clearing and settlement	(1,428)	(934)
c) Collection portfolio management	-	-
1. Own	-	-
2. Delegated to third parties	-	-
d) Custody and administration	(3,310)	(3,582)
e) Collection and payment services	(132,670)	(120,075)
of which: credit cards, debit cards and other payment cards	(128,480)	(115,829)
f) Securitization servicing	(70)	(138)
g) Commitments to receive funds	-	-
h) Financial guarantees received	(2,731)	(1,900)
of which: credit derivatives	-	-
i) Off-premises marketing of financial instruments, products and services	(1,514)	(2,010)
j) Currency trading	(41)	(33)
k) Other fee and commission expense	(16,826)	(10,451)
Total	(161,154)	(141,154)

SECTION 3 - DIVIDENDS AND SIMILAR REVENUES – ITEM 70

3.1 DIVIDENDS AND SIMILAR REVENUES: BREAKDOWN

	Total 30/06/2026		Total 30/06/2025	
	Dividends	Similar revenues	Dividends	Similar revenues
A. Financial assets held for trading	1	7	13	-
B. Other financial assets mandatorily measured at fair value	1,297	609	879	1,528
C. Financial assets measured at fair value through other comprehensive income	19,242	10	18,995	140
D. Equity investments	-	-	501	-
Total	20,540	626	20,388	1,668

The main components of this item include dividends received on the interest held in the Bank of Italy in the amount of €17 million, classified under financial assets measured at fair value through other comprehensive income.

SECTION 4 - NET GAIN (LOSS) ON TRADING ACTIVITIES – ITEM 80

4.1 NET GAIN (LOSS) ON TRADING ACTIVITIES: BREAKDOWN

	Capital gains (A)	Trading profits (B)	Capital losses (C)	Trading losses	Net gain (loss) (A+B) – (C+D)
1. Financial assets held for trading	1,788	13,748	(314)	(7,450)	7,772
1.1 Debt securities	335	3,990	(179)	(1,992)	2,155
1.2 Equity securities	64	420	(112)	(128)	244
1.3 Units in collective investment undertakings	14	165	(14)	(30)	134
1.4 Loans	-	-	-	-	-
1.5 Other	1,375	9,173	(10)	(5,300)	5,239
2. Financial liabilities held for trading	-	-	-	-	-
2.1 Debt securities	-	-	-	-	-
2.2 Payables	-	-	-	-	-
2.3 Other	-	-	-	-	-
3. Financial assets and liabilities: foreign exchange differences	X	X	X	X	206
4. Derivatives	24,371	52,880	(49,767)	(26,216)	4,446
4.1 Financial derivatives:	24,371	52,880	(49,767)	(26,216)	4,446
- On debt securities and interest rates	23,093	52,880	(48,792)	(25,671)	1,510
- On equity securities and equity indices	1,278	-	(975)	(545)	(242)
- On foreign currencies and gold	X	X	X	X	3,178
- Other	-	-	-	-	-
4.2 Credit derivatives	-	-	-	-	-
of which: natural hedges connected with fair value option	X	X	X	X	-
Total	26,159	66,627	(50,081)	(33,665)	12,424

SECTION 5 - NET GAIN (LOSS) ON HEDGING ACTIVITIES – ITEM 90

5.1 NET GAIN (LOSS) ON HEDGING ACTIVITIES: BREAKDOWN

	Total 30/06/2026	Total 30/06/2025
A. Gain on:		
A.1 Fair value hedging derivatives	32,586	313,384
A.2 Hedged financial assets (fair value)	159,272	20,399
A.3 Hedged financial liabilities (fair value)	6,771	9,433
A.4 Cash flow hedging derivatives	302	-
A.5 Assets and liabilities in foreign currencies	-	-
Total income on hedging activities (A)	198,931	343,216
B. Loss on:		
B.1 Fair value hedging derivatives	(173,970)	(62,897)
B.2 Hedged financial assets (fair value)	(23,590)	(273,186)
B.3 Hedged financial liabilities (fair value)	(3,974)	(2,291)
B.4 Cash flow hedging derivatives	(916)	(153)
B.5 Assets and liabilities in foreign currencies	-	-
Total expense on hedging activities (B)	(202,450)	(338,527)
C. Net gain (loss) on hedging activities (A - B)	(3,519)	4,689
of which: net gain (loss) of hedges of net positions	-	-

As indicated in Part A “Accounting policies” of these notes to the financial statements, for the purposes of accounting for the results of hedging, the Group has exercised the option provided for in paragraph 7.2.21 of IFRS 9 to continue applying the provisions on hedge accounting envisaged by IAS 39.

SECTION 6 - GAIN (LOSS) ON DISPOSAL OR REPURCHASE – ITEM 100

6.1 GAIN (LOSS) ON DISPOSAL OR REPURCHASE: BREAKDOWN

	Total 30/06/2026			Total 30/06/2025		
	Gains	Losses	Net gain (loss)	Gains	Losses	Net gain (loss)
A. Financial assets						
1. Financial assets measured at amortized cost	99,929	(18,316)	81,613	88,978	(43,367)	45,610
1.1 Due from banks	570	(33)	537	2,283	(298)	1,985
1.2 Loans to customers	99,360	(18,284)	81,076	86,695	(43,070)	43,625
2. Financial assets measured at fair value through other comprehensive income	18,053	(7,240)	10,813	26,572	(10,596)	15,976
2.1 Debt securities	18,053	(7,240)	10,813	26,572	(10,596)	15,976
2.2 Loans	-	-	-	-	-	-
Total assets (A)	117,983	(25,556)	92,426	115,550	(53,963)	61,587
B. Financial liabilities measured at amortized cost						
1. Due to banks	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-
3. Securities issued	130	(200)	(69)	312	(148)	164
Total liabilities (B)	130	(200)	(69)	312	(148)	164

This reports the positive or negative balances between the gains and losses realized with the sale of financial assets or repurchase of financial liabilities other than those measured at FV through other comprehensive income.

The gain (loss) on disposal amounts to about €92.4 million, and is mainly attributable to gains on the disposal of loans by banks of the Group (€44.1 million), and gains on the disposal of debt securities measured at amortized cost and assets measured at FV through other comprehensive income (€48.3 million).

SECTION 7 - NET ADJUSTMENTS OF OTHER FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS – ITEM 110

7.1 NET ADJUSTMENTS OF FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS: BREAKDOWN OF FINANCIAL ASSETS AND LIABILITIES DESIGNATED AS AT FAIR VALUE

	Capital gains (A)	Realised profits (B)	Capital losses (C)	Realised losses (D)	Net gain (loss) [(A+B) - (C+D)]
1. Financial assets	877	391	(305)	(16)	947
1.1 Debt securities	870	391	(294)	(16)	951
1.2 Loans	7	-	(11)	-	(5)
2. Financial liabilities	368	7	(867)	(65)	(557)
2.1 Securities issued	368	7	(867)	(65)	(557)
2.2 Due to banks	-	-	-	-	-
2.3 Due to customers	-	-	-	-	-
3. Financial assets and liabilities: foreign exchange rate differences	X	X	X	X	-
Total	1,245	398	(1,172)	(81)	390

The net gain for the item 1.1 Debt securities regards securities in which the liquidity of the Guarantee Scheme is invested.

Item 2.1 Securities issued reports the net result of investment certificates issued by the Parent Company.

7.2 NET ADJUSTMENTS OF OTHER FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS: BREAKDOWN OF OTHER FINANCIAL ASSETS MANDATORILY MEASURED AT FAIR VALUE

	Capital gains (A)	Realised profits (B)	Capital losses (C)	Realised losses (D)	Net gain (loss) [(A+B) - (C+D)]
1. Financial assets	21,444	5,223	(16,972)	(1,737)	7,958
1.1 Debt securities	1,082	76	(774)	(2)	382
1.2 Equity securities	422	2,684	(5,198)	(1,142)	(3,235)
1.3 Units in collective investment undertakings	15,997	2,419	(6,320)	(588)	11,509
1.4 Loans	3,943	44	(4,680)	(5)	(698)
2. Financial assets: foreign exchange rate differences	X	X	X	X	49
Total	21,444	5,223	(16,972)	(1,737)	8,007

SECTION 8 - NET LOSSES/RECOVERIES FOR CREDIT RISK – ITEM 130

8.1 NET LOSSES/RECOVERIES FOR CREDIT RISK IN RESPECT OF FINANCIAL ASSETS MEASURED AT AMORTIZED COST: BREAKDOWN

	Losses (1)						Recoveries (2)				Total 30/06/2026	Total 30/06/2025
	Stage 1	Stage 2	Stage 3		Purchased or originated credit impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired		
			Write-offs	Other	Write-offs	Other						
A. Due from banks	(1,300)	(575)	-	-	-	-	1,981	883	-	-	989	6,655
- Loans	(592)	(416)	-	-	-	-	1,902	788	-	-	1,681	2,939
- Debt securities	(708)	(158)	-	-	-	-	79	95	-	-	(692)	3,716
B. Loans to customers	(234,750)	(96,801)	(12,930)	(460,864)	(5)	-	197,127	141,094	310,509	152	(156,468)	(73,573)
- Loans	(233,292)	(94,919)	(12,930)	(446,347)	(5)	-	196,540	127,081	309,299	152	(154,423)	(40,026)
- Debt securities	(1,458)	(1,881)	-	(14,517)	-	-	587	14,014	1,210	-	(2,046)	(33,547)
A. Due from banks	(236,050)	(97,375)	(12,930)	(460,864)	(5)	-	199,107	141,978	310,509	152	(155,479)	(66,918)

The value adjustments reported in the “Stage 1” and “Stage 2” columns regard collective writedowns on performing loans.

The value adjustments in the “Stage 3 - Other” column regard analytical writedowns of impaired past-due loans and those classified as unlikely to pay and bad loans, while those reported in the “Stage 3 - Writeoffs” column reflect extinguishing events, with the losses recognized following the definitive derecognition of the financial instruments.

At June 30, 2026 net losses for credit risk came to €155.5 million, an increase on the same period of 2025. The coverage rate for non-performing positions was 75.6%, confirming the robust monitoring of these positions implemented by the Group since its establishment.

8.2 NET LOSSES FOR CREDIT RISK IN RESPECT OF FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME: BREAKDOWN

	Losses (1)						Recoveries (2)				Total 30/06/2026	Total 30/06/2025
	Stage 1	Stage 2	Stage 3		Purchased or originated credit impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired		
			Write-offs	Other	Write-offs	Other						
A. Debt securities	(1,525)	(914)	-	-	-	-	103	128	-	-	(2,209)	657
B. Loans	-	-	-	-	-	-	-	-	-	-	-	-
- To customers	-	-	-	-	-	-	-	-	-	-	-	-
- To banks	-	-	-	-	-	-	-	-	-	-	-	-
Total	(1,525)	(914)	-	-	-	-	103	128	-	-	(2,209)	657

SECTION 9 - GAINS (LOSSES) FROM CONTRACT MODIFICATIONS WITHOUT DERECOGNITION – ITEM 140

9.1 GAINS (LOSSES) FROM CONTRACT MODIFICATIONS: BREAKDOWN

The item, a negative €343 thousand, includes the impact of modifications of medium/long-term loan contracts with customers that, in compliance with IFRS 9, do not produce the derecognition of the assets but rather involve the recognition in profit or loss of the changes in the contractual cash flows.

The amounts do not include the impact of contract modifications on expected losses, which is recognized under item 130 – Net losses/recoveries for credit risk.

SECTION 12 - ADMINISTRATIVE EXPENSES – ITEM 190

12.1 PERSONNEL EXPENSES: BREAKDOWN

	Total 30/06/2026	Total 30/06/2025
1) Employees	(1,043,471)	(1,009,085)
a) wages and salaries	(733,648)	(717,934)
b) social security contributions	(171,554)	(168,602)
c) termination benefits	(4,611)	(4,868)
d) pension expenditure	(2)	(2)
e) allocation to employee termination benefit provision	(6,873)	(6,969)
f) allocation to provision for post-employment benefits and similar obligations:	-	-
- defined contribution	-	-
- defined benefit	-	-
g) payments to external pension funds:	(63,214)	(60,824)
- defined contribution	(63,156)	(60,769)
- defined benefit	(58)	(55)
h) costs from share-based payment plans	-	-
i) other employee benefits	(63,569)	(49,886)
2) Other personnel	(10,222)	(11,530)
3) Board of Directors and members of Board of Auditors	(29,037)	(28,113)
4) Retired personnel	-	-
Total	(1,082,730)	(1,048,728)

Group personnel expenses totaled €1.08 billion, slightly up from the same period of the previous year.

Item 1) g) “payments to external pension funds: - defined contribution” includes the employee TFR fund provisioned and transferred to the national pension fund for the industry.

12.5 OTHER ADMINISTRATIVE EXPENSES: BREAKDOWN

	Total 30/06/2026	Total 30/06/2025
Information technology	(162,343)	(127,807)
Property and movables	(47,227)	(47,315)
Rental and fees	(6,107)	(7,218)
Ordinary maintenance	(35,197)	(34,284)
Other (security, reception etc.)	(5,923)	(5,814)
Goods and services	(76,175)	(82,911)
Telephone, data transmission, infoprovider	(24,465)	(22,338)
Postal	(5,786)	(14,094)
Asset transport and counting	(9,356)	(9,053)
Electricity, heating and water	(19,722)	(20,328)
Transportation and travel	(11,674)	(10,715)
Office supply and printed materials	(4,025)	(5,043)
Subscriptions, magazines and newspapers	(1,147)	(1,340)
Professional services	(79,195)	(77,189)
Professional fees (other than audit fees)	(46,753)	(42,053)
Audit fees	(3,323)	(3,176)
Legal and notary costs	(17,830)	(20,659)
Court costs, information and title searches	(11,288)	(11,301)
Administrative services	(22,047)	(16,978)
Insurance	(11,863)	(12,146)
Promotional, advertising and entertainment expenses	(35,125)	(31,219)
Association dues	(19,089)	(17,917)
Donations	(2,600)	(1,975)
Other	(15,445)	(12,603)
Indirect taxes and duties	(173,324)	(152,700)
Total	(644,434)	(580,762)

Other administrative expenses totaled €644.4 million, an increase of about €63.7 million on the same period of 2025, mainly reflecting:

- the increase in information technology mainly due to the disposal of the IT segment of BCC Sistemi Informatici outside the Group;
- the increase in stamp duties and contribution to the Deposit Guarantee Fund, included under indirect tax and duties.

SECTION 13 - NET PROVISIONS FOR RISKS AND CHARGES – ITEM 200

This section provides details of the provisions and write-backs relating to the following categories of provisions for risks and charges:

- provisions for credit risk in respect of commitments to disburse funds and financial guarantees issued falling within the scope of IFRS 9;
- other provisions for risks and charges.

13.1 PROVISIONS FOR CREDIT RISK IN RESPECT OF COMMITMENTS TO DISBURSE FUNDS AND FINANCIAL GUARANTEES ISSUED: BREAKDOWN

	30/06/2026		
	Provisions	Reallocations of excesses	Total
Commitments to disburse funds Stage 1	(17,307)	34,273	16,966
Commitments to disburse funds Stage 2	(13,163)	7,902	(5,260)
Commitments to disburse funds Stage 3	(24,870)	20,387	(4,483)
Financial guarantees issued Stage 1	(6,986)	20,064	13,077
Financial guarantees issued Stage 2	(9,807)	7,550	(2,258)
Financial guarantees issued Stage 3	(5,589)	6,279	690
Total	(77,723)	96,455	18,732

13.3 NET PROVISIONS FOR OTHER RISKS AND CHARGES: BREAKDOWN

	30/06/2026		
	Provisions	Reallocations of excesses	Total
Legal disputes	(7,237)	7,721	484
Other	(4,693)	2,057	(2,636)
Total	(11,930)	9,778	(2,152)

SECTION 14 - NET ADJUSTMENTS OF PROPERTY, PLANT AND EQUIPMENT - ITEM 210

14.1 NET ADJUSTMENTS OF PROPERTY, PLANT AND EQUIPMENT: BREAKDOWN

	Depreciation (a)	Writedowns for impairment (b)	Writebacks (c)	Net adjustments (a + b - c)
A. Property, plant and equipment				
1 Operating assets	(90,793)	-	-	(90,793)
- Owned	(54,514)	-	-	(54,514)
- Right-of-use assets in respect of leases	(36,279)	-	-	(36,279)
2 Investment property	(1,834)	(165)	-	(1,999)
- Owned	(1,834)	(165)	-	(1,999)
- Right-of-use of leased assets	-	-	-	-
3 Inventories	X	(59)	100	41
B. Assets held for sale	X	-	-	-
Total	(92,627)	(224)	100	(92,751)

SECTION 15 - NET ADJUSTMENTS OF INTANGIBLE ASSETS - ITEM 220

15.1 NET ADJUSTMENTS OF INTANGIBLE ASSETS: BREAKDOWN

	Amortization (a)	Writedowns for impairment (b)	Writebacks (c)	Net adjustments (a + b - c)
A. Intangible assets				
of which: software	(19,797)	-	-	(19,797)
A.1 Owned	(21,758)	-	-	(21,758)
- generated internally by the Bank	(596)	-	-	(596)
- other	(21,162)	-	-	(21,162)
A.2 Right of use of leased assets	-	-	-	-
B. Assets held for sale	X	-	-	-
Total	(21,758)	-	-	(21,758)

SECTION 16 - OTHER OPERATING EXPENSES/INCOME - ITEM 230

16.1 OTHER OPERATING EXPENSES: BREAKDOWN

	Total 30/06/2026	Total 30/06/2025
Charges connected with lease services (consultants, insurance, taxes and duties, capital losses)	(11,670)	(11,732)
Reductions in assets and prior-year expenses not attributable to separate line item	(5,835)	(7,846)
Settlement of disputes and claims	(214)	(103)
Amortization of expenditure for leasehold improvements	(5,791)	(5,109)
Other charges	(4,708)	(5,666)
Total	(28,218)	(30,455)

16.2 OTHER OPERATING INCOME: BREAKDOWN

	Total 30/06/2026	Total 30/06/2025
A) Cost recovery	173,920	148,207
Recovery of taxes	137,143	124,424
Recovery of sundry charges	23,359	10,702
Insurance premiums	2,130	2,226
Recovery of costs from customers	4,720	4,977
Recovery of costs on bad loans	6,569	5,867
B) Other income	42,217	54,036
Insourcing revenues	1,626	7,046
Property rental income	2,412	2,057
Reductions in liabilities and prior-year income not attributable to separate line item	9,991	12,186
Other income from finance leases	8,567	7,921
Other income	15,152	18,996
Accelerated processing fees	3,801	4,498
Consolidation adjustments	669	1,331
Total	216,137	202,242

The recovery of taxes and duties (stamp duty and tax in lieu), totaling €137.1 million, mainly regards current accounts, savings passbooks and certificates of deposit.

SECTION 17 - PROFIT (LOSS) FROM EQUITY INVESTMENTS - ITEM 250

17.1 PROFIT (LOSS) FROM EQUITY INVESTMENTS: BREAKDOWN

	Total 30/06/2026	Total 30/06/2025
1) Joint ventures		
A. Gains	-	-
1. Revaluations	-	-
2. Gains on disposals	-	-
3. Writebacks	-	-
4. Other income	-	-
B. Losses	-	-
1. Writedowns	-	-
2. Impairment	-	-
3. Losses on disposal	-	-
4. Other expenses	-	-
Net profit (loss)	-	-
2) Entities under significant influence		
A. Gains	116,749	7,422
1. Revaluations	14,565	6,022
2. Gains on disposals	79,084	-
3. Writebacks	-	-
4. Other income	23,100	1,400
B. Losses	(97)	(216)
1. Writedowns	-	(216)
2. Impairment	-	-
3. Losses on disposal	(97)	-
4. Other expenses	-	-
Net profit (loss)	116,652	7,206
Total	116,652	7,206

The item reports the financial impact of the equity measurement of investments in associates, the gain on the sale of 19% insurance companies totaling €79 million and the recognition of the earn-out of €22 million, connected with the bancassurance agreements, and of €1.1 million, connected with the sale to FSI of the investment in BCC Pay (now Numia SpA) during 2022.

SECTION 18 - NET ADJUSTMENT TO FAIR VALUE OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS - ITEM 260

18.1 NET ADJUSTMENT TO FAIR VALUE (OR REVALUED AMOUNT) OR ESTIMATED REALIZABLE VALUE OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS: BREAKDOWN

	Revaluations (a)	Writedowns (b)	Exchange rate difference		Net result (a-b+c-d)
			Positive (c)	Negative (d)	
A. Property, plant and equipment	977	(6,631)	-	-	(5,654)
A.1 Operating assets:	-	-	-	-	-
- Owned	-	-	-	-	-
- Right of use of leased assets	-	-	-	-	-
A.2 Investment property:	977	(6,631)	-	-	(5,654)
- Owned	977	(6,631)	-	-	(5,654)
- Right of use of leased assets	-	-	-	-	-
A.3 Inventories	-	-	-	-	-
B. Intangible assets	-	-	-	-	-
B.1 Owned:	-	-	-	-	-
- Internally generated	-	-	-	-	-
- Other	-	-	-	-	-
B.2 Right of use of leased assets	-	-	-	-	-
Total	977	(6,631)	-	-	(5,654)

The item reports gains/losses on the measurement of the properties contributed to consolidated real estate funds.

