Financial statements 2024

SPARKASSE
CASSA DI RISPARMIO

Cassa di Risparmio di Bolzano S.p.A. Group

Consolidated financial statements as at 31 December 2024

Cassa di Risparmio di Bolzano S.p.A.
Südtiroler Sparkasse AG

- Index

CONSOLIDATED FINANCIAL STATEMENTS

BLANK PAGE

BLANK PAGE

Letter from the Chairman and the Deputy Chairman

Letter from the Chairman and the Deputy Chairman

Dear Shareholders, Customers and Employees,

We extend our most cordial greetings, also on behalf of the members of the Board of Directors and the Board of Statutory Auditors, on this occasion for the presentation of the financial statements concerning the **170th financial year of our Bank**, since its foundation in 1854.

In fact, the financial year 2024 was the year in which **we celebrated our 170th anniversary of our foundation.** 170 years ago, a small town bank was born and has now become the largest territorial bank in the North-east.

In these 170 years, many things have changed, but one thing has remained the same: our **closeness to our customers and territory.** We have thus celebrated an age-old idea, now more relevant than ever: to promote, together with our main shareholder, the Fondazione Cassa di Risparmio di Bolzano, saving and pension planning for citizens, to support those who are economically most vulnerable, and to act with a deep and well-established connection to the local territory and community.

For 170 years, Sparkasse has been a partner in all financial matters for our customers. From the very first day, true to the founding principles of our Bank, we have been committed to **serving the territory and its people by putting the customer at the centre.**

We have celebrated not only our history, but above all the history of **our customers, whom we have had the honour of supporting for the past 170 years.** Their successes are our pride, their goals are our incentive, and their needs influence our own development.

The year 2024 was also the year in which the Board of Directors drew up and approved a new business plan: the **new** three-year **strategic plan** of the Sparkasse Group "**Horizon 2026**" confirms the path of growth and the evolution towards a model that is increasingly locally focused and innovative. This is the **first business plan at Group level**, an ambitious plan with **investments and projects amounting to more than Euro 55 million.**

Our Group is already a major player in the North East and aims to grow even further. We will be a banking group capable of distinguishing itself through the **quality of its service**, thanks to the **strengthening of our networks** and **investment in innovation.** We believe that the **traditional banking model** is a winning one, while also adding that element of modernity needed to remain competitive in the market

Sparkasse aims to reaffirm its position as the **leading independent banking group headquartered in the Northeast**, keeping pace with the times and staying **close to households and undertakings**, thanks to a strong focus on **sustainability**, **innovation**, and the creation of **added value for the territory** in which it operates.

The virtuous path of the Sparkasse Group continued in **2024**, with an increase in revenues compared to the previous year, despite the fact that the **financial year 2024** was characterised by a declining interest rate scenario. We are particularly proud of this **historic achievement**. The **net profit** achieved by the **Sparkasse Group** at the consolidated level reached **Euro 117.7 million**, an increase over the previous year **(+43.1%).** On an individual level, the net profit of the Parent Bank Sparkasse/Cassa di Risparmio di Bolzano **exceeds Euro 100 million.** Also noteworthy is the contribution of the subsidiary **CiviBank**, which recorded a net **profit of Euro 20.0 million** in 2024, up sharply from the previous year **(+86.6%).**

In addition, the Bank **strengthened from all points of view**, both in terms of **volume** and **profitability. Consolidated shareholders' equity** amounted to **Euro 1,247 million.** With regard to the **riskiness of the loan portfolio**, the Bank continues to express **values that are among the lowest levels in the banking system.**

The results achieved confirm the **ongoing commitment of the corporate bodies, management, and all employees**, and once again demonstrate how the Sparkasse Group is increasingly able to combine an excellent level of customer service with the ability to generate a solid return for its Shareholders. We trust that these results will be to the satisfaction of our Shareholders.

Our Sparkasse is not just a bank, but a living part of our region and its history, having grown alongside it. A history so rich in events and developments, that from 1854 to the present day, in which often nothing has remained unchanged. Once there was a small savings bank in the city of Bolzano, today we are the leading bank in Alto Adige, with more than 170 branches and numerous digital services, and **the largest territorial banking group in the North-East, recognised and appreciated not only nationally, but also in Europe**.

In fact, the Bank is highly regarded by **national institutions, such as ABI** (Italian Banking Association) and **ACRI** (Association of Foundations and Savings Banks), and **European institutions, such as ESBG** (European Savings Banks Group), where Sparkasse - Cassa di Risparmio di Bolzano, through its Chairman, holds the significant role of Deputy Chairmanship, both in ACRI and in ESBG, while in ABI in 2024 he was re-elected to the Board, and, in addition, appointed as a member of the Executive Committee and, finally, he was invited to participate in the President's Committee.

The above is also the result of the work of the entire structure under the guidance of the Chief Executive Officer, Mr Nicola Calabrò. The work performed has considerably strengthened the commercial and reputational position of Sparkasse.

We would like to express our **sincere gratitude to all employees** for their great commitment and dedication to their work. The success of each project depends on the contribution of each individual team member. You have demonstrated professionalism, commitment, dedication and team spirit. We are confident that we will together face future challenges and achieve new successes.

Words of gratitude and appreciation also go to all the members of the **Board of Directors** and the **Board of Statutory Auditors** for their constant commitment.

We thank **our stakeholders** and, especially the Shareholders, our reference shareholder, the Fondazione Cassa di Risparmio di Bolzano, always committed and irreplaceable in the social and economic support in our province, the other national and foreign banks and foundations, the Customers, the Bodies, the Associations and the Suppliers, and also the Institutions.

As a Bank, we closely support the lives of people in our territory, with **a careful eye on the present and the future**. Promoting development for us means being present where we are needed. That is why we have always been committed on various fronts in favour of our territory.

In this spirit, we look to the future with optimism and have celebrated our foundation anniversary with the motto "**170 years rooted in the future**" - a motto that expresses our main pillars: tradition and innovation.

If today Sparkasse is what it is, it is because it has always been a bank capable of keeping its feet on the ground, but always with the objective of the well-being of the new generations, **combining tradition and progress**, always with the objective of supporting the development of the territories in which it operates and the well-being of the people who live there.

Today, as yesterday, **your trust is our strength**. Thank you for these first 170 years together!

Kind regards.

Gerhard Brandstätter
Chairman, Cassa di Risparmio di Bolzano

Carlo Costa
Deputy Chairman, Cassa di Risparmio di Bolzano

Bolzano, 25 March 2025

Letter from the Chief Executive Officer and General Manager

Letter from the Chief Executive Officer and General Manager

Dear Shareholders, Customers and Collaborators

2024 was a very important year for our group. The numbers express **commercial growth in all areas** in which the bank operates and the **ability to create efficiency.**

We are very **satisfied with the work done in these recent years.** We have experienced virtuous growth. I will just mention two figures: over the last ten years we have made no less than Euro 350 million in profits (not counting 2024) and distributed
98 million in dividends to shareholders, while assets have grown steadily year on year.

In the financial year **2024**, the **Sparkasse Group** recorded a **net profit of Euro 117.7 million, an increase of 43.1%** compared to the previous year, with **CiviBank**'s contribution **jumping 86.6% to Euro 20 million.**

This allowed us to **already far exceed** the 90 million we had set ourselves for the end of the business plan in 2026 **two years in advance.** These numbers are the result of many years of work.

A little more than two years after the acquisition of CiviBank, the new Sparkasse Group is beginning, after an initial preparation and consolidation phase, to **fully realise the expected synergies**, consolidating its position **among the leading banking groups in the North-East** and which we will further strengthen in the coming months.

Entering into the details of the Parent Bank's income statement, **the excellent result** is primarily attributable to a significant increase in revenues against a more moderate increase in costs.

In fact, **total revenues** (excluding non-recurring items) amounted to Euro 338.4 million, **up 13.5%** compared to 2023.

In particular, **revenues from services** (excluding non-recurring negative items) **exceeded** the Euro 100 million mark (Euro 100.3 million) with a further increase over the satisfactory result of the previous year, confirming the trend of increasing diversification also in 2024.

The **cost of credit** more than **halved** to Euro 10.7 million, a reduction of Euro 11 million compared to the previous year.

At Group level, **new** medium-/long-term **loan disbursements** during the financial year 2024 amounted to Euro 1,681 million, of which Euro 1,222 million were **in favour of undertakings**, and Euro 459 million **in favour of households.**

In past years, we have invested the necessary resources to be able to offer services identical to those of large institutions. In addition, **we** focused on advice, so **we increased assets under management to almost 4 billion from 1 billion in 2015.**

Not to mention that we find ourselves with a **net worth** of Euro 1.247 billion, which **has grown by 60% since 2017.**

Numbers that tell of the **development of a healthy bank,** with a Cet1 ratio at 14.7% and a Total Capital Ratio at 16%, and with non-performing loans (NPLs) falling to 3.9% gross and 1.9% net - figures that express the **group's good positioning among its banking competitors at national level.**

2024 was also the year to construct and approve a **new strategic plan.** The efforts made allow us to have a very important ambition: to be a banking group that is recognised for **the high level of advice** it provides to its customers and for its **ability to offer state-of-the-art technological solutions.**

The new Plan is characterised by a holistic approach aimed at improving the Group's **efficiency**, **sustainability** and **competitiveness.** The Plan envisages **the further development of the multi-channel attitude**, to reach customers in a targeted manner through their preferred channels, and the continuous **enhancement of the offer**, to meet the needs of an ever-changing market.

This will make it possible to offer customers an increasingly integrated experience and a **growing personalisation of the business relationship**, thanks to the use of advanced tools that enable an increasingly timely response to customers' needs.

We strongly believe that the **digital** offering should be **complementary** to the physical presence on the ground represented by the **branches**. The two channels should not overlap but support each other by implementing the right synergies. Our recipe remains the combination of the importance of the work done in the branches and the innovation realised for new customer management solutions with modern remote connection formulas.

For several years now, we have identified the **branch** as something of importance, which **continues to be the prevailing environment for us to develop our business**. Suffice it to say that since 2018, in addition to new openings, we have **refurbished as many as 26 branches** to adapt them to the new business requirements. We are segmenting our offer in such a way as to make it as personalised as possible, and we tailor our spaces once we have identified the recipients of our offer, branch by branch.

On the subject of branches, two further milestones should be noted in the financial year 2024:

We have opened our **new flagship branch**, a unique offering for the entire Sparkasse Group in terms of services, located in the most iconic spot in the centre of the **capital of the Friuli-Venezia Giulia Region**, namely **Trieste**.

In addition, our bank opened its new branch in **Modena** in 2024, **the second in Emilia-Romagna**. After having successfully opened a branch in the centre of Bologna, Sparkasse doubled it in Emilia with Modena. The opening of the branch represents confirmation of a great interest in further development in this important territory.

The two branches, characterised by an innovative internal organisation with a strong specialisation on savings management and asset and personal protection, were **the first in an ambitious plan of new openings** involving the entire Sparkasse Group.

Last year, the number of branches in Italy fell below 20 thousand, while we are going **against the trend in the banking sector**. In fact, we place the branch at the centre of our relationship with the customer, and **we continue to hire new advisors to strengthen the network, as well as specialists to serve our customers**. In 2024, we hired **over 200** willing and motivated **young people**.

All this testifies to **Sparkasse's ability to anticipate the future**, to be "always one step ahead", a hallmark of our bank in order to emphasise competence, reliability and a versatile offer of innovative solutions and technological services. But artificial intelligence will never replace human contact.

We are convinced that our **growth path will also continue in 2025**, thanks to new technologies. AI will allow us to propose tailor-made products and we will also launch a digital offer for the under-35s with a model similar to challenger banks and fintechs. Our banking group's approach therefore aims at creating **an increasingly "tailor-made" offer,** in which **advise plays a central role**.

Building on the record result of 2024, Sparkasse now intends to **further realise the growth potential** expressed in the new business plan. We expect to continue to deliver results in line with the ambitious targets outlined in the Plan, **pursuing prudent, safe and sustainable growth**.

We are among the medium-sized banks in Italy that have managed to grow significantly in recent years. This allows us to combine **services comparable to those of large banks while** expressing that **closeness to the territory** typical of local banks. Direct knowledge of the territories and the undertakings operating therein, speed of response, construction of tailor-made products for customers: this is the business model that has enabled and will enable us to gain further market share. In other words: services like the Big banks, but close to the Territory - this is how one could define our Business Model. It means being one step ahead; proactivity; service excellence; **being not only close to the customer, but together, alongside, sometimes even in advance**.

Today we can say that **Sparkasse has taken on a new dimension** compared to the recent past. However, we have made this journey while always trying to keep our roots firmly in place. What I mean is that, even as we have grown, we have always maintained our logic and method of working, which is based on customer focus, on putting the customer's needs at the centre. As Chief Executive Officer and General Manager I have been at the helm of Sparkasse for ten years and from the very beginning I understood the importance of the **customer relationship.** Today it has become **one of our main strengths.**

Kind regards,

Nicola Calabrò
Chief Executive Officer and General Manager

Bolzano, 25 March 2025

Consolidated summary sheet

Consolidated summary sheet

SUMMARY SHEET

Consolidated balance sheet figures (in thousands of euro)	12/31/2024	12/31/2023	Absolut change +/-	% change
Total Assets	**15,522,889**	**17,191,829**	**(1,668,940)**	**-9.71%**
Financial investments	**13,635,066**	**14,983,406**	**(1,348,340)**	**-9.00%**
Financial assets measured at fair value through profit or loss	197,617	192,484	5,133	2.67%
Financial assets measured at fair value through other comprehensive income	194,194	316,410	(122,216)	-38.63%
Financial assets measured at amortised cost	13,243,255	14,474,512	(1,231,257)	-8.51%
- of which Loans to banks	435,839	300,861	134,978	44.86%
- debt securities	308,637	183,690	124,947	68.02%
- of which Loans to customers	12,807,416	14,173,651	(1,366,235)	-9.64%
- net loans	*9,627,646*	*9,669,341*	*(41,695)*	*-0.43%*
- debt securities	*3,179,770*	*4,504,310*	*(1,324,540)*	*-29.41%*
Property, plant and equipment	414,801	414,605	196	0.05%
Intangible assets	35,174	30,057	5,117	17.02%
Equity investments	10,266	10,167	99	
Direct funding	**12,394,556**	**12,202,021**	**192,535**	**1.58%**
Due to customers	11,704,091	11,773,212	(69,121)	-0.59%
Payables represented by securities	690,465	428,809	261,656	61.02%
Due to banks	1,394,574	3,309,407	(1,914,833)	-57.86%
Total funding	**13,789,130**	**15,511,428**	**(1,722,298)**	**-11.10%**
Direct funding [1]	12,394,556	12,202,021	192,535	1.58%
Indirect funding	6,887,326	6,200,438	686,888	11.08%
Total funding	**19,281,882**	**18,402,459**	**879,423**	**4.78%**
Shareholders' equity	**1,179,376**	**1,092,065**	**87,311**	**8.00%**

Consolidated income statement figures (in thousands of euro)	12/31/2024	12/31/2023	Var. ass. +/-	Var. %
Net interest income	296,049	301,500	(5,451)	-1.81%
Gross contribution margin [2]	429,486	431,465	(1,979)	-0.46%
Gross operating result [3]	182,181	163,650	18,531	11.32%
Net operating result [4]	159,361	114,365	44,996	39.34%
Gross profit (loss)	160,700	121,232	39,468	32.56%
Profit (loss) for the year	113,112	78,169	34,943	44.70%

Capital ratios (%)	12/31/2024	12/31/2023	var. +/-
CET 1 Capital Ratio	14.65	14.09	0.56
Tier 1 Capital Ratio	15.33	14.80	0.53
Total Capital Ratio	15.96	15.48	0.48

Liquidity ratios (%)	12/31/2024	12/31/2023	var. +/-
LCR (Liquidity Coverage Ratio)	197.09	221.16	-24.07
NSFR (Net Stable Funding Ratio)	124.21	127.47	-3.26
Leverage Ratio (ratio between Tier1 and Total assets)	6.94	5.93	1.01

Coverage of non-performing loans (%) [5]	12/31/2024	12/31/2023	var. +/-
Coverage of bad loans	68.39	68.78	-0.39
Coverage of unlikely to pay	45.00	47.14	-2.14
Total coverage of non-performing loans	49.22	50.90	-1.68
Gross NPL ratio	3.62	3.84	-0.22
Net NPL ratio	1.88	1.93	-0.05
Texas Ratio [6]	15.81	16.62	-0.81

Profitability and efficiency ratios (%)	12/31/2024	12/31/2023	var. +/-
ROE - Return on equity [7]	9.96	7.41	2.55
Gross contribution margin/brokered funds [8]	1.47	1.52	-0.05
Cost / income ratio [9]	60.33	59.03	1.30

1) direct funding, starting from 2019, includes lease payables recognised in accordance with IFRS 16
2) coincides with the net interest and other banking income (Item 120 of the consolidated income statement)
3) net interest and other banking income - operating costs (excluding allocation to provisions for risks and charges)
4) Profti (loss) from current operations after tax (Item 310 of the consolidated income statement)
5) determined on the basis from the net book value of the non-performing loans (fair value) of Banca di Cividale (in accordance with IFRS3)
6) ratio between net non-performing loans and tangible shareholders' equity
7) ratio between profit for the year and and closing shareholders' equity (average of the last two years)
8) total fundign and loans to customers
9) the value was determined without considering: i) the payment of contributions to the Crisis Resolution and Deposit Guarantee Funds, ii) the "badwill" resulting from the business combination with CiviBank.

Board of Directors' Report on Group operations

Board of Directors' Report on Group operations

1 Introduction

In compliance with the provisions of IFRS 10, in addition to the Parent Bank, the following companies are included in the scope of consolidation:

- Banca di Cividale S.p.A. - Benefit company (hereinafter also "CiviBank");
- Sparim S.p.A.
- Raetia SGR S.p.A. in liquidation;
- Sparkasse Haus S.r.l.;
- SPK OBG S.r.l.;
- the Dolomit Real Estate Fund in liquidation.

81.11%, 100%, 100%, 100%, 60% and 96.82% owned respectively;

- Sparkasse Energy S.r.l., a company wholly owned by the subsidiary Sparim S.p.A.;
- Fanes S.r.l. and Civitas S.r.l., a special purpose entity of the self-securitisations put in place by the two banks of the Group, included in the scope of line-by-line consolidation in compliance with the more extensive definition of "control" dictated by IFRS 10 from 1 January 2014.

With regard to the equity investment in Raetia SGR S.p.A. in liquidation, it should be noted that, although it falls within the scope of consolidation, following its placement in liquidation on 27 April 2012, the totals of the Assets and Liabilities as well as the income statement result are respectively classified under the items "Non-current assets and groups of assets held for sale", "Liabilities associated with assets held for sale" and "Profit (loss) from discontinued operations after tax" for their carrying amount after the elision and consolidation entries.

In addition, it should be noted that, with reference to the closed-end real estate fund Dolomit, managed by Castello Sgr S.p.A., on 13 February 2019 the shares were paid back to the subscribers (albeit partially and not definitively), following the final liquidation process of the Fund itself, which will be concluded shortly.

Also included in the scope of consolidation is the 25% investment in Autosystem società di servizi S.p.A. over which the Parent Bank exercises a significant influence, i.e. holds a stake of between 20% and 50%. This company is valued and consolidated using the equity method.

In the consolidated financial statements, in addition to the elimination of intra-group items, as well as of dividends collected, intra-group profits, not realised with third parties, were eliminated.

2 The macroeconomic scenario

2.1 The international economic context and changes in the banking system

The global economy continues to grow, albeit at a historically modest rate. The continuing weakness of the manufacturing sector, penalised by a still restrictive monetary policy in the major advanced economies and by persistently disappointing demand from China, is weighing heavily. The persistent geopolitical tensions (the war in Ukraine and the conflict in the Middle East between Israel and the terrorist group Hamas, which spread to southern Lebanon at the end of September) are also affecting the climate of confidence, particularly in Europe. Meanwhile, consumer price pressures started to fall again in the second half of the year, after several months of mostly flat trends. Between July and September (the latest period for which data are available), GDP rose by 0.7% compared to the previous period in the G20 economies, *i.e.*, in the most important industrialised and emerging countries, and by 0.4% in the OECD (Organisation for Economic Co-operation and Development) countries, *i.e.*, in the main advanced countries. This follows growth of 0.6% and 0.4% respectively in the second quarter of the year. The growth of the G20 economies has been fluctuating between 0.6% and 0.8% for six quarters now, while that of the OECD countries has been at 0.4% for five quarters in a row. Compared to the same period in 2023, on the other hand, GDP in the third quarter showed an increase of 2.8% in the G20 economies and 1.7% in OECD countries. Among the G20 countries, India was the best performer with 5.8% growth over the corresponding period of 2023, followed by Indonesia (+5.0%) and China (+4.6%). Germany, on the other hand, recorded a GDP contraction of 0.3%. As for the three main economic areas, according to preliminary estimates for the last three months of 2024 released at the end of January, GDP was flat compared to the previous period in the Eurozone (+0.4% in Q2), rose by 0.6% in the United States (+0.8%) and by 1.6% in China (from +1.3%). Over the whole of 2024, on the other hand, the Eurozone grew by 0.7% (from +0.4% in 2023), the United States by 2.8% (from +2.9%) and China by as much as 5.0% (from +5.2%), in line with the government's target.

In recent months, the most prominent international organisations such as the International Monetary Fund (IMF) and the OECD have essentially confirmed their world growth forecasts for 2025. According to the IMF, growth in the US is expected to slow only marginally this year (whereas a much sharper slowdown was indicated in October), thanks in part to a still robust labour market, while the Eurozone will see a smaller acceleration in economic momentum than previously indicated. Medium-term risks remain tilted to the downside for the baseline scenario, while the short-term outlook is characterised by diverging risks. In the near term, US growth could, in fact, exceed expectations once again, whereas in other countries, heightened political uncertainty may weigh more heavily. Any disruption of the disinflation process caused by policy choices would then risk disrupting the easing of monetary policy, with implications for fiscal sustainability and financial stability.

According to IMF projections in the January "World Economic Outlook Update", global growth is expected to be 3.3% in 2025 and 2026. The pace of expansion will therefore remain well below the 3.7% recorded on average over the 20-year period between 2000 and 2019. This is at least partly due to the structural slowdown in China's economic cycle. However, the impact of the still restrictive monetary policy also continues to be felt. The advanced economies are expected to expand by 1.9% this year and 1.8% next year, following the growth of +1.7% in 2024. Emerging countries, on the other hand, will grow by 4.2% this year, as well as in 2024, and by 4.3% in 2026. The growth gap between emerging countries and advanced economies will therefore decrease to 2.3% this year and widen again to 2.5% in 2026. As for the three main economic areas, the Eurozone is projected to grow by 1.0% in 2025 and 1.4% in 2026. Sentiment continues to be affected by geopolitical tensions, but an important drag is also coming from the difficult moment in the manufacturing sector. The US economy, on the other hand, will grow by 2.7% in 2025 and 2.1% in 2026. China's growth will be 4.6% in 2025, and then slow down further, to 4.5%, in 2026.

After an early part of the year of mostly flat trends, thanks to the gradually less negative contribution of the energy component (which even turned positive between May and October), consumer price pressures began to ease again globally from July onwards. In OECD countries, in fact, after fluctuating between 5.7% and 5.9% between January and June, inflation fell to 4.5% in September, the lowest since August 2021, but rose again in the final months of 2024, ending the year at 4.7%. On average, inflation stood at 5.2% in 2024, compared to 6.8% in 2023 and 9.5% in 2022—the highest annual average since 1988. The gradual disinflation process is therefore continuing, albeit with ups and downs, from the multi-year peak of 10.7% reached in October 2022. As for the Eurozone, inflation rose to 2.4% in December, after having reached its lowest level since April 2021 in September at 1.7%, and was below the European Central Bank's (ECB) target of 2% for the first time since June 2021. Still a concern, however, is services inflation, which has been fluctuating between 3.7% and 4.1% since November 2023, providing the largest contribution to inflation. By contrast, core inflation, *i.e.*, excluding the energy and food component, has stood at 2.7% since October, a level already reached last April and the lowest since February 2022. In the average of 2024, headline inflation slowed by three percentage points to 2.4% (it was 5.4% in 2023), core inflation instead by 2.2 percentage points to 2.8% (it was 5.0%). According to the latest projections of the European Central Bank (ECB) in December, headline inflation is expected to stand at 2.1% in 2025, fall to 1.9% in 2026 and rise to 2.1% in 2027, thus being broadly in line with the symmetrical target of 2% in the medium term. As for core inflation, the ECB's projections indicate a decline to 2.3% in 2025 and 1.9% in 2026, remaining at that level in 2027.

2.2 New legislation and regulations

The year 2024 was also marked by important interventions and regulatory updates that will be briefly described below.

<u>Deductibility of write-downs and loan losses in banks and insurance companies</u>

The 2025 Budget Law further amends the transitional regime of deductibility, for IRES and IRAP purposes, of write-downs and losses on loans in banks, financial companies and insurance companies, already subject to some interventions in recent years. The provision did not incur changes during the parliamentary approval process.

There are no changes, however, for trading, industrial and service enterprises other than banks and insurance companies.

In detail, the following are established:

- the deferral, in equal instalments, to the tax period in progress as at 31.12.2026 and the following three tax periods, of the deduction of the 11% portion of the amount of the negative components envisaged for the tax period in progress as at 31.12.2025;
- the deferral, in equal instalments, to the tax period in progress as at 31.12.2027 and the two following tax periods, of the deduction of the 4.7% portion of the amount of the negative components envisaged for the tax period in progress as at 31.12.2026.

<u>Deductibility of amortisation of goodwill and other intangible assets that resulted in the recognition of deferred tax assets</u>

The Budget Law once again modifies the deductibility regime of past amortisation relating to the value of goodwill and other intangible assets that gave rise to the recognition of deferred tax assets (DTA) to which the rules on their conversion into tax credits set forth in Article 2, paragraphs 55, 56-bis, 56-bis.1 and 56-ter of Decree-Law No. 225 of 29.12.2010 (converted by Law No. 10 of 26.2.2011) (so-called "qualified" DTAs).

Article 1, paragraph 1079 of Law No. 145/2018 has provided, for such amortisation allowances, not yet deducted by the tax period in progress as at 31.12.2017, a staggered deductibility (for IRES and IRAP purposes) over time and at different percentages than the general rules would provide. Article 1 paragraph 714 of Law No. 160/2019 subsequently amended this transitional regime.

The combined effect of these provisions allowed for the deductibility of such instalments as follows:

- 3% in the tax period ending 31.12.2020;
- 10% of their total amount in the tax period ending 31.12.2021;
- 12% of their total amount in the tax period from 31.12.2022 until the tax period from 31.12.2024;
- 13% of their total amount in the tax period from 31.12.2025 until the tax period from 31.12.2027;
- 6% of their total amount in the tax periods ending 31.12.2028 and 31.12.2029.

The amortisation instalments as determined prior to the entry into force of Law no. 145/2018 (1.1.2019) remain applicable if they are lower than the revised amounts under the current provision; in that case, the difference between the prior and the newly determined instalments is deductible in the tax period in progress as at 31.12.2029.

The 2025 Budget Law defers the deduction of the 13% portion provided for the tax periods ending 31.12.2025 and 31.12.2026, in equal instalments, respectively, to the tax period ending 31.12.2026 and the following three tax periods, and to the tax period ending 31.12.2027 and the following two tax periods.

Deductibility of income components from expected credit losses under IFRS 9

For the purposes of IRES and IRAP, the income components arising solely from the adoption of the IFRS 9 (§ 5.5) model for recognising the provision for expected credit losses, which arise upon first-time application of the same standard, are deductible as follows:

- 10% of their amount, in the tax period of first-time adoption of IFRS 9 (2018 for calendar-year taxpayers);
- the remaining 90% in equal instalments over the following nine tax periods (*i.e.*, 2019 to 2027 for calendar-year taxpayers).