SECTION 20 - GAINS (LOSSES) ON DISPOSAL OF INVESTMENTS - ITEM 280

20.1 GAINS (LOSSES) ON DISPOSAL OF INVESTMENTS: BREAKDOWN

	Total 30/06/2026	Total 30/06/2025
A. Property	224	72
- Gains on disposal	589	270
- Losses on disposal	(365)	(198)
B. Other assets	182	(343)
- Gains on disposal	500	109
- Losses on disposal	(318)	(452)
Net gain (loss)	406	(270)

SECTION 21 - INCOME TAX EXPENSE FROM CONTINUING OPERATIONS – ITEM 300

21.1 INCOME TAX EXPENSE FROM CONTINUING OPERATIONS: BREAKDOWN

	Total 30/06/2026	Total 30/06/2025
1. Current taxes (-)	(230,509)	(193,032)
2. Change in current taxes from previous period (+/-)	2,190	3,049
3. Reduction of current taxes for the period (+)	21	18
3.bis Reduction of current taxes for the period for tax credits under Law 214/2011 (+)	8,416	8,454
4. Change in deferred tax assets (+/-)	(31,880)	(30,180)
5. Change in deferred tax liabilities (+/-)	791	314
6. Income taxes for the period (-) (-1+/-2+3+3bis+/-4+/-5)	(250,972)	(211,376)

SECTION 22 - PROFIT (LOSS) AFTER TAXES ON DISCONTINUED OPERATIONS - ITEM 320**22.1 PROFIT (LOSS) AFTER TAXES ON DISCONTINUED OPERATIONS: BREAKDOWN**

	Total 30/06/2026	Total 30/06/2025
1. Revenue	-	7,641
2. Expense	-	(22,659)
3. Result of measurement of groups of assets and associated liabilities	-	-
4. Gain (loss) on realization	-	55,418
5. Taxes and duties	-	2,564
Profit (loss)	-	42,965

The item came to zero at June 30, 2026. At June 30, 2025 it mainly included: (i) the net profit from the disposal in the period of 100% of BCC POS (+€54.7 million) whose assets and liabilities at December 31, 2024 were classified as held for sale, (ii) the net loss (-€13.2 million) of the Infrastructure segment of BCC Sistemi Informatici the sale of which was finalized on April 1, 2025 and (iii) the net profit of €1.5 million recognized by BCC POS before its disposal and exit from the Group.

22.2 BREAKDOWN OF INCOME TAXES OF DISCONTINUED OPERATIONS

	30/06/2026	30/06/2025
1. Current taxes (-)	-	(1,611)
2. Change in deferred tax assets (+/-)	-	-
3. Change in deferred tax liabilities (-/+)	-	-
4. Income taxes for the period (-1+/-2+/-3)	-	(1,611)

SECTION 23 - PROFIT (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS – ITEM 340**23.1 BREAKDOWN OF ITEM 340 “PROFIT (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS”**

	Total 30/06/2026	Total 30/06/2025
Consolidated equity investments with significant non-controlling interests		
BCC Sistemi Informatici SpA	348	426
Total	348	426

PART D - CONSOLIDATED COMPREHENSIVE INCOME

BREAKDOWN OF CONSOLIDATED COMPREHENSIVE INCOME

	30/06/2026	30/06/2025
10. Net profit (loss) for the period	1,068,824	1,053,439
Other comprehensive income not recyclable to profit or loss	(8,510)	10,270
20. Equity securities designated as at fair value through other comprehensive income:	(7,048)	8,450
a) fair value changes	(7,048)	7,272
b) transfers to other elements of shareholders' equity	-	1,178
30. Financial liabilities measured at fair value through profit or loss (change in credit risk):	(166)	1,857
a) fair value changes	(166)	1,857
b) transfers to other elements of shareholders' equity	-	-
40. Hedges of equity securities designated as at fair value through other comprehensive income:	-	-
a) fair value changes (hedged instrument)	-	-
b) fair value changes (hedging instrument)	-	-
50. Property, plant and equipment	-	-
60. Intangible assets	-	-
70. Defined-benefit plans	(1,708)	1,515
80. Non-current assets held for sale	-	-
90. Valuation reserves of equity investments accounted for with equity method	-	-
100. Financial income or expense in respect of insurance contracts issued	-	-
110. Income taxes on other comprehensive income not recyclable to profit or loss	412	(1,552)
Other comprehensive income recyclable to profit or loss	(21,427)	33,618
120. Hedging of investments in foreign operations:	-	-
a) fair value changes	-	-
b) reversal to income statement	-	-
c) other changes	-	-
130. Foreign exchange differences:	-	-
a) value changes	-	-
b) reversal to income statement	-	-
c) other changes	-	-
140. Cash flow hedges:	(12,761)	2,901
a) fair value changes	(12,762)	1,023
b) reversal to income statement	598	16
c) other changes	(598)	1,863
of which: result on net positions	-	-
150. Hedging instruments (undesignated elements):	-	-
a) fair value changes	-	-
b) reversal to income statement	-	-
c) other changes	-	-
160. Financial assets (other than equity securities) measured at fair value through other comprehensive income:	(19,148)	51,378
a) fair value changes	(14,152)	56,150
b) reversal to income statement	(5,034)	(4,791)
1. adjustments for credit risk	2,081	(596)
2. gain/loss on realization	(7,116)	(4,195)
c) other changes	39	20
170. Non-current assets and disposal groups held for sale:	-	-
a) fair value changes	-	-
b) reversal to income statement	-	-
c) other changes	-	-
180. Valuation reserves of equity investments accounted for with equity method:	(73)	(3,657)
a) fair value changes	(73)	(3,657)
b) reversal to income statement	-	-
1. impairment adjustments	-	-
2. gain/loss on realization	-	-
c) other changes	-	-
190. Financial income or expense in respect of insurance contracts issued:	-	-
a) fair value changes	-	-
b) reversal to income statement	-	-
c) other changes	-	-
200. Financial income or expense in respect of cessions in reinsurance	-	-
a) fair value changes	-	-
b) reversal to income statement	-	-
c) other changes	-	-
210. Income taxes on other comprehensive income recyclable to profit or loss	10,554	(17,003)
220. Total other comprehensive income	(29,937)	43,888
230. Comprehensive income (item 10+220)	1,038,887	1,097,327
240. Consolidated comprehensive income pertaining to non-controlling interests	346	424
250. Consolidated comprehensive income pertaining to shareholders of the Parent Company	1,038,541	1,096,903

PART E - RISK AND RISK MANAGEMENT POLICIES

INTRODUCTION

The Iccrea Cooperative Banking Group conducts its business in accordance with the principles of prudence and risk containment, based on the need for stability associated with banking activity and the main characteristics of the mutual banks and their customers. Consistent with these principles, the Group pursues its growth objectives in accordance with the needs of the mutual banking system, ensuring, through balanced risk management, reliable and sustainable generation of value over time.

The risk governance policies represent the reference model in organizational and process development and in the systematic execution of all the operational and business activities performed by Group companies and are an integral part of a sound and prudent management, supporting sustainable implementation of the overall risk strategy. The internal control system (ICS) must, in general, ensure the completeness, appropriateness, functionality (in terms of effectiveness and efficiency) and reliability of the policies in a context of strict consistency with the risk appetite framework defined at Group level.

The Risk Management function operates within the internal control system.

THE RISK MANAGEMENT FUNCTION

The Chief Risk Officer area is responsible at the Group level for the key elements of the overall Risk Management Framework: identification, measurement, monitoring and mitigation of corporate risks. It is responsible for the governance and execution of second-level controls connected with risk management, consistent with the internal control system adopted by the Group. It is the contact for the corporate bodies of the Parent Company for matters within its scope of responsibility, providing an integrated and composite vision of both the first and second pillar risks assumed and managed by the individual entities and by the Group as a whole.

The Risk Management function of the Parent Company has the following organizational arrangement:

- a “Risk Governance” unit, that: i) represents a “competence center” overseeing all risk governance issues for the Group and operates, through the local risk management units, as the “evaluation and control center” for the risk profile of the individual affiliated banks; ii) ensures the development and implementation of the relevant frameworks, both at the consolidated and individual level, including the EWS and Stress Test framework for Guarantee Scheme purposes; iii) coordinates activities connected with the preparation of the area annual activity plan and the institutional reporting document submitted to the corporate bodies and the supervisory authorities, supporting the Chief Risk Officer in its areas of responsibility; iv) oversees activities pertaining to the management of reputational risks, coordinating and monitoring strategic projects for the CRO area, periodically assessing achievement of the objectives; v) in its capacity as “evaluation and control center” for the risk profile of the individual affiliated banks, besides representing it top reference of local risk management units, it coordinates their interaction with the other specialized units of the Risk Management function;
- a “Group Risk Management” unit, which i) supervises and coordinates the organizational units dedicated to the individual risk categories, which within their areas of responsibility are involved in the development and maintenance of the methodological framework for the assumption and management of specific risks and their respective control arrangements, as well as the assessment and monitoring of those risks, the identification of any risk mitigation measures; ii) acting through the Validation function, the unit validates models developed internally to quantify risks at Group level; iii) establishes the operational guidelines for the specialized units of the Risk Management function in their interactions with the Risk Management units of the affiliated banks and the direct-scope companies;
- a “Non-Financial Risk Management” unit, which: i) operates as a cross-functional competence center in the definition and on-going maintenance of the non-financial risk management framework at Group level; ii) monitors the overall evolution of this management framework and the related risks; iii) ensures the identification and evaluation of such risks, identifying any shortcomings in the management and control framework or existing vulnerabilities that may negatively impact the risk profile; iv) identifies and directs remediation actions for any malfunctions detected in order to bring the risk profile back to the level deemed acceptable within the defined risk appetite framework; v) supervises the correct and timely execution of identified remediation initiatives, monitoring the effectiveness of such measures, as well as intervening to direct such measures if necessary; vi) contributes, for the component relating to the monitored risks, to the definition and ongoing operation of the Group's Risk Appetite Framework, as well as to the Group's other risk governance processes.

The main duties performed by the Risk Management function are the following:

- defining and developing the framework for the assumption and management of risks pertaining to the Group, which is composed of i) organizational structures and corporate processes (operating, administrative and business), including line controls; ii) risk governance policies (policies, limits, responsibilities); iii) methodologies and risk measurement and assessment criteria, iv) support tool applications. In this area, the Risk Management function ensures that the framework for the assumption and management of risks is compliant with applicable regulations, in line with market best practice, functional in respect of internal operational conditions and consistent with the business plan, the budget and the Risk Appetite Framework (RAF), the Internal Capital Adequacy Assessment Process (ICAAP) and the Internal Liquidity Adequacy Assessment Process (ILAAP) of the Group;
- developing the Risk Appetite Framework and its operational implementation (the Risk Appetite Statement) at the consolidated level and, with the support of the affiliated banks and Group companies, at the individual level, consistent with capital adequacy objectives (ICAAP) and the adequacy of the liquidity profile (ILAAP) of the Group;
- acting as a control center for monitoring the risk profile of the individual affiliated banks and the companies in the direct scope for which risk management activities are performed on a centralized basis under an outsourcing arrangement governed by specific service agreements. This control center operates through the dedicated risk management units within the central organizational arrangements and, for the affiliated banks only, uses the mechanisms of the Early Warning System and the Guarantee Scheme. In this area, the Risk Management functions:
 - handles the development and updating of the methodological framework and develops tools for managing the Guarantee Mechanism, as well as analyzing, controlling, assessing and monitoring the affiliated banks within the scope of EWS management processes and proposes their risk classification;
 - is responsible, through the action of its local units as well, for the determination and adoption by each affiliated bank of strategies, policies and principles for the assessment and measurement of the risks identified at the Group level.
- monitoring developments in the risk profile and the various types of risk to which the Group as a whole and its individual members are exposed, verifying the ongoing consistency between the actual risk assumed and the specified risk objectives. In this context, the Risk Management function:
 - develops methodologies and models for measuring and assessing risks, validating those models, periodically checking their operation, predictive capacity and performance, and their consistency over time with operational practices and regulatory requirements;
 - performs second-level controls of the appropriateness, effectiveness and resilience of the framework for the assumption and management of the risks for which it is responsible, identifying any needs for fine tuning/corrective or evolutionary maintenance and providing support – within the scope of its duties – in implementing the associated actions;
 - identifies any risk developments exceeding the limits set out in the Risk Appetite Statement, in the Risk Governance Policies or in external regulations and, in general, potentially harmful or unfavorable situations in order to assess possible mitigation initiatives to implement;
 - within the RAF/RAS and EWS frameworks, examines the results of the process of determining the capital requirements, analyzing the dynamics involved to verify the overall consistency with the risk profile in the different analytical dimensions considered;
 - analyzes major transactions, expressing a prior opinion on their consistency with the Risk Appetite Statement;
 - assesses, within the scope of its duties, the capital structure in relation to the risks assumed/assumable (ICAAP) and the appropriateness of the Group's liquidity profile (ILAAP);
 - assesses the impact of especially serious events on the Group's exposure to risk and participates in developing strategies to be implemented for the resolution;
 - reports to top management on risk developments in the various operating segments and business areas, providing support to management bodies in defining strategic policy and risk policy and the associated implementation of those policies;
- performing, within the scope of its duties, tasks required for the purpose of supervisory reporting, inspections and regulations.

THE RISK CULTURE

The Group devotes special attention to managing, assessing and understanding risk. All personnel are asked to identify, assess and manage risk within their area of responsibilities. Each employee is expected to perform their duties seriously and with awareness.

The risk culture is inspired by the principles of the risk management model of the Parent Company. It is disseminated to all business units and personnel and is founded on the following pillars:

- the independence of risk functions from business units;
- the establishment and constant updating of risk handbooks and policies, updating risk measurement and estimation approaches to ensure consistency with sector best practices;
- the specification of risk limits;
- the periodic monitoring of (aggregate and non-aggregate) exposures and compliance of approved limits and implementation of appropriate corrective measures where necessary;
- the presence of other support tools to help develop the culture of risk (training courses, remuneration policies and incentives linked to the quality of risk and the results of the Group companies in the long term, systematic and independent Internal Auditing units, etc.).

THE GROUP RISK GOVERNANCE FRAMEWORK

The overall Risk Governance framework developed and adopted by the Group reflects the specific features of the ICBG, whose participatory mechanisms are based on a Cohesion Contract, signed by the affiliated banks, that provides for internal stability mechanisms characterized by intercompany mutual support agreements regulated specifically by applicable external legislation.

On the basis of the provisions of the Cohesion Contract between the affiliated banks and the Parent Company, the latter constantly monitors the organization and the operating conditions, financial position and performance of the affiliated banks through the Early Warning System (EWS), which is designed to promptly identify any signs of management difficulty and/or failure to comply with the obligations assumed under the Cohesion Contract, recommending or arranging, depending on the specific features of any given case and on the basis of the principle of proportionality, the appropriate intervention measures. The overall framework of the Group's risk governance system is completed by the Risk Appetite Framework (RAF), which is implemented operationally through policies addressing the individual risks to which the Group is exposed and transversal systems involved in the internal assessment the capital adequacy and liquidity profile (ICAAP/ILAAP) and the overall assessment of the recovery capacity in particularly adverse conditions (the Recovery Framework).

The RAF defines - in line with the maximum assumable risk (Risk Capacity), the business model and the Group strategy, the Operational Plan and the company incentive system - the risk objectives or risk appetite (Risk Appetite) and Risk Tolerance thresholds, taking due account of possible adverse scenarios. Starting on the basis of the RAF, consistent operating limits are defined within the overall risk governance policies. The latter in turn represent the internal regulatory expression of the "rules" for the assumption and management of risks and are an integral part of the Group's overall risk appetite and assumption system in the various operating sectors.

The overall architecture of the Risk Appetite Framework, defined in terms of key elements, scope of coverage/application and underlying operating models, is closely interconnected with ICBG's key risk governance process, i.e. the Early Warning System. The RAF is implemented individually with regard to the affiliated banks and shares qualitative and quantitative indicators with the EWS, ensuring consistency between the different calibration approaches and the purposes of the two frameworks.

In other words, the RAF is intended to explicate the medium/long-term vision of the desired risk profile for the Group as a whole and for each Group company, defining the risk area within which the management functions must operate in pursuit of corporate strategies. Compared with the RAF, the capital adequacy and liquidity assessment (ICAAP and ILAAP) represents an occasion to verify the stability of the risk appetite choices in terms of their consistency with the capital and liquidity resources available, guiding any subsequent modification of the choices and the resulting overall strategy decisions.

SECTION 1 – RISKS WITHIN SCOPE OF ACCOUNTING CONSOLIDATION

QUANTITATIVE DISCLOSURES

A. CREDIT QUALITY

A.1 IMPAIRED AND PERFORMING CREDIT EXPOSURES: STOCKS, WRITEDOWNS, CHANGES AND DISTRIBUTION BY SECTOR

A.1.1 DISTRIBUTION OF FINANCIAL ASSETS BY PORTFOLIO AND CREDIT QUALITY (CARRYING AMOUNT)

	Bad loans	Unlikely to pay	Impaired past due exposures	Performing past due positions	Other performing positions	Total
1. Financial assets measured at amortized cost	83,945	959,208	120,810	1,110,480	150,032,951	152,307,394
2. Financial assets measured at fair value through other comprehensive income	10	600	-	-	8,342,216	8,342,826
3. Financial assets designated as at fair value	-	-	-	-	312,408	312,408
4. Other financial assets mandatorily measured at fair value	-	125	-	-	642,558	642,683
5. Financial assets held for sale	230	-	-	-	-	230
Total 30/06/2026	84,185	959,934	120,810	1,110,480	159,330,132	161,605,541
Total 31/12/2025	70,913	807,907	132,137	1,022,739	154,009,617	156,043,312

A.1.2 DISTRIBUTION OF CREDIT EXPOSURES BY PORTFOLIO AND CREDIT QUALITY (GROSS AND NET VALUES)

	Impaired assets				Performing assets			Total (net exposure)
	Gross exposure	Total adjustments	Net exposure	Total partial write-offs	Gross exposure	Total adjustments	Net exposure	
1. Financial assets measured at amortized cost	3,096,531	1,932,567	1,163,964	380,887	151,873,387	729,957	151,143,430	152,307,394
2. Financial assets measured at fair value through other comprehensive income	810	200	610	-	8,347,990	5,774	8,342,216	8,342,826
3. Financial assets designated as at fair value	-	-	-	-	X	X	312,408	312,408
4. Other financial assets mandatorily measured at fair value	125	-	125	-	X	X	642,558	642,684
5. Financial assets held for sale	829	599	230	-	-	-	-	230
Total 30/06/2026	3,098,096	1,933,166	1,164,929	380,887	160,221,377	735,731	160,440,612	161,605,541
Total 31/12/2025	2,963,196	1,952,239	1,010,957	410,819	154,786,189	742,937	155,032,355	156,043,312

	Assets with evidently poor credit quality		Other assets
	Cumulative losses	Net exposure	Net exposure
1. Financial assets held for trading	486	19	141,446
2. Hedging derivatives	-	-	898,185
Total 30/06/2026	486	19	1,039,630
Total 31/12/2025	448	60	1,150,539

*Value to be reported for information purposes

SECTION 2 – RISKS WITHIN SCOPE OF PRUDENTIAL CONSOLIDATION

1.1 CREDIT RISK

QUALITATIVE DISCLOSURES

1. GENERAL ASPECTS

In accordance with the organizational model established at the Iccrea Banking Group level to govern and manage risks, credit risk is managed with an integrated series of processes and associated responsibilities defined within company units and regulated with a comprehensive set of internal rules for credit risk.

The Parent Company determines credit risk management policies at the Group level. More specifically:

- the lines of development for the Group activities are defined in the Strategic Plan and then incorporated in the annual budgets of the subsidiaries, in agreement with the Parent Company;
- the Risk Management function supports the risk assumption phase (policy, assessment and pricing models, quality control, strategic policy analysis) and management (identification, measurement/assessment, monitoring/reporting, mitigation) of the credit risk exposure of the Parent Company and all the Group companies.

With regard to the management and coordination role of the Parent Company, on the basis of the Cohesion Contract – Iccrea Banca assumes responsibility for the following areas: lending rules (principles, policies and processes), credit strategies and credit risk limits, management of large exposures, guidelines for the main credit product categories by customer segment, the monitoring and reporting of portfolio credit risk.

In line with these credit governance rules, the Chief Lending Officer area is responsible for overseeing all lending processes for the Parent Company and the direct-scope companies, from origination to the management of non-performing loans (with the exception of resolved impaired loans) and to exercise management and coordination activities for the affiliated banks.

2. CREDIT RISK MANAGEMENT POLICIES

2.1 ORGANIZATIONAL ASPECTS

Credit risk represents the preponderant component of the overall risks to which the Group is exposed, considering that credit exposures account for a dominant share of assets.

In light of this circumstance and in compliance with the applicable provisions concerning the internal control system (see Bank of Italy Circular No. 285/2013, Part One, Title IV, Chapter 3), the Group has adopted a governance structure and operational arrangements to ensure the adequate monitoring of credit risk in the various phases of the process.