The Budget Law 2025 defers the deduction of the 10% quota for the tax period in progress on 31.12.2025 and for the following tax period (2025 and 2026, for calendar-year taxpayers), in equal instalments, as follows:

- the current tax period as at 31.12.2026 and the following three (from 2026 to 2029, for calendar-year taxpayers);
- the current tax period to 31.12.2027 and the following two (from 2027 to 2029, for calendar-year taxpayers).

Amendments to the criteria for deducting business losses and ACE surpluses

The Budget Law introduces a temporary limitation on the use of tax losses pursuant to Article 84 of the Italian Consolidated Law on Income Tax (TUIR) and ACE surpluses pursuant to Article 5 of Legislative Decree No. 216/2023, which concerns only the taxpayers affected by the provisions of Article 1, paragraphs 14-17 of Law No. 207/2024; the same are deducted from the income of the tax period in progress as at 31.12.2025 limited to the greater taxable income of the same tax period, determined as a result of the deferral provisions of paragraphs 14-17 above, to an extent not exceeding 54% of the same greater taxable income.

The provision also applies for the purpose of determining the income of entities participating in national and worldwide tax consolidation regimes.

Recalculation of advance payments

The Budget Law provides for the recalculation of tax advances relating to the tax periods in progress as at 31.12.2025 and the four subsequent years (*i.e.*, from 2025 to 2029 for calendar-year taxpayers), in order to reflect the changes introduced regarding the deductibility of:

- the portions of loan write-downs and losses of banks and insurance companies;
- the amortisation instalments relating to the value of goodwill and other intangible assets that gave rise to the recognition of DTAs;
- income components arising solely from the adoption of the IFRS 9 model for recognising the provision for expected credit losses (§ 5.5);
- business losses and ACE surpluses.

On the amount corresponding to the portion of the higher advance tax payments due as a result of the recalculation obligations under review, for the tax periods in progress on 31.12.2025 and 31.12.2026 (2025 and 2026, for calendar year taxpayers), it is not permitted to use, at the time of payment:

- neither the "horizontal" offsetting in the F24 form (pursuant to Article 17 of Legislative Decree No. 241/97);
- nor the "vertical" or "internal" one, *i.e.*, intervening within the same tax (*e.g.*, IRES balance credit offset against IRES advance for the following year), pursuant to Article 4, paragraph 3 of Decree-Law No. 69/89.

Stabilisation of the recalculation of the tax cost of land and equity investments

The Budget Law made permanent the regime that provides for the redetermination of the tax cost of equity investments (listed and unlisted) pursuant to Article 5 of Law No. 448/2001 and land (agricultural and building) pursuant to Article 7 of Law No. 448/2001.

Through the payment of the substitute tax, therefore, natural persons, non-commercial general partnership and non-residents persons without a permanent establishment in Italy will be allowed to revalue the purchase cost or value of the investments and land held as at 1 January of each year outside the scope of the company, releasing all or part of the capital gains achieved, pursuant to Article 67 paragraph 1 letter a) - c-bis) of the Italian Consolidated Law on Income Tax (TUIR), when the equity investments or land are sold for consideration.

From the year 2025, the recalculation of the tax cost of equity investments (listed and unlisted) and land provides for the application of the substitute tax at a single rate of 18% (the 2025 Budget Bill originally provided for a rate of 16%).

Additionally, a new paragraph 7-bis is introduced into Article 5 of Law No. 448/2001, according to which the revaluation rules do not apply to the determination, pursuant to Article 68, paragraph 2-bis of the Italian Consolidated Law on Income Tax (TUIR), of capital gains and losses realised by companies and commercial entities referred to in Article 73, paragraph 1 letter d) of the Italian Consolidated Law on Income Tax (TUIR), which do not have a permanent establishment in the territory of the State. Therefore, the preferential regime will not be compatible with the "participation exemption" for non-resident commercial companies and entities.

Obligation to use traceable payment methods for employee travel expenses

By amending Article 51, paragraph 5, of the Italian Consolidated Law on Income Tax (TUIR), the Budget Law introduces the obligation of payment by traceable means to ensure that employee travel expense reimbursements do not form part of employment income.

Specifically, by adding a final sentence to the aforementioned paragraph 5, it is provided that, if the relevant payments are made by traceable methods, reimbursements of expenses for travel or missions referred to in paragraph 5 are not included in the employee's income for:

- board;
- accommodation;
- travel and transport carried out by means of non-scheduled public services referred to in Article 1 of Law No. 21/92 (taxi or NCC).

Expenses must therefore be paid by:

- bank or postal payment;
- other payment systems provided for in Article 23 of Legislative Decree No. 241 of 9.7.97 (such as debit, credit and prepaid cards, bank and cashier's cheques).

A similar obligation to pay by traceable means is also provided for the purposes of the deductibility from business income and IRAP of board and lodging expenses, as well as analytical reimbursements of travel and transport costs, made by means of the aforementioned public transport services (taxis or NCCs), incurred for employee travel or reimbursed to self-employed persons.

Obligation to use traceable payment methods for undertaking entertainment expenses

The Budget Law also supplements Article 108, paragraph 2, of the Italian Consolidated Law on Income Tax (TUIR), in order to establish that entertainment expenses and those for gifts will also be deductible (for the purposes of business income and IRAP) only if incurred by bank or postal payment or by means of the aforementioned payment systems provided for by Article 23 of Legislative Decree No. 241/97 (debit, credit and prepaid cards, bank and cashier's cheques).

Therefore, all expenses that qualify as such under Ministerial Decree 19.11.2008 will be deductible:

- on the one hand, if payment will be made by such instruments;
- on the other hand, only if they fall within the quantitative limits already set by Article 108, paragraph 2 of the Italian Consolidated Law on Income Tax (TUIR).

Given their different nature, the amendment should not affect either advertising or sponsorship expenses, which should therefore continue to be deductible even if paid in cash.

Deductibility of stock option plan costs for IAS-adopters

The Budget Law introduced a new paragraph 6-bis into Article 95 of the Italian Consolidated Law on Income Tax (TUIR), specifying that the tax deduction of the expense recognised in connection with employee stock option plans shall occur at the time of the actual allocation of the financial instruments.

In essence, with respect to when the cost is recognised in the Income Statement, *i.e.*, at the date of the plan resolution, the rule defers the deduction of the cost until the options granted are exercised.

In this way, not only is the deduction of the cost made to coincide with the occurrence of the IRPEF taxable condition in the hands of the beneficiary, but also the right to deduct the charge is definitively compressed whenever the plan does not come to fruition as a result of market conditions that make it unprofitable for the beneficiaries.

The Explanatory Report to the Budget Bill 2025 specifies that this applies to plans started from the current financial year to 31.12.2025.

IRES bonus

The Budget Law introduces the "IRES bonus", *i.e.*, the reduction, for 2025 only, of the IRES rate from 24% to 20% on the corporate income declared by companies, under certain conditions.

In order to benefit from the reduced rate, it is necessary to:

- set aside at least 80% of the profits of the current financial year to 31.12.2024 to a special reserve.
- use an amount not less than 30% of the aforementioned earmarked profits, and, in any case, not less than 24% of the profits of the financial year in progress as at 31.12.2023, for investments relating to the purchase, including through leasing, of new capital goods intended for production facilities located in the territory of the State, indicated in Annexes A and B to Law No. 232 of 11.12.2016 (tangible and intangible assets 4.0) as well as in Article 38 of converted Decree-Law No. 19 of 2.3.2024 (assets subject to the 5.0 transition tax credit).
- Investments in any case must be no less than Euro 20,000.00.
- an increase, specifically:
    - ensure the number of work units per year did not decrease compared to the average of the previous three-year period (2022-2024);
    - new hires are made of employees with permanent employment contracts that constitute an increase in employment within the meaning of Article 4 of Legislative Decree No. 216/2023, in an amount equal to at least 1% of the number of employees with a permanent contract of employment averaged over the tax period ending 31.12.2024 and, in any event, not less than one employee with a permanent contract of employment.

It is also stipulated that the undertaking must not have made use of the redundancy fund in 2024 or 2025

<u>5.0 transition tax credit</u>

The Budget Law makes significant changes to the newly introduced regulation of the 5.0 transition tax credit pursuant to Article 38 of Decree-Law No. 19/2024.

The tax credit can be granted, as an alternative to undertakings, to ESCos certified by an accredited body for innovation projects carried out at the client's premises.

The size of the incentive is increased, with the extension of the rates initially envisaged for the first bracket up to Euro 10 million.

Essentially, with regard to the "basic" tax credit, the 35% rate, which was initially limited to the first bracket up to Euro 2.5 million, is also extended to the portion of investments from Euro 2.5 million up to Euro 10 million (for which the 15% rate was recognised), thus reducing the brackets from three to two.

The tax credit is thus equal to:

- 35%, for the share of investments up to Euro 10 million;
- 5%, for the share of investments from Euro 10 to 50 million.

With reference to photovoltaic systems:

- the cost base increases to 130% for photovoltaic modules with a module efficiency of at least 21.5%;
- the cost base is further increased, from 120% to 140%, for photovoltaic modules with a cell efficiency of at least 23.5%;
- the cost base is further increased, from 140% to 150%, for modules consisting of bifacial silicon heterojunction or tandem cells with a cell efficiency of at least 24%.

For operating leases, the energy savings achieved may be verified based on the energy consumption of the facility or production process of the lessor or, alternatively, the lessee.

In addition, two new paragraphs are introduced to Article 38 of Decree-Law No. 19/2024 (paragraphs 9-bis and 9-ter), which provide guidelines for calculating the reduction of consumption in certain cases (replacement investments and ESCos).

Super deduction for new hires

The Budget Law provided for the extension for 2025, 2026 and 2027 of the super deduction for new hires of permanent staff referred to in Article 4 of Legislative Decree No. No. 216 of 30.12.2023.

Specifically, it is provided that for the tax period following the one in progress on 31.12.2024 and for the two following ones (thus, for calendar taxpayers, 2025, 2026 and 2027), the provisions of Article 4 of Legislative Decree No. 216 of 30.12.2023 shall also apply, within the limits and under the conditions set forth therein, to the employment increases resulting at the end of each of the aforesaid tax periods with respect to the corresponding preceding tax period.

The incentive is to be calculated on a "rolling" basis, which allows the employment increase in each of the facilitated tax periods to be determined with respect to the corresponding previous tax period.

With reference to the determination of advance payments, it is also provided that:

- for the tax period following the one in progress on 31.12.2025 and for the two subsequent tax periods (*i.e.*, 2026, 2027 and 2028), the tax for the preceding period is taken to be that which would have been determined had Article 4 of Legislative Decree No. 216/2023 not been applied (for calculation using the historical method);
- for the tax period following the one in progress on 31.12.2024 and for the following two tax periods (*i.e.*, 2025, 2026 and 2027), the provisions under review are ignored (for the calculation using the forward-looking method).

VAT "decommercialisation" regime for associative entities

The Budget Law postpones for a further year the VAT "decommercialisation" regime provided for in Article 4, paragraphs 4, 5 and 6 of Presidential Decree No. 633/72 for transactions carried out by associations.

In fact, by amending Article 1, paragraph 683 of Law No. 234/2021, the effectiveness of the provisions set forth in Article 5, paragraph 15-quater of Decree-Law No. 146/2021 is postponed until 1.1.2026, which provide for the abolition of said VAT exclusion regime and introduce new hypotheses of tax exemption in favour of the entities.

In this way, the associations identified by the aforementioned Article 4, paragraph 4 of Presidential Decree No. 633/72 will still be able to benefit throughout 2025 from the VAT "decommercialisation" regime for transactions rendered for valuable consideration to shareholders and card-carrying members, it being understood that the same transactions must be rendered in accordance with the institutional purposes.

In accordance with the new decree, the postponement is provided for in anticipation of the rationalisation of the VAT rules for Third Sector entities, in implementation of Article 7 of Law No. 111/2023 (tax reform enabling act).

Fringe benefits - Increase in the non-taxable threshold for 2025, 2026 and 2027

The Budget Law provides for a temporary increase, for 2025, 2026 and 2027, of the non-taxable threshold for fringe benefits, as an exception to Article 51, paragraph 3, first part, of the Italian Consolidated Law on Income Tax (TUIR).
In particular, the size of this threshold is raised from Euro 258.23 to:

- Euro 1,000 for all employees;
- Euro 2,000 only for employees with tax dependent children pursuant to Article 12, paragraph 2 of the Italian Consolidated Law on Income Tax (TUIR).

If the limit is exceeded, the entire amount (not just the excess) becomes taxable.

Substitute tax reduction for employee productivity bonuses

The Budget Law also envisages for the three-year period 2025, 2026 and 2027 the reduction from 10% to 5% of the substitute tax on IRPEF and regional and municipal surtaxes on performance bonuses pursuant to Article 1, paragraph 182 of Law No. 208 of 28.12.2015.

IRPEF Reform

Budget Law 207/2024 enacts permanently the IRPEF reform measures provided for in Article 1 of Legislative Decree No. 216 of 30.12.2023 for the tax year 2024 concerning:

- the reduction of taxable income brackets and related IRPEF rates from four to three;
- the modification of tax deductions for employment income and certain assimilated income;
- the modification of the supplementary remuneration for holders of employment income and certain assimilated income.

The reduction from four to three of the income brackets and related IRPEF rates, already provided for the 2024 tax period by Article 1, paragraph 1 of Legislative Decree No. 216/2023, is confirmed as permanent.

From the 2025 tax year, the structure of the IRPEF brackets and rates will therefore remain as follows:

- up to Euro 28,000 - 23%;
- over Euro 28,000 euro and up to Euro 50,000 - 35%;
- over Euro 50,000 - 43%.

Summary of the main regulatory impacts of interest for the banking system

The main regulatory changes that are relevant here are outlined below.
45th update of 12 March 2024: Part Two, Chapter 6 "Securitisation Transactions": Sections I, II, III and V amended; new Section VI and Annex B have been inserted.

The amendments implement the new European securitisation rules introduced by Regulation (EU) No. 2402/2017 ("SECR"), which establishes a supervisory and sanctioning regime for securitisation transactions. Specifically, the Bank of Italy is designated as the competent authority to supervise compliance with the obligations introduced by the SECR in all transactions in which a bank acts as originator, original lender or sponsor. The amendments define the operational procedures for notifying securitisation transactions to the Bank of Italy and specify the modalities for the exercise of the Bank of Italy's supervisory powers in transactions involving non-supervised entities among the parties subject to the SECR obligations (so-called mixed transactions).

46th update of 30 April 2024: Part Three. Entirely inserted Chapter 13 "Bankers' Drafts".

The amendments were aimed at applying the same eligibility, valuation and risk control criteria to collateral given for the issuance of bankers' drafts as are applied to marketable collateral for Eurosystem credit operations through the Eurosystem Collateral Management System (ECMS). A concentration limit on eligible collateral is introduced, as well as variable haircuts, and the methods of managing the collateral have been updated to align with ECMS procedures.

47th update of 7 May 2024: Part One, Title II. Sections I and IV of Chapter 1 "Capital Reserves" have been amended

The update incorporates the EBA Guidelines of 20 December 2023 (EBA/GL/2023/10) amending the previous EBA Guidelines EBA/GL/2020/14 concerning the specification of systemically relevant indicators and related disclosures. To ensure consistency with international standards, the Guidelines align the information that banks must provide to the relevant or designated national authority for identification purposes with that required by the Basel Committee.

48th update of 18 June 2024: Part One, Title III, Chapter 1 "Prudential Control Process". Section III amended; Annexes C and
C-bis amended.

With this update, the Bank of Italy amended the rules on the interest rate risk of assets not belonging to the trading book (IRRBB). Specifically, the technical elements concerning the methodologies for measuring the interest rate risk of assets not belonging to the trading book (IRRBB), in terms of changes in economic value and net interest income, are modified and refined. This update completes the transposition into national law of the content of the EBA Guidelines on IRRBB and CSRBB (EBA/GL/2022/14)

49th update of 23 July 2024: Part One, Title II, Chapter 1 "Capital Reserves". Sections I, I-bis, VI amended; new Section V-bis inserted.

The amendment incorporates, for clarification purposes, the existing provisions with the legislative references introduced by Regulation (EU) 2019/876 ("CRR2"), which requires globally systemically important banks to maintain a financial leverage ratio buffer. It also incorporates the provisions of Directive (EU) 2019/878 ("CRD V") concerning capital distribution restrictions, similarly to those already in place for the combined capital buffer requirement, according to the calculation methods provided by the regulation. Finally, the obligation to prepare a conservation plan has been extended.

During 2024, there were no changes to Circular 262 "Banks" Financial Statements: Formats and Compilation Rules".

2.3 The national economic context

The Italian economy grew by 0.5% in 2024 (in calendar-adjusted and seasonally adjusted terms), after +0.7% in 2023, slowing down for the third year in a row. After increasing by 0.4% in the first three months of the year (compared to the previous period) and by 0.2% in the second quarter, economic activity stagnated in both the third and fourth quarters. At the end of 2024, GDP is therefore still 0.25% below its all-time high reached in the first quarter of 2008. The assumed change for 2025 (*i.e.*, the average growth that would occur if economic activity remained flat in each of the four quarters of the current year) is zero. According to the latest government projections contained in the Medium-Term Structural Budget Plan approved by the Council of Ministers on 27 September 2024, the Italian economy is expected to expand by 1.2% in 2025 and 1.1% in 2026. These estimates are, however, rather optimistic for 2025. Indeed, according to the IMF's last projections in late January, Italy will only grow by 0.7% this year, while the Bank of Italy's (December) and the European Commission's (November) forecasts indicate growth of 0.8% and 1.0% respectively. For 2026, the IMF forecasts an increase in GDP of 0.9%, the Bank of Italy 1.1% and the European Commission 1.2%.

Positive signals also came from the labour market in 2024. Indeed, the unemployment rate continued to fall for the fourth year in a row, reaching 5.9% in November, the lowest level since April 2007, before ending the year however at 6.2%. Compared to the end of 2023, the unemployment rate therefore decreased by nine tenths. The number of employees rose during the year by 274 thousand units to 24.065 million (+1.2%), setting a new all-time high. The increase in employment involved men (+138 thousand), women (+136 thousand) and those aged 35 and over. The increase in employment, however, concerned only the number of permanent employees, which grew by a good 687 thousand (+4.4%), while that of temporary employees fell by 402 thousand (-13.6%) and that of the self-employed by 11 thousand (-0.2%). The number of jobseekers, on the other hand, decreased by 213 thousand to 1.593 million (-11.8%), reaching its lowest level since August 2007 in November, at 1.506 million, while the number of inactive persons aged 15-64 increased last year for the first time since 2020, by 167 thousand to 12.469 million (+1.4%).

In 2024, consumer prices rose on average by only 1.0%, after having risen again by 5.7% in 2023, but showing a sharp slowdown from the 8.1% in 2022. This is the smallest increase since 2020, when inflation was negative at -0.2%. The marked easing of inflationary pressures in 2024 is mainly due to the significant decline in energy prices (-10.1% compared to +1.2% in 2023), but there was also a notable downturn in food prices (+2.2% compared to +9.8%). Excluding the food and energy component, consumer prices grew by 2.0% (+5.1% in 2023). The carry-over inflation for 2025 (*i.e.*, the average growth that would occur in the year if prices remained stable throughout the year), stands at +0.3%.

2.4 The economic context in Northern Italy and Alto Adige

The economic context is outlined below, starting with the Bank's territory of origin and first reference market, namely the Alto Adige region, continuing with the other most important territories in which the Bank is present with its branches, namely Trentino and Veneto, and concluding with the Friuli-Venezia Giulia region, the main market of the subsidiary CiviBank.

Alto Adige

The South Tyrolean economy in 2024 is characterised by a moderate growth in turnover, primarily driven by larger undertakings. The economic cycle was partly affected by the broader European slowdown; nonetheless, undertakings generally maintained positive assessments regarding profitability. From the most recent IRE (Economic Research Institute of the Chamber of Commerce of Bolzano) report, it emerges that the gross domestic product (GDP), according to IRE estimates in 2024 recorded a growth of 0.8%, the same increase as in the previous year.

Regarding foreign trade, goods were exported from Alto Adige for a total value of almost Euro 1.9 billion (+4.3% compared to the same period in 2023). Analysing the data by Country, there was a particularly significant increase in exports to the United States (+42.2%) and the United Kingdome (+35.9%). Growth also involved exports to Germany (+7.1%), Alto Adige's main trading partner. The most notable declines were in exports to the Netherlands (-38.0%) and China (-15.9%).

As far as the tourism sector is concerned, in the first eleven months of 2024 (latest available data), there were more than 34.3 million tourist presences in Alto Adige, an increase of 2.2% compared to the same period of the previous year.

The number of employees in Alto Adige averaged around 266,000, while 2,200 people were looking for work. Compared to the same period last year, the number of jobseekers fell by 49.5%. Over the same period, the unemployment rate halved from 1.6% to 0.8%.

Trentino

With regard to the economic situation in the Trentino region, the economic survey, carried out by the Trento Chamber of Commerce, shows a 2.3% growth in undertakings turnover compared to the corresponding quarter of 2023.

As far as foreign trade is concerned, the value of Trentino exports grew by 1.3% compared to the same quarter of the previous year. Germany was the top destination, accounting for 15.3% of Trentino's total exports. In the ranking of reference markets, it was followed by the United States (12.9%), the United Kingdom (9.3%), and France (8.6%). Compared with the same period in 2023, exports to the United States (+22.1%) and the United Kingdom (+19.0%) showed strong growth, while exports to China declined significantly (-30.9%).

With reference to tourism in Trentino, the winter season, which ended at the end of April 2024, closed on a highly positive note. The numbers surpassed those of the previous strong winter season, making it the best result of the last decade:

overall arrivals increased by 2.7%, and overnight stays rose by 4.3%. Foreign tourists stood out, with an 8% increase in overnight stays. The number of tourists from Poland saw considerable growth (+19.5%); the increase in tourists from the Czech Republic was also above average (+13.8%). The summer season of 2024 (June to September) also ended positively compared with summer 2023: arrivals increased by 1.5%, and overnight stays by 1%. The figures for summer 2024 were close to the excellent levels recorded in 2022: compared with two years earlier, the significant rise in foreign tourists (+5.6%) nearly offset the drop in Italian visitors (-4.3%). According to the Trentino Statistics Institute (ISPAT), the total number of overnight stays during the summer exceeded 10 million.

On the employment front, in 2024 the Trentino labour market will continue its positive trend, with an increase in the number of employed persons and the labour force combined with a decrease in the number of jobseekers. The unemployment rate stood at 2.3%, down 0.6 percentage points year-on-year, as indicated by the ISPAT data.

Veneto

In the Veneto region, in 2024, GDP growth is expected to be 1.1% (0.9% in 2023), as shown in the latest Veneto Region socio-economic Bulletin. In detail, Veneto's exports, on the other hand, decreased by 5.1%, compared to the same period in 2023. This downturn reflects negative trends across nearly all sectors, with the exception of foreign sales in the jewellery sector (+16.3% compared to the same quarter of 2023), agri-food products (+1.7%), and optical and medical equipment (+1.9%).
In terms of destination markets, there was a marked drop in foreign turnover across most key markets: Germany (-11.3%), France (-3.7%), and the United States (-6.6%). Notable exceptions were increases in exports to Belgium, Turkey, and the United Arab Emirates.

As far as the tourism sector is concerned, the year 2024 closed with excellent results: in the first eleven months of 2024, the destination Veneto saw an increase in arrivals (+2%) and presences (+2.1%), compared to the same period in 2023. While the number of Italian tourists declined from the previous year, this was more than offset by a sharp increase in foreign visitors.

As far as the labour market is concerned, after the strong increases in previous periods, there was a decrease in the number of employed persons of about 1%, as shown in the latest Veneto Region Socioeconomic Bulletin.

Friuli-Venezia Giulia

During 2024, the slowdown in economic growth in Friuli-Venezia Giulia continued. The positive trend in services and construction was offset by a decline in manufacturing output, according to regional economic data compiled by the Bank of Italy.

In the service sector, economic activity continued to expand at a modest pace, particularly supported by tourism-related services, which benefited from further growth in foreign visitor numbers.

In 2024, regional exports increased by 3.7% compared to the same period of the previous year, largely due to the positive contribution of the transport equipment sector, whose performance is strongly influenced by the delivery of high unit value ships. Excluding this sector, however, foreign sales decreased by 10.9%. The drop in volumes affected all production sectors with the sole exception of foodstuffs. Geographically, the foreign sales trend was negative towards EU countries (-6.9%) and, in particular, towards Germany (-12.6%). Conversely, exports to non-EU markets (including the United States and the United Kingdom) rose by 18.6%.

On average, employment in the region grew at a similar rate to the rest of the Country; the increase was particularly driven by self-employed workers. The increase in the number of employed persons was associated with a decrease in the number of jobseekers, with a further decline in the unemployment rate.

2.5 The financial context

Interest rates and bond markets

In 2024, the central banks of the major advanced countries, with the exception of Japan, started to cut rates, after having raised the cost of money in 2023 to multi-decade (United States) or historical (Eurozone) highs. In the United States, after 14 months of stability, the Federal Open Market Committee (FOMC), the monetary policy committee of the Federal Reserve (Fed), lowered the fed funds rate by 50 basis points (1 basis point = 0.01%) in September, bringing it within a range between 4.75% and 5.0%. This marked the first reduction in the cost of money since March 2020, which was followed on 7 November and 18 December by two further cuts, each of 25 basis points, to 4.25-4.5%. Between 2022 and 2023, on the other hand, rates were raised by as much as 525 basis points, the most aggressive tightening of monetary policy since as far back as 1980, when the cost of money was raised by as much as 10.5 percentage points in just four months. The so-called "dot-plot-chart" of December, which summarises the estimates of the rate curve by the individual FOMC members, projects a further rate cut of 50 basis points in 2025. However, the dispersion of the forecasts for 2025 remains very wide at 125 basis points. In fact, the highest estimate predicts a rate at the end of 2025 still between 4.0% and 4.25%, while the lowest estimate is between 2.75% and 3.0%. As for quantitative tightening (QT), from June, the monthly cap on US Treasuries allowed to mature without reinvestment was lowered from USD 25 billion per month from the previous USD 60 billion, while the cap for mortgage-backed securities remained unchanged at USD 35 billion per month. In the United Kingdom, on the other hand, the Bank of England (BoE) lowered the cost of money in August and November, overall by 50 basis points, bringing its reference rate, the "bank rate", to 4.75%, after raising rates by 515 basis points in previous years. The Swiss National Bank (SNB) was particularly aggressive, cutting its policy rate four times by a total of 125 basis points, from 1.75% to 0.50%. Finally, the Bank of Japan (BoJ) bucked the trend, raising the cost of money twice, in March and July, by a total of 25 basis points, bringing its reference rate to 0.25%. This was the first increase since way back in 2007. At the same time, the yield curve control (YCC) policy was also abandoned.

In the Eurozone, the European Central Bank (ECB) cut interest rates four times during 2024: in June, September, November, and December, by a total of 100 basis points, bringing the deposit rate to 3.0%, the lowest since May 2023, after raising rates by 450 basis points between 2022 and 2023. In view of the continuing excess of reserves in the banking system, the deposit rate continues to be more important to the financial markets than the main refinancing operations rate (the "refi rate"), which stood at 3.15% at the end of 2024. As far as unconventional monetary policy instruments are concerned, the countervalue of the APP (Asset Purchase Programme) portfolio continues to decrease, as the principal repaid on maturing securities is no longer reinvested. Since July, however, the countervalue of the Pandemic Emergency Purchase Programme (PEPP) portfolio, which was created in 2020 to counter the risks to the orderly transmission of monetary policy arising from a sharp widening of spreads on government bonds, also began to decline by an average of Euro 7.5 billion per month. The reinvestment of maturing securities in the PEPP portfolio then ceased at the end of December.

The gradual easing of monetary policy by the ECB was also reflected in interbank rates. In fact, the 3-month interbank rate fell significantly during 2024, ending the year at 2.71%, at its lowest level since March 2023 and down a good 120 basis points since the beginning of the year. On the other hand, expectations of short-term interest rate developments increased during 2024 for the short time horizons, *i.e.*, until September 2025, reflecting an easing of the excessive expectations of a reduction in the cost of money at the beginning of the year, but declined slightly for longer maturities. The forward curve of the 3-month interbank rate, derived from futures contracts, thus became even more inverted for maturities up to the end of 2025, while maintaining a slightly upward slope for the subsequent period. Based on end-of-2024 prices, the 3-month interbank rate is expected to hit a low in this monetary easing cycle at around 1.9% at the end of 2025, before rising slightly in the following years and returning to around 2.4% by 2030.

Yields on Eurozone government bonds rose in the first five months of the year, albeit between highs and lows, also being affected by the ECB's excessive expectations of rate cuts, both in terms of their timing and their magnitude. The actual start of monetary policy easing in June, however, contributed to a strong decline in yields during the third quarter, before renewed volatility returned in the final months of the year. The yield on the Bund, the 10-year German government bond, ended 2024 up 34 basis points at 2.37%, after having fluctuated during the year between 1.97% and 2.71%, levels reached in January and May respectively. In contrast, the yield on the Schatz fell. The German 2-year bond, which most closely follows monetary policy developments, fell briefly to 1.89% in early December, its lowest level since November 2022, before closing the year at 2.08%, still down 32 basis points since the start of the year. The yield curve is no longer inverted, with the 10-year yield once again exceeding the 2-year by 29 basis points.

Finally, as regards the yield on 10-year Italian government bonds (BTPs), this moved in the first half of the year mostly sideways between 3.5% and 4.0% (unlike the Bund yield), but then resumed its downward trend in the second half, albeit between highs and lows, and reached a 28-month intraday low of 3.16% at the beginning of December, before closing the year down 18 basis points at 3.52%. Decidedly more pronounced, however, was the yield decline on the short end of the curve. In fact, the 2-year BTP yield fell by 57 basis points to 2.42%, hitting a low of 2.27% in early December – the lowest since September 2022. The yield spread of the ten-year BTP over the Bund, after fluctuating between March and September mostly between 125 and 160 basis points, fell briefly below 110 basis points in December, a level not touched since October 2021, and then closed the year at 115 basis points, down 52 basis points since the beginning of the year. The sharp but temporary widening of the spread in June, close to 160 basis points, reflected an increase in political uncertainty in the wake of the outcome of the European Parliament elections and French President Emmanuel Macron's surprising decision to call early elections for 30 June and 7 July, fuelling fears of a victory for the extreme right. However, the defeat of Marine Le Pen's Rassemblement National (RN) in the second round of the elections then calmed the climate in the markets, leading to a rapid narrowing of the spread, also favoured by the better resilience of the Italian economy compared to the German one. Expectations of further rate cuts in fact make Italian government bonds particularly attractive to foreign investors (as evidenced by the influx of money), still offering the highest yields among all Eurozone countries (higher even than Greece), both on the short as well as the long end of the curve. Additionally, Fitch and DBRS Morningstar upgraded Italy's credit outlook to "positive" in October and November, while other major agencies affirmed their ratings.

Falling yields, especially at shorter and intermediate maturities (and the resulting rise in bond prices), contributed to a positive return of 5.3% for Italian government bonds as measured by index performance. In contrast, returns on Eurozone sovereign bonds were more modest (+1.9%), penalised by rising yields on the intermediate and long ends of the curve. As for the corporate bond market, Euro-denominated investment grade corporate bonds (corporate bonds) gained 4.7%, while non-investment grade corporate bonds (high-yield bonds), also denominated in Euro, gained as much as 8.2% despite the further, but modest, increase in default rates from the multi-year lows reached in 2022. The yield of corporate bonds fell in 2024 by 36 basis points to 3.16% and that of high yield bonds even by 114 basis points to 5.37%, after having reached a low in December since August 2022 at 2.97% and since April 2022 at 5.40% respectively. The spread on corporate bonds versus government bonds narrowed significantly in the first five months of the year, before fluctuating between approximately 105 and 130 basis points through mid-October, then tightening further to 98 basis points in November and December, the lowest sinceJanuary 2022, and ending the year at 102 basis points, down 36 points since the beginning of the year. By contrast, the high-yield spread closed the year down 76 basis points at 308 basis points, after hitting 298 basis points in December, a low from October 2021. Both the corporate bond spread and, to a greater extent, the high-yield bond spread are now below the average value of the last 10 years, which stand at around 120 and 390 basis points, respectively.

Stock markets

In 2024, the positive trend of the main international stock indices continued, although from April onwards it was accompanied by increased volatility. Over the course of the year, many indices reached new all-time or multi-year highs. Share prices were supported by a variety of factors, primarily the anticipated and eventual shift in interest rate policy in major advanced economies (although in the first half of the year, markets were forced to postpone it from month to month) thanks to the resumption of the disinflationary process, the surprising resilience of the US economy and the return to growth in the Eurozone, but also playing a significant role was the continuing euphoria over the artificial intelligence (AI) theme, from which Wall Street benefited most of all. Quarterly earnings reports and forward guidance from leading US and European companies provided further support for valuations. In fact, earnings consistently exceeded expectations in each quarter. In September, the Chinese authorities finally unveiled a massive monetary and fiscal stimulus package in order to meet the 5% growth target. However, the details for their implementation are still lacking. Volatility spiked sharply in early August, reflecting growing fears of an imminent US recession following the release of disappointing labour market data. This triggered the so-called "Sahm Rule", which, in the world's leading economy, has historically indicated a recession when the three-month moving average of the unemployment rate rises by five-tenths of a percentage point above its 12-month low. However, fears about the health of the US economy were then promptly allayed by the publication of some more reassuring macro data, including on the labour market, and the victory of Republican candidate Donald Trump in the US presidential election in early November, whose agenda, at least in the short term, should support growth. The further escalation of the conflict in the Middle East (spreading to southern Lebanon and an Iranian missile attack on Israel, followed by an Israeli response) also temporarily increased volatility, although this did not have a lasting impact on global markets.

Global equities rose by 19.3% in local currency terms in 2024, and by a notable 25.1% in Euro terms, thanks to the concurrent weakening of the single currency. Even better was the performance of US equities. These recorded a 23.3% gain (+31.8% in Euro), largely driven by the exceptional performance of the so-called "Magnificent 7"—Apple, Nvidia, Microsoft, Amazon, Alphabet (Google's parent company), Meta Platforms (formerly Facebook), and Tesla. In fact, their prices rose by as much as 66.9%. European stocks also posted positive returns, albeit significantly lower than Wall Street's, with a gain of just 6.0%. However, both Italian and German shares fared much better, rising 12.6% and 18.8% respectively. Also in the limelight was the Tokyo Stock Exchange, which finally managed to surpass the previous all-time high reached back in 1989, showing a rise of 19.2% in local currency (+13.7% in Euro). Prices were supported in the first half of the year by the sharp weakening of the yen (which temporarily receded between July and September), which improved the competitiveness of Japanese exporters. Finally, after three years of underperformance, emerging market equities advanced by 10.5% in local currency (+12.3% in Euro). This was driven in part by a strong rebound in offshore Chinese equities (+15.7%), those listed abroad, primarily in Hong Kong and New York, following three consecutive years of losses, the longest such streak since 2002. After three consecutive years of decline, however, the 300 largest companies listed on the Shanghai or Shenzhen stock exchanges are also up (+14.7%).

Forex

The Euro appreciated against the major currencies until August, albeit with abrupt changes in direction, primarily reflecting shifting expectations around monetary policy. In fact, the nominal effective exchange rate of the Euro, which measures its performance against the currencies of the Eurozone's 18 main trading partners, reached a 12-month high in August before sharply declining, ending the year down 1.8% after two consecutive years of gains. During 2024, the single currency was also affected by the climate of greater or lesser risk appetite in the markets. During periods of reduced risk appetite, the US dollar and Swiss franc were particularly favoured, and less so than in the past, the Japanese yen. The Euro weakened over the past year especially against the dollar (-6.2% to USD 1.0353), but briefly exceeded USD 1.12 in September, the highest since July 2023. The greenback was supported in the first four months of the year, as well as in the last few months, by a significant reduction in rate cut expectations in the United States following the release of strong macroeconomic data confirming the surprising resilience of the world's leading economy, while fears of an immediate recession had led to its temporary weakening in the third quarter. Donald Trump's victory in the presidential election in November then led to a further sharp strengthening of the greenback, which reached a one-year high on expectations of a more cautious Federal Reserve on the monetary policy easing front, as Trump's campaign pledges, including tax cuts, new tariffs, deregulation, and remigration, are generally viewed as inflationary. However, the single currency also lost ground against the Pound sterling (-4.5% to GBP 0.8275), with the exchange rate briefly falling to GBP 0.8220 in December, its lowest level since March 2022. The British pound was mainly supported by the Bank of England's more cautious monetary policy approach, having cut interest rates only twice during the year, in August and November, by a total of 50 basis points. At the same time, the Euro appreciated significantly against several emerging currencies such as the Brazilian real (+19.4%), the Mexican peso (+15.0%), the Turkish lira (+12.6%) and the Russian rouble (+12.5%), but also against the Norwegian krone (+5.0%). On the other hand, its appreciation against the Japanese yen was more modest (+4.5% to 162.78 yen), although in July it reached an all-time high above 175 yen. The Japanese currency suffered in the first half of the year mainly from the still ultra-accommodative monetary policy in Japan. However, the partial closure of carry trades, where investors borrow in low-yielding currencies like the yen to invest in higher-yielding assets such as emerging market currencies or the "Magnificent 7", amid temporary concerns over the US economy and fears of further rate hikes by the Bank of Japan led to a sharp appreciation of the yen in July and early August, with the exchange rate falling back to around 155 yen. With regard to the exchange rate against the Swiss franc (+1.2% to CHF 0.9401), the Euro appreciated until May, briefly rising above CHF 0.99, the highest level since April 2023, but then weakened significantly in the following two months and reached a low since January 2015, close to CHF 0.92, in August and again in November. The Swiss franc benefited in the second half of the year from the escalation of tensions in the Middle East, but also from the uncertainty surrounding the US presidential and congressional elections, while the single currency was weighed down by deteriorating growth prospects in the Eurozone.

2.6 The credit system

Dynamics of bank lending[1]

Based on initial estimates by the ABI Economic Analysis Office, total loans to residents in Italy (private sector plus general government net of repurchase agreements with central counterparties) stood at Euro 1,644.2 billion as at December 2024, with an annual change of -1.6%, calculated including loans not recognised in bank balance sheets as securitised and net of changes in outstanding amounts not related to transactions (*e.g.*, changes due to exchange rate fluctuations, value adjustments or reclassifications).

Loans to Italian residents in the private sector amounted to Euro 1,411 billion in the same month, down 0.9% from a year earlier.

Loans to households and non-financial corporations stood at Euro 1,270 billion, with an annual change of -1.0%, again including securitised loans and excluding non-transactional changes (*e.g.*, changes due to exchange rate fluctuations, value adjustments or reclassifications).

The decline in credit volumes is consistent with the slowdown in economic growth, which tends to dampen loan demand.

Interest rates on loans

According to the most recent available data, interest rates on overall lending and on new loans for house purchases have declined. The ABI surveys show that in December 2024, the interest rate on new Euro-denominated mortgage loans to households for house purchases - an aggregate figure combining fixed and variable rates and influenced by changes in the composition of mortgage types - was 3.10%, down from the 2023 average of 4.42%. Of all new mortgage loan disbursements, 95.1% were fixed-rate mortgage loans (95.3% the previous month).

The average rate on new Euro-denominated loans to non-financial corporations is 4.53%, to be compared with the average figure for 2023 of 5.69%. The weighted average rate on total loans to households and non-financial corporations fell to 4.45%.

1 *Source ABI Monthly Outlook - January 2025*

Credit quality

In December 2024, net non-performing loans (*i.e.*, the collection of bad loans, unlikely-to-pay exposures, and past-due or overdrawn exposures, net of impairments and provisions already made by banks) declined to Euro 30.4 billion (from Euro 30.5 billion in December 2023). Compared to their peak level of Euro 196.3 billion reached in 2015, they are now down by around Euro 166 billion. In December 2024, net non-performing loans represented 1.47% of total loans (1.41% in December 2023).

Dynamics of customer funding

As of December 2024[2] customer funding of the total banks operating in Italy - represented by deposits from resident customers (current account deposits, fixed-term deposits net of those linked to credit transfer operations, redeemable-at-notice deposits, and repurchase agreements net of operations with central counterparties) and bonds (net of those repurchased by banks) - totalled Euro 2,089.3 billion, marking a 2.4% increase from a year earlier. In detail, deposits from resident customers (current account deposits, fixed-term deposits net of those linked to credit transfer operations, redeemable-at-notice deposits, and repurchase agreements net of operations with central counterparties) in the same month amounted to Euro 1,825.3 billion and increased by 1.7% year-on-year.

Medium- and long-term funding, through bonds, increased by 6.8% compared to December 2023. The bond amount was Euro 264 billion.

Interest rates on funding

Based on preliminary estimates from the ABI Economic Analysis Office, the average interest rate on bank funding from customers (covering returns on deposits, bonds, and repurchase agreements in Euro for households and non-financial corporations) stood at 1.14% in December 2024. Specifically, the rate on Euro-denominated deposits for households and non-financial corporations was 0.91%, and for bonds, it was 2.84%. The rate on current account deposits alone was 0.47% (down from 0.53% at the end of 2023), bearing in mind that current accounts offer various services and are not intended as investment products. With reference to new transactions, ABI estimates show that the average rate of bank funding from customers (which includes the yield on current account deposits, deposits with agreed maturity, deposits redeemable at notice, bonds and repurchase agreements in Euro applied to households and non-financial corporate sector) stood at 2.61% in December 2024. In particular, the rate on fixed-term euro deposits for households and non-financial corporations was estimated at 3.04%. The bond rate in December was 2.41%.

Margin between lending rate and funding rate

The latest available data on interest rates in the Euro area show that the rate on new bank loans of up to Euro 1 million granted to non-financial companies was 4.55% in December 2024 (5.44% in December 2023), which compares with 4.95% in Italy (5.71% in December 2023). The rates applied on new loan transactions exceeding Euro 1 million disbursed to non-financial companies in December were 4.13% on average in the Euro area (5.08% in December 2023), while in Italy it was 4.12% (5.28% in December 2023). In the same month, the interest rate on overdrawn current accounts and revolving loans to households stood at 7.91% in the Euro area (8.04% in December 2023) and at 5.54% in Italy (6.30% in December 2023).

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[2] *Source ABI Monthly Outlook - January 2025*

3 The Group's position

It should be noted that in 2022, the Cassa di Risparmio di Bolzano Group successfully completed the business combination that saw the entry of Banca di Cividale S.p.A. into the group following the success of the takeover bid launched, concerning all of the bank's ordinary shares and all of the warrants issued by the latter.

The integration process proceeded in 2023, with the centralisation of the main corporate functions, and with the migration, in July of the same year, of the subsidiary CiviBank to the IT system of the outsourcer Cedacri. The year 2024 was the year of final consolidation, with the subsidiary bank adopting the business model in use at the Parent Bank.

From the contextual perspective in which the group operates, the Italian banking system showed significant resilience in 2024, successfully tackling global economic and financial challenges.

The 2024 financial year was marked by multiple interventions by the European Central Bank, which cut interest rates four times during the year (by 25 basis points each time) in June, September, October, and December. The goal remains to bring inflation within the Eurozone back to around 2%, within a macroeconomic context where it is crucial to revive consumption and investment by households and businesses across Europe.

Despite these interest rate reductions during 2024, the major domestic banks ended 2024 with solid profits and promises of record returns for shareholders.

The Sparkasse Group also closed 2024 with a very positive result, in line with expectations and exceeding the budget forecast, thanks to the effective work of all departments of the Parent Bank and the other group companies, and the strong commercial performance achieved.

The excellent result achieved is reflected in the consolidated net profit achieved by the Parent Bank, which reached Euro 113.1 million, while the Group's overall net result came to Euro 117.7 million.

The focus on risk containment is constant, with the indicator measuring the riskiness of the loan portfolio standing at 3.6% gross, which after provisions corresponds to a value of 1.9%; these figures are an improvement on those at the end of 2023. The levels of coverage of non-performing loans stood at 49.2% at the end of 2024. This level in the consolidated configuration is penalised by the treatment of the CiviBank portfolio at fair value at the aggregation date, with the simultaneous reversal of the adjustment provisions at that date. The coverage of the amount of the portfolios of the two banks, reaches instead a much higher value, equal to 53.2%.

As part of its risk containment activities, deriving also from the current macroeconomic context, the Group carefully monitors the performance of its credit exposures in order to intercept any situations of difficulty at an early stage and take consequent action to support its customers and avoid in this way the deterioration of creditworthiness.

In terms of strength, the capital ratios were at a more satisfactory level, definitely increasing compared to the values at the end of 2023, with the CET1 ratio at 14.7%, and the TC ratio at 16.0% (both ratios are represented in the IFRS 9 phased-in configuration).

It is worth emphasising the good performance of the 2024 income statement, which is the result of a mix of factors that have determined a hold/consolidation of revenues in the core segments, with net interest income standing at Euro 296.0 million and income from services exceeding the previous year's figure, excluding non-recurring negative items, at EUR 136.1 million. Financial revenues totalled Euro 14.4 million, driven by the positive performance of the main components of this item.

The cost of credit risk amounts to a total of Euro 28.9 million with reference to the cash loans component, while a write-back of Euro 5.5 million was recorded for the endorsement component. This figure represents a notable improvement compared to 2023, which was already in line with the industry average.

Reclassified operating costs amounted to Euro 279.9 million, showing an increase of 4.4% compared to 2023. This figure excludes the gains from the sale of business units related to acquiring activities and other non-recurring components, which amounted to Euro 32.6 million. Including these items, total operating costs would decrease to Euro 247.3 million, a 7.7% drop compared to 2023. As a result of the trend between costs and revenues, the normalised Cost-Income-Ratio efficiency indicator remains certified at a level considered satisfactory, equal to 60.3%.

With regard to the evolution of assets under management, the total volume of gross loans at 31 December 2024, equal to Euro 9.886 billion, sees the aggregate substantially holding up compared to the previous year (-0.9%), showing a development that can be considered satisfactory. New loans during the year amounted to Euro 1,824 million, of which Euro 1,296 million in favour of businesses, and Euro 528 million in favour of households.

Direct funding, comprising current accounts, deposits, lease payables, and bonds, reached Euro 11.965 billion (+3.1% excluding MTS repo operations). The growth, which has been constant in recent years, testifies to the confidence of customers in the Group. Assets under management, can instead be considered one of the main parameters for an advisory bank and refers to the volumes of client savings mainly in investment funds, showed an extremely positive development in assets under management (+13.4%), thanks to the positive evolution of net flows, in addition to the increase in fair value. The significant growth of assets under management is an important signal that confirms the increasing capacity of the Cassa di Risparmio di Bolzano Group to accompany its customers with competence in the specialised management activities of the savings.

The sequence of positive outcomes achieved by the Group over recent financial years, confirmed by the record profit in 2024, is further evidence of the excellent work carried out during a year marked by falling interest rates and a scenario of instability and uncertainty. This testifies to how the Sparkasse Group has been able to consolidate a relationship of trust with its customers by offering them the opportunity to diversify their range of services with increasing success. The further significant growth of the stock of assets under management in 2024 demonstrates the new Group's ability to confirm, even at this stage, its position as an important player in this specific market sector of high value-added services.

3.1 Operating performance and consolidated income statement

The main changes in the Group's income statement during the period compared with the previous year are outlined below.

Revenues from net interest income amounted to Euro 296.0 million, a slight decrease (-1.8%) compared to 2023. This figure reflects the following trends: lower interest expenses on the TLTRO financing tranches, which were repaid during the year, as well as good performances from the coupon component of the securities portfolio. With regard to net interest income revenues, there was a trend, particularly on the CiviBank side, of increasing costs related to direct funding from customers.

As regards income from services, a decrease was recorded compared to 2024, following the recognition of negative fees and commissions related to the Eurovita transaction and the structuring of a synthetic securitisation transaction by the Parent Bank. Excluding these components, the 2024 figure stands at Euro 136.1 million, marking a 2.0% increase over the strong results recorded in 2023, confirming the trend of increasing diversification. The contribution of the Parent Bank was excellent, surpassing the historic goal of Euro 100 million (EUR 100.4 million to be precise) as an individual result.

Dividends received amounted to Euro 4.0 million, an increase of Euro 1.7 million, thanks also to the contribution of certain extraordinary dividends collected during the financial year.

The "Net profit (loss) from trading" posted a performance of Euro 2.6 million, an increase compared to Euro 1.6 million achieved in the previous year.

The "Net profit (loss) from hedging" went from a negative EUR 2.9 million at the end of 2023 to a positive EUR 5.7 million in the current year. This result is linked to the positive valuation of certain interest rate risk hedging contracts, primarily entered into by the Parent Bank. As a result of interest rate developments compared to the previous year, and projections for future rate trends, these contracts were recognised with positive fair values compared to their valuation at the end of the previous financial year.

The result for the item on gains/losses on the sale or repurchase of financial assets measured at amortised cost rather than at fair value with an impact on comprehensive income also improved, thanks to the profits realised by banks on the sale of certain credit positions in the non-performing segment.

The "Net income of financial assets and liabilities measured at fair value through profit or loss" also increased compared to the previous year, with a noticeable positive performance of Euro +1.4 million, mainly attributable to the recognition of capital gains on a portfolio of mutual funds.

The cost of credit totalled Euro 23.4 million, including both provisions on on-balance-sheet loans and those for commitments and guarantees issued. In the previous financial year, the cost of credit was significantly higher at Euro 48.6 million.

Net operating costs, excluding provisions for commitments and guarantees issued, amounted to Euro 247.3 million—a reduction of Euro 20.5 million compared to the previous financial year, attributable to capital gains of Euro 30.8 million realised from the sale of business units relating to acquiring activities. The item "Personnel expenses" increased by Euro 14.0 million over the previous financial year due to one-off positive items recognised in 2023, as well as new hires by both banks within the branch network and the impact of the final tranches of salary increases under the national collective labour agreement (CCNL). "Other administrative expenses" were essentially stable (+ Euro 0.9 million), while "Other operating income/expenses" increased by Euro 6.7 million, due to an increase in the items contributed by the various group companies. The increase in "Other operating income/expenses" rose to Euro 37.6 million, also taking into account the aforementioned capital gains from the sale of "merchant acquiring" business units.

"Net allocations to provisions for risks and charges", excluding the credit risk component, were positive at Euro 0.5 million, a marked improvement over the cost of Euro 1.6 million recognised in the previous year.

Items 210 and 220, "Net value adjustments/write-backs to property, plant and equipment/intangible assets", amounted to Euro 18.8 million and Euro 8.7 million, respectively. Both figures were up by 2.4% and 26.0% respectively, reflecting the significant investments made in recent years to innovate and strengthen the Bank's operations, particularly in technology.

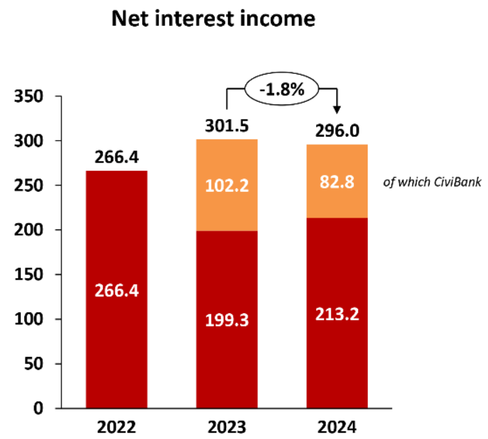
Finally, the provision for taxes amounted to Euro 42.8 million, up 10.1% from the 2023 figure (Euro 38.8 million).

The reclassified income statement figures compared with those of the previous year show the following situation:

	RECLASSIFIED CONSOLIDATED INCOME STATEMENT (in millions of euro)	12/31/2024	12/31/2023	Absolute Change	%
30.	**Net interest income**	**296.0**	**301.5**	**(5.5)**	**-1.8%**
10.	Interest income and similar revenues	610.1	558.5	51.6	9.2%
20.	Interest expense and similar charges	(314.1)	(257.0)	(57.1)	22.2%
	- of which interest expense on financial payables for leases (IFRS 16)	*(0.7)*	*(0.4)*	*(0.4)*	*98.9%*
120.	**Financial margin**	**14.4**	**(1.3)**	**15.7**	**-1222.7%**
70.	Dividends and similar income	4.0	2.3	1.7	75.6%
80.	Net profit (loss) from trading	2.6	1.6	1.0	64.2%
90.	Net profit (loss) from hedging	5.7	(2.9)	8.5	-296.6%
100.	Gains (losses) on disposal or repurchase of:	0.8	(2.4)	3.1	-133.1%
	a) financial assets measured at amortised cost	0.8	(2.4)	3.1	-133.1%
	b) financial assets measured at fair value through other comprehensive income	0.0	0.0	(0.0)	-50.0%
	c) financial liabilities	(0.0)	(0.0)	0.0	0.0%
110.	Net income from other financial assets and liabilities measured at fair value through profit or loss	1.4	0.1	1.3	1747.3%
	a) financial assets and liabilities designated at fair value	0.0	0.0	0.0	0.0%
	b) other financial assets mandatorily measured at fair value	1.4	0.1	1.3	1747.3%
60.	**Income from services**	**119.0**	**131.2**	**(12.2)**	**-9.3%**
40.	Fee and commission income	146.8	144.7	2.1	1.4%
50.	Fee and commission expense	(27.7)	(13.5)	(14.3)	106.1%
150.	**Gross contribution margin**	**429.5**	**431.5**	**(2.0)**	**-0.5%**
190.	Administrative expenses:	(277.8)	(263.0)	(14.8)	5.6%
	a) personnel expenses	(160.4)	(146.5)	(14.0)	9.5%
	b) other administrative expenses	(117.4)	(116.5)	(0.9)	0.7%
	- of which real estate payments (IFRS 16 Leases)	*(0.7)*	*(0.5)*	*(0.3)*	*57.8%*
210.+220.	Amortisation and depreciation	(27.5)	(25.3)	(2.2)	8.9%
	- of which depreciation on rights of use acquired through leases (IFRS 16)	*(6.9)*	*(6.4)*	*(0.5)*	*7.6%*
230.	Other operating income/expenses	58.0	20.5	37.6	183.7%
	Net operating costs	**(247.3)**	**(267.8)**	**20.5**	**-7.7%**
	Gross operating result	**182.2**	**163.7**	**18.5**	**11.3%**
130.	Net value adjustments/write-backs for credit risk relating to:	(28.9)	(43.6)	14.7	-33.6%
	a) financial assets measured at amortised cost	(29.1)	(43.6)	14.6	-33.4%
	b) financial assets measured at fair value through other comprehensive income	0.1	0.0	0.1	382.6%
140.	Gains/losses from contractual amendments without cancellations	0.1	0.9	(0.9)	-92.3%
200.	Net allocations to provisions for risks and charges	6.1	(6.6)	12.6	-191.9%
	a) commitments and guarantees issued	5.5	(5.0)	10.5	-211.1%
	b) other net allocations	0.5	(1.6)	2.1	-132.5%
	Net operating result	**159.4**	**114.4**	**45.0**	**39.3%**
250.	Gains (losses) on equity investments	0.1	0.7	(0.6)	-83.7%
260.	Net result from fair value measurement of property, plant and equipment and intangible as	0.2	5.8	(5.6)	-96.6%
280.	Gains (losses) from disposal of investments	1.0	0.4	0.7	186.4%
290.	**Gross profit / (Gross loss)**	**160.7**	**121.2**	39.5	32.6%
300.	Income taxes for the year on current operations	(42.8)	(38.8)	(3.9)	10.1%
320.	Profit (loss) from discontinued operations after tax	(0.3)	(0.2)	(0.1)	43.4%
340.	Profit (loss) for the year attributable to minority interests	(4.6)	(4.0)	(0.5)	12.7%
350.	**Profit (loss) for the period**	**113.1**	**78.2**	**34.9**	**44.7%**

The changes in the various items are described in more detail below.