In this respect, the Chief Lending Officer area:

- performs guidance and coordination activities for all phases of the credit process (origination, management, governance of guarantees, monitoring, classification, evaluation and credit recovery);
- ensures the constant updating of the guidelines on credit issues;
- oversees and directs projects related to innovations or upgrading of existing credit processes;
- coordinates any remedial actions requested by the supervisory authorities, top management or the corporate control functions;
- supports the competent Group units in the definition and development of credit products;
- contributes to the definition of the Strategic Plan for the lending area, including the NPE sector;
- defines the NPE Operating Plan, in line with the Group's strategic guidelines in this area;

- issues, in compliance with the provisions and amount limits specified in the Group Lending Policies and in compliance with the powers attributed in internal rules, credit opinions on performing and non-performing credit transactions from companies within the direct scope and the affiliated banks;
- issues, in compliance with the provisions and models specified in the Group Lending Policies and the powers provided for in the structure of delegated powers of Iccrea Banca, classification opinions on positions shared at Group level, in order to ensure a common classification to exposures proposed for the classification under unlikely to pay or of non-performing, in respect of debtors with obligations to multiple legal entities of the Group;
- approves the bank's performing and non-performing loan transactions, in compliance with the powers attributed in internal rules, submitting them to the higher decision-making bodies of Iccrea Banca where they do not fall within its powers;
- supports the integration of counterparty climate-related and environmental risk assessments into the broader lending process.

From a regulatory perspective, the Group's lending policies uniformly govern all phases of the lending process, leaving the individual affiliated banks independence in implementing the principles and rules set out in the policies issued by the Parent Company on the basis of the specific features of the territory in which operate, their organizational structure and their business model.

In accordance with supervisory regulations (Bank of Italy Circular No. 285/2013), the Risk Management function performs at both the consolidated and individual legal entity levels - credit risk control activities designed to ascertain that the activities performed in all phases of the lending process ensure the effective monitoring and adequate representation of credit risk, identifying any hidden risks and guiding correct/adequate risk management, classification and evaluation. More generally, the Risk Management function oversees the risk management of the individual entities from a consolidated and individual perspective:

- overseeing the measurement of credit risk from a current and forward-looking perspective, considering both conditions of normal operations and stress scenarios;
- monitoring the capacity of the risk limits, including those defined within the RAF/RAS with regard to the associated credit risk metrics;
- defining and updating the methods and measurement models for credit risk, including those used in the performance of credit stress tests, ensuring their ongoing compliance with regulatory developments and market best practice.

2.2 MEASUREMENT, MANAGEMENT AND CONTROL SYSTEMS

IDENTIFICATION OF RISKS

As noted in the previous section, in compliance with the provisions of Circular no. 285/2013 of the Bank of Italy as updated, the Parent Company determines the strategies, policies and principles for assessing and measuring risks for the Group and ensures the consistency of the internal control systems of the affiliated banks with the strategies, policies and principles established at the Group level, thus exercising the powers of strategic management and coordination aimed at ensuring the unity of the Group's strategic management and control system, as governed by the Cohesion Contract.

With regard to the lending process, Group regulations establish specific principles and guidelines for:

- the analysis of the needs and requirements of counterparties;
- accurately assessing the credit risk profile, based on qualitative and quantitative disclosures. This activity, focuses on several aspects, including:
 - the counterparty as well as the economic context in which it operates (also in respect of "groups of connected clients", when there are any legal or economic connections between with other counterparties);
 - the purpose and characteristics of the transaction to be financed;
 - the analysis of the counterparty's repayment capacity;

- the assessment of debt sustainability based on the economic, financial, and asset balance, integrated with market and ESG sustainability data;
- the guarantees available.

The Group adopts a counterparty approach in assigning ratings except in specific cases in which the counterparty assessment is supplemented by a product-perspective evaluation, in consideration of any special features of a business. Using rating/scoring models, the Group assigns a credit rating representing the probability of default of the counterparty, adopting an on-line processing procedure, which is typically accessed through the electronic application processing system but also in batch mode, with the latter being adopted for periodic updating of ratings for all customers (the loan position performance rating).

The monitoring and management process breaks down in the following steps:

- Monitoring the exposures, with the aim of:
 - identify, within the performing portfolio, a set of anomalous positions with a high risk profile (identified by the early warning system or through periodic reviews). The selected positions are then promptly forwarded to the next management step;
 - verify the progress and results achieved by the management activities.
- Managing the exposures, with the aim of:
 - mitigate risk, with timely action on performing exposures showing anomalies;
 - bring back to performing or contain possible losses on non-performing positions.

In particular, the position manager carries out an analysis of the type of criticality affecting the customer, to define the most appropriate strategies to support the customer in overcoming criticalities while protecting the credit.

CREDIT STRATEGIES FOR NEW LENDING

As part of its strategies on performing loans, Iccrea Banca has introduced a methodology for evaluating the attractiveness of economic sectors which, together with the evaluation of the counterparty's creditworthiness, has the objective of defining strategic guidelines for new loans, allowing for the improvement of the quality of the loans portfolio and the Expected Loss objectives.

The methodology for evaluating sector attractiveness is based on the following:

- Credit Risk, defined on the basis of year-end analysis and on the prospective portfolio and macroeconomic expectations with a view to identifying both the less risky sectors and those for which a more prudent selection of customers is desirable, also evaluating the possible use of risk mitigation measures;
- Market Size identifies the economic sectors in which it is potentially possible to channel new loans (commercial potential), both in terms of development on existing customers and new customers on the market;
- ESG Climate Transition Risks measure the impacts of climate-related transition risks on economic sectors, including assessments on waste and pollution, water stress and biodiversity;
- Sector Concentration Analyses measure the incidence of significant exposures and the level of the average ticket of a bank in the individual sectors, representing a further element for directing credit strategies.

The assessment of sector attractiveness and of the risk characteristics of individual customers is used for allocating new loans, within a strategic and commercial planning processes. In this context, the Parent Company supports the banks in defining the commercial budget by providing guidelines for the distribution of growth volumes of loans, defining the strategy for individual customers in the lending process; it also supports the CBO Area in defining commercial targets relating to credit campaigns.

The Parent Company may also establish exposure limits for individual clients or Groups of Connected Clients ("GCCs") as a further measure to monitor or guide the assumption of new risk by Group companies and, where relevant, to facilitate the coordination of lending and commercial activities regarding shared clients.

RISK MEASUREMENT AND ASSESSMENT

For the purpose of calculating prudential requirements for credit risk, the Group uses the standardized approach envisaged under prudential regulations (Regulation (EU) No. 575/2013 of the European Parliament and the Council of June 26, 2013 - CRR).

The adoption of the standardized approach to determine the capital requirement against credit risk involves the subdivision of exposures into portfolios and the application of differentiated prudential treatments to each, possibly using assessments of creditworthiness (external ratings) issued by external agencies (ECAI) or by export credit agencies (ECA) recognized for prudential purposes on the basis of the provisions of Regulation (EU) No. 575/2013.

Depending on the type of counterparty and the sector in which it operates, the Group's operations also open it to the risk of being excessively exposed to an individual counterparty (single name) or a specific sector/geographical area (geo-sectoral).

For the purposes of determining internal capital for concentration risk for individual counterparties or groups of connected clients, the Group uses the regulatory granularity adjustment (GA) algorithm, based on the Herfindahl index. In accordance with regulatory provisions, the reference portfolio consists of on-balance-sheet and off-balance sheet exposures (the latter considered at their credit equivalent amount) falling within the regulatory portfolios "corporates and other borrowers", "short-term exposures to corporates" and exposures to corporates included in the asset classes "in default", "secured by real estate", "equity exposures" and "other exposures".

Furthermore, for the purpose of quantifying geo-sectorial concentration risk, the Group adopts the methodology developed by the "Geo-Sectoral Concentration Risk Laboratory" of the Italian Banking Association (ABI), which sets geographical and product categories against a national asset allocation benchmark.

The Group periodically performs stress tests for credit and concentration risks in order to assess - in terms of potential losses - the impact of expected risk developments on the financial profile of the Group and the individual entities under both normal and adverse operating conditions.

The stress test methods are based on regulatory practices and are applied in various management and risk governance processes, starting with the capital adequacy assessment process (ICAAP), as well as in the performance of supervisory exercises.

The methodological and calculation structure of credit stress tests is based on the use of internal risk models and parameters and incorporates a credit risk projection approach (transitions between stages/risk states) and determination of related losses over the scenario years (12-month or lifetime expected credit loss) based on the measurement of IFRS 9 impairment.

The projections of the estimates for the scenario years are performed considering the macroeconomic scenario assumptions in the adopted scenarios (in baseline or adverse conditions), using internally developed models ("satellite" models), which estimate the relationship between risk factors and developments in macroeconomic variables.

RISK MONITORING AND CONTROL

In accordance with supervisory regulations (Bank of Italy Circular no. 285/2013), the Risk Management function performs - at both the consolidated and individual company levels - credit risk control activities designed to ascertain that the activities performed in all phases of the lending process ensure the effective monitoring and adequate representation of credit risk, identifying any hidden risks and guiding correct/adequate risk management, classification and evaluation. These activities are accompanied by the ongoing controls of the Risk Management function through analysis of developments in the exposure to credit risk of the Group as a whole and of the individual entities.

The Internal Audit unit performs third-level controls, verifying the adequacy and comprehensiveness of the processes and activities performed by the relevant units, the consistency and validity of the analyses performed and the associated findings.

The locus of the strategic and operational management of credit risk is the Group's Risk Appetite Statement, through a comprehensive system of risk objectives and limits (appetite, tolerance and capacity) at both the consolidated and individual entity levels, with compliance ensured by the monitoring and control activities of the function.

Monitoring and reporting on the credit risk profile is characterized by activities that involve both the business functions and the control functions, in accordance with their respective responsibilities. In particular, monitoring is ensured both by aggregate portfolio performance analyses and by analyses carried out on individual positions.

The Risk Management function monitors the credit risk profile – at both the consolidated and individual affiliated bank and Group company level, using an analytical framework and related reporting based on a system of key risk indicators. It is designed to monitor the loan portfolio, at both the time exposures are taken on and during their lifetime, the outcomes of which are reported regularly to top management. In this context, the analytical methods and the related reporting undergo constant fine-tuning in order to represent the drivers underlying developments in credit risks in an ever more effective manner, reflecting changes in the regulatory environment as well as management requirements and to support decision-making.

Risk Management has also centrally defined the “Credit Risk Control 285” framework. This is intended to govern, based on the set of governance, management and control mechanisms adopted by the Group for credit risk, the analysis, identification and control activities performed by the Risk Management function pursuant to Circular 285.

The performance of this activity involved, over two annual cycles, the preliminary definition of an operational policy qualifying the functional elements for calibrating and targeting risk control activities. Following the definition of this operational policy and in compliance with the provisions of other internal regulations, mass controls were conducted for the Group’s credit portfolios, as well as sample checks (single file) of individual credit exposures. The completion of the activities also included reporting to the corporate bodies.

2.3 METHODS FOR MEASURING EXPECTED CREDIT LOSSES

The Group has adopted a framework for determining impairment based on risk assessment models and the corresponding parameters used in operational and management practices by the Parent Company and individual Group entities. In accordance with the provisions of IFRS 9, the methods for measuring expected losses on impaired exposures are based on the following elements:

- a 3-stage (stage allocation) approach, based on changes in credit quality, defined on a model of 12-month expected loss or lifetime expected loss if a significant increase in credit risk is detected. The standard provides for three different categories that reflect the deterioration in credit quality since initial recognition:
 - stage 1: financial assets originated and/or purchased that do not exhibit objective evidence of impairment at the date of initial recognition or that have not experienced a significant deterioration in their credit quality since the date of initial recognition (significant increase in credit risk) or which have low credit risk (low credit risk exemption);
 - stage 2: financial assets whose credit quality has deteriorated significantly since the date of initial recognition;
 - stage 3: financial assets that exhibit objective evidence of loss at the reporting date. The population of these exposures is consistent with those considered “impaired” under IAS 39.
- application of “point-in-time” formulations of the parameters for measuring credit risk for the purpose of calculating impairment;
- calculation of lifetime expected credit loss (ECL) for exposures not classified in stage 1, using lifetime parameters;
- inclusion of forward-looking conditioning in the calculation of ECL, considering the average loss from each scenario and the associated probability-weighted likelihood of each outcome;
- staging and transfers of financial assets between the stages.

In accordance with the standard, the Group allocates each asset/tranche to one of the following three stages:

- stage 1, which includes all performing positions/tranches that at the reporting date meet the condition for the low credit risk exemption, or that do not show a significant increase in credit risk with respect to the level measured at the date of disbursement or purchase;
- stage 2, which includes all performing positions/tranches that at the time of assessment simultaneously meet the following two conditions: (i) they have a PD greater than the threshold, (ii) they have experienced a significant increase in credit risk with respect to the level measured at the origination date. In the absence

of a rating/PD at the reporting date, exposures are generally allocated to stage 2 (without prejudice to the additional considerations and practices addressed below);

- stage 3, which includes all exposures that, as at the evaluation date, are classified as non-performing under the default definition adopted and governed by specific internal rules in conformity with supervisory regulations.

The staging method of the Group was developed on the basis of the drivers described below.

The method developed for the loan portfolio envisages:

- the use of the low credit risk (LCR) criterion, under which credit risk is deemed to have not increased significantly if the exposure shows a low level of credit risk at the reporting date, essentially defined as a PD threshold at the reporting date equal to the investment grade threshold;
- the use of quantitative criteria based on rating/scoring systems, involving the analysis and comparison of the PD/rating at origination with the PD/rating at the reporting date. This identifies, on the basis of thresholds of significance defined in terms of the number of notches that a rating has changed, any significant increase in credit risk on the position;
- the use of qualitative staging criteria to identify the riskiest positions in the performing portfolio. These criteria have been defined independently of the use (or not) of the quantitative criteria referred to in the previous point and are based on the identification of objective evidence of impairment, such as the presence of forbearance measures, watchlist or positions more than 30 days past due.

The staging methodology developed for the securities portfolio is applicable to the entire portfolio of debt securities outstanding at the reporting date for the various Group entities. Not included in the calculation of impairment, and therefore not subject to the staging mechanism, are shares, equity investments, units of collective investment undertakings, securities classified as held-for-trading and debt securities that do not pass the benchmark test and the SPPI test.

The approach adopted for the securities portfolio provides for the use of the principle of the low credit risk exemption, which allocates exposures with a conditional 12-month PD below the investment grade threshold to stage 1. Positions with a conditional 12-month PD above that threshold are subject to comparison of the PD at origination and the PD at the reporting date.

Group entities with a securities portfolio use the external ratings of an ECAI at the tranche level. For the purpose of assigning a rating to securities exposures at the reporting date, only ECAs with which a valid information-use agreement is in place are used.

Starting from the allocation of exposures in the different stages, the calculation of expected losses (ECL) is carried out, at the level of each position, on the basis of the estimated risk parameters (EAD, PD, LGD) using internal management models, performed in compliance with the requirements of the applicable accounting standard.

In particular, for the purpose of determining the probability of default (PD), the approach adopted for both the loan portfolio and the securities portfolio envisages:

- the transformation of the "through-the-cycle" PD into (or calculation of) the "point-in-time" (PIT) PD on the time horizon for the most recent historical observations;
- the inclusion of forward-looking scenarios through the application of multipliers representing macroeconomic forecasts to the PIT PD and the definition of a series of possible scenarios and the associated probability of occurrence that incorporate future macroeconomic conditions in the estimates;
- the transformation of the 12-month PD into a lifetime PD in order to estimate the PD term structure over the entire residual life of the loans.

Loss given default (LGD) is determined using the following approaches: i) a "block" approach, determined by the combination of parameters relating respectively to the pre-litigation phase (probability of reclassification as bad loans, exposure delta, performing LGD closure) and litigation (Loss given default); ii) a "single-span" approach based on the recovery process over the entire duration of the default cycle with specific reference to the technical forms of "consumer loans" and "leases".

With regard to the securities portfolio, the unconditioned LGD measures are the same for both stage 1 and stage 2 exposures. In particular, an unconditioned LGD measure of 45% is used, subsequently subjected to forward-looking conditioning, consistent with the scenarios and probabilities of occurrence used to condition the PD, as discussed below.

Exposure at Default (EAD) is calculated on the basis of the amortized cost schedules of the individual relationships for both loans and debt securities. For exposures relating to margins, EAD is determined by applying the internal EAD (Exposure at Default) model which allows for the estimation, for some identified customer segments (companies, producer households and private individuals), of a specific Credit Conversion Factor (CCF) instead of using the regulatory coefficients (which are however applied for other counterparty segments).

For the purposes of calculating ECL under IFRS 9, the risk parameters are estimated from a forward-looking perspective through conditioning to macroeconomic scenarios. The approach adopted consists in the use of forecast values for the exogenous macroeconomic variables in the satellite models estimated internally and the associated conditioning approach for each forecast year. In order to reflect the different forward-looking riskiness of the positions assessed in the ECL estimates, those satellite models are differentiated, in particular the PD, by type of counterparty, sector of economic activity and geographical area (if relevant); for the LGD parameter, by segment, presence/absence of guarantee and bad debt vintage through the use of a panel data approach. To determine the macroeconomic conditioning measures to be applied in the calculation, three types of scenarios are used.

In particular, the following scenarios are considered with probabilities of occurrence defined in accordance with the indications provided by the reference provider (Prometeia):

- best case with a probability of occurrence equal to 20%;
- baseline case with a probability of occurrence equal to 50%;
- worst plausible case with probability of occurrence equal to 30%.

From the financial statements at June 2026, the calculation of the IFRS 9 ECL of the Group's performing credit exposures included implementation of the following:

- review of post-model overlays in light of the evolving macroeconomic environment and the associated level of uncertainty;
- update of the probation period duration from 6 to 3 months, in line with the process of consolidating the stage allocation system.

Moreover, starting from the close of December 2022, the Group planned the introduction of post-model adjustments (overlays) in order to incorporate even greater prudence for specific sub-portfolios that could prove riskier by the occurrence of unexpected events deviating from the likely macroeconomic environment. In the 2026 interim financial statements, considering the most recent developments in the macroeconomic environment, in agreement with general management, it was also deemed appropriate to revise the post-model overlay clusters with the aim of:

- update the treatment of "geopolitical risks" in light of evolving macroeconomic scenarios;
- remove clusters of risks already factored into current forecasts, focusing prudential margins on areas not yet fully covered.

Therefore, starting with this interim report at June 30, 2026, customers in the "Construction and Real Estate" sector (for which the development of a sector-specific rating system is still underway) and the "Geopolitical Risk (GPR) – Industry" sector are subject to a post-model adjustment if their credit risk assessment is higher than that projected in the Group Strategic Plan (PD PIT > 1.5%).

Note that the in-model overlays regarding C&E risks (transition risk and physical risk) have undergone no changes compared with the version currently in use.

With the aim of incorporating transition risk in the PD parameter, the prospective balance sheet method has been implemented for the corporate segment. This approach considers:

- econometric models aimed at establishing a relationship between the items of the balance sheet and a set of macroeconomic variables in order to project the balance sheets;
- definition of a climate/environmental cost component, that companies could bear to adapt to a more sustainable economy, taking into account the economic macrosector of the companies.

Once the most relevant balance sheet items have been projected, they are subjected to conditioning through the climate/environmental cost, defined as a summary of: i) green investments, ii) cost of CO₂ (GHG emissions estimated internally), iii) cost of energy and iv) expenditure for biodiversity. It should be noted that the explicit inclusion of this last factor extends the proposed modelling to the environmental risks sector. Through appropriate statistical integration, the climate/environmental shock quantified on the Balance Sheet Score is propagated to

the other scores that make up the Corporate Rating Model in order to define a prospective PD parameter that includes transition risk.

In order to integrate acute physical risks into the PD parameter, defined in accordance with the Group's materiality analysis (Acute Physical Risk - Flooding and Landslide) and taking into account the relevant drivers considered within the 2022 climate stress test exercise (Drought), the methodological framework of the prospective balance sheet method already used for the inclusion of the transition risk was used. This framework, outlined for the business segment, leverages the transmission channel represented by the counterparty's balance sheet, to which a stress is applied proportional to the materiality of the acute physical risk being examined with respect to the counterparty's geographical location and sector of activity. The underlying idea is that the business segment is impacted by acute physical risks in terms of lower solvency due to a decrease in revenue resulting from the extreme event. More specifically, the stress applied to the counterparties' balance sheets takes the form of a haircut on revenue, defined as the percentage of revenue eroded by the occurrence of the acute physical event.

With reference to the C&E component on the LGD parameter, the scope of the estimate of acute physical risks concerns: floods, landslides and fires. The transmission channel of these risks on the LGD component is constituted by the possible impact on the value of the property used as collateral for a mortgage loan. The methodology allows to jointly evaluate the probability that an acute physical event occurs (Hazard) and the potential damage that the property may suffer from the occurrence of such event (Vulnerability), thus defining a haircut value to be applied to the value of the property to determine a value adjustment with an increase in the LTV (Loan to Value) parameter and consequently of the LGD. The methodological approach, common to the three adverse events mentioned above, has the geolocation of the property as its main driver.

Also as regards the calculation of the transition risk impact on the LGD parameter, the methodology is implemented on loans secured by real estate collateral. In particular, it considers only properties with an EPC (energy performance contract), assuming a depreciation rate of the asset deriving from an energy class lower than the target class for 2050 as foreseen by the Paris Agreement. This methodology, consistent with the physical risks framework, defines the haircut to be applied to determine the value adjustment of the property based on the derivation of an opportunity cost, obtained as a comparison between the cost to maintain a property in its energy class and the cost to comply with energy transition requirements.

Finally, as part of the conditioning of the IFRS 9 risk parameters, the ordinary updating of the macroeconomic scenarios was applied in accordance with the most update of those scenarios (March 2026).

2.4 CREDIT RISK MITIGATION TECHNIQUES

As required by Regulation (EU) no. 575/2013 on prudential requirements for credit institutions and investment firms (CRR), the Group is strongly committed to compliance with all the requirements for the appropriate application of credit risk mitigation (CRM) techniques in accordance with the standardized approach for the calculation of capital requirements both for internal management and regulatory purposes.

The Parent Company has developed specific Group guidelines to support the appropriate use of guarantees and credit risk mitigation techniques for Credit Risk Mitigation (CRM) purposes. Specifically, at Group level the following categories of guarantees eligible for CRM purposes have been identified:

- secured financial guarantees;
- real estate mortgages and property lease transactions involving properties that have the characteristics required by law;
- unsecured guarantees.

Unsecured guarantees eligible for CRM purposes consist of all forms of credit protection provided by the entities (providers) specified in Article 201 of the CRR (central governments, central banks, international organizations, public sector entities, regional governments and local authorities, multilateral development banks, supervised intermediaries). Accordingly, guarantees issued by natural persons or legal entities not included in the list indicated in the legislation do not fall within the risk mitigation techniques for calculating capital requirements, but are not excluded from the Group's catalog of guarantees, which comprises not only the guarantees eligible for CRM purposes, but also guarantees not eligible for CRM purposes, as mentioned above.

Credit risk mitigation techniques may include guarantees provided by collective loan guarantee consortia in accordance with applicable regulations in the presence of suitable counter-guarantees (for example the Central Guarantee Fund for SMEs) for the portion they secure.

The Group has adopted procedures to ensure adequate compliance over time with the general and specific requirements required for CRM techniques. The general requirements, adopted by the Group, which are intended to ensure legal certainty and the effectiveness of the guarantees, mainly concern:

- the binding nature of the legal commitment between the parties and its enforceability in court;
- the effectiveness of credit protection arrangements which must be legally effective and enforceable in all relevant jurisdictions;
- the effectiveness of the credit protection arrangement also in addressing all the risks related to that arrangement;
- the timeliness with which the guarantee may be liquidated in the event of default;

These procedures must be valid and applied by all Group companies in order to avoid possible inconsistencies in the assessment. Checks shall be carried out in relation to the current legal value of the documentation submitted, the impact of any changes in the regulatory framework and the consequent initiatives to be taken. Risks related to the ineffectiveness, reduction or termination of the protection ("residual risks") as well as valuation and potential concentration risks in respect of specific counterparties.

The Group has defined specific internal policies and procedures to ensure that the acquired collateral can be classified as CRM eligible. In particular, the following conditions must be met:

- the real estate that guarantees the exposure satisfies any of the following conditions:
 - the asset has been fully completed;
 - the real estate is a forest or agricultural land;
 - the loan is in favor of a natural person and the property is a residential property under construction or land on which the construction of a residential property is planned, and such project has been lawfully approved by all the relevant authorities, as the case may be, and if any of the following conditions are met: (i) the property has no more than four dwelling units and will be the primary residence of the borrower and the loan to that natural person does not indirectly finance ADC exposures; (ii) a central government, regional government or local authority or public sector body is involved and/or has the legal power and capacity to ensure that the property under construction will be completed within a reasonable timeframe and is required or has made a legally binding commitment to complete it where construction would not otherwise be completed within a reasonable timeframe;
- the exposure is secured by a first-ranking mortgage on the property or the bank holds the first-ranking mortgage and any other sequentially lower-ranking mortgages on that property;
- the value of the property does not depend significantly on the debtor's creditworthiness;
- all information required at the time of assuming the exposure and for monitoring purposes is adequately documented, including that concerning the debtor's repayment capacity and the valuation of the property.

3. IMPAIRED CREDIT EXPOSURES

3.1 MANAGEMENT STRATEGIES AND POLICIES

According to the EBA definition, non-performing exposures satisfy either or both of the following criteria:

- material exposures continuously past due by more than 90 days;
- the debtor is assessed as unlikely to pay its credit obligations in full without realization of collateral, regardless of the existence of any past-due amount or of the number of days past due.

Impaired exposures are classified by increasing degree of severity in the following three categories:

- impaired past due and or overlimit exposures: exposures continuously past due or overlimit by more than 90 days in an amount exceeding the materiality thresholds (a relative materiality threshold equal to 1% of the entire exposure and an absolute materiality threshold of €100 or €500 for retail or corporate counterparties respectively);

- unlikely to pay (UTP) exposures: on- and off-balance sheet exposures for which the institution considers that the obligor is unlikely, without recourse to actions such as realizing security, to pay its credit obligations (principal and/or interest);
- default: on- and off-balance sheet exposures to an obligor in a state of insolvency (even if not declared by a court) or a substantially comparable situation, regardless of any expected loss.

Credit exposures that have been granted a forbearance measure³⁶ by the Bank in the event that the customer is in or close to a situation of financial difficulty in meeting its payment obligations ("troubled debt") are defined such as "forbearance exposures".

In identifying forbore exposures, the regulations require a transaction-by-transaction approach, regardless of their classification (impaired past due and/or overlimit exposures, unlikely to pay exposures or defaults): although the state of financial difficulty must be ascertained at level of the debtor, only the exposures referred to the latter that have actually been granted forbearance measures must be classified as forbore.

These classification rules are further supplemented by that established in IFRS 9, according to which credit exposures must be allocated to three stages (for more details, see the previous discussion). Among impaired exposures, allocation to stage "3" is underscored, which occurs when the customer's status changes to "non-performing".

For the purpose of managing Non-Performing Exposures, the Group:

- has operational arrangements under which, depending on the intervention to be undertaken, positions can be managed using a centralized approach by the competent Parent Company functions, a decentralized approach by the individual Group companies or a collaborative approach between the Parent Company and Group companies;
- applies a unified and harmonized definition of NPLs in all Group companies, consistent with the applicable regulatory provisions. In particular, it establishes detailed guidelines—differentiated by customer segment—for assessing debt repayment capacity in order to identify "Unlikely to Pay" (UTP) exposures, with the aim of ensuring a consistent and uniform approach across the Group;
- considers legal and financial connections between counterparties and adopts a group perspective in identifying the exposure of a debtor as impaired (default propagation).

Within this approach, the individual Group companies transpose into their own rules the principles and rules established in Group policies for the management and recovery of troubled exposures and NPEs in line with the specific features of the territory in which they operate, their size, their business model and the related organizational structure.

The strategy for managing Non-Performing Exposures is set by the Parent Company and is subject to approval and monitoring by its Board of Directors. Specifically, the Parent Company:

- defines the objectives in terms of reducing expected NPE levels at Group level;
- establishes, with the support of the Group companies, the objectives for the individual companies and the related management strategies.

The implementation of the strategy is supported by the Parent Company through the delivery of specialized support services, the provision of tools to facilitate the uniform management of impaired positions and a Group operational plan, which is also approved by the Parent Company's Board of Directors.

In order to ensure the quality of the management of non-performing exposures by the specified personnel, all Group companies have developed a system for measuring the performance of senior management and the organizational structures dedicated to management of non-performing exposures. In particular, in accordance with the principle of proportionality, the individual Group companies define their own performance evaluation and monitoring systems in line with Group policy, based on a number of quantitative and qualitative factors, of which the following list provides a few examples:

- developments in the stock of gross and net non-performing exposures, deviation from the objectives of the Group's Strategic Plan;

³⁶ In general, a forbearance measure means an operation by which the creditor, applying principles of economic rationality, grants forbearance to the borrower in consideration of the borrower's financial difficulties. This concession takes the form of the creditor's waiver of certain contractually defined rights which translates into an immediate or deferred benefit - of a financial or economic nature - for the debtor.

- the effectiveness of forbearance measures;
- the performance of cure process;
- the total amount recovered on the loan portfolio with a focus on collections, liquidations and asset sales;
- the reduction of arrears and the improvement of portfolio quality;
- the aging of positions by recovery management phases (or portfolio classification);
- the regular performance of agreed restructuring plans;
- the application of writeoffs.

The management of NPEs envisages the following categories of management strategies:

- short- or long-term management actions to support business continuity with the objective of returning positions to performing status or amicable recovery of the exposure;
- legal action, to be adopted for severely impaired positions for which litigation is undertaken to recover the credit, as the state of crisis appears to be deep-rooted and irreversible;
- active portfolio reduction, to be applied to impaired positions that are considered unrecoverable.

Extraordinary NPE portfolio management strategies include the transfer of individual files or selected portions of the portfolio.

3.2 WRITE-OFFS

The Group writes off impaired positions, meaning the derecognition from the financial statements of a loan, or part of a loan, and the consequent recognition of a loss, when it is ascertained that the exposure cannot be collected or it is uneconomic to continue any associated recovery activities under way. It may occur before the legal action to recover the financial assets are completed and does not necessarily entail waiver of the bank's right to the asset. A write-off may be total, and therefore regard the entire amount of a financial, or partial (in all those cases in which the claim recognized is smaller than the carrying amount, for example in insolvency proceedings). The amount of the write-off must always take account of any expenses, including legal costs, accrued and not yet invoiced at the time of analysis.

A write-off implies:

- the reversal of total writedowns against the gross value of the financial asset;
- for any part exceeding total writedowns, the impairment loss on the financial asset is recognized directly in profit or loss.

Any recoveries from collection after the recognition of the writeoff are recognized in profit or loss as writebacks.

Write-offs recognized for unrecoverability refer to cases in which the Bank is in possession of documentation certifying the significant probability that the loan may not be recovered, in whole or in part. Specifically, the irrecoverable status of the loan must be attested to by certain and specific circumstances, such as:

- the obligor, co-obligors and/or connected guarantors are untraceable or destitute;
- there has been no recovery from enforcement of guarantees or collateral and seizures;
- the period of limitations has passed;
- insolvency proceedings have been closed with incomplete restitution for the bank, in the absence of further guarantees that could be enforced;
- it is impossible to take further action in consideration of the overall financial position and income situation of the obligors and co-obligors (guarantors included) as emerging from up-to-date investigations;
- all legal or out-of-court actions have, following a careful examination of updated documentation (by way of partial example, commercial information, title searches, searches, etc.), already been carried out or are deemed inappropriate;
- bad loans with a residual balance after partial repayment in settlement performed in accordance with the procedures and time limits provided for by the resolution approved by the competent bodies;

- amounts from the redetermination of the credit claim.

Write-offs recognized because further action would be uneconomic occur when it is recognized, and can be demonstrated, that the costs related to the continuation of loan recovery actions (for example: legal, administrative and other costs) would exceed the value of the financial asset that is expected to be recovered.

3.3 FINANCIAL ASSETS PURCHASED OR ORIGINATED CREDIT-IMPAIRED

Financial assets purchased or originated credit impaired ("POCI") are credit exposures that are impaired upon initial recognition.

Such exposures may arise both from the purchase of impaired credit exposures from third parties or from the restructuring of impaired exposures that involved the grant of new financing that is significant in absolute or relative terms in proportion to the amount of the original exposure.

These exposures are subject to management, measurement and control in accordance with the principles discussed above. In particular, the expected credit losses recorded at initial recognition in the carrying amount of the instrument are reviewed periodically based on the processes described in the preceding sections.

The expected loss for these exposures is always calculated over their lifetime and the exposures are conventionally reported under stage 3, or stage 2 if, following an improvement in the credit quality of the counterparty since initial recognition, the assets are performing.

Such assets are never classified under stage 1 since the expected credit loss must be calculated on a lifetime basis.

4. FINANCIAL ASSETS SUBJECT TO COMMERCIAL RENEGOTIATIONS AND EXPOSURES GRANTED FORBEARANCE MEASURES

The classification of exposures into "impaired past due and/or overlimit" exposures, "unlikely-to-pay" exposures or "bad loans" also provides for the identification – for both performing and non-performing portfolios - of "forborne" exposures. These credit exposures are subject to a forbearance measure granted to a customer who is already facing a situation of financial difficulty in meeting their payment commitments ("troubled debt"), or is about to do so, and which would not have been granted if that customer had not found themselves in such a situation. This classification holds regardless of whether the counterparty is past due, overlimit or classified as in default. To identify an exposure as forborne, both of the following conditions must be verified:

- the existence of the financial difficulties that the obligor is facing or is about to face. The assessment of financial difficulty is based on the obligor, which comprises all natural and legal persons belonging to their group (group of connected customers): the assessment therefore also extends to these latter persons in order to verify whether situations of difficulty at the group level may compromise the obligor's ability to meet their obligations. The assessment of financial difficulty is performed at the Banking Group level, providing for its unequivocal identification on shared customers, without taking account of the guarantees issued by the obligor or third parties. The Group's IT applications report the presence or absence of financial difficulty faced by the counterparty with specific disclosures on the company IT systems used in the classification process;
- the exposure is the subject of a forbearance measure (renegotiation of the contractual conditions and/or of a repayment or refinancing plan, etc.) granted with the prime objective of enabling non-performing borrowers to return to performing status or to prevent performing borrowers from entering non-performing status. Forbearance measures should always seek to return the exposure to a situation of sustainable repayment.

The Group defines forbearance measures as:

- contract modifications granted in favor of a debtor solely in consideration of the debtor's financial difficulties and not solely on the basis of commercial grounds/practice;
- the grant to a debtor in financial difficulties of total or partial refinancing in order to enable the debtor to repay an existing obligation to the bank; this case also includes additional finance operations aimed at the completion-optimization of an existing obligation to the bank;

- contract modifications that can be requested by a debtor under the terms of a contract already agreed in the knowledge that the debtor is experiencing financial difficulties (embedded forbearance clauses).

The attribution of “forborne” to a credit exposure does not represent an additional classification status to those currently provided for in supervisory regulations and the internal rules of the Group to which reference is made for those purposes. Forborne status must be associated with the individual exposure. Accordingly, a forborne exposure can be classified as performing forborne or non-performing forborne depending on the status of the counterparty to which these exposures are attributable.

Forbearance measures cannot be granted to customers with credit exposures classified as bad loans or bank counterparties.

Performing exposures are classified as forborne non-performing in the following cases:

- a concession measure is granted and at the time of the resolution the level of severity of the financial difficulty of the counterparty is assessed as such as to lead to a non-performing classification;
- the concession measure implies a diminished financial obligation higher than 1% pursuant to the new DoD guidelines;
- the concession measure implies a diminished financial obligation lower than 1%, but the manager, following an in-depth analysis regarding the classification as non performing (so-called "UTP assessment") identifies the conditions for the classification as non-performing, also on the basis of the presence of:
 - a repayment plan for the measure that provides for the payment of a large lump sum at the end of the plan;
 - an irregular repayment plan with significantly lower payments at the beginning of the plan;
 - exposures to the debtor that have been subject to distressed restructuring more than once;
 - a significant grace period at the beginning of the repayment plan.

Performing forborne exposures are classified as non-performing in the following cases:

- a performing counterparty, not coming from a previous forborne non-performing classification, which is granted a second forbearance measure and is found to be past due and/or in excess of 30 days, based on the assessment of the function responsible for the classification;
- the counterparty to whom the third measure of forbearance is granted on the same exposure;
- a performing counterparty, coming from a previous forborne non-performing classification, which is granted a second forbearance measure and/or is found to be past due and/or in excess of 30 days;
- a counterparty classified as past due during the probation period;
- when a forward-looking debt sustainability analysis shows, through dynamic projections, a situation of irreversible distress.

QUANTITATIVE DISCLOSURES

A. CREDIT QUALITY

A.1 - IMPAIRED AND PERFORMING CREDIT EXPOSURES: STOCKS, WRITEDOWNS, CHANGES AND DISTRIBUTION BY SECTOR

A.1.4 - PRUDENTIAL CONSOLIDATION - ON-BALANCE-SHEET AND OFF-BALANCE-SHEET CREDIT EXPOSURES TO BANKS: GROSS AND NET VALUES

	Gross exposures					Total writedowns and total provisions					Net exposures	Total partial write-offs*
	Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired	Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired				
A. On-balance-sheet exposures												
A.1 Demand	500,141	456,552	43,589	-	-	1,657	391	1,266	-	-	498,484	-
a) Impaired	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	500,141	456,552	43,589	X	-	1,657	391	1,266	X	-	498,484	-
A.2 Other	4,745,329	4,605,441	110,072	-	-	5,528	3,515	2,013	-	-	4,739,801	-
a) Bad loans	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
b) Unlikely to pay	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
c) Impaired past due exposures	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
d) Performing past due exposures	-	-	-	X	-	-	-	-	X	-	-	-
- of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
e) Other performing assets	4,745,329	4,605,441	110,072	X	-	5,528	3,515	2,013	X	-	4,739,801	-
- of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
Total (A)	5,245,470	5,061,994	153,660	-	-	7,185	3,906	3,279	-	-	5,238,285	-
B. Off-balance-sheet exposures												
a) Impaired	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	1,739,884	483,104	31,682	X	-	4,439	4,233	207	X	-	1,735,444	-
Total (B)	1,739,884	483,104	31,682	-	-	4,439	4,233	207	-	-	1,735,444	-
Total (A+B)	6,985,354	5,545,098	185,342	-	-	11,625	8,139	3,486	-	-	6,973,729	-

*Value to be reported for information purposes

A.1.5 - PRUDENTIAL CONSOLIDATION - ON-BALANCE-SHEET AND OFF-BALANCE-SHEET CREDIT EXPOSURES TO CUSTOMERS: GROSS AND NET VALUES

	Gross exposure						Total writedowns and total provisions						Net exposure	Total partial write-offs *
	Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired	Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired						
A. On-balance-sheet exposures														
a) Bad loans	809,298	X	-	806,397	2,901	725,113	X	-	722,598	2,515	84,185	373,442		
- of which: forborne exposures	166,147	X	-	166,147	-	147,442	X	-	147,442	-	18,705	79,990		
b) Unlikely to pay	2,049,785	X	-	2,046,952	2,707	1,089,851	X	-	1,087,144	2,707	959,934	7,445		
- of which: forborne exposures	550,830	X	-	548,381	2,449	401,020	X	-	398,571	2,448	149,810	6,343		
c) Impaired past due exposures	239,213	X	-	239,213	-	118,403	X	-	118,403	-	120,810	-		
- of which: forborne exposures	12,383	X	-	12,383	-	4,539	X	-	4,539	-	7,844	-		
d) Performing past due exposures	1,185,157	507,923	677,235	X	-	74,678	3,876	70,802	X	-	1,110,480	-		
- of which: forborne exposures	82,403	-	82,403	X	-	8,743	-	8,743	X	-	73,660	-		
e) Other performing assets	155,333,092	146,885,320	7,433,234	X	1,979	655,527	225,441	430,067	X	19	154,677,565	5		
- of which: forborne exposures	790,644	529	789,810	X	313	48,435	13	48,404	X	18	742,209	-		
Total (A)	159,616,544	147,393,242	8,110,468	3,092,562	7,587	2,663,570	229,317	500,868	1,928,144	5,241	156,952,974	380,891		
B. Off-balance sheet exposures														
a) Impaired	222,171	X	-	222,171	-	91,231	X	-	91,216	-	130,940	-		
b) Performing	33,763,381	30,592,724	1,966,360	X	-	77,174	38,903	38,270	X	-	33,686,207	-		
Total (B)	33,985,552	30,592,724	1,966,360	222,171	-	168,405	38,903	38,270	91,216	-	33,817,146	-		
Total (A+B)	193,602,096	177,985,967	10,076,829	3,314,733	7,587	2,831,976	268,220	539,138	2,019,360	5,241	190,770,120	380,891		

*Value to be reported for information purposes

1.2 MARKET RISKS

1.2.1 INTEREST RATE RISK AND PRICE RISK – SUPERVISORY TRADING BOOK

QUALITATIVE DISCLOSURES

A. GENERAL ASPECTS

The term trading book refers to the portfolio consisting of positions intentionally held for subsequent short-term disposal and/or taken on to benefit from short-term differences between purchase and sales prices, or other changes in prices or interest rates. In general, the supervisory trading book is represented by the positions held under an “other” business model, namely “held for sale”, i.e. the portfolio including debt and equity securities, units in collective investment undertakings and derivatives held for trading purposes.

B. MANAGEMENT AND MEASUREMENT OF INTEREST RATE RISK AND PRICE RISK

GOVERNANCE AND ORGANIZATIONAL MODEL

The Parent Company is responsible for the management, coordination and control of market risk management within the entire Group in compliance with the principles of sound and prudent management.

As provided for under the Cohesion Contract, the Parent Company defines market risk management policies, in accordance with the strategic planning and definition of the RAF.

This role is performed through the issue of specific policies and directives and the definition and application of specific governance mechanisms that govern the various stages (definition, approval, monitoring and reporting) that characterize the management of market risks.

RISK MANAGEMENT PROCESSES

Identification of risks

Operations in financial market, especially positions in the trading book, expose the Bank to market risks and other subcategories of risk. The identification of risks is mainly carried out in the process of specifying and updating risk models and metrics for market risks, and involves the following activities:

- the specification and updating of risk metrics, i.e. the evolution by the Risk Management department of measurement and monitoring methods on the basis of developments in markets, regulations and best practice;
- the approval process, conducted before the start of operations in a new financial instrument and the associated definition of the procedures for measuring fair value and risks.

Risk measurement and assessment

Risk Management is the main actor in the processes for development and using measurement models and metrics for market risk.

Updates of the models and metrics are identified by Risk Management in the performance of its duties, including analysis of regulatory requirements, market best practices and input from the business units involved (Finance in particular).

For the purpose of calculating capital requirements for market risks, the ICBG uses the standardized approach, in compliance with the relevant supervisory measures.