Net interest income

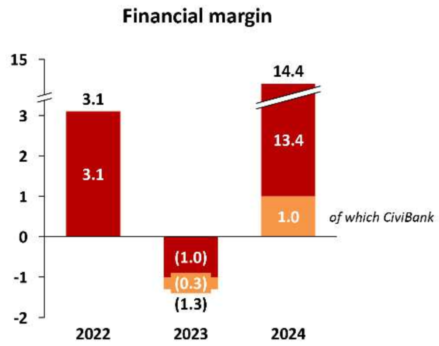


The Group's net interest income, which, in light of the interest rate curve continuing to rise during the first part of the year before beginning a gradual decline, saw a significant increase in its interest income and expense components compared to the previous year. Nevertheless, it recorded an overall modest decrease of -1.8% (Euro -5.5 million).

Among the components that had the greatest impact were the recognition of interest expense on TLTRO III refinancing transactions with the ECB for a total of Euro 57.5 million for the Parent Bank and an additional Euro 15.4 million for Banca di Cividale, as well as remuneration of direct funding from customers, which rose from Euro 93.3 million in 2023 to Euro 133.4 million in 2024 for Sparkasse, while the impact on CiviBank amounted to Euro 56.4 million. There was also a significant increase in interest expenses paid by the Group's two banks in connection with repurchase agreements entered into with other banks, transactions that partly replaced the various tranches of TLTRO III that matured over different quarters in 2024. These transactions resulted in the recognition of Euro 27.4 million in interest expenses for Sparkasse and an additional Euro 8.0 million for Banca di Cividale.

These negative effects were partly offset by the higher interest income received on the securities portfolio, which totalled Euro 90.9 million for Sparkasse (+Euro 10.7 million compared to the end of 2023) and Euro 23.7 million for CiviBank (+Euro 3.4 million compared to 31 December 2023), and on loans, which aligned their yields with a slight time lag due to "re-pricing". The contribution of the subsidiary CiviBank totalled Euro 82.8 million, including the adjustment components of the "purchase price allocation" and the associated "reversals" of approximately Euro 9.9 million, relating to the securities portfolio measured at amortised cost and loans to customers for loans classified as "POCI" in accordance with IFRS 9.

Financial margin

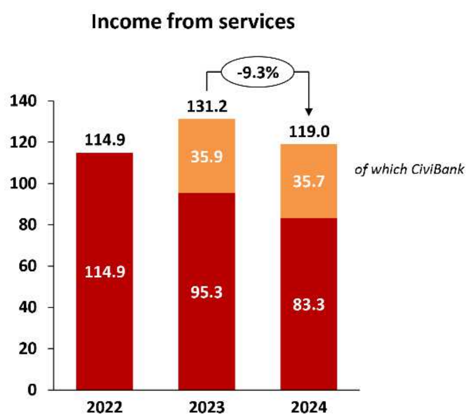


(CiviBank: includes PPA)

The financial margin recorded a very positive result, reaching Euro 14.4 million, against a negative result of Euro -1.3 million at the end of 2023. This performance reflects Euro 4.0 million in dividends received by the Group from minority equity holdings, and the positive contribution from hedging activities, which generated net capital gains on interest rate risk hedging derivatives totalling Euro 5.7 million. The net profit (loss) from trading recorded a positive figure of Euro 2.6 million. Finally, both the item of gains/losses on the disposal of assets measured at amortised cost and the net result of financial assets mandatorily measured at fair value recorded positive outcomes of Euro 0.8 million and Euro 1.4 million, respectively. The former is linked to the disposal of non-performing loans, while the latter is attributable to gains recorded on units of securities investment funds (UCITS).

Income from services

The income from services decreased compared to the previous year's result by a total of Euro 12.2 million. The decrease is attributable to the significant fee and commission expense paid by the Group in relation to i) the rescue operation of the insurance company Eurovita SpA (now CronosVita Assicurazioni SpA), covering servicing activities and the unused portion of funds made available by a pool of banks in case drawdowns exceeded the approved maximum commitment, ii) fee and commission expense on financial guarantees received and recognised by the Bank to investors in the mezzanine tranches of the synthetic securitisation initiated from 1 December 2023; these amounts totalled Euro 6.9 million and Euro 10.1 million respectively. At the end of the 2023 financial year, these components amounted to Euro 2.1 million, compared with Euro 17.1 million at the end of 2024.

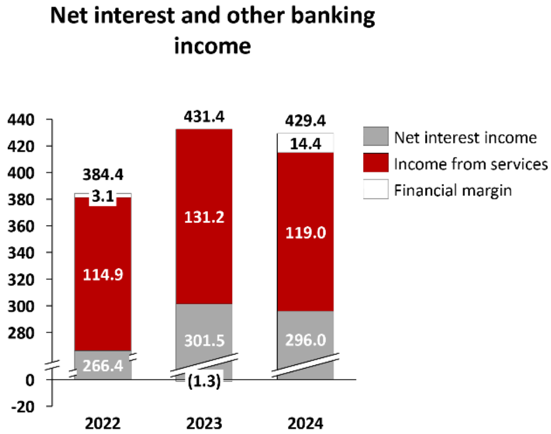


On the fee and commission income side, the result confirms and demonstrates the Sparkasse and the Banca di Cividale's ability to provide customers with increasing professionalism in a relationship of increasing trust by successfully offering them specialist advisory services, particularly in the assets under management and insurance sectors, which remain drivers of the income from services.

In fact, fee and commission income increased by 1.4% (Euro +2.1 million) compared to the end of the previous financial year. The contribution from fees and commissions related to financial instrument activities was particularly positive.

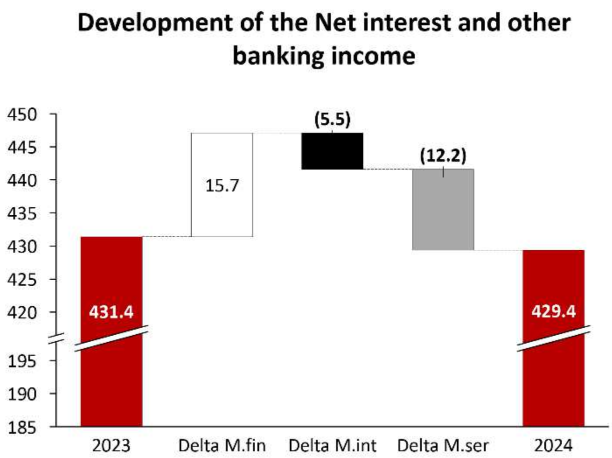
The contribution of the subsidiary Banca di Cividale is in line with that of the previous financial year, thus consolidating its contribution to the Group's result.

Net interest and other banking income

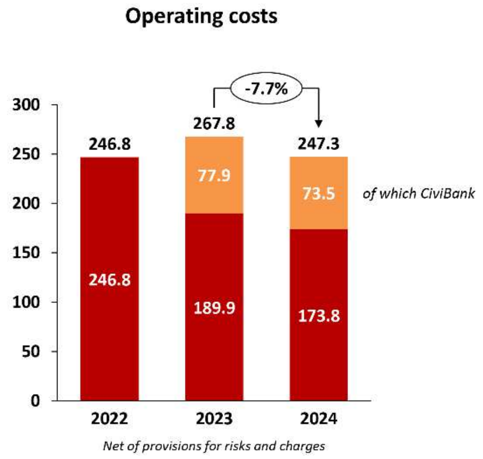


As a result of the above-described dynamics and of the details that make up the net interest and other banking income, its overall value is represented in the graph above.

The breakdown of the change in net interest and other banking income is shown below.



Net operating costs



Compared to the previous financial year, the item relating to net operating costs shows an improvement of Euro 20.5 million, primarily due to the recognition, under other operating income, of the capital gain arising from the sale by both banks in the Group of the business unit related to "merchant acquiring", totalling Euro 30.85 million.

Also within the scope of the aforementioned rescue operation of CronosVita, other income includes contributions related to the rebalancing agreement on fees and commissions among the banks participating in the rescue, amounting to Euro 1.8 million.

"Personnel expenses", on the other hand, increased by Euro 14.0 million, partly due to the periodic increases provided for by the renewed national collective labour agreement (CCNL), and partly due to the absence, in the previous financial year, of the Euro 4.4 million provision for the solidarity fund originally allocated in 2022 among both Group banks.

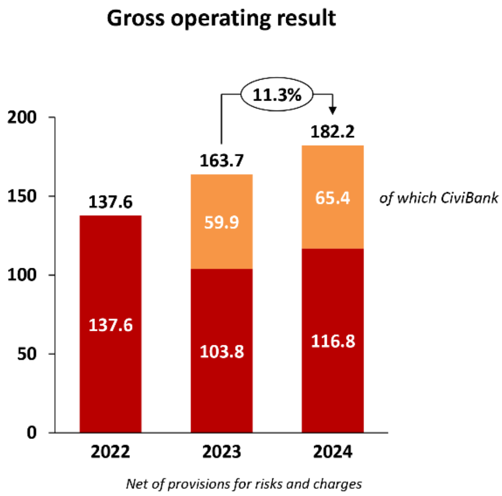
As for "Other administrative expenses", the total recorded is broadly in line with the previous financial year, amounting to Euro 117.4 million.

"Net value adjustments/write-backs to property, plant and equipment/intangible assets" were on the rise, mainly due to the start of the amortisation period of significant investments in technology and software made in the previous and current years.

It should also be noted that the consolidated result is net of intercompany transactions, such as the fee for the servicing contract between the Parent Bank and Banca di Cividale relating to seconded staff at Sparkasse, as well as lease payments for capital goods made by the Parent Bank to the subsidiary Sparim. The contributions of the other Group companies were not very significant.

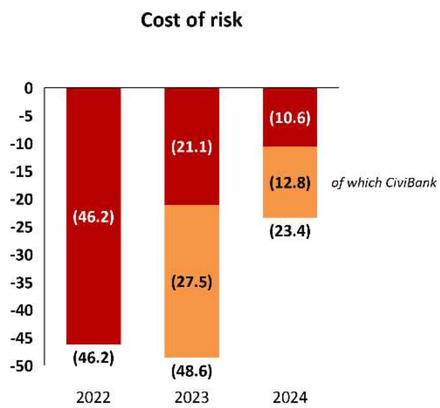
Gross operating result

The gross operating result for the financial year 2024 amounted to Euro 182.2 million (+11.4% compared to 2023) with a significant increase in the figures for both Group banks; CiviBank's contribution was a positive Euro 65.4 million. The result achieved represents the sum of the performances achieved with reference to the various aggregate figures of the income statement, which are commented on above.



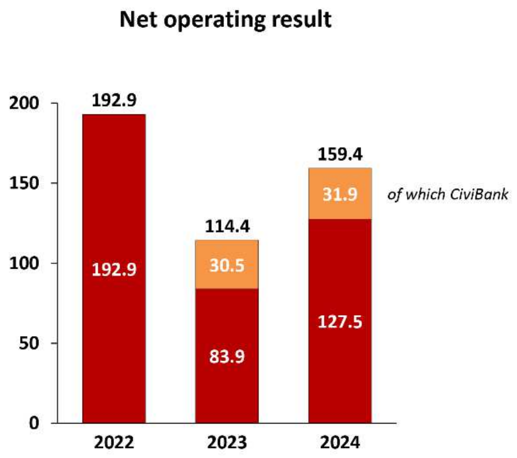
Cost of risk

The policies on hedging risks on performing and non-performing loans, also fully adopted by the subsidiary Banca di Cividale, led the banking Group to record a total cost of risk of Euro 23.4 million, against Euro 48.6 million in the previous financial year. This variance was notably influenced by the write-backs recorded on off-balance sheet exposures, *i.e.*, commitments and guarantees issued to customers, which posted a positive figure of Euro 5.5 million; provisions for on-balance sheet loans, by contrast, amounted to Euro 29.1 million.



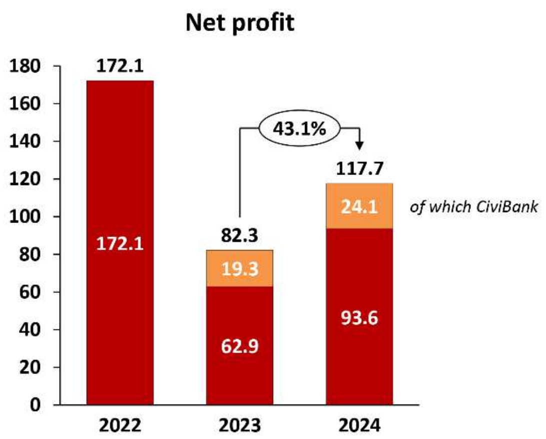
In light of the above, the indicator that measures the riskiness of the non-performing loan portfolio reached the gross level of 3.6%, which corresponds to a value of 1.9%, net of allocations. In 2023, the two indices stood at 3.8% and 1.9% respectively. The coverage of the impaired portfolio increased from 50.9% at the end of 2023 to 49.2% at the end of 2024.

Net operating result



The net operating result, as the sum of the various aggregates discussed above, recorded a value of Euro 159.4 million, compared to Euro 114.4 million at the end of 2024.

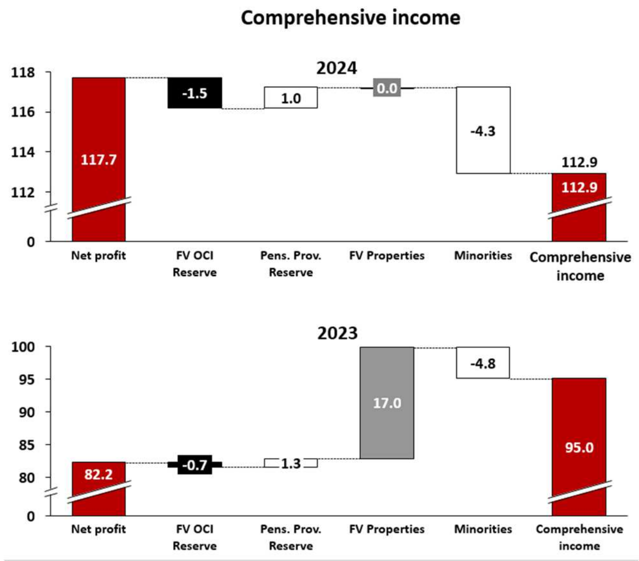
Net profit



The Group's net profit for the year was Euro +117.7 million, with a profit attributable to the Parent Bank of Euro 113.1 million and a profit attributable to non-controlling interests of Euro 4.6 million. This marks a significant increase of +43.1% compared to the financial year ending 31 December 2023.

It is worth noting that the result for the 2022 financial year, as shown in the chart, was influenced by a "badwill" component amounting to Euro 107.4 million, recognised following the acquisition of control over Banca di Cividale.

Comprehensive income



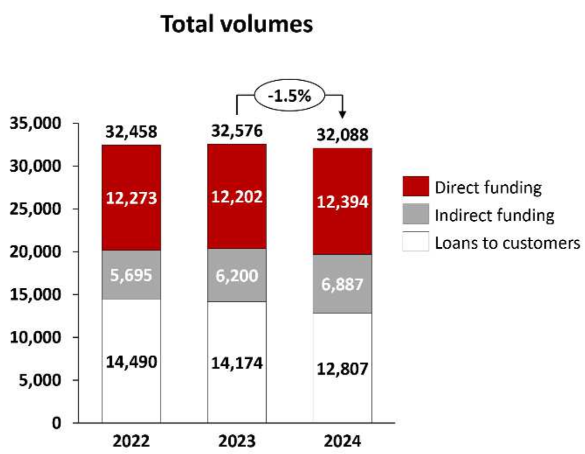
Comprehensive income at 31 December 2024 amounts a positive result of Euro 112.8 million, an amount that includes, in addition to the net result for the period, also the positive changes in "Financial assets (other than equity securities) measured at fair value through other comprehensive income" (Euro +0.4 million), the result of "Equity securities designated at fair value through other comprehensive income" (Euro -1.9 million) and the adjustment of the actuarial reserve of the internal pension fund, with reference to the "defined benefits" Sections, equal to Euro 1.0 million. At the end of the 2023 financial year, comprehensive income also included the revaluation of the Group's operating property assets, which recorded fair value gains amounting to Euro 17.0 million.

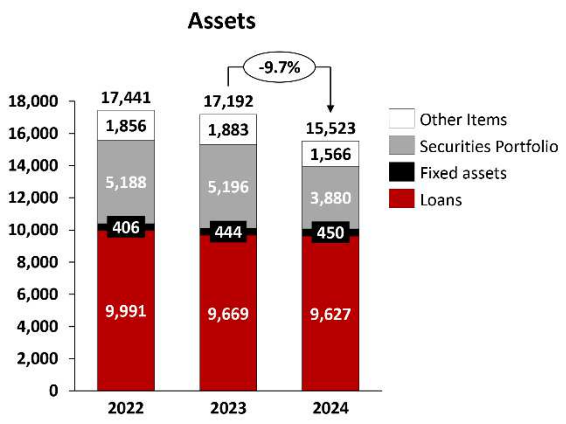
All components are recognised net of the related tax effect.

3.2 Performance of balance sheet aggregates

Total volumes and balance sheet assets

The Group's total volumes amounted to Euro 32.1 billion, down slightly from the previous financial years figure of Euro 32.6 billion.

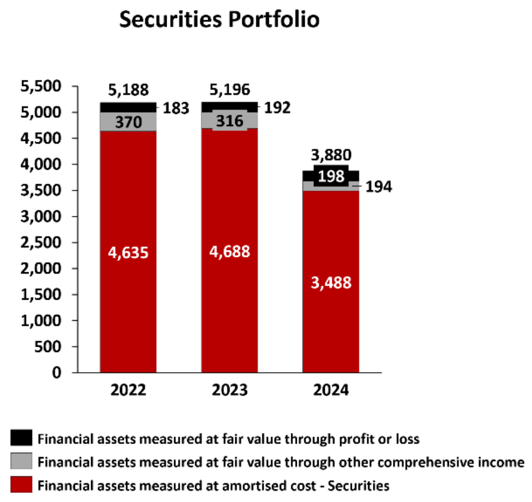




The Group's assets, which amount to Euro 15.5 billion, are presented as shown in the table above. Overall, the reduction in assets compared to the previous financial year was -9.7%; this decrease is mainly attributable to the maturity of the TLTRO III refinancing tranches with the ECB, as well as the simultaneous reduction of the securities portfolio, primarily government bonds, which had been used as collateral for these operations. Since these securities largely had matching maturities with the respective TLTRO III tranches, they were redeemed at the end of the loan period. The loans to customers remained broadly in line with the values at the end of the previous financial year, within a system-wide context of a generalised contraction in loans.

The proprietary securities portfolio

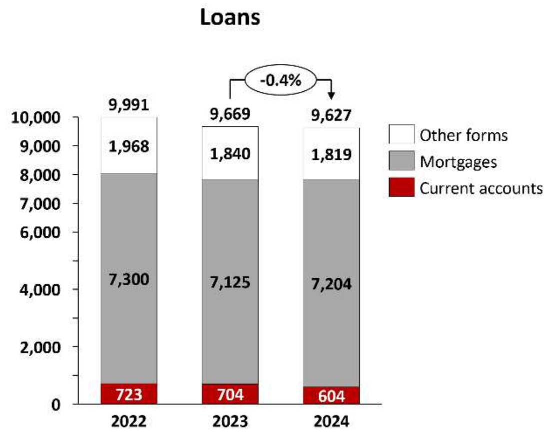
The size of the securities portfolio fell sharply from the previous year's figure, due to the effect described in the previous section, relating to the redemption of debt securities that had been pledged as collateral for refinancing operations with the ECB by the Group's two banks.



As in previous years, also during 2024 the Bank's liquidity reserves were invested mainly in short and medium-term Italian Government bonds, thus combining the need to hold Government bonds for a significant amount with the objective of a spread remuneration over risk-free rates. In light of the non-short/very short residual life at the time of purchase, almost the entire bond portfolio is classified according to the "held to collect" business model.

This capital allocation, in addition to complying with the Basel III criteria on liquidity reserves, was set in line with the market risk profile defined by the Bank as part of the risk appetite framework, defined on a daily basis in terms of Var (value at risk).

Loans



It should be noted at the outset that the amount of net loans to customers does not coincide with the figure for the financial statements item "Assets measured at amortised cost: loans to customers", also due to the presence in the item of the financial assets at amortised cost held by the two Banks, classified as debt securities, excluding those issued by banks.

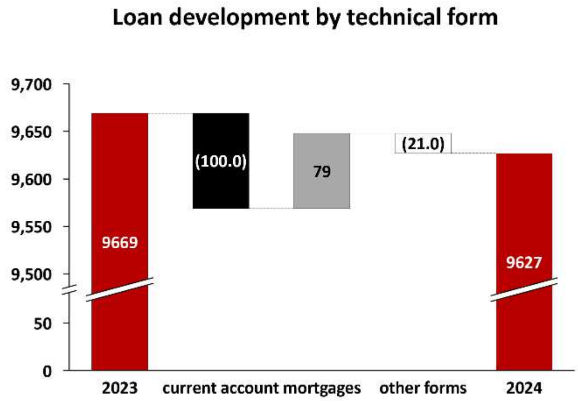
Net loans to customers for financing measured at amortised cost amounted to Euro 9,627.6 million (gross carrying amount of loan to customers for financing at amortised cost of Euro 9,859.6 million, against which value adjustments of Euro 232 million were allocated).

Net loans to customers for financing measured at amortised cost decreased by 0.4% during the year compared to the previous year, in line with the system trend and substantially attributable to the increase in interest rates which reduced the demand for new loans to customers.

The overall degree of coverage in December 2024 of loans to customers was 2.35%. In particular, in accordance with the allocation required by the international accounting standard IFRS 9 "Financial instruments", the coverage ratio of performing exposures, classified in the so-called "first stage" and "second stage" is 0.60%, while the coverage ratio of non-performing exposures, in the so-called "third stage", amounted to 49.2%.

The Parent Bank's stock of loans remained on the same levels of the last financial year, testifying to the Bank's capacity and willingness to be an important reference point in support of the development of the economy and of the demand for credit in the private sector. Cassa di Risparmio di Bolzano continues with determination its growth path in the disbursement of medium/long-term loans to undertakings and households. In the subsidiary CiviBank, loans have decreased by Euro 126 million; despite this, support for the local economy remains important.

New mortgage disbursements during the year amounted to Euro 1,372 million, of which Euro 1,004 million are in favour of businesses, and Euro 368 million are in favour of households.

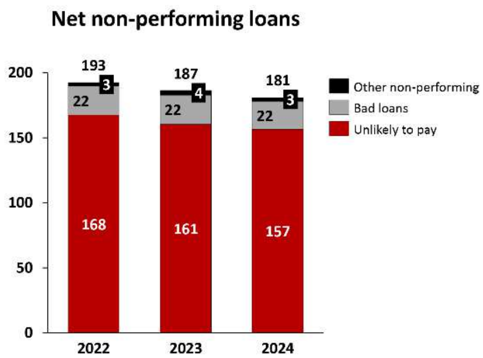


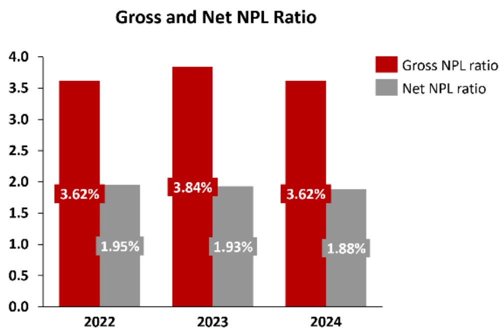
The performance of the various segments shows a decrease of Euro -100 million in the technical form of current account loans, partly offset by an increase of Euro +79 million in mortgages; the decrease in the residual loan forms is smaller.

With reference to the degree of intermediation, or the ratio between loans to customers and customer funding, the index stands at 80.48% (2023 figure equal to 82.43%).

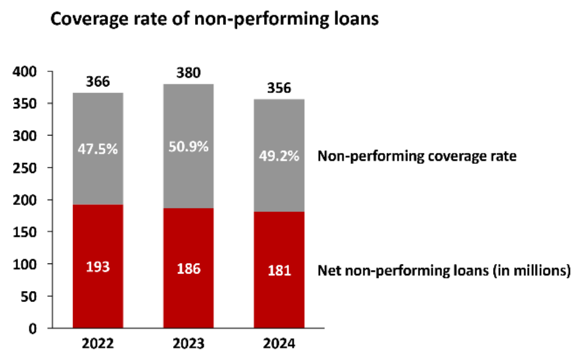
Non-performing loans

The Group's net non-performing loans to customers for financing measured at amortized cost amounted to Euro 180.8 million (gross carrying amount of non-performing loans equal to Euro 356.2 million against which adjustments of Euro 175.3 million were allocated) with the indicator measuring the riskiness of the loan portfolio (gross NPL ratio) that reached a gross level of 3.62%, which corresponds to a value of 1.88%, net of allocations (net NPL ratio).

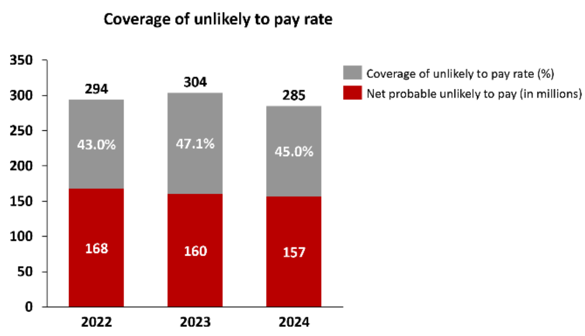


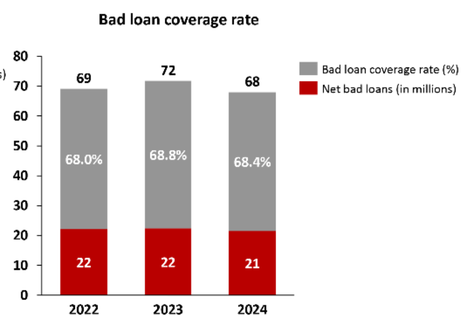


Thanks to the careful policy of managing non-performing loans and the subsequent value adjustments made, gross non-performing loans have decreased by about Euro 10 million, and those net of value adjustments have decreased by about Euro 7 million. This has resulted in the risk index for the loan portfolio reaching absolutely satisfactory levels.



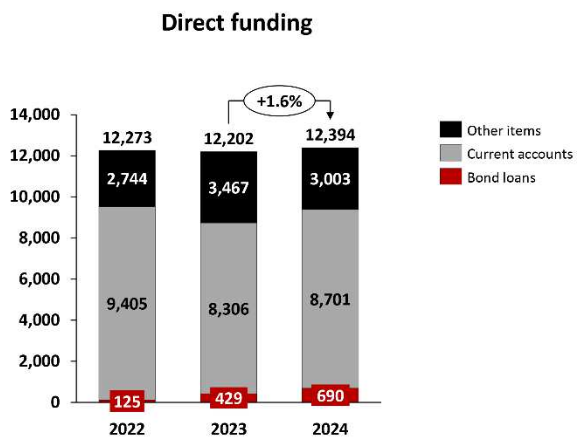
The levels of coverage of non-performing loans stood at 49.2% at the end of 2024. The lower level of coverage, compared to the values determined as the total of the two banks (53.2%), is attributable to the effects of the purchase price allocation of the acquisition of CiviBank, for which the impaired loans were recorded at their fair value, thus without considering the adjustment provisions.





Direct funding

Total Group direct funding amounted to Euro 12.4 billion, up slightly with respect to the previous financial year's figure.



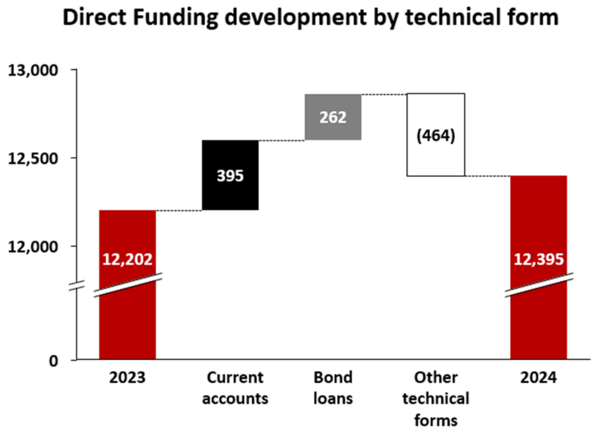
The direct funding increased by Euro 192.5 million; this value, net of the transactions carried out by the two Group banks in classic Repo transactions on the MTS platform, which amounted to Euro 429.1 million at the end of 2024 compared to Euro 592.8 million in 2023, amounted to Euro 356.3 million.