At the operational level, internal models are used for measurement purposes. The measurement metrics used for operational purposes to measure market risk can be classified as follows:

- probabilistic metrics:

- Value at Risk (VaR) approach, which represents the main metric owing to its uniformity, consistency and transparency in relation to finance operations;
- deterministic metrics:
 - level metrics (such as, for example, notional amounts and mark to market values), which represent an immediately applicable solution;
 - analysis of sensitivity and Greeks, which are an essential complement to VaR indicators owing to their capacity to capture sensitivity and the direction of financial positions in response to changes in the individual risk factors;
 - stress testing and scenario analysis, which complete the analysis of the overall risk profile, capturing changes due to specified developments in the underlying risk factors (worst case scenarios);
 - loss, which represents the negative financial performance in a specified period of time of both closed and open positions.

Probabilistic metrics

Value at Risk (VaR)

An approach based on historical simulations is used to calculate VaR, (with a sample period of 3 years, confidence level of 99% and holding period of 1 day). The model currently covers the following risk factors:

- interest rates;
- inflation rates;
- exchange rates;
- stocks and stock indices;
- interest rate volatility;
- stock price volatility.

The current model can calculate VaR both for more detailed portfolios and for larger aggregates, permitting considerable granularity in the analysis, control and management of risk profiles and the effects of diversification. The possibility for calculating VaR at multiple levels of synthesis (consistent with the operating strategies of the portfolios and the organizational hierarchy of Finance) and the ability of the model to decompose VaR into different risk determinants make it possible to create an effective system of comparable cross-risk and cross-business limits.

Deterministic metrics

Sensitivity and Greeks of options

Sensitivity measures the risk associated with changes in the theoretical value of a financial position in response to changes in a defined amount of the associated risk factors. It captures the breadth and direction of the change in the form of multiples or monetary changes in the theoretical value without explicit assumptions about the holding period or correlations between risk factors. The main sensitivity indicators currently used are:

- PV01: the change in market value in response to a change of 1 basis point in the zero-coupon yield curve;
- Vega01: a change of 1 percentage point in implied volatilities on interest rates;
- IL01 (sensitivity to inflation): the change in market value in response to a change of 1 basis point in the forward inflation rate curve;
- Vega (sensitivity to inflation): a change of 1 percentage point in implied volatilities on forward inflation rates;
- CR01: a change of 1 basis point in credit spreads;
- Delta: the ratio between the expected change in the price of options and a small change in the prices of the underlying financial assets;
- Delta1%: the change in market value in response to a change of 1 percentage point in equity prices;

- Delta Cash Equivalent: the product of the value of the underlying financial asset and the delta;
- Vega1%: the change in market value in response to a change of 1 percentage point in the implied volatility of equity prices/indices;
- Correlation sensitivity: the change in the market value in response to a 10 percentage point change in implied correlations.

Level metrics

The nominal position (or equivalent) is a risk indicator based on the assumption that there is a direct relationship between the size of a financial position and the risk profile.

The nominal position (or equivalent) is determined through the identification of:

- the notional value;
- the market value;
- the conversion of the position in one or more instruments into a benchmark position (the equivalent position);
- the FX open position.

The approach is characterized by extensive use of ceilings in terms of notional/mark-to-market amounts as they represent the value of the assets recognized in the financial statements. These metrics are used to monitor exposures to issuer/sector/country risk for the purpose of analyzing the concentration of exposures.

Stress test and scenarios

Stress tests measure the change in the value of instruments or portfolios in response to unexpected (i.e. extreme) changes in the intensity or correlation of risk factors. Scenario analyses measure the change in the value of instruments or portfolios in response to changes in risk factors in circumstances that reflect actual past situations or expectations of future developments in market variables.

Stress tests and scenario analysis are carried out by measuring the change in the theoretical value of positions in response to changes in the risk factors. The change can be calculated both through the use of linear sensitivity relationships (e.g. deltas) and through the revaluation of positions by applying the specified variations to the risk factors.

Loss

Loss is a risk metric representing the negative financial performance achieved on closed and open positions over a specified period of time.

Loss is determined by identifying, with the specified time interval:

- the component of realized profits and losses;
- the component of latent (unrealized) profits and losses calculated using the mark-to-market/mark-to-model value of open positions.

Loss is equal to the algebraic sum of the two components indicated above, if negative.

In determining loss, foreign currency positions still open are measured at the ECB end-of-day exchange rate.

The metric makes it possible to measure losses connected with the general risk profile of outstanding positions and the management of the portfolio, identifying any deterioration in the profitability of financial operations.

It is helpful in monitoring the performance of the portfolio, given the risk profile assumed, when:

- more sophisticated measurement systems are not present;
- it is impossible to capture all risk factors;

- timely control and management of limits is required.

RISK PREVENTION AND ATTENUATION

Risk Management conducts backtesting of operational measurement models on an ongoing basis. The effectiveness of the calculation model is monitored daily through backtesting, which by comparing the forecast VaR with the corresponding profit or loss shines light on the capacity of the model to accurately capture the variability of the revaluation of the trading positions statistically. This approach makes it possible to:

- strengthen the effectiveness of the dialogue between Risk Management and the front office;
- enhance awareness of the actual performance dynamics of the portfolios;
- break down and interpret the sources and causes of daily changes in P&L;
- identify and monitor any risk factors that are not fully captured by the calculation models adopted.

In addition to the backtesting noted earlier, the effective management of market risks is ensured using a comprehensive system of limits, which is a key tool for the management, control and attenuation of risks. The development of this system, which is a key element of the Risk Management Framework, took account of the nature, objectives and operational complexity of the Group.

The overall system of market risk indicators comprises indicators included in and governed by the RAS and more strictly operational indicators set out in the risk governance policies.

The controls established to manage market risks break down into:

- Level I controls, which are intended to ensure the correct registration and maintenance of transactions over time;
- Level II controls, which are intended to measure, monitor and report the market risk profile and ensure the correct activation of escalation mechanisms;
- Level III controls (Internal Audit), which are intended to verify compliance with rules and procedures as well as internal and external regulations.

Risk management and mitigation activities are governed by a set of codified and formalized rules that envisage:

- the activities and actions that must be performed in each operating and business segment in order to manage developments in risks;
- the adoption of measures to manage any irregularities;
- the actions to be taken in the event the risk objectives, tolerances or limits specified in the Risk Appetite Statement are breached;
- the actions to be taken in the event the limits specified in the risk policies are breached.

MONITORING AND REPORTING

The controls performed by Risk Management seek to monitor the Group's exposure to market risks on a daily basis, in order to prepare reporting to be sent to the competent units and to monitor/verify the implementation of escalation mechanisms by the trading desks involved if the specified limits are breached. Control activities are based on the assessment and measurement of the risk profile compared with the risk indicators and represents a key control element that regards both the monitoring of specific indicators and verifying and analyzing any breaches of risk limit thresholds.

These activities therefore perform an "ex post" control function in relation to the continuous monitoring of all indicators that signal breaches of assigned risk levels, but they also serve an "ex ante" function in signaling the approach of risk profiles towards the threshold/limit/risk propensity levels. Therefore, the effectiveness of monitoring compliance with limits is an instrumental part of:

- the timely identification of risk profile developments that might compromise achievement of the risk targets/tolerances established in determining the RAS/risk limits;

- the prompt activation of recovery plans in response to specified conditions on the basis of the “magnitude” of the over-limit position.

The market risk control and monitoring activities are governed within a set of internal regulations defining the roles and responsibilities of the various actors involved in the process.

At the operational level, communication between operational units and Risk Management occurs on a daily basis through extensive discussion of risk developments, increasing awareness of the risks assumed (in line with defined profit targets) and thereby facilitating the definition of appropriate management decisions.

An additional level of communication is embodied in the reporting system, which represents a decision support tool to provide the various organizational units involved with adequate and timely information on both the strategic and operational levels. The content, level of detail and frequency of the reporting are determined in accordance with the goals and roles assigned to the different recipients so as to ensure easy consultation, immediate perception of the situation and a comprehensive understanding of developments.

In particular, Risk Management performs codified and formalized monitoring and reporting activities within the Risk Appetite Framework and the Risk Policies, with the preparation of periodic reporting to provide appropriate disclosure to the management functions, senior management and the Board of Directors.

QUANTITATIVE DISCLOSURES**1. SUPERVISORY TRADING BOOK: DISTRIBUTION BY RESIDUAL MATURITY (REPRICING DATE) OF ON-BALANCE-SHEET FINANCIAL ASSETS AND LIABILITIES AND FINANCIAL DERIVATIVES**

This table has not been completed since an analysis of interest rate and price risk sensitivity has been provided.

2. SUPERVISORY TRADING BOOK: DISTRIBUTION OF EXPOSURES IN EQUITY SECURITIES AND EQUITY INDICES BY MAIN COUNTRIES OF LISTING

This table has not been completed since an analysis of interest rate and price risk sensitivity has been provided.

3. SUPERVISORY TRADING BOOK: INTERNAL MODELS AND OTHER SENSITIVITY ANALYSIS METHODOLOGIES

With regard to market risks on the trading book, which are managed at the Group level by Iccrea Banca, a risk tolerance of €14 million in 1-day VaR with a 99% confidence level has been established. In the 1st half of 2026 the indicator never breached the limits at the full book level.

The average VaR of the trading book was equal to €0.86 million, with a minimum of €0.31 million and a maximum of €1.60 million (on March 13, 2026).

At June 30, 2026 the VaR was €1.35 million.

Daily VaR Trading Book	Notional (in €/million) at 30/06/2026	VaR	
		Limit	Risk Profile
ICBG	8,609	14	1.35

The table below shows the sensitivity values per risk factor at June 30, 2026, which correspond to the change in the market value of the trading book as the risk factors change (see the section “Deterministic metrics, Sensitivity and Greeks of options”).

	Sensitivity Value (in €)	Notes
Interest Rates	109,195	Sensitivity for 1 bp change
Inflation Rates	34,690	
Credit spread	11,728	
Equity	15,496	Sensitivity calculated on a 1% change in the stock/stock index

1.2.2 INTEREST RATE RISK AND PRICE RISK – BANKING BOOK

QUALITATIVE DISCLOSURES

A. GENERAL ASPECTS, MANAGEMENT AND MEASUREMENT OF INTEREST RATE RISK AND PRICE RISK

GOVERNANCE AND ORGANIZATIONAL MODEL

The Parent Company is responsible for the management, coordination and control of interest rate risk management for the banking book within the entire Group in compliance with the principles of sound and prudent management.

As provided for under the Cohesion Contract, the Parent Company defines interest rate risk management policies, in accordance with the strategic planning and definition of the RAF.

This role is performed through the issue of specific policies and directives and the definition and application of specific governance mechanisms that govern the various stages (definition, approval, monitoring and reporting) that characterize the management of interest rate risk on the banking book.

RISK MANAGEMENT PROCESSES

Identification of risks

The interest rate risk on the banking book is the risk originated by differences in the maturities and in the timing of the repricing of interest rates on the assets and liabilities in the banking book. In the presence of these differences, fluctuations in interest rates give rise to both a short-term change in expected profit, through the impact on net interest income, and a long-term impact on the economic value of shareholders' equity, through the change in the market value of assets and liabilities.

Based on the composition of the current banking book and expected developments envisaged in strategic and operational planning, the Group identifies sources of interest rate risk to which it is exposed, classifying them in the following risk sub-categories: the risk associated with fluctuations in risk-free rates (IRRBB – Interest Rate Risk on Banking Book) deriving from mismatches in maturities (for fixed-rate positions) and repricing dates (for variable-rate positions), or changes in the slope or shape of the yield curve (yield curve risk), basis risk, option risk and changes in credit spreads (CSRBB - Credit Spread Risk on Banking Book).

Risk measurement and assessment

The measurement of interest rate risk on the banking book is based on the current earnings approach and the economic value approach and is carried out for the purpose of:

- continuous monitoring of the risk profile by controlling the overall system of indicators that characterize the IRRBB and CSRBB Framework and the various “additional metrics” that have been defined;
- performing stress testing, which provides for the estimation of the impact of severe but plausible adverse market scenarios on the banking book.

The risk exposure is measured using a static or dynamic approach depending on the assessment approach adopted:

- economic value approach: this seeks to assess the impact of possible adverse changes in interest rates and/or credit spreads on the economic value of the banking book (economic value of equity), construed as the present value of the expected cash flows of assets, liabilities and off-balance sheet positions within the scope of analysis. Under this perspective, the analysis is conducted using a static “gone concern” approach, in which we assume the run-off of positions at maturity, without any replacement or renewal, or using a dynamic approach, developing projections for new operations that are consistent with the assumptions defined during strategic planning;
- earnings approach: this seeks to assess the potential effects of adverse interest rate and/or credit spread variations on the profitability of the banking book, i.e. net interest income, and on fair value changes

recognized through profit or loss or OCI. In this perspective, the analysis is conducted using a dynamic “going-concern” approach, with a “constant balance sheet” view, assuming that positions are rolled over at maturity so as to leave the size and composition of the balance sheet unchanged, or a “dynamic balance sheet” view, developing projections for new business that are consistent with the hypotheses defined in strategic planning.

Specific models are adopted in both cases that ensure adequate quantification of the risk associated with positions that exhibit repricing behavior that differs from the contractual profile.

The metrics adopted in the economic value approach to measure the sensitivity of the economic value of the banking book (ΔEVE – EVE sensitivity) are based on a full evaluation approach. The change in the expected value of the banking book is calculated using an approach that involves the discounting of the cash flows of items in the book in a base scenario with no interest rate variations and one with interest rate variations. The overall metric can be broken down by time bucket in order to identify the distribution of risk over time (“bucket sensitivity”).

In determining EVE, equity must be excluded from the calculation in order to measure the potential change in value of free capital following changes in the yield curves.

The metrics used in the current earnings approach are based on a full evaluation approach:

- NII sensitivity: metric aimed at measuring interest margin sensitivities; the potential impact on net interest income of potential changes in risk-free rates and/or credit spreads is calculated using a method that provides for the comparison, for a selected time horizon, between expected net interest income in the case of a change in interest rates and expected net interest income in a baseline scenario with no such changes;
- Earnings at Risk: a metric aimed at measuring the loss of profitability due to changes in interest rates and/or credit spreads, considering, in addition to the impact on net interest income, the effects on changes in the fair value of the instruments recognized (depending on their accounting treatment) in profit or loss or directly in equity. The measurement scenarios applied to interest rates are intended to monitor the risk categories to which the Bank may be exposed. Each can be associated with internally developed or regulatory scenarios.

The measurement scenarios applied to interest rates are intended to monitor the risk categories to which the Bank may be exposed. Each can be associated with internally developed or regulatory scenarios:

- gap risk: in order to monitor this category of risk, parallel and non-parallel shocks of the risk-free yield curves are used in order to assess the impact on economic value and net interest income. In addition to the scenarios envisaged for regulatory purposes, in the Supervisory Outlier Test, internally defined scenarios are used based on prudential assessments and historical analyses of observed changes in rates;
- basis risk: the analysis provides for the segmentation of the banking book based on the market parameters to which the items involved are indexed and the analysis of the time series of basis spreads with respect to the pivot rate (€STR) for the purpose of determining the size of the shocks to be applied to each;
- option risk: the analysis includes a preliminary identification of the automatic/behavioral option components in the assets and liabilities of the Bank’s banking book and the subsequent:
 - historical analysis of the observed changes in volatility, to determine the magnitude of the shocks to be applied for the purpose of quantifying the automatic option risk;
 - verification of the impact of interest rate shocks on the behavioral model parameters, for the purpose of quantifying the behavioral option risk.
- CSRBB: internally defined scenarios are used based on prudential assessments and historical analyses of the observed changes in credit spreads.

In order to monitor risk limits, parallel and non-parallel shock scenarios are adopted. To monitor the additional metrics subject to reporting requirements, scenarios involving shocks to the yield curves are also envisaged in addition to those adopted as a reference for the determination of risk limits. As part of stress testing, further scenarios are used on periodic basis to signal potential areas of weakness in the presence of particular market conditions.

Risk prevention and attenuation

Interest rate risk is managed using a comprehensive system of limits, which is a key tool in the management, control and attenuation of risks within the IRRBB and CSRBB Frameworks, taking account of the nature, objectives and complexity of Group operations.

The system of limits (EWS, RAS and Risk Limits) is defined by the Parent Company in accordance with its management and coordination role and implemented through a cascading process with the subsidiaries (where applicable), in line with the risk management model adopted.

In addition to the above system of limits, a comprehensive system of arrangements and controls contributes to defining the overall control model set out and formalized in the associated policy.

The controls established to manage interest rate risk on the banking book break down as follows:

- Level I controls, which are intended to ensure the correct registration and maintenance of transactions over time;
- Level II controls, which are intended to measure, monitor and report the interest rate risk profile and activate escalation mechanisms;
- Level III controls (Internal Audit), which are intended to verify compliance with rules and procedures as well as internal and external regulations.

Monitoring and reporting

The controls, carried out by Risk Management, are aimed at monitoring the Bank's exposure to interest rate risk in order to prepare reporting to be sent to the competent units and to trigger escalation mechanisms with the collaboration of the operating units involved if the specified limits are breached. Control activities are based on the assessment and measurement of the risk profile compared with the risk indicators provided for by the risk governance framework. The effectiveness of monitoring compliance with limits is an instrumental part of:

- the timely identification of risk profile developments that might compromise achievement of the risk limits established;
- the prompt activation of recovery plans in response to specified conditions on the basis of the "magnitude" of the over-limit position.

The interest rate risk control and monitoring activities are performed within the framework of a set of internal regulations. At the operational level, communication between operational units and Risk Management occurs on a daily basis through extensive discussion of risk developments, increasing awareness of the risks assumed (in line with defined profit targets) and thereby facilitating the definition of appropriate management decisions.

An additional level of communication is embodied in the reporting system, which represents a decision support tool to provide the various organizational units involved with adequate and timely information on both the strategic and operational levels. The contents, level of detail and frequency of the reporting are determined in accordance with the goals and roles assigned to the different recipients so as to ensure easy consultation, immediate perception of the situation and a comprehensive understanding of developments.

More specifically, the Risk Management function performs monitoring and reporting activities that are codified and formalized within the Risk Appetite Framework and the risk policies, preparing periodic reports and providing appropriate disclosure to the operating units, top management and the Board of Directors.

Stress test framework

In order to assess the potential impact of market tensions on the profitability and economic value of the banking book, stress test simulations are also conducted in addition to specific measurements of the exposure to risk.

The stress tests are intended to measure the extent to which the exposure to interest rate risk on the banking book could worsen in especially adverse market conditions.

The scenarios used in measuring the exposure to the different sources of risk and in analyzing stress tests are based on both regulatory shocks and, where the regulatory scenarios are not considered fully representative of especially adverse conditions, shocks defined internally.

In accordance with regulatory provisions, the Group develops scenarios characterized by larger movements in yield curves than the shocks applied for the continuous monitoring of the IRRBB and the CSRBB in order to test the vulnerabilities of the banking book in the presence of stress conditions.

In line with the applicable regulatory guidelines, the Group has adopted various types of mutually complementary analyses where appropriate:

- sensitivity analysis: analysis of the exposure to the IRRBB and the CSRBB with respect to the marginal impact of different types of shocks, considered separately or jointly, relating to one or more risk factors;
- reverse stress testing: analysis consisting in identifying one or more stress scenarios whose impact leads to a pre-established result identified ex-ante. The reverse stress testing makes it possible to investigate, using a recursive analysis process, the size and probability of occurrence of the events that lead to this result;
- scenario analysis: analysis consisting in the assessment of the Group's ability to cope with a potential increase in its exposure to IRRBB and CSRBB based on a combination of shocks associated with one or more risk factors in accordance with specific evolutionary stress dynamics.

Depending on the purpose of the analysis, the time horizon of the stress exercise, the speed of propagation of shocks and the approach to be adopted for the projection of operations (static/dynamic) are defined.

For each of the risk categories identified it is possible to define the associated risk factor(s), understood as an exogenous variable whose shock can have a negative impact on the economic value of the banking book and/or on the associated net interest income, in terms of smaller-than-expected loss or profit. In this perspective, the identification of risk factors is a preliminary phase in the definition of the shocks associated with stress scenarios.

All the stress scenarios adopted are generally calibrated using the historical simulation approach, based on prudential percentiles of the empirical distributions associated with the various risk parameters, using expert-based adjustments where appropriate in order to integrate forward-looking elements that are not present in the available historical data. To these scenarios, we add "purely" historical scenarios (i.e. without calculating a percentile of the historical empirical distribution), scenarios defined on a judgmental basis and scenarios provided by external sources (e.g. EBA Stress Test scenario).

QUANTITATIVE DISCLOSURES**1. BANKING BOOK: DISTRIBUTION OF FINANCIAL ASSETS AND LIABILITIES BY RESIDUAL MATURITY (REPRICING DATE)**

This table has not been completed since an analysis of interest rate and price risk sensitivity has been provided.

2. BANKING BOOK: INTERNAL MODELS AND OTHER SENSITIVITY ANALYSIS METHODOLOGIES

The interest rate risk on the banking book used for management purposes with regard to sensitivity indicators for economic value and net interest income at June 30, 2026 is reported below.

€/million	Scenario	
	-100 bp	+100 bp
Impact on economic value	+420	-105
Impact on net interest income	-277	+361

1.2.3 EXCHANGE RATE RISK

QUALITATIVE DISCLOSURES

A. GENERAL ASPECTS, MANAGEMENT AND MEASUREMENT OF EXCHANGE RATE RISK

The exchange rate risk management strategy (the FX risk factor) is based on the analysis of market developments and the different currencies in which operations are denominated.