A significant deviation is attributable to medium/long-term repurchase transactions, carried out with underlying bonds issued by the Group (Euro +277.0 million). According to the regulatory provisions of Bank of Italy's Circular 285, these transactions must be reported and accounted for as securities placements under the heading "Securities issued" rather than as due to customers.

Regarding the evolution of direct funding, the increased trust that customers place in the Sparkasse Group is confirmed, placing it among the banks that have most successfully developed a strong relationship with their customers. Following years of negative interest rates, which have now turned positive and began to decline after the peak reached in the first half of 2024, the Group offered fixed-term products that were well-received by customers.

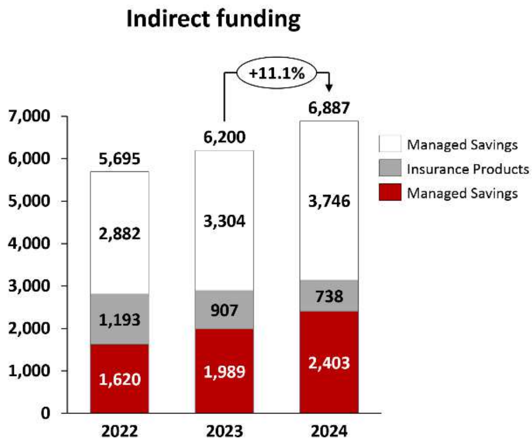
As evidence of this, the balance of fixed-term deposits reached Euro 2,004 million by the end of 2024, while current accounts and free deposits rose to Euro 8,701 million.

In 2024, based on the rules of IFRS 16, financial payables relating to rental/lease agreements were also recognised for Euro 24.9 million.



Indirect funding

Group indirect funding amounted to Euro 6,887.3 million.



Assets under management and assets under custody recorded significant growth, of 13.4% and 20.8%, respectively, while insurance recorded a reduction of 18.6%, mainly due to redemptions requested by customers on former Eurovita policies.

Shareholders' equity

Consolidated shareholders' equity, due to both the positive effect of the 2024 result and the change in revenue reserves, amounted to Euro 1,246.7 million.

In the same period, "Consolidated own funds" increased from Euro 1,126.1 million to Euro 1,190.6 million.

Against risk-weighted assets of Euro 7.5 billion, thanks to the optimisation of RWAs implemented by the Group to contain capital absorption, the capital ratios stood at:

- Common Equity Tier 1 capital ratio: 14.65%
- Tier 1 capital ratio: 15.33%
- Total capital ratio: 15.96%.

Please note that, as a result of the option exercised for the application of the provided for transitional regime, the rules on regulatory phase-in are applied.

In this regard, reference should be made to the information provided above and to the detailed analysis in the section "Capital and Liquidity" and in Part F of the Notes to the Financial Statements.

4 The governance system

4.1 Corporate governance report and the organisational and governance, management and control system

The share Capital of the Parent Bank is broken down as follows:

- 63.05% is owned by Fondazione Cassa di Risparmio (controlling shareholder);
- 36.46% is owned by companies and small shareholders (over 24,000), mainly private customers and employees;
- the remaining percentage, *i.e.*, 0.49%, consists of treasury shares held by the Parent Bank.

The Parent Bank's share capital structure consists of ordinary shares. On 21 December 2015, the subscribers were assigned no. 452 Additional Tier 1 subordinated bonds convertible into a maximum of no. 10,044,344 ordinary shares.

As at 31 December 2024, the share capital of Cassa di Risparmio amounted to Euro 469,330,500.10, divided into 59,940,038 ordinary shares with no nominal amount. The shares are registered and indivisible, dematerialised and entered into a centralised management system authorised and operating in Italy in accordance with current legislation.

The shares are listed on the "Vorvel Equity Auction" segment of the multilateral trading system managed by Vorvel SIM S.p.A.

Also for the year 2024, the Shareholders' Meeting, held on 04 April 2024, authorised, pursuant to Articles 2357 and 2357-ter of the Italian Civil Code, the purchase of treasury shares by the Bank for a period not exceeding 18 months, establishing the methods (maximum number of shares to be purchased as well as the minimum and maximum consideration) and arranging for the establishment of a specific Fund ("Provision for existing treasury shares") with the aim of facilitating the regular trading of its own shares, using the liquidity provided by the "Provision for existing treasury shares", in compliance with current market abuse regulations and the forecasts of the trading venue's regulations, in December 2024 the Bank renewed the mandate on an exclusive basis to Equita SIM S.p.A. to carry out the activity of supporting the liquidity of the shares drawn on the "Vorvel Equity Auction" segment of the multilateral trading system managed by Vorvel SIM S.p.A. The new mandate replaces the contract concluded in December 2023.

During 2024, Equita SIM S.p.A. stepped in to support liquidity by purchasing 256,831 shares of Cassa di Risparmio di Bolzano S.p.A.

Each share gives the right to one (1) vote in the Shareholders' Meeting, except in the case of treasury shares held whose voting rights are suspended. The right to vote is not limited. Some of the shareholders have entered into a voting syndicate agreement, resulting in the formation of the *Sindacato di voto Piccoli Azionisti Cassa di Risparmio e Sette Api* (Voting Syndicate of Small Shareholders of Cassa di Risparmio and Sette Api).

The legal and supervisory provisions, in particular on corporate governance, establish that the internal control system (*set of rules, functions, structures, resources, processes and procedures*) is a fundamental element of the overall system of governance of banks, which must guarantee, in particular, the achievement of strategic objectives and corporate policies, the containment of risks, the effectiveness and efficiency of business processes, the reliability and security of company information and IT procedures, compliance of transactions with the law and supervisory regulations, as well as with internal policies, regulations and procedures, in addition to the prevention of the risk of the bank being involved in any unlawful activities.

Taking into account the aforementioned objectives, the Bank, also in its capacity as Parent Bank of the "Cassa di Risparmio di Bolzano" Banking Group, has defined an **organisational model** for the Group as a whole and for the individual components of the Group, aimed at enabling the continuous implementation of the applicable legal and supervisory provisions. The Bank has set up an **internal control system and risk management** aimed at identifying, measuring, managing and monitoring the risks of the Bank and the Group on a continuous basis, which envisages the involvement the Corporate Bodies, the company's control functions as well as the Supervisory Body set up pursuant to Legislative Decree no. 231/2001, whose functions have been assigned to the Board of Statutory Auditors; the company appointed to perform the statutory audit of the accounts also participates in the control system.

At consolidated level, in order to allow an effective internal control and risk management system, the Board of Statutory Auditors of the Parent Bank, which was entrusted with Supervisory Body responsibilities pursuant to Legislative Decree 231/2001, is also called upon to perform the same function in favour of Sparim S.p.A. and Sparkasse Haus. Likewise, the Board of Statutory Auditors of CiviBank also performs the function of Supervisory Body. On the contrary, Raetia SGR S.p.A. in liquidation has set up a special Supervisory Body. Also at Group level, the company appointed to audit the accounts contributes to the control system.

In this logic, the overall activities that the Group and its members are required to carry out to achieve their management objectives in compliance with legal and supervisory provisions and, therefore, with a view to sound and prudent management, are broken down into "areas", which group together sets of "processes".

Each process is divided into "phases" and each phase into "sub-phases" to be put in place for carrying out the phase itself. Therefore, for each sub-phase, the obligations to be respected (summary of the relevant provisions) and the main "actions" to be implemented for the actual application of the obligations are regulated. This makes it possible to identify, for each relevant offence, for each legal and supervisory provision in force or issued from time to time, the specific responsibilities applicable to the various organisational units of the Group and its components and to refer them to the relevant processes.

The taxonomy of processes was also updated in 2024 to take into account organisational needs and the evolution of the external regulatory context.

In this construction, the company organisational system is divided into three taxonomy levels:

Level 0: divided into 3 Areas;

Level 1: divided into 10 Sectors;

Level 2: comprises 73 Processes;

and the Regulations of Management Bodies and Committees, the General Company Regulations, the Policy of Management and Coordination Activities of the Parent Bank on Subsidiaries as well as the Corporate Governance Project Group Regulation.

The corporate organisational system governs the processes that define the organisational model adopted, the role of the Corporate bodies, the delegated powers structure, the management information flows and the role of the Bank's members, the operational/management and risk governance and management processes, as well as the control processes set forth in the supervisory provisions.

The "Management and Coordination Activities of the Parent Bank on Subsidiaries" Policy also governs the Group's controls, i.e. the criteria to be adopted and the activities to be carried out by Sparkasse in order to perform the controls required by the supervisory provisions on the internal control system as well as by the operational and management requirements of the members of the Group and the Group as a whole.

The "Corporate Governance Project" Group Regulation, in compliance with current legislation, also illustrates the statutory and internal organisation structures of Sparkasse and the related Group, at the same time representing a communication tool with its shareholders, investors and the market, aimed at providing detailed information on the corporate governance mechanisms that govern its operation.

During 2024, the Parent Bank further consolidated the strengthening of its Group document management system, with the aim of ensuring effective governance of the Group's companies, and in particular of the subsidiary Banca di Cividale S.p.A. –

Società Benefit (hereinafter referred to as "CiviBank"). The Group's regulatory framework ensures the regular and profitable performance of company operations and the sharing of principles and guidelines to favour the alignment of all corporate functions.

In addition, Sparkasse, with the publication of the so-called Group Regulation (the aforementioned "Management and Coordination Activities of the Parent Bank on Subsidiaries" Policy) outlined the reference regulatory and governance framework for the Group aimed at ensuring the correct and regular functioning, characterised by the common entrepreneurial design, strong internal cohesion and for the unitary management, in line with the regulatory indications and with the requirements of sound and prudent management of the Group itself.

In line with the Supervisory Provisions, Sparkasse, as part of the management and coordination of the group, exercises:

- strategic control over the development of the various areas of activity in which the group operates and the risks incumbent on the activities carried out;
- management control aimed at ensuring the maintenance of the conditions of economic, financial and equity balance both of the individual companies and of the group as a whole;
- technical-operational control aimed at the assessment (by second-level control functions) of the various risk profiles brought to the Group by individual subsidiaries and the Group's overall risks.

With reference to the role of the Subsidiaries, they must transmit to the Parent Bank, with adequate advance and mandatorily for the cases envisaged, appropriate information on issues of particular importance from a strategic and/or operational profile as well as contribute to the achievement of the Group's objectives by adhering to the Group management and coordination model envisaged.

4.2 System for the measurement/assessment of risks and the self-assessment of capital adequacy and liquidity

As part of its management and coordination activities, the Parent Bank has equipped the Group as a whole and in its individual components with an Internal Capital Adequacy Assessment Process - ICAAP and an Internal Liquidity Adequacy Assessment Process - ILAAP.

The ICAAP and ILAAP must be coordinated, responsive and consistent with the Risk Appetite Framework (RAF). The Supervisory Body is responsible for supervising the conditions of stability, efficiency, sound and prudent management of the banks and for verifying the reliability and consistency of the results of their internal assessments ("Supervisory Review and Evaluation Process" - SREP), in order to adopt, if the situation requires it, the appropriate corrective measures.

Respectively, the ICAAP and ILAAP processes are based on suitable corporate risk management systems and require adequate corporate governance measures, an organisational structure with well-defined lines of responsibility and effective internal control systems.

The responsibility for the processes lies with the Corporate Bodies, which define their structure and organisation in full autonomy according to their respective competencies and prerogatives. They oversee the implementation and promote the updating of the ICAAP and ILAAP processes, in order to ensure their continuous compliance with the operational characteristics and the strategic context in which the Banking Group operates.

The results of the ICAAP and ILAAP processes are summarised in the related ICAAP-ILAAP Report, which represents the point of convergence and synthesis of the capital, economic and financial planning of risk management, capital management and liquidity management and which, on the other hand, constitutes an important tool to support the strategic development and implementation of Group decisions.

The ICAAP process is divided into the following phases:

- identification of the risks to be assessed through the definition of the risk map;
- measurement/assessment of individual risks and related internal capital;
- measurement of total internal capital;
- determination of internal capital and reconciliation with regulatory capital;
- self-assessment of capital adequacy;
- self-assessment of the ICAAP process;
- preparation and approval of the ICAAP - ILAAP Report.

The ILAAP process is divided into the following phases:

- definition of the ILAAP;
- liquidity risk assessment;
- self-assessment of the liquidity risk governance and management system;
- self-assessment of liquidity adequacy;
- audits carried out on the ILAAP process;
- preparation and approval of the ICAAP - ILAAP Report.

For further details on qualitative and quantitative information on risks, as well as on management, measurement and control systems, please refer to the "Notes to the Financial Statements - Part E - Information on risks and related hedging policies".

4.3 Disclosure on internal policies adopted with regard to controls on risk activities and conflicts of interest with respect to associated parties

In compliance with the prudential supervisory provisions of the Bank of Italy on associated parties and the Consob Regulation on related party transactions (Circular no. 285 of 17 December 2013, Part III, Chap. 11, 33rd update, risk activities and conflicts of interest with regard to associated parties and Consob resolution no. 17221 of 12/03/2010 and subsequent updates), the Parent Bank adopted the Regulation "Associated parties", which governs the criteria to be followed and the activities to be carried out for the management of risk and conflict of interest with respect to associated parties. In particular, the decision-making procedures for transactions with associated parties are governed (these include identification of transactions, adoption of procedures for the management of transactions, resolution of minor and major significance, transactions falling within the competence of the Shareholders' Meeting, exemptions and derogations for certain categories of transactions).

CiviBank has implemented the same Regulation integrating it to its organisational system.

Therefore, on the basis of the corporate organisational system, the management of risks concerning transactions with associated parties is carried out through a number of connected processes representing the relative organisational controls. In summary:

a) in the Regulations of the Board of Directors, the Board of Statutory Auditors and the Chief Executive Officer and General Manager, who govern the role of the related corporate body and therefore also in relation to the "associated parties" process;

b) in the "Associated parties" Group Regulation, which governs the criteria to be followed and the activities to be carried out for the management of risk and conflict of interest with respect to associated parties;

c) in the Risk Management Regulations, which govern the profiles of the related risks (broken down into the phases of identification, measurement, monitoring, prevention/mitigation as well as reporting and communication);

d) in the General Company Regulation, which govern the roles and responsibilities of the organisational units responsible for the "Associated parties" process, in compliance with the principle of clear distinction between operating units and control units;

e) in the "Management and Coordination Activities of the Parent Bank on Subsidiaries" Policy, which governs the criteria to be adopted and the activities to be carried out for the coordination and management of both the Group's members and the investees, also with reference to transactions with associated parties;

f) in the Operating Regulation relating to associated parties, which governs the steps to be taken in dealing with associated parties and specifies the operating procedures to be adopted for the management of transactions with associated parties;

g) in the Organisation Regulation, within which the criteria to be adopted and the activities to be carried out in order to reach the assignment by the Board of Directors/Chief Executive Officer of the power delegation in the various business matters are governed;

h) in the "Information Flows" Policy, which governs the reports to be sent to the Board of Directors and the Board of Statutory Auditors, including those on associated parties;

i) in the respective regulations for the different types of control (line control, compliance control, risk management control, Internal Audit activities, Group controls), which govern the criteria to be adopted and the various activities to be carried out. In summary:

- the organisational units responsible for the aforementioned processes indicate the activities carried out in the processes with respect to the planned ones (first-level controls) and forward these indications to the Compliance function and the Internal Audit function;

- the Compliance function carries out its controls (second-level controls) in accordance with the Group Regulation "Process for controlling non-compliance risk" and in the Policy "Compliance model and assessment of the risk of non-compliance". In particular, the Compliance function verifies the consistency of the regulations of the aforementioned processes with the supervisory provisions on associated parties (so-called regulatory or ex ante compliance); on the basis of the indications of the activities carried out in the processes, provided by the responsible units, it determines the deviation between the activities carried out and the activities provided for by the Supervisory Provisions and, on the basis of the aforementioned deviation, it formulates an organisational risk assessment of the operational compliance of the aforementioned processes (so-called operational compliance). The results of the controls are forwarded to the Corporate Bodies, to the Internal Audit function and to the Risk Management function, together with proposals for action to be taken to remove any shortcomings that may have emerged;

- the Risk Management function carries out its controls (second-level controls) in accordance with the provisions of the Group Regulation of the "Risk Management Framework". In particular, the function measures the risks and proposes the limits in line with the strategies and submits for approval the same limits to the competent bodies. The results of the controls are transmitted to the Corporate Bodies, the Compliance function and the Internal Audit function;

- the Internal Audit function carries out its controls (third-level controls) according to the Group Regulation “Internal Control System Assessment” (Internal Audit). In particular, the function verifies compliance with internal policies on associated parties and the adequacy of the first- and second-level controls carried out on the aforementioned processes. In addition, the Internal Audit function periodically reports to the Corporate Bodies on the overall exposure to risks deriving from transactions with associated parties and other conflicts of interest and, if necessary, suggests revisions of internal policies and of the organisational and control structures deemed suitable to strengthen the monitoring of these risks.

- the aforementioned functions also carry out the controls described above on the other components of the Group according to the "Management and Coordination Activities of the Parent Bank on Subsidiaries" Policy.

In conclusion, the management of the risk of conflicts of interest with regard to associated parties is governed by the set of processes referred to above and by the IT procedures used to support the activities, by the "Associated Parties" Regulation and the relevant detailed operational provisions.

4.4 Administrative liability (Italian Legislative Decree No. 231 of 8 June 2001)

With reference to the administrative liability of companies, Cassa di Risparmio di Bolzano has made available on its website www.sparkasse.it the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001, the Code of Ethics and Conduct, in particular for parties outside the Bank's organisation who, limited to the provision of goods or services governed by independent and separate contracts, are required to comply with the provisions contained therein.

The Supervisory Body, established pursuant to Legislative Decree 231/2001 and whose powers have been transferred to the Board of Statutory Auditors, has constantly checked the adequacy of the Model, also in connection with the introduction of new regulations during the year, reporting on its activities to the Board of Directors.

Likewise, CiviBank has made available on its website www.CiviBank.it the Organisation, Management and Control Model compliant with Italian Legislative Decree 231/2001 as well as its Code of Ethics.

4.5 Intra-group transactions and transactions with associated parties

As required by Article 4 of Consob Regulation no. 17221 (as amended) and the Supervisory Provisions for banks (Circular 285 of 17 December 2013, Part III, Chapter 11), Sparkasse has prepared and published the "Associated Parties" Group Regulation on its website www.sparkasse.it.

With reference to CiviBank, the same Regulation is available on the website www.CiviBank.it.

Intra-group transactions and transactions with associated parties were carried out on the basis of assessments of mutual economic convenience and, in any case, at conditions consistent with market conditions.

For more details, please refer to Part H of the Financial Statements.

4.6 Privacy, security and environment

As required by the applicable legislation, by the provisions of the "Regulation (EU) 2016/679" (General Data Protection Regulation, known as "GDPR") and by the provisions of the Prudential supervision for banks, also in 2024 the necessary activities were carried out to analyse the effectiveness of and alignment with the security measures put in place to protect data and minimise risks.

Referring to the specific section of this Report on sustainability, it should be noted that the Parent Bank, which is duly committed to environmental issues, to separate waste collection, to the progressive adoption of equipment and lighting systems with low energy consumption as well as to paperless working processes, has nothing to report in relation to any damage caused to the environment, nor to any sanctions or penalties imposed for environmental crimes or damage.

5 Capital and Liquidity

5.1 Consolidated own funds and capital ratios

On 1 January 2014, the new harmonised regulations for banks and investment undertakings contained in Regulation (EU) no. 575 (CRR - Capital Requirements Regulation) of 26.06.2013 and in Directive (EU) no. 36 (CRD IV - Capital Requirements Directive) of 26.06.2013 which transpose in the European Union the standards defined by the Basel Committee for banking supervision (known as Basel 3) entered into force.

As part of a complex process of reviewing the supervisory regulations of banks, the Bank of Italy issued Circular no. 285 "Supervisory provisions for banks" of 17 December 2013, which almost entirely replaces Circular no. 263/2006, and with which:

- the national options set out in the CRR were exercised,
- the secondary technical provisions of CRD IV were transposed.

On the same date, the Bank of Italy also issued Circular no. 286 "Instructions for the compilation of prudential reports for banks and real estate brokerage companies" which replaces Circular no. 155/1991 and defines the reporting formats:

- of "harmonised" prudential supervisory reports in compliance with the relevant EBA technical standards: own funds, credit and counterparty risk, market risk, operational risk, large exposures, recognition of mortgage losses, overall capital position, liquidity monitoring and financial leverage;
- of "non-harmonised" prudential supervisory reports: related parties.

On 7 October 2016, the 18th update of the "supervisory provisions for banks" pursuant to Circular no. 285 of 17 December 2013 was published on the official website of the Bank of Italy itself.

The above-mentioned update concerned the amendment of the capital conservation buffer (CCB) requirement set forth in Part One, Title II, Chapter I, Section II of the Circular in question in order to transpose the provisions contained in the EU Directive no. 36/2013 (CRD IV) as well as to reduce the divergences between national regulations, in line with the action initiated by the Single Supervisory Mechanism (SSM) to minimize the differences in the prudential regulations applicable to banks.

This regulatory measure requires banks, at both individual and consolidated level, to apply a minimum capital buffer ratio of:

- 1.25% from 1 January 2017 to 31 December 2017;
- 1.875% from 1 January 2018 to 31 December 2018;
- 2.5% as from 1 January 2019.

This update entered into force on 1 January 2017.

The minimum capital ratios to be complied with for 2024, pursuant to Article 92 CRR, are therefore the following:

- <u>Common Equity Tier 1 capital ratio</u> (CET1 ratio) of 4.5% + 2.5% of the Capital Conservation Buffer (CCB)
- <u>Tier 1 capital ratio</u> of 6.0% + 2.5% of CCB

- Total capital ratio of 8% + 2.5% of CCB.

The following table, in thousands of Euro, shows the consolidated "Own funds" at 31 December 2024 compared with those at 31 December 2023

	31/12/2024	31/12/2023
A. Common Equity Tier 1 (CET1) capital before the application of prudential filters	1,125,462	1,051,354
of which CET1 instruments subject to transitional provisions	-	-
B. Prudential filters of CET1 (+/-)	(458)	(557)
C. CET1 gross of the elements to be deducted and the effects of the transitional regime (A+/-B)	1,125,005	1,050,798
D. Elements to be deducted off CET1	(35,796)	(33,305)
E. Transitional regime - Impact on CET1 (+/-), including minority interests subject to transitional provisions	3,935	7,649
F. Total Common Equity Tier 1 capital (TIER1-CET1) (C-D +/-E)	1,093,144	1,025,142
G. Additional Tier 1 capital (AT1) gross of the elements to be deducted and the effects of the transitional regime	50,343	51,271
of which AT1 instruments subject to transitional provisions	-	-
H. Elements to be deducted off AT1	-	-
I. Transitional regime - Impact on AT1 (+/-), including instruments issued by subsidiaries and included in AT1 due to transitional provisions	-	-
L. Total Additional Tier 1 capital (AT1) (G-H+/-I)	50,343	51,271
M. Tier 2 capital (T2) gross of the elements to be deducted and the effects of the transitional regime	47,153	49,731
of which T2 instruments subject to transitional provisions	-	-
N. Elements to be deducted off T2	-	-
O. Transitional regime - Impact on T2 (+/-), including instruments issued by subsidiaries and included in T2 due to transitional provisions	-	-
P. Total Tier 2 capital (T2) (M - N +/- O)	47,153	49,731
Q. Total own funds (F + L + P)	1,190,640	1,126,144

The capital ratios are at the levels indicated in the following table:

Common Equity Tier 1 capital/Risk-weighted assets (CET1 capital ratio)	14.65%
Tier 1 capital/Risk-weighted assets (Tier 1 capital ratio)	15.33%
Total own funds/Risk-weighted assets (Total capital ratio)	15.96%

The minimum capital ratios to be complied with for 2024, pursuant to Article 92 CRR, are therefore the following:

- Common Equity Tier 1 capital ratio (CET1 ratio) of 4.5% + 2.5% of the Capital Conservation Buffer (CCB)
- Tier 1 capital ratio of 6.0% + 2.5% of CCB
- Total capital ratio of 8% + 2.5% of CCB.

As a result of the entry into force of IFRS 9, a revision of the prudential rules (CRD/CRR) for the calculation of capital absorption was also envisaged. In this regard, Regulation (EU) 2017/2395 published on 27 December 2017 envisages, as an option, the possibility for financial institutions to adopt a transitional regime where they can reinstate to CET1 the adjustments resulting from the adoption of the impairment model of the new standard, with a "phase-in" mechanism over a period of 5 years starting from 2018; the Bank has adopted the transitional regime (static approach) to measure the impacts of the new standard on regulatory capital. The option for the transitional regime sets forth that the higher allocations deriving from the first application of the standard, net of the tax effect, are excluded from the calculation of prudential requirements, according to a decreasing weighting factor (95% in 2018, 85% in 2019, 70% in 2020, 50% in 2021 and 25% in 2022). It should be noted that in the year 2023 the transitional period referred to above expired.

It should also be noted that the Cassa di Risparmio di Bolzano Group, on 10 December 2020, forwarded a specific request to the Bank of Italy aimed at obtaining authorisation for the full application of the transitional provisions on IFRS 9 provided for in Article 473-bis of Regulation (EU) 575/2013 (CRR), as amended by Regulation (EU) 873/2020 of 24 June 2020. Specifically, the authorisation concerns the application of the transitional regime on expected credit losses calculated in accordance with IFRS 9.

By means of a provision of 23 December 2020, the Bank of Italy authorised the Cassa di Risparmio di Bolzano Group to fully apply the above provisions on a separate and consolidated basis.

With reference to 31 December 2024, it should be noted that the non-application of the transitional regime envisaged by Article 473-bis of Regulation (EU) no. 575/2013 would have led to a (negative) impact of -4 bps on CET 1.

On 29 January 2025, the Cassa di Risparmio di Bolzano Group communicated to have received from the Bank of Italy, at the conclusion of the annual Supervisory Review and Evaluation Process (SREP) conducted during 2024, the notification of the decision on the prudential requirements to be met on a consolidated basis.

With letter of 19.11.2024, the Supervisory Authority had announced the initiation of the ex-officio procedure relating to the imposition of capital requirements in addition to the minimum capital ratios envisaged by the regulations in force in relation to risk exposure.

The communication received on 29.01.2025 confirmed the quantitative requirements, the qualitative requirements and the recommendations formulated by the Supervisory Authority in the letter of 19 November 2024.

In particular, the Cassa di Risparmio di Bolzano Group will be required to continuously comply with the following capital requirements at consolidated level, without prejudice to compliance with the minimum capital requirement set forth in Article 92 of Regulation (EU) no. 575/2013:

- Common Equity Tier 1 capital ratio (CET 1 ratio) of **7.70%**, consisting of a binding measure of 5.20% (of which 4.50% against the minimum regulatory requirements and 0.70% against the additional requirements determined as a result of the SREP) and for the remainder of the capital conservation buffer;
- Tier 1 capital ratio (Tier 1 ratio) of **9.50%**, consisting of a binding measure of 7.00% (of which 6.00% against minimum regulatory requirements and 1.00% against the additional requirements determined as a result of the SREP) and for the remainder of the capital conservation buffer;
- Total capital ratio of **11.80%**, consisting of a binding measure of 9.30% (of which 8.00% against the minimum regulatory requirements and 1.30% against the additional requirements determined as a result of the SREP) and for the remainder of the capital conservation buffer.

Sparkasse is also required to comply with the systemic risk buffer requirement; this buffer, set at 1% of risk-weighted exposures to credit and counterparty risk towards Italian residents, is to be built up gradually. As outlined in the press release issued by the Bank of Italy, the requirement entails establishing a reserve equal to 0.5% of relevant exposures by 31 December 2024, with the remaining 0.5% to be constituted by 30 June 2025.