The strategy is differentiated in accordance with the type of operations:

- for major currencies (hard currencies), operators, based on the analysis of economic, macroeconomic and money management data, manage operations both to optimize existing positions and generate a profit;
- for minor currencies (local currencies), exchange rate risk is managed with a view to the total minimization of risks, except in unusual macroeconomic situations, by reducing exposures exceeding the thresholds defined with market operations of the opposite sign.

Trading is carried out on the foreign exchange and foreign exchange derivatives markets both through spot trading and through the management of short/medium-term forward positions (outright operations). The strategy of the desk is therefore aimed at intraday/multiday transactions in order to generate profit from movements in the spot foreign exchange market. Forex swaps are used to engage in forward operations, based on expectations for interest rates and exchange rates, so as to generate a profit from maintaining open short/medium-term positions in foreign currency. Based on its own analyses, the desk also seeks to improve its profitability by taking positions in options on exchange rates.

All operations are based on techniques and methods defined and agreed at the desk level, based on operating limits assigned to the managers and operational staff that are consistent with the provisions of the risk policies.

B. HEDGING EXCHANGE RATE RISK

Operations are mainly concentrated in major currencies. The Bank adopts a system of daily operating limits on the overall foreign exchange exposure, as well as the net foreign exchange positions in respect of individual currencies. The overall limit is segmented into partial ceilings on the basis of the importance of the various currencies.

1.3 DERIVATIVES AND HEDGING POLICIES

1.3.2 HEDGE ACCOUNTING

QUALITATIVE DISCLOSURES

For the purposes of hedge accounting, the Group applies the provisions contained in IAS 39 since at the time of initial application of IFRS 9 it elected the option provided for in paragraph 7.2.21 of that standard to continue to apply in full the rules of IAS 39 for all types of hedging (micro and macro).

The hedge contracts are transacted on the basis of the provisions of specific company policies and mainly used to manage interest rate risk on the banking book arising from the normal business operations of the individual banks and the Parent Company, pursuing the objective of reducing the risk profile within the limits of the Risk Appetite Framework as defined and quantified by their respective competent bodies. These limits concern the exposure of the Group both in terms of net interest income sensitivity and economic value sensitivity.

In particular, all the hedges established by the affiliated banks with the Parent Company with respect to which the latter enters into an identical and opposite position in derivatives with the market are represented in the same way at the consolidated level: hedges originally established by the affiliated banks regard portfolios of loans to customers, securities holdings and, to a marginal extent, bonds in issue. On the other hand, transactions involving the hedging of loans to customers or securities of a minor nature (mainly by notional amount) between the affiliated banks and the Parent Company, provide for the latter to manage the consequent risk position on a “synthetic” basis, which is reported in the consolidated financial statements through the designation of generic fair value hedges established in respect of interest rate risk. The life cycle of a hedge accounting relationship starts with the so-called “designation” phase. With the designation of the hedging relationship, the company identifies the instruments through which it intends to implement the hedging strategy, as defined by the manager of the risk being hedged and in compliance with the principles established in the Group Hedge Accounting Policy, which defines the methods of measuring effectiveness by type of hedge.

Once a hedging relationship has been designated, it must be demonstrated that the hedge is highly effective in offsetting fair value changes attributable to the hedged risk or stabilizing the cash flows attributable to the hedged risk during the period for which the hedge is designated.

The effectiveness of the hedge is demonstrated at the inception date and measured at the periodic reporting dates (March 31, June 30, September 30 and December 31).

The effectiveness of the hedge is measured by conducting so-called effectiveness tests (prospective and retrospective) based on both qualitative and quantitative methods, complying with the criterion of continuity. A hedging relationship is considered effective if at each measurement date both tests (prospective and retrospective) are passed. The failure of the effectiveness test(s) should result in the discontinuance of the hedging relationship, i.e. the termination of hedge accounting.

With regard to the benchmark rate reform introduced with the Benchmarks Regulation (BMR - Regulation no. 2016/1011/EU), please note that the Group's hedging derivatives are mainly indexed to Euribor, whose calculation methodology was revised in 2019 in order to permit its use even after the reform. More specifically, in order to ensure the rate is compliant with the BMR, the EMMI - European Money Markets Institute - has implemented the transition to a new “hybrid” calculation methodology for Euribor that continues to represent the actual cost of funding for the contributing European banks and is always available and accessible. Consequently, hedges linked to the Euribor are not considered to be impacted by the reform.

A. FAIR VALUE HEDGING

Fair value hedging is used to immunize changes in the fair value, attributable to the different risk factors, of financial assets and liabilities or portions of them, of groups of assets/liabilities, of irrevocable commitments and portfolios of financial assets and liabilities.

The Group adopts both specific hedges (micro fair value hedges) and generic hedges (macro fair value hedges). These hedges therefore apply both to well-identified financial instruments (government securities – both fixed rate and indexed to European and Italian inflation – bond issues, loans and other financing) and to portfolios of fixed-

rate and variable-rate financial instruments (government securities, performing loans and bonds).

Within the scope of micro fair value hedging, hedges are mainly used for securities holdings and bonds issued, while macro hedging is applied to portfolios of both fixed- and floating-rate loans, and the only macro hedge applied to a portfolio of debt securities – classified as FVOCI under the HTCS business model – expired in the period.

The main types of derivatives used are represented by plain or structured interest rate swaps (IRS), and asset and yield swaps (ASW) entered into with third parties to ensure compliance with the requirement to externalize risk, which is necessary to qualify for hedge accounting at the consolidated level, in compliance with the provisions of paragraph 73 of IAS 39. These derivatives are not listed on regulated markets, but are traded on OTC markets.

The effects of designating the hedging relationship begin at the inception of the hedge with the identification of the portion and the type of hedged risk, the hedging strategy and the hedging instrument in accordance with the principles the Group has established concerning the methodology used to assess the effectiveness of the hedging relationship.

B. CASH FLOW HEDGING

Cash flow hedging seeks to hedge the exposure to the variability of future cash flows attributable to particular risks associated with balance sheet items or highly probable forecast transactions or to hedge exchange rate risk.

The Group adopts specific hedges of assets (micro cash flow hedge) represented by fixed-rate, variable rate (CCTs) and euro inflation-linked government securities and hedges of portfolios (macro cash flow hedging) of floating-rate loans.

C. HEDGING OF INVESTMENTS IN FOREIGN OPERATIONS

In the first half of 2026, the Group did not undertake hedging of exchange rate risk on foreign currency transactions.

D. HEDGING INSTRUMENTS

Designated hedging transactions, with formal documentation identifying the relationship between the hedged instrument and the hedging instrument, are considered effective if at inception and for the entire duration of the hedging relationship changes in the fair value or the cash flows of the hedged instrument are almost completely offset by changes in the fair value or cash flows of the hedging derivative. The effectiveness of the hedge depends on the extent to which the changes in the fair value of the hedged instrument or the related expected cash flows are offset by those of the hedging instrument. Therefore, effectiveness is quantified by comparing the aforementioned changes, taking account of the intent pursued by the company at the time the hedge was established.

A hedge is effective when the changes in the fair value (or cash flows) of the hedging instrument almost entirely, i.e. within the specified limits, offset the changes in the hedged instrument for the risk being hedged.

Effectiveness is assessed at each annual or interim reporting date using:

- prospective tests aimed at demonstrating that changes in the fair value or cash flows of the hedging instrument attributable to the hedged risk will be such as to offset changes in the fair value or cash flows of the hedged item. They are performed adopting both qualitative (Critical Term Match) and quantitative methods ("cumulative scenario method" or "linear regression method with curve simulation");
- retrospective tests aimed at measuring the actual effectiveness of the hedging relationship between the date of designation and the test date, determining the deviation of hedging relationships from the result that would be achieved with a perfect hedge. These tests are performed using quantitative methods, i.e. the dollar offset method and the volatility risk reduction method.

The main causes of ineffectiveness are attributable to the following:

- a misalignment between the notional of the derivative and the nominal of the hedged instrument at the time of the initial designation or generated subsequently, as in the case of partial repayments or full extinguishment of loans or the repurchase of bonds;
- the approach of the expiry of the transaction.

The ineffectiveness of the hedge is recognized promptly for the purposes of:

- determining the impact on profit or loss;
- assessing the possibility of continuing to apply hedge accounting rules.

If the assessments do not confirm the effectiveness of the hedge, the relationship considered terminated as of the last date from which the relationship was shown to be effective. This date coincides with the beginning of the period in which the effectiveness test was failed. However, if the event or the circumstances that led to the hedging relationship no longer meeting the criteria for effectiveness are identified and it is shown that the hedge was effective before the event or change in the circumstances occurred, hedge accounting is discontinued from the date of the event or change in those circumstances. The hedging derivative, if not extinguished, may be designated as a hedging instrument in another relationship that meets the relevant or be reclassified as a trading instrument.

The Group does not use dynamic hedges, as defined in IFRS 7, paragraph 23C.

E. HEDGED ITEMS

At the Group level, hedged items designated as being in a hedge accounting relationship using micro and macro hedges are government securities, bond issues of the Parent Company and affiliated banks, loans to customers in the form of residential mortgages and leases.

These hedges are both total and partial and the hedged risk is mainly interest rate risk.

Debt securities held

These are hedged using micro fair value hedge, macro fair value hedge and micro cash flow hedge, involving IRSs and ASWs. In fair value hedges, interest rate and inflation risk are hedged for the duration of the obligation, while in cash flow hedges, as discussed above, the risk of changes in the sale price of the underlying instrument is hedged. The effectiveness tests are carried out using the dollar offset method for retrospective assessment and the cumulative scenario method for prospective assessment.

Debt securities issued

The Group currently has active micro fair value hedging relationships for fixed-rate funding, using IRSs as hedging instruments. Interest rate risk is hedged for the life of the obligation.

Fixed-rate loans

The Group has designated micro fair value hedges and macro fair value hedges for interest-rate loans to customers, mainly using amortizing IRSs as hedging instruments. The interest rate risk is hedged for the entire term of the hedged item. For micro-type hedges, the effectiveness tests are carried out using the dollar-offset method for retrospective assessment and the cumulative scenario method for prospective assessment. For macro hedges of loans, the capacity of the portfolio subject to designation is verified with respect to the notional amount outstanding at the reporting date of the corresponding hedging derivative. Having passed this first test, effectiveness is then quantified both retrospectively and prospectively by applying the dollar offset method. For macro hedges of leases, the criterion of the lower between the nominal value of the hedged item and the notional of the hedging derivative is adopted for the purpose of measuring the change in the fair value of the hedged item, performing the retrospective effectiveness test by applying volatility risk reduction method.

Variable-rate loans

The Group has designated micro fair value hedges, macro cash flow hedges and macro fair value hedges for variable-rate loans to customers, using caps, floors or collars with an amortizing notional as hedging instruments. The hedged risk is the risk of a rise (decrease) in rates above (below) the strike of the implicit caps (floors) as well as the probability that the benchmark rate is greater (lower) or approaches the strike rate itself. The hedged rate is the

contractually determined strike rate for the individual loans granted by the Bank. The identity of the individual loans making up the hedged portfolio in terms of strike rate level compared with Euribor flat (net of the spread), indexing parameter, date of observation of the indexing parameter, frequency of the individual caplet (frequency of repayments of the amortization plan) is a necessary condition. For macro cash flow hedges, the hedged risk is the risk arising from the change in the cash flows of variable rate loan portfolios, which is managed using IRS with an amortizing notional as hedging instruments. The reduction in the risk is achieved through the composition of portfolios of hedged and hedging items with the same contractual characteristics, mainly in terms of indexation rate and payment frequency. For micro hedges, the effectiveness tests are carried out using the dollar offsetting method for the retrospective profile and the cumulative scenario for the prospective profile. For macro hedges of loans, the capacity of the designated portfolio is checked first of all with respect to the notional value, at the reporting date, of the corresponding hedge derivative and therefore, after passing this first test, effectiveness is then quantified retrospectively and prospectively by applying the dollar offsetting method.

1.4 LIQUIDITY RISK

QUALITATIVE DISCLOSURES

A. GENERAL ASPECTS, MANAGEMENT AND MEASUREMENT OF LIQUIDITY RISK

GOVERNANCE AND ORGANIZATIONAL MODEL

The Parent Company is responsible for the management, coordination and control of liquidity risk management within the entire Iccrea Cooperative Banking Group in compliance with the principles of sound and prudent management.

In exercising this role, the Parent Company determines the governance model and mechanisms that govern the various stages involved in the management of liquidity and oversight of the associated risks, as well as interactions between business and control units in order to ensure an appropriate level of liquidity at the consolidated and individual levels at the intraday, short and medium/long-term time horizons.

As provided for by the Cohesion Contract, the Parent Company also defines liquidity risk management policies, in accordance with the strategic planning and definition of the RAF.

RISK MANAGEMENT PROCESSES

Liquidity risk is identified, measured and monitored at the consolidated and individual levels using the operational and structural maturity ladder (in order to identify possible negative liquidity gaps in relation to specified maturity structure) and the overall liquidity indicator system (RAS, risk limits and monitoring indicators), designed to quickly identify potential strains.

The process of revising the methodologies, the different assumptions underlying the measurements and the thresholds/limits set for liquidity indicators, carried out at least annually, enables the alignment of the overall Liquidity Risk Framework and the indicator system with specific developments in the Group and market conditions.

Identification of risks

The liquidity risk identification phase can be broken down by the length of the observation horizon:

- operational liquidity – divided into two complementary levels:
 - intraday and very short-term liquidity: monitored on a daily basis in order to identify sources of risk that impact the Bank's ability to promptly balance very short-term cash inflows and outflows and maintain a volume of liquidity sufficient to ensure compliance with the liquidity coverage ratio (LCR) requirement;
 - short-term liquidity: identification of sources of risk that impact the Bank's ability to meet its expected and unexpected payment obligations over a short-term horizon (up to 12 months);
- structural liquidity - identification of structural mismatches between assets and liabilities maturing at more than 1 year and integration with short-term liquidity management as well as planning of actions and preventing the future creation of short-term liquidity shortfalls.

The Group's liquidity profile, and therefore its exposure to liquidity risk, is closely related to the business model adopted, the composition of the balance sheet - in terms of assets, liabilities and off-balance sheet items - as well as the related maturity profile.

The process of identifying and classifying the risk factors connected with the operational and structural liquidity profiles seeks to define the elements that, in terms of risk exposure, could trigger a deterioration in the Group's liquidity position when endogenous and/or exogenous stress events occur.

Liquidity risk can be generated by various factors both internal and external to the Bank. The sources of liquidity risk can therefore be divided into the following macro-categories:

- endogenous: represented by adverse events specific to the Bank (e.g. a deterioration in the Bank's credit standing and loss of confidence by creditors);
- exogenous: when the origin of the risk is attributable to adverse events that cannot be directly controlled by the Bank (political crises, financial crises, catastrophic events, etc.) that give rise to liquidity tensions in the markets;
- combinations of the previous factors.

Measurement of risks

Measuring liquidity risk involves the activities performed to observe and quantify on a comprehensive, accurate and timely basis the exposure to such risk over the selected observation horizon.

Measuring the exposure to liquidity risk is based on an assessment of expected cash inflows and outflows – and the consequent deficits or surpluses – in the various residual maturity bands that make up the maturity ladder, in order to:

- monitor the risk profile in “business as usual” conditions, overseeing the overall system of indicators that characterize the Liquidity Risk Framework;
- execute stress testing, which involves the determination of the liquidity position in severe but plausible adverse scenarios, assessing the impact at the consolidated and individual levels.

The risk position is measured with the use of models, specific indicators and additional metrics developed either internally or established in regulations.

The analysis of the maturity profiles depends substantially on assumptions about the future cash flows associated with the various assets and liabilities, both on-balance-sheet and off-balance-sheet, which take account of the economic maturities of the balance sheet elements rather than contractual dates, without neglecting the application of reasonable prudence criteria.

The risk position is measured using static and dynamic approaches, in line with the provisions of the company budget/strategic plan concerning the assets, liabilities and equity items in the financial statements, as well as off-balance-sheet transactions.

On the basis of the desired time horizon, the Group develops two maturity curves: operational and structural.

The operational maturity ladder is used to monitor the short-term liquidity position and is determined both in a business-as-usual scenario and in a stress scenario by applying prudential run-offs to contractual cash flows generated by assets and liabilities and to the margins of credit lines.

The intraday liquidity position is measured with metrics aimed at monitoring the maximum use of liquidity on an intraday basis, the reserves available at the beginning of each business day to meet liquidity requirements, gross payments sent and received and “time-specific” obligations.

The treasury position is measured on a daily basis by quantifying the liquidity reserves (i.e. counterbalancing capacity, or CBC) and using them to cover any possible negative liquidity balance over the reference time horizon.

This system for monitoring Group operational liquidity makes it possible to monitor:

- management of access to the payments system (operational liquidity management);
- management of the liquidity outflow profile;
- the size and degree of use of liquidity reserves (analysis and active management of the maturity ladder);
- the active management of collateral (cash-collateral management, i.e. refinanceable securities and bank loans);
- the integration of short-term liquidity management actions with structural liquidity requirements.

The structural maturity ladder is used to monitor the overall liquidity position at the consolidated and individual levels at medium/long-term. It is determined by applying prudential run-offs to contractual cash flows generated by assets and liabilities and to the margins of credit lines. The projection of cash inflows and outflows at the various time bands in the ladder is carried out using two distinct approaches in relation to the purpose of the analysis.

The first approach identifies cash flows based on the contractual maturities of the items considered.

The second approach is based on the adoption of behavioral assumptions, with specific regard to the modeling of demand items and margins on the credit lines granted in both a business-as-usual scenario and in a stress scenario.

This tool is essential for obtaining a view of Group funding requirements and an understanding of the liquidity risk associated with execution of the funding plan, thereby preventing the emergence of future liquidity strains. In addition, the structural maturity ladder makes it possible to control:

- the management of maturity transformation in accordance with the guidelines established by management;
- support for the funding decisions in the funding plan.

Risk prevention and attenuation

Liquidity risk is managed using a comprehensive system of limits, which is a key tool in the management, control and attenuation of risks within the Liquidity Risk Framework. The definition of this system took account of the nature, objectives and complexity of operations.

The system of limits (EWS, RAS, risk limits) is defined by the Parent Company consistent with its policy-setting and coordination role and subsequently deployed in accordance with a structured cascading process to the subsidiaries (where applicable) consistent with the liquidity risk management model adopted.

The system of limits is also accompanied by a comprehensive system of systems and controls that contribute to defining the overall control model set out and formalized in the associated policy.

The controls established to manage liquidity risk break down as follows:

- Level I controls, which are intended to ensure the correct registration and maintenance of transactions over time;
- Level II controls, which are intended to measure, monitor and report the liquidity profile and activate escalation mechanisms;
- controls (Internal Audit), which are intended to monitor procedures and regulations, as well as internal and external regulations.

Monitoring and reporting

The control activities performed by Risk Management are intended to monitor the exposure to liquidity risk in order to prepare reports for transmission to the competent units and to initiate the escalation mechanisms, in collaboration with the management functions, should the specified limits be exceeded. Control activities is based on the assessment and measurement of the positioning of the risk indicators established by the Risk Governance framework. The effectiveness of monitoring compliance with limits is an instrumental part of:

- the timely identification of risk profile developments that might compromise achievement of the established risk limits;
- the prompt activation of recovery plans in response to specified conditions on the basis of the “magnitude” of the over-limit position.

Liquidity risk control and monitoring activities are carried out within the internal self-regulatory framework. At an operational level, communication between the management functions and Risk Management takes place daily through in-depth discussions on risk developments that increase awareness of the profiles of the risks assumed (in accordance with the specified profitability objectives), thus facilitating the definition of appropriate management decisions.

An additional level of communication is embodied in the reporting system, which represents a decision support tool to provide the various organizational units involved with adequate and timely information on both the strategic and operational levels. The content, level of detail and frequency of the reporting are determined in accordance with the goals and roles assigned to the different recipients so as to ensure easy consultation, immediate perception of the situation and a comprehensive understanding of developments.

In particular, Risk Management performs codified and formalized monitoring and reporting activities within the Risk Appetite Framework and the Risk Policies, with the preparation of periodic reporting to provide appropriate disclosure to the management functions, senior management and the Board of Directors.

Stress test framework

The Group's liquidity position is monitored in the normal course of business and under stress conditions. For the latter, a stress test framework has been defined on the basis of the indicators that characterize the Liquidity Risk Framework.

The stress test analyses are used to measure the degree to which the liquidity position can deteriorate in the event of especially adverse market conditions, thereby enabling verification of its robustness.

Accordingly, the objectives of the stress testing are:

- to verify the capacity to cope with unexpected liquidity crises in the first period in which they occur, before activating initiatives to modify the structure of assets or liabilities;
- to assess vulnerabilities in the liquidity profile, evaluating possible connections between the various risk categories as part of the periodic monitoring process;
- to calibrate the specific risk thresholds for the RAS and Risk Limit indicators for operational and structural liquidity, verifying whether the level of existing limits enables the maintenance of a level of liquidity that ensures that any coverage actions do not compromise the Group's business strategies;
- to identify, in preparing the recovery plan, scenarios that would compromise the survival of the Group if appropriate recovery actions were not taken;
- to test the effectiveness of mitigation actions envisaged under the Contingency Funding & Recovery Plan for "near-default" scenarios to be taken in adverse situations in order to limit the Group's exposure to liquidity risk;
- to verify the feasibility of the funding plan, taking due account of the findings of the stress analysis.