In this regard, the Cassa di Risparmio di Bolzano Group reiterates that at 31 December 2024, the CET1 Ratio, Tier 1 Ratio and Total Capital Ratio, calculated according to the transitional regulations (IFRS 9 phased-in), stood at satisfactory values, with an adequate margin compared to the thresholds provided. The level of fully-phased ratios was also higher than the new minimums required at that date.

5.2 Shares of the Parent Bank Cassa di Risparmio

In this regard, please refer to the Management Report of the Parent Bank's financial statements.

5.3 Liquidity

Liquidity ratios

As part of the Basel III framework, the Supervisory Authorities have introduced liquidity requirements that require banks to maintain a minimum level of liquidity to deal with stress situations and ensure a balanced relationship between stable funding sources and loans. For short-term liquidity, the "Liquidity Coverage Ratio" (LCR) indicator was introduced with the objective of establishing a liquidity buffer that allows the Parent Bank to survive for a period of 30 days in the case of severe stress. In 2024, this indicator for the Group was always well above the minimum binding requirement (equal to 100%). In terms of structural liquidity, the Basel III agreements set forth the "Net Stable Funding Ratio" (NSFR), with a time horizon of more than one year, to ensure that assets and liabilities have a sustainable maturity structure. With Regulation (EU) no. 2019/876 (CRR2), the NSFR regulatory requirement was introduced which provides for the mandatory compliance with the minimum threshold of 100%. In 2024, the NSFR indicator was well above the minimum binding requirement.

The Board of Directors has defined, within the Risk Appetite Framework, as risk objectives for liquidity in addition to the LCR and NSFR indicators, also the degree of intermediation (ratio between loans to customers and customer funding) and the Asset Encumbrance Ratio.

Data at 31/12/2024	LCR	NSFR	Degree of intermediation	Asset Encumbrance Ratio
Parent Bank	195.92%	125.00%	80.57%	17.77%
Cassa di Risparmio di Bolzano Group	197.09%	124.24%	n/a	21.18%

Liquidity management

In 2024, the Parent Bank maintained a liquidity position that was considerably higher than the regulatory limits. In addition to the deposits of private and corporate customers, which represent the most important part of its direct funding, the Parent Bank also draws on additional liquidity supply channels, the most important of which is the funding with the European Central Bank. The Parent Bank has an outstanding exposure of Euro 700 million towards the European Central Bank (ECB).

Sparkasse, in addition to the historical online presence of its Munich branch ('Südspa'), has been active also on the weltsparen.de platform, operated by the fintech company Raisin GmbH, and offers continuously updated interest rates for sight deposits, sight deposits with a 34-day notice period, deposits with short maturities of 6, 12, 18 and 24 months, and deposits with long maturities between 3 and 10 years. The volume collected so far has been satisfactory.

In order to achieve the Parent Bank's goal for the year 2024, *i.e.*, to reach a comforting level of the structural liquidity ratio "Net Stable Funding Ratio (NSFR)", in line with the provisions of the 2024-2026 Business Plan as well as the 2024 Funding Policy, in April 2024, the Parent Bank issued the third series of CBs under the existing fixed-rate Programme for an amount of Euro 250 million nominal amount and a duration of 5 years. At least initially, this issue was fully subscribed by the Parent Bank itself.

The Parent Bank also issued a fixed-rate senior bond with a 4-year maturity in March, following explicit requests from the branch network. The offer was conducted under an exemption from the obligation to publish a Prospectus pursuant to Article 1, paragraph 4, letter (d) of Regulation (EU) 2017/1129, meaning it was only addressed to investors purchasing securities for a total consideration of at least Euro 100,000 per individual issue. The amount offered was Euro 10 million, while the amount subscribed was approximately Euro 9.7 million.

During 2024, the Parent Bank entered into several NSFR Repo transactions with a total cash countervalue of approximately Euro 795 million. The underlying assets consisted of the three series of CB (Covered Bond) issues, the Fanes Series 2018 securitisation (“Fanes IV”), as well as the Civitas 2017 securitisation, which was issued by the subsidiary CiviBank but held within the proprietary portfolio of the Parent Bank.

The Parent Bank regularly and consistently took advantage of the opportunity to generate a positive interest margin by entering into financing transactions on the very short and short-term repo market and deposited this liquidity with the European Central Bank ("deposit facility") for the duration of one day at a rate higher than the financing rate.

Finally, it should be noted that since the year 2022, Cassa di Risparmio di Bolzano has had a Programme for the Issuance of Bank Bills of Exchange, but has not issued any such financial instruments to date. Any issuance, which may take place, at the Bank's choice, either in public or private form, will remain an opportunistic operation, should a particular opportunity and/or need arise.

Lastly, it should be noted that the extension of the CB programme to CiviBank is relevant because the Covered Bonds represent a particularly important instrument in the institutional funding strategy, as they allow, also thanks to their creditworthiness, currently rated "AA" by the rating agency Fitch, to obtain advantageous terms in medium-term collateralised funding transactions.

From the participation of CiviBank in the CB Program, the need to enter into intra-group financing transactions also arises, in order to distribute the economic benefit produced by the CB Programme pro rata between the two banks of the Group.

6 Information by business areas

6.1 Territorial network

SPARKASSE

RETAIL BUSINESS UNIT

During 2024, the logic of the 2024-2026 business plan was consolidated with focus on customer advisory services aimed at delivering a fully comprehensive and highly professional level of service. To ensure the proper preparation of collaborators/advisors, high-quality training sessions and coaching activities in the areas of wealth and protection were carried out by colleagues from the "Competence Centre."

Particularly noteworthy is the continuation of the branch logistics restructuring plan according to the new "look ahead" concept, which places the customer at the centre of the physical branches, in terms of space made available both for cash transactions as well as for the carrying out of customer advice services.

Four territorial branches were included in the 2024 restructuring plan, specifically the branches of:

- Merano Headquarters
- Laces
- Lana
- Oltrisarco Bolzano

Also as part of the business plan, the Bank, in October 2024, for all the "A" branches, completed the Credit HUB project for the entire Retail structure.

VIRTUAL CONSULTANCY BUSINESS UNIT

In 2024, remote advisory services provided by Sparkasse branches became a well-established and familiar process, while the extension of this service to the CiviBank network is planned for 2025.

In the final phase of 2024, the project to extend the CiviBank Meet specialised remote advisory and support structure was also launched, similar to what was applied for Sparkasse Meet.

CiviBank Meet will be managed within the responsibilities of the Parent Bank's Meet Service, and the sales team members will work interchangeably with both Sparkasse and CiviBank customers, as is already the case with the assistance team.

CORPORATE BUSINESS UNIT

The year 2024 was characterised by a modest recovery of investments due to ongoing uncertainty related to the conflicts in Ukraine and the Middle East, interest rate levels, tensions in international trade, and the resulting unpredictability of inflation trends.

The focus on the evolving geopolitical landscape nevertheless remains high, prompting many entrepreneurs to cautiously evaluate investment projects.

Many companies have generated liquidity that they have used to make the necessary investments, to reduce/repay the loans contracted in advance or to finance the working capital, reducing the recourse of short-term debt.

The Corporate structure dedicated to supporting SMEs in the areas where the Bank operates showed its massive closeness to customers by proactively offering tailored solutions in response to the current economic climate. There was the ability to offer corporate clients an all-round consultancy that could cover and satisfy the different areas of needs related to financing and investment, risk management and protection as well as international trade.

The focus on finance with low capital absorption also characterised the whole of 2024.

During 2024, a sales initiative was promoted, with the support of the internal structure specialising in Factoring, aimed at proposing a non-recourse product range to potentially interested customers. An initiative that was particularly successful in Veneto.

The insurance offer was also at the centre of the consultancy in 2024: in order to meet the insurance coverage needs of corporate customers, the project to strengthen the internal structure with the partner Net Insurance continued during the year.
Thanks to the partnership launched in June 2021 with Autosystem, the needs of corporate customers were met with the offer of long-term car rental.
At the end of January, a talk was organised for its members at the headquarters of the *Südtiroler Bauernbund* entitled "*Investitionen im UaB-Betrieb - zahlen sie sich aus?*", while at the beginning of October, a webinar was organised for its members in cooperation with the *HGV Hoteliers- und Gastwirteverband* entitled "*Nachhaltige Projekte clever finanzieren HGV und Sparkasse informieren*", initiatives carried out in synergy with the Bank's Corporate structure.
Finally, in order to enhance the role of the Business Consultant in an ever-changing economic and social scenario, the Workshop "*Italy and the North East: economic perspective in 2024*" was organised, which featured Mr Giacomo Bracci as speaker.

PRIVATE AND CORPORATE SEGMENT

CORPORATE BANKING FOCUS

Corporate Banking represents a significant part of the Bank's activities, providing customised services and solutions to companies to support their financial and capital management needs.
The year 2024 was marked by a complex economic and geopolitical context. The gradual lowering of interest rates by central banks influenced credit conditions and liquidity in the financial system.
The Italian economy recorded moderate growth, hindered by the slowdown in domestic demand and global uncertainty, despite support from investments linked to the National Recovery and Resilience Plan (PNRR).
Internationally, geopolitical tensions have increased the instability of markets and supply chains, requiring careful risk management.
The Corporate Business Unit maintained a strong focus on the creditworthiness of both existing as well as prospective corporate customers, favouring those with stable ownership and proven entrepreneurial capabilities, business areas with recognised growth potential both internationally and domestically, and financial fundamentals aligned with the Bank's Loan Policy.
Differentiated policies and approaches were pursued in the various business areas, tailored to the levels of market presence achieved and the available room for growth, the districts and product sectors that make up the production structure of the various regions, and the improvements made and planned to staffing in the corporate areas.
In 2024, the Emilia-Romagna region was organised with an even more effective territorial subdivision, which allowed for a greater presence and improved market coverage. The efforts to diversify the composition of the customer portfolio continued with the inclusion of smaller companies alongside the medium/large groups that have been acquired so far.
Staffing was completed in the Civibank Corporate area, while in order to enhance the Civibank brand and its territorial characterisation, the management of the area was entrusted to an individual with many years of experience within Civibank itself.
In the more established areas of Trentino-Alto Adige and Veneto, taking into account the complexity of the general situation described above, the goal was to maintain market share while still trying to broaden the customer base and improve customer onboarding rates.
An additional key priority of the commercial activity of the corporate area in 2024 was the offering of specialised services to corporate customers, particularly in the following areas:

- structured corporate finance to support more complex lending requirements;
- international desk to assist internationally-oriented companies and provide optimal solutions;
- subsidised finance, to proactively propose the possibility of access to the available funding tools aligned with company programmes;
- leasing, factoring and long-term rental with proposals structured by in-house service specialists;

- ESG advice, to offer know-how and provide effective answers to the growing demand for sustainability in the various areas of business.

PRIVATE BANKING FOCUS

The Private Banking business unit includes the management and marketing of banking and financial products/services and credit brokerage aimed primarily at private customers with significant assets; this segment also includes customers who declare that they own significant assets, even if they are partly held at other institutions, customers who earn a high income or have a high standard of living; last but not least, it also includes companies with high liquidity.
The year 2024 was characterised by both the growth in assets under administration, particularly through investments in government bonds, and a significant increase in assets under management.
The opportunities for development on the target of Private Banking customers, as described above, are significant in consideration of the fact that the wealth of individuals is increasing despite the current geo-political and economic situation.
Clients with large assets are constantly on the lookout for alternative investment opportunities and, for this reason, Sparkasse Private Banking also offers its clients services other than investment advice, such as succession planning, customised insurance solutions, as well as initiatives in specific sectors such as art, also by organising events in cooperation with external partners.
During the financial year just ended, the Asset & Investment Advisory Unit, established in 2023, became fully operational, offering specific expertise in the evaluation of complex asset allocations.
The Bank is a member of the Italian Private Banking Association (AIPB), thus also keeping abreast of industry trends as well as future challenges in a complex market where personalisation and sustainability will be increasingly important.
Great attention is also paid to the managerial training of Private Banking advisors, both through internal training programmes and through specific collaborations with leading providers of specialised training in the investment field.

CORPORATE FINANCE FOCUS

The year 2024 was highly positive for the Corporate Finance Service, which for the first time in its history generated fee and commission income exceeding Euro 6.0 million Collaboration with the Civibank sales network also went well, managing to generate fee and commission income of over Euro 0.5 million. It should be noted that at the end of the year, the minimum thresholds for the Service's intervention in support of the sales network were revised, to ensure structured finance support consistent with the network's actual needs.

FOCUS ON SUBSIDISED FINANCE

FINANCIAL SERVICES FOR UNDERTAKINGS

As for subsidised finance, in 2024 the range of services offered to customers expanded further. In particular, the Bank obtained a new Ceiling of guarantees from the European Investment Fund (EIF) and enhanced its advisory services related to the National Recovery and Resilience Plan (PNRR), with a focus on the Transition 5.0 measure. In the area of complementary finance, the process of developing the in-house leasing instrument was completed and the promotion service of the factoring tool became fully operational.

AGRIBUSINESS

In March 2024, the new Agribusiness Service was created. This is a cross-functional unit serving both the Banks of the Group as well as being available to all business units. This project is dedicated to the development of customers in the agricultural sector, through a consultancy-based approach delivered by a team of specialists supporting both the network and customers, alongside a product range designed specifically for the sector.
In October 2024, the new set of products was made available to the sales network, accompanied by the launch of dedicated training sessions. Specialists were recruited throughout the year, with the team completed by the recent hiring of a dedicated specialist for the Alto Adige region.

FRIE AND SUBSIDISED FUNDS

During 2024, the Friuli-Venezia Giulia (FVG) Development Unit for FRIE and subsidised funds continued to provide advisory support to the Civibank commercial network. This support included the preparation of specific reports assessing the dual aspects, the economic/financial profile and the subsidised/regulatory profile of each case. Currently, the structure includes 2 staff members that report hierarchically to the Corporate FVG area.
During the past year, Civibank alone accounted for 45.5% of all approved subsidised financings at the regional level under the FRIE scheme.

INTERNATIONAL DESK FOCUS

During 2024, the International Desk completed its specialised product catalogue and continued to support the network by participating in customer visits. More than 400 visits were conducted, equally distributed among the Civibank network and the Sparkasse network.
We have found that customers in Alto Adige particularly appreciated the presence of a German-speaking foreign specialist, a feature unmatched by both local and national competitors.
Efforts also continued to address regulatory issues related to the Munich Branch, which continues to attract high-quality, diversified deposits with high interest returns.

TREASURY ENTITY FOCUS

In 2024, Sparkasse, as lead bank together with Banca Popolare dell'Alto Adige, was awarded the contract for Treasury and Cash Transport Services for the 2025–2029 period, in addition to maintaining key services for local authorities in Alto Adige. Looking ahead, the focus of further activity will be on a careful commercial assessment of the opportunities emerging in the context of Public Authority Treasuries tendered in an area spanning the Triveneto border.

CIVIBANK

The Bank continued its commercial policy of implementing initiatives aimed at achieving the objectives set as part of a direct and transparent relationship with customers.

PRIVATE SEGMENT

RETAIL: CONSUMER LOANS AND PERSONAL AND ASSET PROTECTION PRODUCTS

The Retail Market's lending activities in 2024 confirmed the focus of production mainly on the segment of mortgages to private individuals and consumer credit. During the year, among other things, meetings were organised with credit brokers aimed at revitalising cooperation between them and the sales network within defined ceilings.
The bancassurance business also maintained a wide range of products dedicated to the protection of individuals and assets in collaboration with the Swiss insurance Group Helvetia and the Trentino Group ITAS.

ASSET MANAGEMENT/ PRIVATE BANKING/ WEALTH MANAGEMENT: SAVINGS AND INVESTMENT PRODUCTS

The evolution of the commercial organisational model that took place in April 2024 led to the appointment of several new "personal" and "small personal" advisors. These advisors were assigned new portfolios with an "initial" activity of getting to know customers and pursuing activities
aimed at the "re-contractualisation" of relationships. Training initiatives also continued with various business partners, focusing on product knowledge as well as internal training on operational processes. This led to a significant improvement in commercial production in the second half of the year.

PAYMENT AND DIGITAL SERVICES

The Bank is active in initiatives aimed at innovation and digitalisation of products, services and processes, collaborating with its technological and product partners.

The increase in the use of internet banking services continued. In the final phase of 2024, the project to extend the CiviBank Meet specialised remote advisory and support structure was also launched, similar to what is in place in the Parent Bank for Sparkasse Meet.
CiviBank Meet will be managed within the responsibilities of the Parent Bank's Meet Service, and the sales team members will work interchangeably with both Sparkasse and CiviBank customers, as is already the case with the assistance team.
The roll-out of mobile payment services continues, both on the usual national and international circuits, with partner Nexi, through the applications Nexi Pay, Apple Pay, Google Pay, Samsung Pay, Garmin PAy, etc. Through the apps, in addition to performing payment transactions, it is possible to maintain full control of card operations and receive notifications on payments made. Over 20% of customers have activated a mobile wallet and are able to make payments without material use of the card, with a clear prevalence of the Apple Pay system, which is extremely popular among IOS mobile phone owners.

LOANS AND BUSINESS SERVICES

LOANS

As part of its product portfolio, CiviBank was characterised by the constant use of subsidised instruments made available at supranational, national and regional level; this allowed the Bank's business customers to access credit more easily with advantageous conditions.
To support the investments of business customers (SMEs and large undertakings), particularly in the Friuli area, the Bank continued to use regional revolving funds (FRIE and Development Fund). These instruments have allowed companies to access credit with subsidised rates, also receiving from the Region an additional non-repayable contribution of 5% of the financed amount.
In support of investments, CiviBank continued to offer customers the leasing service, as an alternative and/or complementary instrument to revolving funds, combined, where possible, with the "Sabatini Nazionale" contribution and for investments in Friuli-Venezia Giulia also with the "Sabatini FVG" contribution.
Again with a view to assist businesses and facilitating their access to credit, in combination with investment transactions or operations or aimed at liquidity requirements, the Bank proposed, where possible, the consolidated instrument of the Central Guarantee Fund and the Agreements with the largest and most important Confidi in the territories in which it operates.
The Bank also supported customers in liquidity and investment transactions with other subsidised instruments: the Guarantees issued by Sace, the EIF Guarantees and Veneto Sviluppo.
Finally, also in the agricultural sector, the Bank supported companies in the sector in their requests for liquidity and/or transactions against investments, in particular with the use of the subsidised instruments made available by the Friuli Venezia Giulia region (Rotation Fund L.R. 80 and ISMEA guarantee). The launch of the new service dedicated to Agribusiness has ensured, and will ensure for the future, an important market presence.
The direct management of all the subsidised instruments described above has allowed the Bank to create a high level of expertise on the subject, thus offering specific consultancy and tailor-made financial proposals to client companies. Moreover, the in-depth knowledge of the instruments has led the Bank to have a close relationship of collaboration with the Managers of the various facilities; in particular, the collaboration with the Friuli-Venezia Giulia Region has made it possible to continue the offer of specific subsidised facilities for undertakings in the Friuli region.

PAYMENT AND DIGITAL SERVICES FOR UNDERTAKINGS

In a market context in which digital payments are growing steadily and are almost at parity with cash payments, a partnership between Nexi and the Sparkasse Group was launched in 2024. This collaboration is aimed at enhancing cross-selling opportunities, supported by a wide range of advanced and value-added services dedicated to undertakings.

THE LEASING MARKET

The Bank continued its development of the leasing product, confirming the quality of the service offered. The direct management of the product, by means of a specific division, made it possible to develop a complete service to customers, combining the benefits of lease with the consultancy and management of national Sabatini and regional Sabatini facilities in Friuli-Venezia Giulia, as well as the use of subsidised funds and MCC and Confidi guarantees, in a single offer and a single customer service.

Operations covered not only the capital goods and real estate sectors, but also the nautical and vehicle sectors, which experienced the greatest growth in the market, prevailing in terms of both volume and number of transactions, which are typically the prerogative of specific product companies.

The Bank's wide-ranging specialisation has thus enabled a "service" to the Customer in a comprehensive manner, covering all their needs and creating new business development opportunities, including with new Customers.

Product diversification has resulted in excellent risk diversification both by counterparty and by asset type, with clear benefits in terms of risk containment.

Lastly, a servicing activity was launched for the Parent Bank, with the first transactions in favour of Sparkasse customers, with a view to synergism at Group level.

6.2 Interest rate and condition policy

Also in 2024, interest rate policy was crucially affected by the monetary policies undertaken by the ECB from time to time to cope with the macroeconomic environment. The EURIBOR and IRS benchmark rates, to which the majority of our lending products are indexed, recorded declines over the course of the year, particularly in the long-term segment. These reductions were also reflected in the rates offered to customers. In terms of spread positioning, a policy was adopted that took into account the reference market, adjustments to the cost of risk and capital, as well as the levels of the refinancing cost, in particular forward-looking. In the funding segment, remuneration was also adjusted to the context, recording the gradual reductions on restricted technical forms.

6.3 Commercial initiatives, communication and marketing activities

SPARKASSE GROUP

"HORIZON 2026" - NEW GROUP BUSINESS PLAN

The highlight and central focus of the communication activity in the financial year 2024 was undoubtedly the presentation of the Group's new business plan, called "HORIZON 2026", outlining its key contents and pillars. This new three-year strategic plan aims to reaffirm its position as the leading independent banking group headquartered in the Triveneto region, keeping pace with the times and staying close to households and businesses, thanks to a strong focus on sustainability, innovation, and the creation of added value for the territory in which it operates. The plan envisages, among other things, investments and projects totalling over Euro 55 million and sets out a significant ambition: to become two banks (Sparkasse and CiviBank) recognised for their high-quality customer advisory services and their ability to offer cutting-edge technological solutions.

In summary, the new Plan adopts a holistic approach aimed at improving the Group's efficiency, sustainability, and competitiveness. The Plan envisages the further development of the multi-channel attitude, to reach customers in a targeted manner through their preferred channels, and the continuous enhancement of the offer, to meet the needs of an ever-changing market. This will make it possible to offer customers an increasingly integrated experience and a growing personalisation of the business relationship, thanks to the use of advanced tools that enable an increasingly timely response to customers' needs.

SPARKASSE GROUP RECOGNISED AS A "SUSTAINABILITY LEADER"

Sparkasse and CiviBank are among the companies in Italy that are most attentive to environmental and social issues, actively contributing to a respectful and sustainable economy. As a result, the Group has been awarded the title of "Sustainability Leader". The initiative is promoted by "Statista", the independent German market and consumer data research institute, in partnership with "Il Sole 24 Ore". This achievement reflects the concrete actions and ongoing commitment of parent bank Sparkasse, now shared with the newly acquired CiviBank Società Benefit.

THE SPARKASSE GROUP'S "ZEROCARTA" INITIATIVE

One notable initiative is Sparkasse Group's "ZeroCarta". Today, more than 27,000 customers contribute to environmental protection by choosing the "ZeroCarta" version of their current account. In fact, they opt out of receiving any documentation (account statements, receipts, communications, etc.) in paper format, choosing instead to receive everything in digital format only. If, for any reason, they require a paper copy of a document, half the printing cost is donated to support environmental protection projects within the Group's territory. In this way, more than Euro 11,000 were collected in 2023, which, in 2024, were donated to one or more projects or associations promoting environmental conservation within the Sparkasse Group's operational area.

SPARKASSE AND CIVIBANK WOODEN DEBIT CARD COMMUNICATION CAMPAIGN

As a groundbreaking initiative, Sparkasse Group now offers its "proven" international debit card, with the same functions and features, in a version made from wood sourced from a sustainable supply chain. These cards are made from 80% sustainably-sourced wood and 20% recycled materials. The cards are produced using clean energy and waste generated during production is then recycled. In addition, the thermal printing process used significantly reduces the use of chemicals. The wood used comes from cherry trees from sustainably managed forests or from trees that had to be felled for safety or other reasons. Interestingly, approximately 10,000 cards can be made from a single tree.

This innovation was launched with an extensive media campaign across newspapers, local TV and radio, social media, online platforms, and cinemas. Far removed from clichés, the advertising spot delivers a fresh and humorous take on sustainability, in contrast to that often overused one of green products and services. The focus, in fact, is on the small daily choices that each of us can make in the course of the day, guided by the motto: Every day, each of us has 24 hours to help protect the planet.

Additionally, Sparkasse and CiviBank are covering the cost of the new debit card for Chili and Premium account holders and Sparkasse shareholders. The wooden debit card can also be applied for by holders of other account types. In these cases, an annual fee of Euro 30 is charged, part of which is paid into the "Zerocarta" fund to finance environmental projects. This means that these customers will make a further contribution in the spirit of environmental protection.

While wooden cards alone will not solve the global plastic pollution problem, nevertheless, they represent an original and innovative contribution, offering our customers a small but meaningful way to make a positive environmental impact in their daily lives.

COMMUNICATION CAMPAIGN MORTGAGES FOR THE PURCHASE OF ENERGY CLASS A AND B HOMES

To support Sparkasse Group's green strategy and strengthen its position in the sustainability sector, a special offer has been launched for fixed-rate mortgages aimed at private customers purchasing green homes with an energy performance certificate of class A, B, or better. It also applies to renovations that result in at least a 30% improvement in energy needs or the achievement of energy class A. The offer has also been extended to mortgage transfers with a remaining balance of over Euro 100,000 on properties with the same characteristics. This very aggressive initiative was in addition to the various actions already undertaken, so as to give a clear signal to the market of our position on the subject. Moreover, the acquisition of mortgages with high-value collateral will contribute to improving the banking group's Green Asset Ratio (GAR), a metric of growing importance in the banking sector. The initiative was promoted through a robust advertising campaign in print and online media, as well as via branch screens, ATMs, and posters.

DIGITAL PROTECTION MOUNTAIN POLICY COMMUNICATION CAMPAIGN

Digital insurance sales are evolving rapidly thanks to growing consumer demand and increasingly simple and accessible technological solutions made available by companies and distributors. Among them is the Sparkasse Group, which, continuing to innovate and adapt to new market needs, offers its customers the option to self-purchase the mandatory insurance for on-piste skiing via its ON platform and, for non-customers, via the public Sparkasse and CiviBank websites. To promote the product, a group-wide online advertising campaign on the "Protection Mountain" digital policy was carried out with a particular network (display, discovery and search, banners on online editorial sites and on social networks) and geotargets (Sparkasse and CiviBank branch areas, ski slope areas, ski resorts in Trentino Alto Adige, Veneto and Friuli Venezia Giulia), with particular intensity during weekends, holidays, and peak ski season weeks.

NEW: STUDENT LOAN

The Sparkasse Group has introduced a key initiative to support university students in investing in their training, with backing from the Italian State Youth Credit Fund (Consap). The product is aimed at students aged 18–40, covering costs directly related to their academic path, such as tuition fees, educational materials, study-related activities, and accommodation costs. The new product was promoted on the Group's bank websites with a dedicated page highlighting its flexibility and advantageous terms.

NEW SPARKASSE GROUP AGREEMENT WITH EIF

Thanks to an agreement with the European Investment Fund (EIF) and the European Union's InvestEU programme, the Sparkasse Group provides more than Euro 50 million in preferential loans to innovative, green SMEs and small mid-cap companies in the cultural sector: Communication around this agreement highlighted the Group's well-established partnership with the European Investment Fund and its aim to foster new and concrete development paths in local entrepreneurship, particularly in the areas of digitalisation and sustainable transition. In a rapidly changing technological and social scenario, the Sparkasse Group once again demonstrates its commitment to supporting small and medium-sized undertakings in the region.

NEW SPARKASSE GROUP AGREEMENTS WITH SACE

The Sparkasse Group has signed the "Garanzia Futuro" (Future Guarantee) and "Garanzia Green" (Green Guarantee) agreements with SACE. These tools enable undertakings, particularly SMEs, to boost their competitiveness, productivity, and sustainability. The agreements allow the Sparkasse Group to further support undertakings in the realisation of their investment plans, also by combining them with subsidised finance and National Recovery and Resilience Plan (PNRR) tools. In the related communication activities, it was emphasised that with these tools, the Sparkasse Group will be able to continue in its role of assisting and supporting local undertakings. The now consolidated partnership with the SACE Group, thanks also to this agreement, will enable the group to realise new and concrete development paths for our entrepreneurial fabric, especially in the context of the sustainable transition.