In accordance with regulatory provisions, the Group develops scenarios characterized by stress scenarios associated with the occurrence of systemic or idiosyncratic events in order to test potential liquidity vulnerabilities.

In line with the applicable regulatory guidelines, the Group has adopted various types of mutually complementary analyses:

- sensitivity analysis: analysis of liquidity position to the marginal impact of different types of shocks, considered separately or jointly, relating to one or more risk factors;
- scenario analysis: analysis consisting in the assessment of the Bank's ability to cope with a potential deterioration in its liquidity profile based on a combination of shocks associated with one or more risk factors in accordance with specific evolutionary stress dynamics;
- reverse stress testing: analysis consisting in identifying one or more stress scenarios whose impact leads to a pre-established result identified ex-ante. The reverse stress testing makes it possible to investigate, using a recursive analysis process, the size and probability of occurrence of the events that lead to this result.

Depending on the purpose of the analysis, the time horizon of the stress exercise, the speed of propagation of shocks and the approach to be adopted for the projection of operations (static/dynamic) are defined.

The types of stress test that characterize the framework provide for the occurrence of severe but plausible events (scenarios) that can be classified into three categories:

- stress scenarios caused by a systemic event, i.e. an event (or combination of events) reflecting specific macroeconomic variables whose occurrence generates/involves adverse consequences for the entire financial system and/or the real economy and therefore for the Iccrea Cooperative Banking Group;
- stress scenarios caused by specific events (idiosyncratic), i.e. an event (or combination of events) whose occurrence generates/involves highly adverse consequences for the Group. In defining those events, a specific analysis was conducted, considering the specific organizational, operational and risk features that distinguish the Group;
- stress scenarios generated by a combination of specific and systemic events, i.e. the occurrence of combined events within the same scenario.

The underlying methodological approach for the construction of the systemic and idiosyncratic stress scenarios envisages the identification of the individual types of liquidity risk and the funding/lending items affected by those risks, so as to estimate inflows and outflows for the purpose of highlighting liquidity gaps and verifying the stability of the risk indicators and the ability of the Group to cope with any liquidity strains.

For each scenario, the Group has incorporated shocks generated by the main risk variables, which have been identified on the basis of a logic consistent with the overall stress test framework, enabling the association of specific levels of propagation and the related impact on the indicators.

For example, systemic events considered in constructing the scenarios include:

- a financial market shock that involves a significant change in the level of interest rates;
- a systemic shock that involves a drastic reduction in access to the money market;
- a liquidity squeeze on the interbank market;
- a recession;
- the default of systemically important counterparties.

Idiosyncratic events considered in constructing scenarios include:

- outflows of liquidity caused by substantial withdrawals of deposits by counterparties;
- the occurrence of reputational events that make it difficult to renew funding sources;
- adverse movements in the prices of asset to which the bank is most exposed;
- significant loan losses.

In determining and constructing combined stress scenarios, the framework provides for a targeted combination of systemic and idiosyncratic events in order to increase the severity of the stress exercises.

SOVEREIGN EXPOSURE DISCLOSURES

The Group's exposure to sovereign entities³⁷ as of June 30, 2026 has a total book value of €54,697 million, represented by €53,322 million in debt securities and €1,375 million in financing.

99.1% of debt exposures is concentrated in eight countries, including Italy which, with €46,219 million, accounts for 87% of total exposure.

The remaining 0.9% of total sovereign exposure, equal to €491 million, includes debt securities from 28 other countries (including: Portugal for €36 million, the Netherlands for €32 million, Greece for €30 million) as well as securities issued by supranational organizations such as the European Union, the European Financial Stability Facility and the European Stability Mechanism for €257 million.

Sovereign debt exposures broken down by counterparty and portfolio

	CONSISTENZE AL 30/6/26		
	CARRYING AMOUNT	NOMINAL AMOUNT	FAIR VALUE
ITALY	46,218,529	45,340,225	46,199,347
Financial assets held for trading	29,486	30,008	29,486
Financial assets designated at fair value	85,897	86,500	85,897
Financial assets mandatorily measured at fair value	150	150	150
Financial assets measured at fair value through comprehensive income	5,551,234	5,531,821	5,551,234
Financial assets measured at amortized cost	40,551,763	39,691,746	40,532,581
FRANCE	3,545,182	3,689,781	3,542,651
Financial assets designated at fair value	53,380	55,000	53,380
Financial assets measured at fair value through comprehensive income	668,017	691,125	668,017
Financial assets measured at amortized cost	2,823,785	2,943,656	2,821,254
SPAIN	1,624,641	1,619,281	1,630,318
Financial assets held for trading	4,927	5,000	4,927
Financial assets designated at fair value	88,855	90,000	88,855
Financial assets measured at fair value through comprehensive income	362,890	361,626	362,890
Financial assets measured at amortized cost	1,167,968	1,162,655	1,173,646
GERMANY	580,766	594,619	576,976
Financial assets designated at fair value	19,502	20,000	19,502
Financial assets measured at fair value through comprehensive income	101,729	102,869	101,729
Financial assets measured at amortized cost	459,535	471,750	455,745
AUSTRIA	450,223	453,135	448,549
Financial assets designated at fair value	39,768	40,000	39,768
Financial assets measured at fair value through comprehensive income	104,234	106,050	104,234
Financial assets measured at amortized cost	306,220	307,085	304,546
BELGIUM	305,758	316,750	304,310
Financial assets designated at fair value	14,669	15,000	14,669
Financial assets measured at fair value through comprehensive income	82,729	83,900	82,729
Financial assets measured at amortized cost	208,360	217,850	206,912
ROMANIA	66,947	68,905	68,042
Financial assets measured at fair value through comprehensive income	23,933	23,320	23,933
Financial assets measured at amortized cost	43,014	45,585	44,109
IRELAND	38,861	41,000	38,875
Financial assets measured at fair value through comprehensive income	948	1,000	948
Financial assets measured at amortized cost	37,913	40,000	37,927
OTHER	491,171	511,301	491,852
Financial assets held for trading	1,234	3,105	1,234
Financial assets designated at fair value	9,755	10,000	9,755
Financial assets measured at fair value through comprehensive income	119,866	124,881	119,866
Financial assets measured at amortized cost	360,316	373,314	360,997
TOTAL	53,322,078	52,634,996	53,300,922

³⁷ Sovereign exposures include bonds issued by central and local governments and government agencies as well as loans to them.

The table below shows the classification of debt securities in the banking book and their incidence in the related class.

Exposures to sovereign debt securities broken down by financial asset portfolio (banking book)

€/thousand

	30/6/2026		
	FINANCIAL ASSETS DESIGNATED AT FAIR VALUE	FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH COMPREHENSIVE INCOME	FINANCIAL ASSETS MEASURED AT AMORTIZED COST
Carrying amount	311,826	7,015,581	45,958,873
% in portfolio	99.8%	79.2%	30.2%

1.5 OPERATIONAL RISKS

QUALITATIVE DISCLOSURES

A. GENERAL ASPECTS, MANAGEMENT AND MEASUREMENT OF OPERATIONAL RISKS

Operational risk means the risk of losses caused by the inadequacy or malfunction of procedures, human resources and internal systems or the occurrence of external events. For example, such losses include those caused by fraud, human error, operational interruptions, system unavailability, breach of contract and natural disasters.

In view of the operations that characterize the Iccrea Cooperative Banking Group, the various types of operational risk to which the Iccrea Group is structurally exposed include IT risk and reputational risk. This is associated with the banking activities carried out with the public and financial and institutional counterparties, as well as the numerous national and international regulations to which the Group is subject.

Within the regulatory framework, the deregulation and the globalization of financial and payment services, together with the progressive refinement of the financial technology supporting transactions, are making the activities of the entities belonging to the Group, and thus the associated operational risk engendered by ordinary operations, increasingly complex. The increased complexity of the Group with the arrival of the affiliated banks as well as the growing use of highly automated technology under way in the Group can, in the absence of modifications of the control system, transform the risk of manual errors and data processing errors into the risk of significant system malfunctions, given the increasing recourse to integrated IT infrastructure and applications.

In addition, the growing use of electronic money and electronic or on-line payments generates other potential risks (for example, internal and external fraud, system security, customer data processing and IT and cyber risks) whose comprehensive mastery and mitigation, both upstream and in terms of response and containment, represents a strategic and enabling factor in the development of the business and a prerequisite for ensuring compliance with regulatory and payment-circuit requirements.

In addition, the presence of banks and financial companies in the Group, delivering services on a mass scale (both within the Group and to firms and the public) makes it necessary to ensure an appropriate structure and constant evolution of the system of internal controls and constant attention to preventing the risk of rules violations, incurring administrative penalties, etc.

GOVERNANCE AND ORGANIZATIONAL MODEL

The organizational model of the Risk Management function, adopted since the launch of the Iccrea Cooperative Banking Group, has undergone development and progressive evolution since 2018. The organizational model has been progressively refined with a view – among other things – to optimizing the dissemination of risk management directives to the affiliated banks and overseeing the performance of their Risk Management function's activities.

With regard to current Group governance arrangements for the internal control system, the Risk Committee of the Board of Directors of the Parent Company provides support to that Board with regard to risks and the internal control system, including aspects concerning the frameworks for the management of operational and IT risks.

In particular, the Board Risk Committee:

- supports activities to verify the correct implementation of Group strategies, compliance with policies for the governance and management of operational and IT risk, requesting any appropriate technical analyses and acquiring the necessary documentation for the evaluation of management and mitigation actions for the risks involved;
- conducts a preliminary review of the annual activity programs and reports of the operational and IT Risk Management unit submitted to the Board of Directors;
- expresses its assessment, prior to approval by the Board of Directors, of Group policies on operational and IT risks.

OPERATIONAL RISK MANAGEMENT POLICIES

Consistent with the risk management process, the Operational and ICT & Security Risk Management frameworks are structured into the following phases:

- identification of risks (knowledge): a set of activities directed at identifying operational and IT risks by assessing the factors that drive their dynamics, taking account of the dual perspective of events that have already occurred (i.e. operational loss and incident data) and potential risk (assessed through the collection of business expert opinion).
- evaluation/measurement of identified risks (awareness): a set of activities for assessing/measuring Group operational and IT risks.
- risk prevention and attenuation (strategy): a set of activities for the ex-ante identification of the possible ways of preventing and mitigating unfavorable developments in the dynamics of operational and IT risks. Definition of actions to prevent the occurrence of unfavorable events and mitigate the effects of the manifestation of events connected with operational and IT, and the implementation of measures to ensure that possible risk scenarios underlying operations evolved within the tolerated risk appetite levels defined for specific operating or business segments.
- monitoring and reporting (tracking and control): a set of activities to monitor the Group's risk profile and deliver comprehensive reporting to provide timely, accurate and appropriate support to the decision-making process underlying "Risk Prevention and Mitigation" and "Risk Management and Mitigation".
- risk management and mitigation (reaction and proactivity): a set of activities and actions to support the management of operational and IT risks, implement actions to prevent the occurrence of adverse events and to attenuate the effects of events related to risks, and to constantly monitor the results of the activities performed. This phase concerns the management of operational and IT risks subsequent to the preventive measures taken in the strategic assumption of risk, responding to developments (operating losses or changes in the risk profile) that impact the level of risk determined ex ante.

The operational assessment framework outlined above also includes legal risk and is integrated with that for assessing IT risk (IT Risk Management Framework), in line with the relevant regulations. The monitoring and control of operational and IT risks is characterized by activities that involve both business functions and control functions in their respective areas of responsibility. The Risk Management function prepares the necessary reporting in this area, bringing it to the attention of the various internal users (Board bodies, senior management, operating units).

IDENTIFICATION, MEASUREMENT AND ASSESSMENT OF RISKS

For the purpose of calculating capital requirements for operational risk, until December 31, 2024 the Iccrea Cooperative Banking Group mainly used the Basic Indicator Approach (BIA),³⁸ which provides for the application of a fixed percentage (15%) to the average of the last three observations of the "relevant indicator" determined in accordance with the provisions of the CRR.

As of 2025, with the entry into force of the CRR3, the calculation of capital requirements for operational risk is based on the Standardized Measurement Approach (SMA), which provides for the application of an increasing marginal coefficient to the average of the last three observations of the "Business Indicator", determined in accordance with the provisions of the CRR.

Following the creation of the Iccrea Cooperative Banking Group, and the consequent affiliation of the mutual banks, the components of the operational and IT risk management framework have been adopted by the companies in the direct scope of the Group and by the affiliated banks.

The methodological aspects underlying the management framework and the related procedures for application to the Group companies were formalized and first approved at the end of 2019, and updated in the following years, as part of specific Group Policies (Operational Risk Management Framework, IT Risk Management Framework, Loss Data Collection, Operational Risk Self-Assessment – OR-SA - and IT Risk Self-Assessment – IT-RA), which are currently adopted by all Group companies. In 2024, further activities leading up to the development of the application system to support operational and IT risk management activities continued.

³⁸ One affiliated bank adopts the Traditional Standardized Approach (TSA).

The loss data collection process has currently been adopted by all the Group companies that contribute, with a specified frequency, to the collection of historical events and losses through the Group application solution, which is available to both the companies within the direct scope of the Group and the affiliated banks.

As regards the assessment processes for operational risks (OR-SA) and IT risk (IT-RA), the identification and assessment of prospective risks have been conducted on the basis of a specified work plan for certain companies within the direct scope and for the affiliated banks. As regards IT risk, the annual information IT risk profile and security assessment was completed in March 2025 which involved IT services and components managed by BCC Sistemi Informatici, BCC Sinergia and Iccrea Banca.

In addition, during the first half of 2025 consistent with efforts the previous year and in step with the evolution of the management framework and the release of applications, the informational and training effort for the Operational and ICT & Security Risk Management framework continued, with specific attention being paid to operating approaches and support applications.

The Non-Financial Risk Management function also supported the collection of operational loss events at the Group level for QIS and COREP regulatory reporting purposes, and made a contribution in its areas of expertise to the stress testing provided for in the ICAAP.

RISK PREVENTION AND ATTENUATION

The units involved in operations perform first-level controls to assess and report any irregularities associated with operational and IT issues.

Second-level control units oversee the appropriateness and effectiveness of the organizational and management arrangements taken to address operational and IT risk within the Group's internal control systems. These include the Operational and IT Risks, Compliance and Anti-Money-Laundering units both of the Parent Company and the individual subsidiaries and affiliated banks. These units are active in planning the system and, above all, in verifying its ongoing operation, assessing its adequacy and effectiveness in managing internal and external risks.

Third-level controls are performed by Internal Audit, which identifies violations of procedures and regulations as well as periodically assesses the control system's overall completeness, adequacy, functionality (in terms of efficiency and effectiveness) and reliability in relation to the nature and intensity of risks.

The locus of the strategic and operational management of credit risk is the Group's Risk Appetite Statement, through a system of monitoring thresholds and limits (tolerance and capacity), with compliance ensured by the monitoring and control activities of the competent units

The Group RAS sets out the main indicators of operational and IT risk at the level of the individual legal entities, (namely maximum operational loss, results of risk assessment activities), integrated with specific indicators relating to the ICT and security risk profile (for example, Vulnerability Management Ratio, Third Party Cloud Ratio).

MONITORING AND REPORTING

The monitoring and control of operational and IT risks is characterized by activities that involve both business functions and control functions in their respective areas of responsibility. In particular, these activities are governed by the unified management framework described earlier and defined within the applicable policies.

In this area, the Risk Management function prepares the necessary periodic reporting, bringing it to the attention of the various internal structures involved (Board of Directors, senior management, operating units).

RISK MANAGEMENT AND MITIGATION

Operational and IT risk management and mitigation activities are governed by a set of codified and formalized rules that include:

- the activities and actions that must be performed in each operating and business segment in order to manage developments in the risks assumed;
- the adoption of a set of measures for managing the problems found as part of the risk assessment framework;

- the actions to be taken in the event of breaches of monitoring thresholds or risk tolerances and the risk limits set out in the Risk Appetite Statement;
- the actions to be taken in the event of breaches of the limits defined in risk policies.

QUANTITATIVE DISCLOSURES

As part of the amendments to the prudential framework introduced by Regulation (EU) 1623/2024 (so-called CRR 3), the rules for calculating the capital requirement for operational risk have been revised.

With CRR3, capital requirements for operational risk must be determined with a single standardized approach that is mainly based on the Business Indicator Component (BIC).

The BIC is calculated in accordance with Article 313 of the CRR3 by multiplying the Business Indicator (BI) by increasing marginal coefficients.

The BI is calculated in accordance with article 314 and 315 of the CRR and comprises three components: the interest, leases and dividend component (ILDC), the services component (SC) and the financial component (FC).

The marginal coefficients as provided for in article 313 increase with the size of BI, as shown in the table below:

BUCKET	BI RANGE (€/billion)	α COEFFICIENT
1	≤ 1	12%
2	$1 < BI \leq 30$	15%
3	> 30	18%

In particular, the Group's BIC is equal to €804.5 million for a total RWA from Operational Risk of €10.06 billion.

BUSINESS INDICATOR (€/thousand)	5,563,475
Interest, leases and dividend component	3,629,929
Services component	1,827,455
Financial component	106,091
Capital requirements (BIC)	804,521
RWA Operational risk	10,056,516

PART F - INFORMATION ON CONSOLIDATED CAPITAL

SECTION 1 - CONSOLIDATED CAPITAL

A. QUALITATIVE DISCLOSURES

The Group's strategic priorities include monitoring the amount and dynamics of its capital. Capital constitutes the first bulwark against the risks associated with operations and the main reference parameter for assessments of the Group's solvency by supervisory authorities and investors. It contributes positively to the formation of operating income, funds the Group's technical and financial fixed assets and supports dimensional growth, representing a decisive element in the development phases.

Managing capital adequacy at the consolidated and individual levels involves defining the scale and optimal combination of different capital instruments, in compliance with regulatory constraints and consistent with the risk profile assumed by the Group.

The notion of capital adopted by the Group in its assessments is the "own funds" aggregate as established with Regulation (EU) No. 575/2013 (CRR), broken down into the three components of Common Equity Tier 1 (CET 1), Tier 1 and Tier 2. The capital thus defined, the main resource for supporting corporate risks according to prudential supervisory regulations, is the best foundation for the effective management of risk, both from a strategic and operational standpoint, as it is a financial resource capable of absorbing the possible losses produced by the Group's exposure to all the risks it has assumed.

Current and forward-looking capital adequacy is therefore monitored in two spheres:

- regulatory capital to cover Pillar I risks;
- total internal capital to cover Pillar II risks, for ICAAP purposes.

In the evolutionary sizing of the Group's own funds, the specific policies for allocating the net profit of the affiliated banks play an important role, seeking to support the constant strengthening of reserves. In compliance with the specific sector regulations, these banks allocate a large majority of their net profits to indivisible reserves. Capital adequacy compliance is pursued not only through careful policies for the distribution of the available component of profits but also through the prudent management of investments, in particular loans, in line with risk represented by counterparties and the related capital requirements, and with plans for strengthening capitalization based on the expansion of the shareholder base and the issue by the Parent Company of subordinated liabilities or additional equity instruments eligible for inclusion in the relevant own funds aggregates.

More specifically, in order to constantly maintain its capital adequacy, the Group has deployed processes and tools to determine the level of internal capital adequate to face any type of risk assumed, as part of an assessment of the current, prospective and "stressed" exposure that takes account of corporate strategies, growth objectives and developments in the reference context.

A careful assessment of the compatibility of projections is carried out annually as part of the process of setting budget targets. Depending on the expected developments in balance sheet and income statement aggregates, any necessary initiatives are taken at this stage to ensure financial balance and the availability of financial resources consistent with the strategic and development objectives of the individual entity and the Group as a whole.

Compliance with supervisory requirements and the consequent adequacy of capital is verified on a quarterly basis. The aspects subject to verification are mainly the ratios connected with the Group's financial structure (loans, impaired exposures, non-current assets, total assets) and the degree of risk coverage.

Additional specific analyses for the purpose of the preventive assessment of capital adequacy are carried out when necessary prior to extraordinary operations such as mergers and acquisitions, or the sale of assets.

The minimum capital requirements are those established by applicable supervisory regulations (Article 92 of the CRR), according to which the Common Equity Tier 1 ratio must be at least 4.5% of total risk weighted assets ("CET1 capital ratio"), Tier 1 capital must represent at least 6% of total risk weighted assets ("Tier 1 capital ratio") and total own funds must be at least 8% of total weighted assets ("Total capital ratio").

In addition, the competent supervisory authorities periodically issue a specific decision regarding the capital requirements that the Group must comply with following the prudential review and evaluation process ("SREP") conducted pursuant to Article 97 et seq. of Directive 2013/36/EU (CRD IV).

In particular, Article 97 of the CRD IV establishes that the competent authorities shall periodically review the arrangements, strategies, processes and mechanisms that groups and supervised banks implement to face the

risks to which they are exposed. With the SREP, the competent authorities therefore review and evaluate the process of determining capital adequacy conducted internally by the Group, analyze its risk profile individually and from an aggregate perspective, including under stress conditions, and assess its contribution to systemic risk; assess the corporate governance system, the operation of corporate bodies, the organizational structure and the internal control system; and verifies compliance with all prudential rules.