FORUM FOR SUSTAINABLE FINANCE

Sparkasse Group has joined the "Forum per la Finanza Sostenibile" (Italian Sustainable Investment Forum – FFS), a non-profit association founded in 2001 to promote the integration of environmental, social, and governance (ESG) criteria into investment policies and processes. This FFS membership reaffirms the Group's commitment to fostering an ESG culture in finance, also with a view to helping improve the service offered to its customers in making informed and sustainable decisions.

GREEN, SOCIAL & SUSTAINABILITY FUNDING FRAMEWORK

The Sparkasse Group achieved an important initiative during the financial year 2024: the preparation of the "Green, Social & Sustainability Funding Framework". This Framework, required for issuers of "green" or "social" financial instruments to compile and publish, is the foundation for carrying out ESG-compliant funding operations. The Framework was based on a similar document published by CiviBank in 2022, appropriately updated to reflect the Sparkasse Group's internal processes. The Framework has also been prepared so that it can also be used for issues that comply with the recently enacted EU Green Bond Standard. The Framework was published in a special section of the two banks' websites.

HUMAN RESOURCES: A PRIMARY ASSET FOR SPARKASSE

The growth and affirmation of a company hinge on the quality and motivation of its collaborators, which, in relations with customers, is a fundamental element and constitutes a distinctive factor. The future of the company is built with people and it is thanks to the contribution of the Sparkasse Group's employees that we are able to add value and be a successful banking group.

Welcome on board

As part of a special event under the motto "Welcome on board", the Sparkasse Group welcomed 184 new hires over the past 12 months, with a view to a generational shift in its staff. The event was dedicated to the new hires, who were welcomed by the Group's management and introduced to the structure of the Group and its two banks, as well as the challenges ahead. The new hires were also greeted by the Heads of Management, who gave an overview of the banking group, explaining the values, projects, responsibilities and answering questions from the young colleagues. The Sparkasse Group, in addition to being the largest territorial bank in the North-East, is also one of the most important employers in our area and has a wide-ranging recruitment plan to attract and develop young talent, with a view to generational change and growth of our banking group. The Group is constantly seeking curious and motivated individuals who want to grow within one of the most dynamic employers in the area which also boasts one of the most comprehensive welfare systems and cutting-edge training and development programmes.

ISO 9011 Certification for Staff Training

The Sparkasse Group achieved an important result: the renewal of the ISO 9001:2015 EA37 certification for staff training. The accreditation, renewed three years after the initial certification, confirms the application of the key principles of the Group's Quality Management System for Training processes. The Sparkasse Group is the first financial institution in the region to achieve this result.

COMMUNICATION TOOLS

To support the achievement of the corporate objectives, the Sparkasse Group has been very present in traditional and digital media in terms of product and institutional communication. Among the online communication tools, the presence on the most important social channels, LinkedIn, Facebook, YouTube and Instagram, was increased, achieving considerable growth in interactions and significantly raising the number of followers and likes. Social media are efficient tools that make it possible to strengthen the relationship with customers, to get in touch with prospective customers and to increase brand awareness.

The Sparkasse Group saw a constant presence not only in the local media, but also in the major national financial media such as "Il Sole 24 ore", "Milano Finanza" and on the economic pages of "Corriere della Sera". Economic-financial web channels, such as "Class CNBC" of Milano Finanza were added to these. Throughout the year, communication activities, with timely press releases, were further developed and intensified in support of the main initiatives and activities undertaken by the Sparkasse Group.

A series of marketing campaigns and initiatives were exploited by using the whole range of channels and media available: in the press, television, radio, online, billboards, trade marketing tools, which were also joined by several web, digital and direct marketing actions and organisation of specific events.

The "Journal", the Sparkasse Group's periodical, is proving increasingly successful and continues to attract a growing number of readers. The biannual magazine for customers, shareholders and employees, where they can read articles on topics involving the banking group, receive information on products and services offered as well as a series of in-depth articles on current topics affecting the economy and finance. The periodical also dedicates ample space to prominent personalities.

The specific initiatives carried out by the two banks are reported below.

SPARKASSE

CELEBRATION OF THE 170TH ANNIVERSARY OF FOUNDATION

In 2024, the Cassa di Risparmio di Bolzano celebrated its 170th anniversary. A series of communication initiatives were implemented to celebrate this anniversary:

Communication campaign: A communication campaign dedicated to Sparkasse's 170 Years was launched with three different visuals on Print, Online and OoH (Out of Home), while related posters were displayed in the branches. In addition, a dedicated landing page was created on the Sparkasse website. Finally, a promotional video was created and published on social media (YouTube, Facebook, Instagram and LinkedIn).

Celebratory events: Various events were organised in the region, in particular 7 events in the 7 localities of the 7 founding Casse di Risparmio (Bolzano, Merano, Brunico, Bressanone, Vipiteno, Silandro and Ortisei) and a final event in Bolzano, in the picturesque setting of Mareccio Castle, to which customers, shareholders and authorities were invited.

Publication and Historical video: A special edition of the company magazine Journal was produced, entirely dedicated to Sparkasse's 170-year history, from its origins in 1854 to the present day. This was published both online and in print. The articles were written by historian Mr Walter Landi, President of the Bolzano Civic Museum Society. In addition, a video interview with the historian, Mr Landi, was made and published on the Sparkasse YouTube channel, and a page in the "Stories" section on the die Sparkasse website. Finally, a webpage was created for each of the 7 founding Casse di Risparmio and the event organised therein.

SECOND BRANCH IN EMILIA ROMAGNA OPENED IN MODENA

The Bank opened its new branch in Modena, the second in Emilia-Romagna, after the Bologna branch. The Modena branch, located at 143 Via Paolo Ferrari, is characterised by an innovative internal organisation with a strong specialisation on savings management and asset and personal protection as well as Corporate Banking.

THE OPENING OF NEW BRANCHES WITH INNOVATIVE FORMATS CONTINUES

The innovative model was designed through the integration of traditional physical channels and advanced digital systems, and transforms the classic banking model into a unique environment, maximising the relational, consultative and technological aspect. In 2023, the branches in Silandro (BZ), San Candido (BZ) and Feltre (BL) were renovated and opened with this concept.

SPARKASSE IS RECONFIRMED AS "ESG IDENTITY - ICI COMPANY 2024"

Sparkasse is once again among the companies that stand out for the integration of ESG factors in their governance, confirming its position as "ESG Identity Corporate Index - Company" in 2024 for the second year in a row. This recognition attests to the company's ability to have undertaken a path of transformation and evolution with an ESG-driven approach, a mark of consistency, commitment, and vision.

SPARKASSE WINS "EUROPEAN TRANSACTION OF THE YEAR" AWARD

Sparkasse was awarded the "European Transaction of the Year" award, prevailing over several international banks. The jury highlighted that the characteristics of the transaction, conceived and carried out by Sparkasse, represent a first in the Italian market, setting a new benchmark.

SPARKASSE AUTO ADVERT AWARDED

This comes as an important recognition for Sparkasse. The advertising spot for "Sparkasse Auto", the long-term rental service offered by the bank, featuring Olympic champion Tania Cagnotto as testimonial, was awarded first place in the "Testimonial" category of the Mediastars Awards. The Mediastars Award is the most representative initiative of the sector in the country, highlighting the value of the professionalism of those who contribute to the success of a communication project. Among the various awards, the Mediastar Awards represented by the famous star, are the most coveted. This is the most prestigious national award celebrating technical and production excellence in the world of advertising communication.

NEW SPARKASSE AUTO ADVERT MADE

A new commercial has been made, this time dedicated to Sparkasse Auto commercial vehicles, again with Tania Cagnotto as testimonial. For the third time, the famous former diver highlights the advantages of Sparkasse Auto, this time for artisans, small and medium-sized enterprises and freelancers, who can take advantage of our long-term rental service, such as the possibility of accessing a number of services related to car use by paying a monthly fee, thus saving time to be dedicated to other activities and limiting the economic risks connected to unforeseen events and the devaluation of used vehicles. The advertising spot, as part of a special communication campaign, was shown in cinemas, on various channels in branches and online, on our website and on social media.

SPARKASSE-ALLIANZ CAMPAIGN

An advertising campaign was carried out in the main newspapers and magazines in the North-East and on various online channels, highlighting Sparkasse's partnership with Allianz to promote the insurance-based savings products. Posters were displayed in branches, and the campaign content was integrated into branch screens and ATMs. Additionally, a direct email was sent to the campaign's target audience.

"SCAM ATTEMPTS" AWARENESS CAMPAIGN

Sparkasse, together with the Consumer Protection Centre (Centro Tutela Consumatori Utenti (Ctcu)) and the local banks in Alto Adige (Volksbank and Raiffeisenkassen), launched a joint information campaign urging caution in light of increasing fraud attempts. The campaign reinforced key safety messages, reminding the public that the bank will never request sensitive data via phone, SMS, or email.

SHAREHOLDERS – LINK WITH THE TERRITORY AND BANK'S "ASSETS"

Sparkasse has over 23,000 shareholders who represent a fundamental asset for a local bank like ours. This important number demonstrates the relationship that unites the Bank with its Members.

These can benefit from a series of dedicated products and services, with favourable conditions. Thus, for example, Shareholders with a minimum of one hundred shares are offered two package current accounts with special benefits and associated services at very valuable fees: Platinum Account and Silver Account.

The Sparkasse Club, reserved for the Bank's shareholders and accessible via the dedicated website www.clubsparkasse.it, is experiencing growing success. It represents real added value and is free for Shareholders; it offers several advantages.

CIVIBANK

New CiviBank branch in Trieste in Piazza Unità d'Italia

In October, a new branch was opened in Trieste, in the iconic Piazza Unità d'Italia. The new CiviBank agency is characterised by an innovative internal organisation, heavily specialised in savings management and asset and personal protection. This opening marks the first phase of an ambitious expansion plan involving the entire Sparkasse Group. Two more new branches are planned for CiviBank in the region, in Fiume Veneto and Muggia, with the aim of putting the customer relationship at the core by offering personalised advice and strengthening the operational network.

6.4 Territory, public relations and sponsorships

In addition to its banking activities, the Sparkasse Group is particularly attentive to the life and support of its local community, which it supports through numerous economic, sporting and cultural initiatives.

SPARKASSE

Territory

Expanded partnership with the Free University of Bozen/Bolzano

Sparkasse has strengthened its partnership with the Free University of Bozen/Bolzano (unibz) through a series of multiple initiatives:

New Chair for Sustainability: Sparkasse, together with the Fondazione Cassa di Risparmio di Bolzano, is funding a new chair for sustainability, environmental management and environmental economics at the Free University of Bozen/Bolzano from 2024. The bank is firmly convinced and committed to playing an active role in promoting financial and environmental sustainability, as set out in Sparkasse's ambitious Sustainability Plan 2023-2025.

Scholarship in Accounting and Finance: Sparkasse has renewed, for the 2024–25 academic year, a scholarship worth USD 60,000 for students enrolled in the Master's programme in Accounting and Finance, enabling them to attend one year of study at the prestigious NYU Stern School of Business, ranked among the top 15 globally. In fact, Sparkasse has been an official partner of the Accounting and Finance degree course since its inception in 2018. Since then, six students have been the recipients of Sparkasse-sponsored scholarships.

Established two awards: Sparkasse is also co-funding two awards: the "Sustainability Research Award" and the "Sustainability Innovation Award".

Competence Centre for Economic, Environmental and Social Sustainability: Sparkasse's active and intensive collaboration with the Competence Centre for Economic, Environmental and Social Sustainability continued.

Conference room: Finally, once again in 2024, Sparkasse has provided a conference room, located at the Sparkasse Academy and with a capacity of around 150 people, free of charge to the university, as it has done since 2017. The room is used for lectures by the Faculty of Economics and other Faculties.

Sparkasse supports Eco Research

Sparkasse has become a supporting member of Eco Research, a research centre for environmental sustainability based in Bolzano, which is dedicated to applied, interdisciplinary research, basic research and knowledge dissemination, as well as scientific consulting and training. As set out in its articles of association, the centre operates on a non-profit basis. As a supporting member, Sparkasse contributes financially to the research activities of the centre. Indeed, the bank supports research and innovation, especially through important territorial partnerships such as the one with Eco Research. This is consistent with the commitments made in the new Horizon 2026 business plan to support the territory.

Sparkasse partners in the "Recognition of Excellence" initiative

Sparkasse is a partner in the initiative to recognise excellence in Trentino, in collaboration with the newspaper L'Adige. The "Future Award" is presented to the startup of the year in Trentino. Chief Executive Officer and General Manager, Nicola Calabrò, a member of the jury, presented the award to startup B2 Labtech, which has developed a system to replicate natural sunlight indoors, reducing eye strain and thus favourably affecting psychological well-being.

Partnership with Alps Ice Academy

Alps Ice Academy, the first alpine sports academy in Italy, and Sparkasse have entered into an important partnership agreement. Alps Ice Academy is a joint project in which Alto Adige's top 10 ice hockey clubs joined forces to create a sports centre to offer young athletes the opportunity to develop their talents in a professional and targeted manner and help them realise their full potential. The Academy's activities will officially commence in the 2024/25 sports season, providing youngsters with both athletic and academic training. Sparkasse has always dedicated significant resources to supporting hockey teams in our area as part of sports sponsorships and the bank is therefore delighted to have now also become a partner in a unique project of this kind in Alto Adige's sports scene, which aims to help youngsters become top hockey players by supporting them in their training.

Public Relations

Information evenings on supplementary pensions

Sparkasse, together with Pensplan, carried out an information campaign on the topic of supplementary pensions. Two information events were organised, one in Bolzano, the other in Brunico, presenting the various support measures offered by the Region of Trentino-Alto Adige and the Autonomous Province of Bolzano for supplementary pensions. The high customer participation confirmed the growing interest in the topic.

16th Global Forum Südtirol in the name of intuition

The 16th Global Forum Südtirol was held at Eurac Research Bolzano, dedicated to the theme "intuizione – inganno o bussola?" [Intuition – Deception or Compass], with Sparkasse as main sponsor. During the meeting, topics concerning intuition were discussed in depth. Over 300 personalities from the world of politics, the economy and society were present. The Global Forum Südtirol constitutes a unique network of decision makers, an independent "think tank" that provides insights and development on global trends and issues of the future.

South Tyrolean Economic Forum

For almost 20 years Sparkasse has been the main sponsor of the South Tyrolean Economic Forum, a stimulating meeting point for freelancers, entrepreneurs and managers, a regular event for the economic fabric, not only local. Last year's edition was dedicated to the theme: "Turning Times. Turning Point." Speakers included entrepreneurs and experts from the business world. 350 participants took part. The Forum is the ideal platform for an exchange of knowledge, ideas, and experience. The group of participants extends far beyond Alto Adige and offers excellent opportunities to reflect on their actions, obtain innovative impulses, cultivate dialogue and contacts with acquaintances and partners.

Forum on Economy & Sustainability

Energy transition was the focus of the second edition of the first "Forum on Economy & Sustainability", organised by the newspaper Alto Adige, with Cassa di Risparmio di Bolzano as protagonist and testimonial. On the occasion of the Forum, the "Economy & Sustainability" dossier was presented, which was also enclosed with the newspaper, and in which important and strategic topics for the Bank in this area were given.

Information booths at trade fairs

The Bank was once again present with its own information stand at the annual Hotel Trade Fair for the hotel and catering industry in Bolzano where, in the presence of a customized car, the "Sparkasse Auto" service was also offered to promote long-term car rental.

As part of the annual "Fiera Edilizia Abitativa", [Construction and Housing Trade Show], the Bank's staff provided personalised advice to those wishing to buy or renovate their home, illustrating the best solutions in the areas of financing and sustainability, ecobonus, and complete or partial renovation.

Artistic exhibition

"LUX MAGICA: Gold and Silver in Art" was the theme of the classic pre-Christmas exhibition and related art calendar. Sparkasse celebrated its 170th anniversary with a focus on these two precious metals. Over 40 works were exhibited, offering a remarkable journey through the colours of gold and silver, from the Middle Ages to the present day.

This year's original exhibition also had the merit of drawing attention to the variety of cultures and people; in fact, works by artists from the Euregio, Tyrol-Alto Adige and Trentino, as well as by internationally renowned figures, reflecting the entire colour spectrum and creating a composition of all primary colours.

Sponsorships

For the Parent Bank, sponsorships represent a significant marketing and communication tool, supporting the achievement of corporate objectives. The sponsorship relationship thus amounts to a reciprocal exchange of value of services and counter-performances among the parties, i.e. providing financial support to an organisation and at the same time obtaining a set of counter-performances in order to further its business objectives.

We dedicate significant resources to supporting initiatives in the area of sponsorships to support and consolidate relations with some stakeholders, i.e. the external environment from which the Bank draws its resources for its activities. The sponsorship activities, in addition to promoting the image and strengthening ties with the territory, represent an important relationship tool. Some of them are mentioned below.

Sesto Sports facilities under the banner of Jannik Sinner

The "Sesto Sports Facilities", where the young international tennis champion Jannik Sinner, currently ranked number 1 in the ATP rankings, took his first steps, and Sparkasse have entered into a wide-ranging sponsorship agreement. Numerous sports disciplines are brought together under the roof of the "Sesto Sports Facilities". In addition to a tennis centre with two indoor and two outdoor courts, the complex also includes an ice rink with a curling facility, an outdoor swimming pool with a volleyball court, an 18-hole mini-golf course, and the "Dolomitarena" climbing gym, which features a 16-metre-high wall, a climbing surface of 1,800 m^2 and a 400 m^2 bouldering area. The sponsorship agreement between the Cassa di Risparmio and "Sesto Sports Facilities", owned by the Municipality, was recently signed.

Ice Hockey World Championships

Sparkasse was the sponsor of the Ice Hockey World Championships, which took place at the Sparkasse Arena in Bolzano in spring 2024. Thirty years after the last time, an Ice Hockey World Championship has returned to Bolzano. The current Sparkasse Arena was in fact built for the 1994 Ice Hockey World Championships.

Minibuses for sports clubs

In order to support sports clubs, the Bank may be asked for a contribution towards the purchase of a new minibus to facilitate the transport of athletes to training and competitions and to make their travel more comfortable. The contribution for a van may be granted also in the form of long-term rental, as part of the Sparkasse Auto offer. Over the past three years, almost 80 associations, including about twenty in 2024, in the different regions have benefited from this form of support.

Team sports

For years Sparkasse has been one of the main sponsors of FC Südtirol/Alto Adige in football, a team that plays in "Serie B", and of the Hockey Club Bolzano Foxes, which competes in the cross-border ICE Hockey League. These are two top teams at national and international level, examples of passion, enthusiasm, motivation and commitment.

The Bank is the "golden sponsor" of A.C. Trento. The Trento Football Association, founded over a century ago in 1921, plays in the Serie C Lega Pro and also has an important presence in the youth sector.

Cassa di Risparmio is the VIP-Sponsor of two men's handball teams, both in the A1 division. These are the SSV Bressanone, which to date has won 2 national championships and 4 Italian Cups and whose handball section has been active since 1971, as well as the SC Merano Handball, also established over half a century ago, in 1972. In its history, it has won 1 Italian Cup and 1 Super Cup.

Sparkasse also supports the hockey teams HC Val Pusteria Lupi, HC Falcons Bressanone, HC Broncos of Vipiteno, Hockey Ritten Sport and the women's hockey team Eagles Bolzano.

The Bank is a sponsor of the men's volleyball team Trentino Volley, competing in the SuperLega and reigning Italian champion on its fifth win and European Champion for the fourth time, as well as the women's teams Neruda Volley, Alto Adige Volley Südtirol (AVS) and SSV Bolzano Volley.

Also worth mentioning is the presence of the Bank in the sport of basketball, where it is a sponsor of the men's team of Serie A Aquila Basket Trento, which recently won the Italian Cup, and the women's teams ASD Basket Club Bolzano, playing in A2, and Pallacanestro Bolzano Sisters.

Other sports sponsorships

The collaboration with Assisport Alto Adige/Südtiroler Sporthilfe continued, with the aim of helping and supporting young sporting talents. For over 15 years, the Bank has been the official partner of the association, which has supported so far more than 1,500 boys and girls, of whom various have become top athletes at world level, like Dorothea Wierer, Laura Letrari, Manfred Mölgg and Christopher Innerhofer, winning Olympic, Paralympic, World and European titles. It is also the official sponsor of the Unione Società Sportive Altoatesine USSA, which for more than 40 years has promoted sport in the territory of Alto Adige.

Sparkasse supports the young and promising cyclist Matteo Bianchi, a native of the town of Laives in Alto Adige, who recently confirmed himself as the European champion in the kilometre time trial from a standing start.

The Bank sponsors the ITF Future "Sparkasse Alperia Trophy", with a prize pool of USD 25 thousand, organised by the Bolzano Tennis Club, a long-standing association of the capital city (established in 1929). The tournament was won by Jacopo Berrettini. The 25-year-old from Rome triumphed on the courts of the Bolzano Tennis Club.

In 2024, the 1st Sparkasse Trophy Memorial Daniel Harrwitz international chess tournament took place, dedicated to the famous chess player Daniel Harrwitz. The event, organised by Arci Scacchi at the Sparkasse Academy, attracted more than 100 participants from eight different countries. One of the most beautiful aspects of this tournament is its inclusiveness, as both people with disabilities and people of all ages participate.

Economy

For over twenty years, Cassa di Risparmio has been the main sponsor of Fiera Bolzano, whose aim is to multiply relationships, connecting people, markets and ideas, including through different participation formats. Fiera di Bolzano is a meeting point for Italian companies and those from the German-speaking area and neighbouring countries, creating opportunities for collaborations.

The Bank is the main sponsor of Confindustria Trento, which represents the interests and collective identity of Trentino companies and which today has over 600 member companies which in turn employ 30 thousand employees and the "Duemilatrentino - Futuro Presente" initiative, promoted by Confindustria Trento and supported by The European House - Ambrosetti. This is a major vision project on the challenges and opportunities that are opening up for the Trentino system for its economic-productive strengthening. The Bank confirmed its role as primary partner of the important segment of industrial companies in Trentino also at the annual meeting of Confindustria Trento, held in Riva del Garda. It was an important opportunity to introduce ourselves as a qualified interlocutor of companies and to manage relations with the Trentino industry leaders.

Culture and Art

The Bank is a partner of major cultural events and is committed as a sponsor in cultural enhancement activities, supporting various institutions.

In the field of music, the "Südtirol festival Merano" is worth mentioning for its rich programme: an international and prestigious festival with various top-level orchestras. The Festival represents the excellence of events in Alto Adige, concerts of classical and baroque music, jazz and world music, chamber and vocal music with an audience from all over the world.

The partnership agreement with the Haydn Foundation of Bolzano and Trento, one of the most prestigious artistic institutions in Trentino-Alto Adige, continued. It promotes quality musical culture by offering the public unique musical experiences with the Haydn Orchestra.

The Bank is the main sponsor of the annual Festival della Bellezza. From June to October, 40 cultural events are held in 22 symbolic places of the historical and artistic heritage in Italy, including in the most evocative locations of Verona, Vicenza, Padua, Venice and Milan, combining art, music, philosophy and entertainment.

Focus is also placed on theatre activities. The institute is a sponsor of the Teatro Stabile di Bolzano which, after the Piccolo di Milano, is the second "Teatro Stabile" in Italy, and is one of the most important cultural institutions in the region. In addition, it is the official sponsor of the Teatro Cristallo as well as of the theatre activity of the Südtiroler Kulturinstitut (SKI).

CIVIBANK

CiviBank Società Benefit has a business model oriented towards a positive impact on the community. This also translates into economic investments aimed at the social, cultural, sporting and moral growth of the community.

Local initiatives

- CiviBank acts proactively by investing strongly in the future. For this reason, it supports the organisation of the FVG Job Fair, held in Udine by the Association of Management Engineering Graduates (ALIg). Every year, over a thousand young people take part in this event, which is aimed at promoting employment.
- CiviBank and Università di Udine have renewed their agreement to offer Executive Master in Business Administration (EMBA) students a low-interest loan with particularly advantageous conditions, aimed at covering the tuition fees for this prestigious academic programme. The programme is aimed at professionals and managers who wish to accelerate their professional growth through a pathway of excellence.

- Organisation of meetings on supplementary pension schemes and, for businesses, opportunities for dialogue on key topics such as growth, innovation and the sustainability of local enterprises, in collaboration with industry bodies and professionals.
- CiviCrowd FOR 2030 is the special initiative developed by CiviBank to help non-profit organisations in the North-East to raise funds online and implement projects dedicated to health, quality education, equality and social inclusion.

Sponsorships and charitable contributions

CiviBank, aware of the crucial role it plays in socio-economic and environmental development, guides its strategic decisions and areas of intervention towards the community, in line with its business objectives and the principle of shared value creation. The Bank's ability to combine entrepreneurial logic with socially responsible action is a distinctive feature of its identity as a territorial institution. Only balanced economic and social development can foster sustainable growth. In line with its statutory and institutional objectives, the Bank directly supports charitable, cultural and sporting initiatives, promoting the development of the community in which it operates.

Team sports

Worthy of note are the support to the local basketball teams APU Amici Pallacanestro Udinese and United Eagles Basketball that play in the national A2 series and the contribution to the satellite women's and youth teams. Support was also given to Pallacanestro Trieste, the leading men's basketball team in the regional capital, which plays in the top national league. CiviBank supports women's volleyball by sponsoring the CDA Volley Talmassons FVG team, the first team from Friuli to reach the A1 series of women's volleyball. Also noteworthy is the Bank's contribution to the Imoco Volleyball of Conegliano, a multi-medal-winning women's team. The partnership agreement with Udinese Calcio, a historic sports organisation that plays in "Serie A", was also renewed along with the support for the youth sector. The Bank confirmed its support for the world of cycling by assisting the activities of local teams, including the A.S.D. Rinascita Friuli.

Other sporting initiatives

CiviBank renewed its support for the team "Fast and Furio Sailing Team" that competed during the 56th edition of the Barcolana, winning the international sailing regatta that takes place in the Gulf of Trieste. The Bank also supported athletics by sponsoring the "Corsa dei Castelli" and "Corsa della Bora" races, iconic routes through the beauty of Trieste. The Friuli-Venezia Giulia Rally is also one of the events supported during the year: in addition to being a much-awaited event for enthusiasts, it allows participants and spectators to get to know and appreciate the beauty of the Friuli region.

Culture and Art

The Bank has always shown a strong commitment to promoting local culture and art. This commitment takes shape through the support of numerous initiatives and collaborations with local cultural and artistic entities, supporting events ranging from music to theatre, from visual art to history, all contributing to create a lively and stimulating environment for the community.

The Giovanni da Udine New Theatre Foundation and Teatro Verdi in Pordenone, both major cultural institutions in the region, have received the Bank's support for their annual programmes. Their seasons feature a wide range of performances, from classical music to drama, opera and dance, offering the public high-quality artistic experiences. CiviBank also supports Kulturni Dom, a key institution in promoting Slovenian culture in Italy, which acts as a bridge between different cultural traditions. Since its inception, Mittelfest has also benefited from the Bank's support: an international festival celebrating performing arts, from music to theatre, dance to circus, attracting an ever-growing audience, including from abroad. The Committee of San Floriano di Illegio (Tolmezzo) is renowned for its international art exhibitions, which have turned this small Friulian village into a prestigious cultural centre, with CiviBank among its main partners.

The FVG Orchestra, a symphonic ensemble established by the Region of Friuli Venezia Giulia to preserve the musical heritage of this culturally rich borderland, counts the Bank among its active supporters, recognising the crucial role of music in promoting culture and local identity.

The Bank has also supported the work of Associazione Mitteleuropa, which promotes cultural cooperation among Central European countries by organising events and discussions that encourage idea exchange and mutual understanding.