On October 28, 2025, the supervisory authorities notified the Parent Company of the results of the SREP decision, which established the prudential requirements to be respected at the consolidated level with effect from January 1, 2026 (broken down into own funds requirements and qualitative requirements). With this decision, replacing the previous SREP decision, the supervisory authorities established consolidated own funds requirements for 2026 additional Pillar 2 own funds requirement (P2R) of 2.25%, of which a minimum of 56.25% to be held in the form of primary Tier 1 capital (Common Equity Tier 1, CET1) and 75% in the form of Tier 1 capital.

As was the case with previous decisions, the SREP decision did not impose own funds requirements to be met on an individual basis with regard to the Group's affiliated banks.

B. QUANTITATIVE DISCLOSURES**B.1 CONSOLIDATED EQUITY: BREAKDOWN BY TYPE OF ENTITY**

The table reports the components of equity at carrying amount, adding the Group's equity to that pertaining to non-controlling interests, broken down by the type of consolidated entity. More specifically:

- the column, "Prudential consolidation" reports the amount resulting from consolidation of the companies belonging to the banking group, gross of the financial effects of any transactions that may have been performed with other companies included within the scope of consolidation; fully-consolidated subsidiaries, other than those in the "Banking Group", are measured using the equity method here;
- the column "Other entities" reports the amounts resulting from consolidation, including financial effects deriving from transactions carried out with companies that are part of the banking group;
- the column "Consolidation eliminations and adjustments" shows the adjustments necessary to obtain the figures reported in the financial statements.

	Prudential consolidation	Insurance undertakings	Other entities	Consolidation eliminations and adjustments	Total
1. Share capital	2,289,247	-	-	-	2,289,247
2. Share premium reserve	157,731	-	-	-	157,731
3. Reserves	16,138,954	-	-	-	16,138,954
4. Equity instruments	30,139	-	-	-	30,139
5. (Treasury shares)	(1,402,914)	-	-	-	(1,402,914)
6. Valuation reserves:	215,848	-	-	-	215,848
- Equity securities designated as at fair value through other comprehensive income	12,549	-	-	-	12,549
- Hedges of equity securities designated as at fair value through other comprehensive income	-	-	-	-	-
- Financial assets (other than equity securities) measured at fair value through other comprehensive income	(14,335)	-	-	-	(14,335)
- Property, plant and equipment	-	-	-	-	-
- Intangible assets	-	-	-	-	-
- Hedging of investments in foreign operations	-	-	-	-	-
- Cash flow hedges	1,319	-	-	-	1,319
- Hedging instruments [undesignated elements]	-	-	-	-	-
- Foreign exchange differences	-	-	-	-	-
- Non-current assets held for sale	-	-	-	-	-
- Financial liabilities designated as at fair value through profit or loss (change in own credit rating)	(276)	-	-	-	(276)
- Actuarial gains (losses) on defined benefit plans	(36,638)	-	-	-	(36,638)
- Share of valuation reserves of equity investments accounted for using equity method	189	-	-	-	189
- Special revaluation laws	253,040	-	-	-	253,040
7. Net profit (loss) for the period (+/-)	1,068,824	-	-	-	1,068,824
Total	18,497,829	-	-	-	18,497,829

B.3 VALUATION RESERVES FOR FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME: CHANGE FOR THE PERIOD

	Debt securities	Equity securities	Loans
1. Opening balance	(1,496)	21,409	-
2. Increases	15,482	5,255	-
2.1 Fair value gains	12,159	3,471	-
2.2 Writedowns for credit risk	1,591	X	-
2.3 Reversal to profit or loss of negative reserves: from realization	1,685	X	-
2.4 Transfers to other components of equity (equity securities)	-	-	-
2.5 Other changes	46	1,784	-
3. Decreases	28,321	14,116	-
3.1 Fair value losses	21,517	10,665	-
3.2 Writebacks for credit risk	159	761	-
3.3 Reversal to profit or loss of positive reserves: from realization	6,552	X	-
3.4 Transfers to other components of equity (equity securities)	-	-	-
3.5 Other changes	93	2,690	-
4. Closing balance	(14,335)	12,549	-

B.4 VALUATION RESERVES FOR DEFINED-BENEFIT PLANS: CHANGE FOR THE PERIOD

Valuation reserves for defined-benefit plans were a negative €36.6 million. The following table reports changes in the period as a result of changes in financial assumptions and the time value effect.

	30/06/2026
1. Opening balance	(35,457)
2. Increases	616
2.1 Actuarial gains from changes in financial assumptions	488
2.2 Actuarial gains from changes in demographic assumptions	-
2.3 Actuarial gains from experience adjustments	55
2.4 Other increases	73
3. Decreases	(2,321)
3.1 Actuarial losses from changes in financial assumptions	(79)
3.2 Actuarial losses from changes in demographic assumptions	(43)
3.3 Actuarial losses from experience adjustments	(2,092)
3.4 Other decreases	(106)
4. Tax effect	524
5. Closing balance	(36,638)

SECTION 2 – OWN FUNDS AND CAPITAL RATIOS

See the disclosures on own funds and capital adequacy in the Third Pillar disclosures.

PART G - BUSINESS COMBINATIONS

SECTION 1 – TRANSACTIONS CARRIED OUT DURING THE PERIOD

No business combination transactions were carried out during the period that resulted in the acquisition of control pursuant to IFRS 3.

For corporate reorganization purposes, Banca di Credito Cooperativo di Nettuno was merged into Banca di Credito Cooperativo dei Colli Albani, establishing BCC di Colli Albani e Nettuno, with accounting effect from January 1, 2026.

In compliance with accounting practices for transactions of this kind, the merger was accounted for on an unchanged values basis and had no impact on the consolidated financial statements.

SECTION 2 – TRANSACTIONS AFTER THE CLOSE OF THE PERIOD

No business combination transactions were carried out after the close of the period and until the date of approval of this interim report.

SECTION 3 – RETROSPECTIVE ADJUSTMENTS

The section has not been completed because there were no such positions as of the reporting date.

PART H - TRANSACTIONS WITH RELATED PARTIES

1. INFORMATION ON THE REMUNERATION OF KEY MANAGEMENT PERSONNEL

The following table provides information on the remuneration paid in the first half of 2026 to key management personnel as required by IAS 24.

Key management personnel are managers who have the power and responsibility, directly or indirectly, for the planning, management and control of the Group's activities, including the directors, the auditors, the general management, the financial reporting officer, the heads of control and area corporate functions.

	30/06/2026				
	Short term benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Share-based payments
Key management personnel	7,498	265	1,404	-	-

"Short term benefits" includes wages and salaries, benefits and compensation relating to variable incentive systems.

"Post-employment benefits" include payments to supplementary pension funds and provisions for severance pay.

"Other long-term benefits" include the deferred component of compensation relating to variable incentive systems and loyalty bonuses.

2. INFORMATION ON TRANSACTIONS WITH RELATED PARTIES

For the purposes of the preparation of these disclosures, pursuant to IAS 24 a related party is a person or entity who is related to the entity preparing the financial statements.

In application of that standard, the related parties of the Group include:

- unconsolidated subsidiaries;
- associated companies and their subsidiaries;
- key management personnel of the Group;
- members of the immediate family of key management personnel and companies controlled, alone or jointly, by key management personnel or members of their immediate family;
- post-employment benefit plans for Group employees.

The Iccrea Cooperative Banking Group has adopted a document governing the principles and rules applicable to related party transactions in compliance with supervisory regulations contained in Circular no. 263/2006 of the Bank of Italy.

Transactions between the Group and corporate officers regard normal Group operations and were carried out, where applicable, applying the terms reserved for all employees. Transactions with subsidiaries not consolidated on a line-by-line basis and transactions with associated companies regarded ordinary operations within a multi-functional banking organization.

In compliance with supervisory regulations, all transactions carried out by Group companies with their related parties were carried out in compliance with the principles of substantive and procedural fairness, on terms analogous to those applied to transactions with independent non-Group counterparties. No unusual or atypical transactions were carried out by Group companies with related parties, nor were any such transactions carried out with other counterparties.

The following table summarizes transactions and their financial effects carried out in the first half of 2026 with the related parties of the Group other than fully consolidated intercompany transactions.

	30/06/2026			
	Unconsolidated subsidiaries	Associated companies	Key management personnel	Other related parties
Financial assets	630,805	753,768	2,127	2,643
Total other assets	13	49,560	-	-
Financial liabilities	615,740	165,778	3,196	8,532
Total other liabilities	237	35,623	-	279
Commitments and financial guarantees issued	610	89,889	260	55
Commitments and financial guarantees received	-	499	1,328	5,425
Provisions for doubtful accounts	-	-	-	-

	30/06/2026			
	Unconsolidated subsidiaries	Associated companies	Key management personnel	Other related parties
Interest income	3,579	6,607	28	38
Interest expense	(5,322)	(2,090)	(23)	(56)
Dividends	-	1,069	-	-
Fee and commission income	312	201,390	10	8
Fee and commission expense	(28)	(129,209)	-	(110)
Net gain (loss) on trading activities	-	29	-	-
Net gain (loss) on hedging activities	-	-	-	-
Other operating expenses/income	(1,039)	3,794	7	(1,368)
Writedowns/writebacks of impaired financial assets	-	-	-	-

Major transactions with unconsolidated subsidiaries and associated entities included: (i) loans to the vehicles Iccrea Covered Bond Srl and Iccrea Covered Bond 2 Srl attributable to the liquidity generated from collections on the loans underlying the securitization in the amount of €623 million, as well as the related debts towards the special purpose vehicles in respect of the deposit of the amounts with the Parent Company and (ii) equity investments, in associates, policies issued by BCC Vita and underwritten by the Group's banks, as well as loans granted to associates, including most notably, a €131.7 million loan to BCC Vita SpA and a €100.7 million loan to Numia Group SpA granted by the Parent Company.

PART I - SHARE-BASED PAYMENTS

The Iccrea Cooperative Banking Group has no payment agreements based on its own equity instruments in place.

PART L - OPERATING SEGMENTS

A. PRIMARY REPORTING BASIS

The companies within the Group mainly operate exclusively in the following segments:

- Institutional: business conducted with institutional counterparties (mutual banks, other banks and public institutions), such as payment services, financial intermediation (trading and capital markets), and foreign activities, as well as additional support services for affiliated banks. The segment includes the operations of the Parent Company Iccrea Banca, BCC Sistemi Informatici, BCC Gestione Crediti, BCC Sinergia and BCC Beni Immobili;
- Corporate: business focused mainly on financing small and medium-sized companies that are customers of the mutual banks. The segment includes the operations of BCC Leasing, BCC Rent&Lease, BCC Factoring and BCC Financing;
- Retail: mainly asset management activities on an individual and collective basis for retail customers (BCC Risparmio&Previdenza), consumer credit (BCC CreditoConsumo) and the bancassurance activities of BCC Servizi Assicurativi;
- Mutual banks: includes all of the mutual banks that have joined the Group and the associated Guarantee Scheme.

The following reports a summary income statement and key financial aggregates by business segment. The column reporting inter-segment transactions includes intercompany eliminations between the companies included in different segments.

A.1 DISTRIBUTION BY BUSINESS SEGMENT: INCOME STATEMENT

	CORPORATE	INSTITUTIONAL	RETAIL	MUTUAL BANKS	INTER-SEGMENT TRANSACTIONS	TOTAL
Net interest income	53,307	116,148	34,539	1,879,854	22,290	2,106,139
Net fee and commission income	3,819	48,275	75,329	684,424	(45,212)	766,635
Other financial expense and income	3,242	87,159	87	127,743	(87,406)	130,825
Gross income	60,368	251,582	109,955	2,692,022	(110,328)	3,003,599
Net value adjustments	5,496	(4,522)	(8,234)	(150,770)	-	(158,030)
Net gains (losses) on financial operations	65,864	247,060	101,721	2,541,252	(110,328)	2,845,568
Operating expenses	(25,475)	(108,762)	(40,091)	(1,467,188)	4,341	(1,637,175)
Other costs and revenues	-	97,142	-	1,383	12,879	111,404
Profit/(loss) from continuing operations before tax	40,388	235,440	61,630	1,075,447	(93,108)	1,319,797
Income tax for the period on continuing operations	(14,139)	(31,091)	(19,862)	(184,557)	(1,324)	(250,972)
Profit (loss) after tax on continuing operations	26,249	204,349	41,768	890,891	(94,432)	1,068,825
Profit/(loss) after tax on discontinued operations	-	-	-	-	-	-
Profit/(loss) for the period	26,249	204,349	41,768	890,891	(94,432)	1,068,825
Profit/(loss) for the period pertaining to non-controlling interests	-	348	-	-	-	348
Profit/(loss) for the period pertaining to shareholders of the Parent Company	26,249	204,001	41,768	890,891	(94,432)	1,068,476

A.2 DISTRIBUTION BY BUSINESS SEGMENT: BALANCE SHEET

	CORPORATE	INSTITUTIONAL	RETAIL	MUTUAL BANKS	INTER-SEGMENT TRANSACTIONS	TOTAL
Financial assets	267,814	15,750,486	15,692	49,714,651	(5,186,414)	60,562,229
Due from banks	53,767	19,516,456	610	11,801,359	(29,168,864)	2,203,327
Loans to customers	4,441,726	10,795,572	2,392,297	86,620,026	(3,359,823)	100,889,798
Due to banks	4,081,077	21,035,870	2,318,971	15,092,990	(39,899,674)	2,629,233
Due to customers	267,744	14,095,829	712	114,501,419	(176,906)	128,688,798
Securities and other financial liabilities	24,033	10,542,104	-	9,391,429	(3,788,390)	16,169,175

B. SECONDARY REPORTING BASIS

As regards the secondary reporting basis, please note that the Group operates almost exclusively in Italy.

PART M - LEASE DISCLOSURES

SECTION 1 – LESSEE**QUALITATIVE DISCLOSURES**

At the reporting date, the Group has over three thousand in place lease/rental contracts falling within the scope of IFRS 16 as they refer to operating leases involving property, plant and equipment in the following classes of assets:

- capital equipment (printers and other office equipment, personal computers, servers, smartphones/tablets, cars and company vehicles, advanced ATMs, etc.);
- real estate, in particular the premises in which the branches operate and spaces for ATMs.

These assets are mainly intended for use in the normal operations of the company and for this reason they are mainly classified under assets held for use in operations. For more details on the recognition and measurement criteria involved, please see Part A “Accounting Policies” of these notes to the financial statements.

The rental contracts entered into by the Group normally provide for fixed payments for a specified period of time and, with the exception of property leases, do not envisage an extension option. Based on the foregoing, the effective term of the individual leases is taken into account for the purpose of accounting for the rights of use, while in cases in which an extension option is envisaged and its exercise is considered highly probable, the Group considers the contractual term inclusive of the extension period, unless factors or specific situations envisaged within the contract suggest a different assessment. This is because the properties in question are functional to the performance of the activities of the Group companies and non-exercise of the extension option is only considered in cases where impediments have arisen independently on the intentions of the companies themselves, i.e. the decision not to extend the lease was prompted by initially unforeseeable circumstances (e.g. changes of location, increase in lease payments, etc.).

If provided for by the lease agreement, the Group also does not consider early termination options unless factors or specific circumstances make it highly probable that the option will be exercised before the expiry of the lease (such as, for example, the impediments or the specific needs mentioned above).

QUANTITATIVE DISCLOSURES

For further quantitative information concerning the assets acquired by the Group through leases, please see the disclosures provided in the tables in the sections of the notes to the financial statements indicated below:

- part B, assets, section 9, as regards rights of use in respect of leased assets held at the reporting date;
- part B, liabilities, section 1, as regards lease liabilities outstanding at the reporting date;
- part C, section 1, as regards interest expense on leasing liabilities accrued during the year;
- part C, section 14, as regards depreciation of rights of use recognized during the year.

Note that in determining the depreciation rates to be applied to the rights of use in respect of assets acquired under leases, reference has been made to the contractual term of the underlying leases, also taking account any extension/termination options where the probability that they will be exercised is considered high, depending on the nature of the transaction (finance/operating lease) and the type of asset.

SECTION 2 – LESSOR**QUALITATIVE DISCLOSURES**

Lease transactions undertaken by Group mutual banks as a lessor are negligible.

The contracts mainly regard the lease of commercial and residential properties.

The Group mainly enters into finance leases with customers and is active in the real estate, residential, equipment, vehicle and marine lease sectors.

Lease payments for the year are recognized in profit or loss under operating income.

For more details on the recognition and measurement criteria involved, please see Part A “Accounting Policies” of these notes to the financial statements.

QUANTITATIVE DISCLOSURES**1. INFORMATION IN THE BALANCE SHEET AND INCOME STATEMENT**

For additional quantitative information on lease transactions carried out by the Group, please see the tables in the following sections:

- part B, Assets, section 4, as regards lease financing granted by the Group in relation to finance leases;
- part C, section 1, as regards interest income on the above lease financing accrued during the period;
- part C, section 16, as regards other income connected with the lease operations undertaken the Group as a lessor.

2. FINANCE LEASE**2.1 CLASSIFICATION BY MATURITY OF PAYMENTS TO BE RECEIVED AND RECONCILIATION WITH LEASE FINANCING RECOGNIZED UNDER ASSETS**

	Total 30/06/2026	Total 31/12/2025
	Payment to be received for leases	Payment to be received for leases
Up to 1 year	890,285	876,439
From more than 1 year up to 2 years	753,398	732,853
From more than 2 years up to 3 years	580,503	580,213
From more than 3 years up to 4 years	421,332	415,641
From more than 4 years up to 5 years	243,296	256,406
From more than 5 years	498,120	558,086
Total payments to be received for leases	3,386,934	3,419,638
Reconciliation with financing	(932,005)	(964,880)
Financial income not accrued (-)	(419,615)	(435,623)
Unguaranteed residual value (-)	(512,390)	(529,257)
Lease financing	2,454,929	2,454,758

The balance of lease financing does not include past due principal and interest, exposures to terminated leases or writedowns on outstanding financing at the reporting date.

2.2 OTHER INFORMATION

No other information to report.

3. OPERATING LEASES

3.1 CLASSIFICATION BY MATURITY OF PAYMENTS TO BE RECEIVED

	Total	Total
	30/06/2026	31/12/2025
	Payment to be received for leases	Payment to be received for leases
Up to 1 year	3,283	3,917
From more than 1 year up to 2 years	3,011	3,327
From more than 2 years up to 3 years	2,607	2,753
From more than 3 years up to 4 years	2,220	2,385
From more than 4 years up to 5 years	1,786	1,938
More than 5 years	1,177	1,935
Total	14,084	16,255

3.2 OTHER INFORMATION

No other information to report.

CERTIFICATION OF THE INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
(ART. 154 BIS, LEGISLATIVE DECREE
58/1998)



Certification of the Condensed half-year consolidated financial statements as at 30 June 2026 pursuant to Art.81-ter of Consob Regulation No.11971/99 and subsequent additions and amendments

- 1) The undersigned Giuseppe Maino, as Chief Executive Officer of Iccrea Banca S.p.A., and Marianna Di Prinzio, as the Manager responsible for preparing the company's financial reports of Iccrea Banca S.p.A., hereby certify, also in compliance with Art.154-bis, paragraphs 3 and 4, of Italian Legislative Decree No. 58 of 24 February 1998:
 - the adequacy in relation to the Legal Entity's features, and
 - the actual application of the administrative and accounting procedures employed to draw up the Condensed half-year consolidated financial statements in the first half of 2026.
- 2) The assessment of the adequacy of the administrative and accounting procedures employed to draw up the Condensed half-year consolidated financial statements as at 30 June 2026 is based on a model developed by Iccrea Banca S.p.A., in accordance with the "*Internal Control - Integrated Framework (CoSO)*", which represents a generally accepted international standard for internal control system and for financial reporting in particular.
- 3) The undersigned also certify that:
 - the Condensed half-year consolidated financial statements as at 30 June 2026:
 - a) were prepared in compliance with applicable international accounting standards recognised by the European Community pursuant to European Parliament and Council Regulation (EC) No.1606/2002 of 19 July 2002; Decree 38/2005 and the enabling regulations for art. 9 of this Decree;
 - b) correspond to the results of the accounting books and records;
 - c) are suitable to provide a fair and correct representation of the economic and financial situation of Iccrea Banca S.p.A. and of the group of companies included within the scope of consolidation;
 - the Interim report on operations includes a reliable analysis of the key events that took place during the first half of 2026 and of their impact on the Condensed half-year consolidated financial statements, together with a description of the main risks and uncertainties affecting the second half of the year. The Interim report on operations also includes a reliable analysis of significant transactions with related parties.

Rome, 23 September 2026

Chief Executive Officer
Giuseppe Maino

**Manager responsible for preparing
the company's financial reports**
Marianna Di Prinzio

REPORT OF THE AUDIT FIRM

Iccrea Banca S.p.A.

Independent auditor's review report
(Translation of the original report issued in Italian)

Interim condensed consolidated financial statements as at 30 June 2026

Report on the condensed interim consolidated financial statements

(Translation of the original report issued in Italian)

To the shareholders of Iccrea Banca S.p.A.

Introduction

We have reviewed the attached condensed interim consolidated financial statements, comprising the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in shareholder's equity, the statement of cash flows, and the related explanatory notes of Gruppo Bancario Cooperativo Iccrea as at 30 June 2026. The directors are responsible for the preparation of the interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and adopted by the European Union. Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim consolidated financial statement consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the interim consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the attached condensed interim consolidated financial statements of Gruppo Bancario Cooperativo Iccrea, as at 30 June 2026, have not been prepared, in all significant aspects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and adopted by the European Union.

Rome, 24 September 2026

(Signed on the original)

Olivier Rombaut
Partner - Registered auditor

() This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.*