CiviBank plays a vital role in promoting culture and artistic education, offering tools to enhance art appreciation and strengthening the connection between the financial and artistic worlds – ultimately creating a richer and more stimulating environment for all. An example of this is the organisation of the series of customer meetings with the Attorney Luca Giacopuzzi, a passionate collector and one of the first Italian lawyers to deal with art law: valuable opportunities to deepen understanding of artistic terms and concepts, fostering greater appreciation for artworks.

Supporting the development of the local economic fabric

CiviBank has supported the organisation of Friuli DOC, the region's largest food and wine event, which showcases, through the palate, local excellence along with moments of entertainment.

The Bank has also renewed its support for "Movimento Turismo del Vino FVG" [FVG Wine Tourism Movement], an association that counts among its members the most prestigious wineries in the Friuli-Venezia Giulia region. Craftsmanship in the food and wine sector is an appreciated and sought-after aspect; for this reason the Bank sponsors the activities of Etica del Gusto Ets, a non-profit association that brings together more than thirty artisans from Friuli Venezia Giulia, employed in the pastry sectors, ice cream, bakery and chocolatier.

The Bank was also a main partner of the "Casa Moderna" [Modern Home] trade show, organised by Udine Esposizioni, as main sponsor. The annual event presents the best furnishing solutions for interiors and exteriors, showcasing local companies and products.

6.5 Public Entity Treasury

In 2024, the Parent Bank managed treasury/cash services for 150 Public Entities, the most important of which are the Autonomous Province of Bolzano, the Alto Adige Health Authority, the Social and Economic Development Agency - ASSE, the Institute for Social Housing - IPES, the University of Bolzano and 27 municipalities.

To date, only one organisation still operates in paper format.

The number of mandates and reversals at the end of the financial year is about 1,400,000 for an amount of almost 31.3 billion between income and expenditure, a significant increase compared to 2023.

By 2024, Civibank managed Treasury/Cash services for 36 Public Entities (among them, one was lost at the end of September), the most important of which are: Municipality of Prata di Pordenone, Municipality of Martignacco, Municipality of Cividale, Municipality of Tavagnacco, Municipality of Premariacco, Asp Cividale, Municipality of Venzone, Municipality of Pasian di Prato, Friuli Orientale Community and Carnia Mountain Community.

There is a single entity in paper format.

The number of mandates and reversals at the end of the financial year is about 144,000 for an amount of almost 420 million between income and expenditure.

6.6 Staff Area

Since the Group is obliged to provide "Sustainability Reporting", information related to this topic, also taking into account its materiality in that perspective, is provided in the dedicated section of this document.

6.7 Research and development

The Parent Bank continues its plan to develop and innovate channels and services to customers, based on the needs expressed by customers and stakeholders, and in line with the main market trends, all from a multi-bank perspective. The main thematic areas undergoing evolution are: CRM - Customer Relationship Management and in general the tools for approaching customers in order to optimise the offer of products and services to them, Digital Innovation in terms of expansion of services offered in the area of Mobile and Internet Banking, as well as those related to Digital Onboarding), Open Banking (with integration of the banking offer through more extensive innovative services), Process Efficiency (starting with credit management, continuing with collection and payment management processes, banking product management, etc.).

6.8 Real estate and lease sector

The subsidiary Sparim S.p.A. holds the largest portion of the Group's property assets, specifically the operating properties used by the Parent Bank Sparkasse and by Banca di Cividale, in carrying out its institutional activities. Sparim also holds a portfolio of non-operating properties managed, for the most part, according to a "core" strategy, and a portfolio of properties acquired as part of the Parent Bank's credit recovery activities, actively participating in the assignment processes (auctions) of property collateral. CiviBank transferred its property assets to Sparim with effect from 1 December 2024 for both operational properties and those held for investment purposes.

Ultimately, Sparim is entrusted, not only with supporting the two banks of the Group in managing the operating property assets used for banking activities (Facility Management, Property Management, etc.), but also with enhancing the value of the investment property portfolio and providing support in credit recovery activities carried out by the Group's banks.

That said, in 2024 Sparim recorded a positive result of Euro 9.3 million (Euro 13.3 million in 2023). It should be noted that within the scope of the consolidated financial statements, intra-group components were eliminated and therefore, to this end, part of the Group's real estate revenues and costs commented on in this paragraph are not reflected in the Group's financial statements.

Sparim's "Total revenues" amounted to Euro 23.1 million (Euro 38.4 million in 2023) and consisted of: rental revenues of Euro 14.0 million (Euro 12.2 million in 2023), other revenues and income of Euro 1.5 million (Euro 1.4 million in 2023), non-existence of provisions for risks and charges of Euro 0.2 million (Euro 2.1 million in 2023), revenues from the sale of goods of Euro 7.4 million (Euro 22.6 million in 2023).

Sparim's "Operating costs" amounted to Euro 12.3 million (Euro 24.0 million in 2023); the slight decrease compared to the previous year is mainly to be attributed to lower costs related to the item, "Change in inventories of goods" which corresponds to a similar change in the item "Revenues from sale of goods".

The fair value measurement of owned property assets, carried out by an independent external appraiser, showed an overall positive result of Euro 1.2 million (Euro 6.9 million in 2023).

Financial management shows a positive balance of EUR 1.0 million (EUR 0.3 million in 2023).

The balance of the item “Income taxes for the year” amounted to Euro 3.7 million (Euro 5.4 million in 2023).

7 Equity investments and interests

7.1 Main functional minority interests

Autosystem S.p.A.

Autosystem S.p.A. is a company that deals in short-, medium- and long-term vehicle rental, operating mainly in North-East Italy and Lombardy with almost forty years of experience in the field. The figures at 31 December 2024 show total assets of Euro 96.6 million and a net profit for the year of Euro 0.4 million.

The equity investment in the company’s share capital was acquired by Cassa di Risparmio di Bolzano in 2021. As a result, three executives of Cassa di Risparmio joined the company's Board of Directors. At the Ordinary Shareholders' Meeting held on 2 April 2024, two executives of Sparkasse were confirmed in the Board of Directors of Autosystem S.p.A., one of whom holds the position of Deputy Chairman, who will remain in office until the approval of the financial statements as of 31 December 2026.

Help Line SpA

Help Line S.p.A. is the Contact Centre of the NEXI Group and was established in 2010, as part of the broader project of integration between the companies belonging to the NEXI Group, from the merger of the companies Help Phone S.r.l., Si Call S.p.A. and the subsequent incorporation of the Help Desk branch of CartaSi S.p.A. Helpline manages, for all the companies of the Nexi Group and for other companies in the market, pre- and post-sales assistance and information services, customer care services and management of promotional initiatives. It is also specialised in outbound campaigns, from surveys to the promotion and launch of new services, from the management of appointments to promotional actions. The shareholders of the company are NEXI with a 70.32% interest and Banca di Cividale with a 29.68% interest.

ACIRENT SRL

The company, which is part of the Automobile Club di Udine (ACU) group, operates specifically in the short- and long-term car rental sector. The company represents the Hertz brand in Friuli Venezia Giulia and in part of eastern Veneto: the stations in Udine, Trieste, Pordenone, Feltre and at the Airport of Ronchi dei Legionari are managed under franchise, while Treviso Airport is managed as an agency. The company, which has developed thirty years of experience in the management of car fleets for rental without a driver, also operates in the long-term rental sector for companies and individuals, in synergy with the activities of the ACU Group, whose technical and organisational support it avails itself of for the management of leased car fleets (mechanical workshop, roadside assistance, logistics support, etc.). The shareholders of the company are Autoservice Srl with a 70.0% interest and Banca di Cividale with a 30.0% interest.

CiviESCO SRL - In Liquidation

CiviESCo is an Energy Service Company (in liquidation) that was operating in the field of energy efficiency in North-East Italy. Civibank holds a 20% stake in the company after its sale to Idealservice società cooperativa in 2022.

8. Other significant information

8.1 Transfer of the "acquiring" business unit to Nexi

The first quarter of 2024 saw the closing of the agreement between the two banks of the Sparkasse Group and Nexi S.p.A., for the transfer of the "merchant acquiring" activities to the Nexi Group and to establish a long-term partnership aimed at the exclusive promotion and placement of all "merchant acquiring" products and services of the Nexi Group through the Sparkasse Group's sales network. The agreement, which values the merchant acquiring activities at Euro 30.8 million, of which Euro 22.8 million for Sparkasse and Euro 8.0 million for Civibank, in addition to a variable consideration based on the achievement of specific objectives, will allow the Sparkasse Group to offer merchants and businesses in the area all the innovative products and services in the collection systems developed by Nexi, a leading Italian player in the digital payments sector and a leading operator in Europe.

8.2 Communication of High Impact LSI qualification

Please note that on 22 January 2024 Cassa di Risparmio di Bolzano received a communication from the Bank of Italy that it had been included in the list of High Impact LSIs for 2024, approved by the Supervisory Board of the ECB, based on the data at the highest level of consolidation and the criteria of size, business model and level of interconnection of the intermediary with the rest of the financial system

8.3 New Business Plan 2024-2026

In April, the Parent Bank approved the new three-year strategic Group plan, "HORIZON 2026". The new plan is characterised by its focus areas aimed at improving the Group's efficiency and effectiveness through streamlined operational processes and optimised customer engagement. The Plan places great emphasis on (i) the central role of human capital, recognising the value of employees and their contribution to corporate success; (ii) the enhancement of the territory, with the goal of fostering regional development and strengthening the bond between the Group and the communities it serves; and (iii) the focus on sustainability, with concrete measures planned to reduce environmental impact and promote sustainable development.

The objectives of the new Group Plan will be achieved through a series of important project initiatives, including (i) advancing customer service by enhancing the role of branches and new openings, (ii) strengthening the service model dedicated to young people, (iii) renovating existing premises, and (iv) recruiting new advisors to reinforce the network, as well as further strengthening internationalisation services for SMEs, to support small and medium-sized undertakings in expanding beyond national borders.

8.4 Capital increase linked to Banca di Cividale warrants

During the first half of the year, the capital increase was finalised following the exercise, on the part of the holders, of warrants related to the 2021 CiviBank capital increase. In detail, during the period set forth for the exercise of the "Warrant Banca di Cividale S.p.A. 2021- 2024", 10,805,340 Warrants were exercised and consequently 2,701,335 newly issued ordinary shares were subscribed for a total countervalue of Euro 15.9 million. The Parent Bank Cassa di Risparmio di Bolzano exercised the rights on 10,801,976 CiviBank 2021-2024 warrants held as a result of (i) the free assignment connected to the 2021 capital increase of the subsidiary and (ii) the takeover bid finalised in 2022, subscribing 2,700,494 new ordinary shares for a total countervalue of Euro 15.9 million, thereby increasing its shareholding in CiviBank from 79.1% to 81.1%.

8.5 Transfer of Real Estate Business Unit to SPARIM

In December, the intra-group transaction was finalised to reallocate assets in the real estate portfolio held by CiviBank in favour of SPARIM S.p.A., the Group's real estate company. The strategic transaction is aimed at achieving important industrial synergies and efficiency targets. SPARIM, a company of the Sparkasse Group, following the transfer of the real estate business unit of CiviBank, owns property assets of about Euro 350 million.

The transaction entailed the reallocation of the aforementioned real estate assets through the contribution in kind, by CiviBank in favour of SPARIM, of the "business unit" made up of the real estate portfolio used mainly for banking activities and the staff currently involved in its management, as well as all the legal and contractual relationships and the assets and liabilities pertaining to the "real estate unit" for a total value of EUR 57.9 million.

In the same month of December, the shares held by CiviBank, deriving from the transfer of the real estate business unit to SPARIM, were fully sold to Cassa di Risparmio di Bolzano S.p.A., after an estimate of the value of the equity investment held by Banca di Cividale in SPARIM carried out by a leading independent financial advisor, for a countervalue of Euro 57.9 million.

The property assets, which remain under the Group's ownership in the full availability of CiviBank, will be managed to enhance value through property development and modernisation, as most of the properties are used by the Bank itself for its core operations.

8.6 ECB Interest rate cuts

Following ten interest rate hikes between July 2022 and September 2023, the ECB Governing Council began cutting its three key interest rates in June 2024. In this case, the ECB deposit rate was reduced from 4% to 3% at the end of the year 2024, before a further cut to 2.5% in the first quarter of 2025. The marginal refinancing rate, on the other hand, dropped more significantly, from 4.5% to 2.65% in March 2025. The larger reduction is attributed to the ECB's decision, from September 2024, to apply a mark-up of only 15 basis points (bps) above the deposit rate, instead of the previous 50 bps.

8.7 Listing of financial instruments issued by the banks on the Vorvel (formerly Hi-MTF) market

Since 27 December 2017, the shares of Cassa di Risparmio di Bolzano have been admitted to trading on the segment "Equity Auction" (formerly "order-driven equity") of the multilateral trading system managed by Vorvel Sim S.p.A. (formerly Hi-MTF Sim S.p.A.). Starting with a price of Euro 9.90 at the end of December 2023, the share showed a generally upward trend throughout the year, closing 2024 at Euro 11.20. This is the highest level recorded since the beginning of trading on Vorvel. The total traded value on the Vorvel platform in 2024 also reached a new record of around Euro 5.7 million. The cumulative value traded on Vorvel from the beginning of the admission to trading exceeded Euro 30 million.

The shares of the subsidiary Banca di Cividale recorded their first price on the "Equity Auction" (formerly "order-driven equity") of the multilateral trading system managed by Vorvel Sim S.p.A. (formerly Hi-MTF Sim S.p.A.) on 30 June 2017. Starting with a price of Euro 2.22 at the end of December 2023, the share also benefited from the change of market model implemented by Vorvel Sim and was thus able to close the year 2024 at Euro 3.20. The traded value on Vorvel in 2024 increased compared to 2023, reaching approximately Euro 120,000.

Please note that the shares of Cassa di Risparmio di Bolzano are listed in Gate 3 of the Vorvel Equity Auction Segment, *i.e.*, "the most dynamic Segment, characterised by a higher frequency of recalculation of the Reference Price. The ideal Segment for stocks with a good balance between buy and sell orders" (quote taken from Vorvel Sim S.p.A. website). The share of the subsidiary Banca di Cividale was listed in Gate 2 of the Vorvel Equity Auction Segment during the period from 1 January 2024 to 22 November 2024, after which it moved to Gate 1.

From 3 January 2018, on the other hand, senior bonds and non-convertible subordinated bonds with a minimum denomination up to and including Euro 100,000 issued by the Bank are admitted to trading on the "Vorvel Bonds" (formerly "order-driven bond") segment of the multilateral trading system managed by Vorvel. In 2024, a new senior bond was issued during the first quarter and placed directly via the Vorvel market. Also during 2024, the only subordinated bond issued by the Bank and listed on Vorvel matured. Limited to senior bonds, Banca Akros assumed the role of specialist from 2018 until the end of 2020. As from 1 January 2021, this role has been held by Equita Sim S.p.A..

8.8 Renewal of the agreement for the performance of liquidity support activities for shares issued by the Bank traded on the "Equity Auction" segment (formerly order driven) of the multilateral trading system managed by Vorvel (formerly Hi-Mtf) S.p.A.

With the new market model for the Vorvel "Equity Auction" segment having entered into force on 1 January 2024, the contract signed by Cassa di Risparmio di Bolzano and Equita Sim S.p.A., under which the Bank exclusively entrusted Equita with the performance of an activity aimed at supporting the liquidity of the shares issued by the Bank itself traded on the "Equity Auction" segment of the multilateral trading system managed by Vorvel Sim S.p.A., was updated to the new market context by first extending its duration to the end of the year 2024 and subsequently further extended to include the entire year 2025.

The agreement, in line with similar market transactions undertaken by comparable issuers, is based on the principles contained in the accepted market practice on liquidity support pursuant to Resolution No. 21318 of 7 April 2020, but does not constitute a liquidity support contract within the meaning of the aforementioned practice.

The liquidity support activity covered by the assignment takes place through the purchase and sale of shares on the Vorvel market by Equita SIM S.p.A., through the use of Bank's resources, in accordance with the prior approval issued by the Bank of Italy on 4 April 2024. The effects deriving from this activity falls exclusively on Sparkasse, which therefore assumes the related risk. Equita SIM S.p.A. operates independently, without instructional constraints by the Bank.

8.9 Authorisation by the Bank of Italy to modify the ceiling reserved for the partial repurchase of instruments eligible for inclusion in the Parent Bank's own funds

It is noted that on 4 April 2024, the Bank of Italy authorised the Parent Bank to reduce its own funds for the repurchase of CET1 instruments (the Bank's shares) by Euro 15 million, subsequently reduced by Euro 9,867,090.94 following the civil law effectiveness of the cancellation of 1,011,975 Parent Bank shares pursuant to assessment order no. 574777/24 of 19.03.2024.

8.10 EU Directives - Deposit Guarantee Scheme (DGS) and Crisis Resolution Fund (BRRD)

Single Resolution Fund (SRF) – BRRD

In 2023, the Single Resolution Fund completed the period for the ex-ante collection of the contributions requested to banks, having reached the target level set at 1% of total protected deposits. As a result, no contribution payments were required from the Group banks in 2024.

Deposit Guarantee Scheme (DGS)

Similarly to the Single Resolution Fund, the Interbank Deposit Protection Fund (FITD) also reached its target level for ex-ante coverage of protected deposits through the annual contribution calls to member banks. In the case of the FITD, the last payment within the scope of the ex-ante collection took place in July 2024. The Parent Bank paid a contribution of Euro 7,739 thousand, while the subsidiary Banca di Cividale paid Euro 2,836 thousand.

According to the Interbank Fund Regulation, Consortium members shall annually pay ordinary contributions commensurate to the amount of the protected deposits, as well as to the degree of risk determined on the basis of an internal risk assessment methodology.

The ordinary 2024 contribution was calculated on the basis of the amount of the protected deposits as at 31 March 2024, unlike in previous years when the reference date was 30 September and the payment was made in December.

The achievement of the target level of coverage of the protected funds will also be monitored in the future by the FITD, which, in the event of drawdowns or a value no longer in line with the target, may issue further contribution calls to member banks.

8.11 Interest on TLTRO III transactions

In the situation as at 31 December 2024, the Parent Bank recognised, in the amount of Euro 57.5 million, the interest accrued on the TLTRO III transaction tranches past due and repaid to the ECB during the year.

At the end of 2024, the subsidiary Civibank recognised a total interest expense of Euro 15.4 million on the same TLTRO III transactions. At Group level, interest expense related to TLTRO III transactions for the year ended 31 December 2024 amounted to Euro 72.9 million.

8.12 AIRB Project of the Parent Bank

The Parent Bank participates as a Sponsor Bank in the Cedacri AIRB Pooled Project for the use of the AIRB method for Prudential Supervisory Reporting purposes, *i.e.*, the calculation of credit capital requirements.

Following the submission of the validation request by the Parent Bank during 2022 and a subsequent supervisory inspection, on 24.05.2023, with Order No. 0926043/23 the Bank received the Supervisory Authority's recognition of the

AIRB internal credit risk measurement system for prudential purposes. The authorisation measure will take effect on condition that the "Preliminary remedial measures" are implemented within 18 months.

Throughout 2024, activities focused primarily on addressing the findings from the inspection, particularly in relation to processes and models.

8.13 Bond issue programme covered by the Parent Bank

In 2022, the Parent Bank established a Programme for the issue of Covered Bonds (CB) with a maximum issue of Euro 3 billion. This type of bond is backed by a double guarantee to protect bondholders: on the one hand, by the assets of the issuing bank and, on the other hand, in the event of default, by the segregated assets of a special purpose vehicle, legally independent from the issuing bank and dedicated exclusively to the assumption of guarantees in favour of the CB bondholders. In this regard, the Parent Bank has taken on, also in the year 2022, the controlling interest (60% of the share capital) in the company SPK OBG S.r.l., established specifically to acquire in the segregated assets the assets sold by the Bank and which represent the assets on which SPK OBG S.r.l. issues guarantees to holders of CBs issued by the Parent Bank. The remaining 40% of the share capital is held by a "Stichting" under Dutch law.

In the course of the year 2023, the aforementioned Programme was adapted to the new "Covered Bond Directive" and, at the same time, was also extended to the subsidiary CiviBank, presenting itself now as a "multi-creditor/multi-originator" CB Programme in all respects. As a result of the amendments, CiviBank under the Programme now performs the roles of Originating Bank, Subordinate Lending Bank of the vehicle SPK OBG S.r.l. as well as Servicer of the transferred residential mortgage portfolios. With reference to the last point, it should be noted that in November 2023, CiviBank sold a first portfolio of residential mortgages amounting to approximately Euro 229 million to the vehicle, in addition to the portfolios sold by the Parent Bank in June 2022 and in November 2023, amounting to approximately Euro 450 million and Euro 169 million, respectively. The vehicle SPK OBG S.r.l. settled the related considerations by taking out subordinated loans disbursed by both the Parent Bank and the Subsidiary to the extent of the portfolios sold.

Following the first two bond issues in 2022 and November 2023, respectively, in April 2024, the Bank issued a third covered bank bond, through the sale of a portfolio of loans consisting in part of loans of the Bank and in part of loans of the subsidiary Banca di Cividale, with ISIN code IT0005593279, again in the context of the aforementioned programme and with the following characteristics:

- nominal amount: Euro 250 million
- duration: from 24 April 2024 to 24 April 2028, extendable until 24 April 2029
- fixed rate for the entire life of the security equal to 3.25% p.a.
- rating assessment by Fitch Ratings: AA.

For the sake of completeness, it should be noted that since there is no segregation between the portfolios transferred by the two Group Banks to the vehicle SPK OBG S.r.l., the first issue of Covered Bonds made exclusively by the Parent Bank is also guaranteed pro rata by the residential mortgages contributed by CiviBank in the years 2023 and 2024.

8.14 Rating

The Parent Bank and the subsidiary Banca di Cividale do not currently have a public rating from one of the four major international rating agencies.

8.15 Interim dividend for the financial year 2024

On 5 November 2024, the Board of Directors of the Parent Bank resolved to distribute an interim dividend for the financial year 2024 pursuant to Article 2433-bis of the Italian Civil Code, for a total amount of approximately Euro 6 million (10.1 eurocent per share), which was paid on 22 November 2024.

9 Subsequent events after the end of the year

In relation to the provisions of IAS 10, subsequently to 31 December 2024 and until the date of approval by the Board of Directors of this consolidated annual financial report on 25/03/2025, no events, facts or circumstances have occurred that have led to a change in the data approved at that time or that have led to subsequent material impacts on the Group's financial and economic situation.

The main events occurring after the end of the year are reported below.

9.1 Liquidation of the subsidiary Sparkasse Haus Srl

Please note that with effect from 1 January 2025, the subsidiary Sparkasse Haus was put into liquidation. During the first quarter of 2025, the Bank will be called upon to pay an amount of approximately Euro 83 thousand in order to ensure an orderly liquidation of the Bank. As at 31 December 2024, after the Bank had made a payment of Euro 300 thousand to the subsidiary Sparkasse Haus in January to cover losses, the equity investment was written down in full, resulting in a loss of Euro 373 thousand.

9.2 Capital Decision Measure

On 29 January 2025, the Cassa di Risparmio di Bolzano Group received from the Bank of Italy, at the conclusion of the annual Supervisory Review and Evaluation Process (SREP) conducted during 2024, the notification of the decision on the prudential requirements to be met on a consolidated basis.

With letter of 19.11.2024, the Supervisory Authority had announced the initiation of the ex-officio procedure relating to the imposition of capital requirements in addition to the minimum capital ratios envisaged by the regulations in force in relation to risk exposure.

The communication received to date confirmed the quantitative requirements, the qualitative requirements and the recommendations formulated by the Supervisory Authority in the letter of 19 November 2024.

In particular, the Cassa di Risparmio di Bolzano Group will be required to continuously comply with the following capital requirements at consolidated level, without prejudice to compliance with the minimum capital requirement set forth in Article 92 of Regulation (EU) no. 575/2013:

- Common Equity Tier 1 capital ratio **(CET 1 ratio)** of **7.70%**, consisting of a binding measure of 5.20% (of which 4.50% against the minimum regulatory requirements and 0.70% against the additional requirements determined as a result of the SREP) and for the remainder of the capital conservation buffer;
- Tier 1 capital ratio **(Tier 1 ratio)** of **9.50%**, consisting of a binding measure of 7.00% (of which 6.00% against minimum regulatory requirements and 1.00% against the additional requirements determined as a result of the SREP) and for the remainder of the capital conservation buffer;

- Total capital ratio (Total Capital ratio) of 11.80%, consisting of a binding measure of 9.30% (of which 8.00% against the minimum regulatory requirements and 1.30% against the additional requirements determined as a result of the SREP) and for the remainder of the capital conservation buffer.

Sparkasse is also required to comply with the systemic risk buffer requirement; this buffer, set at 1% of risk-weighted exposures to credit and counterparty risk towards Italian residents, is to be built up gradually. As outlined in the press release issued by the Bank of Italy, the requirement entails establishing a reserve equal to 0.5% of relevant exposures by 31 December 2024, with the remaining 0.5% to be constituted by 30 June 2025.

In this regard, it is reiterated that at 31 December 2024, the CET1 Ratio, Tier 1 Ratio and Total Capital Ratio indices of the Cassa di Risparmio di Bolzano Group, calculated according to the transitional regulations (IFRS 9 phased-in), stood at satisfactory values, with an adequate margin compared to the thresholds provided. The level of fully-phased ratios was also higher than the new minimums required at that date.

10 Business outlook

Global economic growth remains at subdued levels, with limited prospects for improvement in the short term amid rising trade tensions. Additionally, the uncertainty related to the development of the situation concerning major war scenarios weighs heavily.

This will affect US growth prospects, which will be influenced by the mix of economic and foreign policies. The effects of an expansionary fiscal policy and less regulation on the one hand, and the downward effects of higher tariffs and more restrictive migration policies on the other, will weigh in this respect. Growth is forecast to be slightly above the potential rate in the next two years (2.2% in 2025 and 2.3% in 2026).

In China, an even more challenging international context for exports, due to an increase in tariffs, will highlight the weakness of domestic demand in the absence of appropriate policies to stimulate private consumption. A structural slowdown in Chinese economic growth is expected, with GDP growth of 4.5% in 2025 and 4.2% in 2026, down from 5% in the current year.

In the Eurozone, after a difficult 2024 for the economy, 2025 will be another year of modest growth, while it seems more likely that the recovery will regain some momentum in 2026, with economic activity set to grow at a pace in line with or slightly above the potential rate (1.2%) After a long period in which the European economy was largely influenced by significant exogenous shocks (Coronavirus pandemic, supply chain problems, energy crisis), an environment has returned in which traditional growth factors will dictate the outlook. Economic activity will be supported by a moderate acceleration of private consumption as real wages return to pre-pandemic levels, despite an environment of high economic uncertainty and a weakening labour market. Suffering the most will be the manufacturing sector, which is continuing to lose market share to Chinese manufacturers. This trend, which has been going on for years, is particularly pronounced in the automotive sector, which is one of the pillars of the European industry. The normalisation of monetary policy, on the other hand, should help support the construction sector and offer investment support during a period of still excessive dependence on foreign demand.

With reference to the two-year period 2025 - 2026, the evolution of Italian GDP is expected to grow at a slightly slower pace than that of the Eurozone. A slight acceleration to 0.8% is expected for 2025, with economic activity expected to strengthen gradually over the quarters, primarily driven by internal demand components. In 2026, GDP growth trend is expected to consolidate again marginally, to 0.9%, assuming that the ongoing conflicts and trade wars do not intensify, and, of course, the continued normalisation of monetary policy.

Inflation in the Eurozone is heading in the right direction and is expected to be in line with the ECB's 2% target during 2025. Given the increasing risks to the growth and labour market outlook, the deposit rate is expected to stand at 2% at the end of 2025 and remain unchanged in 2026, assuming no significant shocks to commodity prices.

Having said this, it should also be adequately underlined that 2024 was, for the banking system in general, a decidedly positive year as regards the financial results achieved, thanks to the positive trend in revenues with respect to only moderately increased costs.

The ECB's cuts in key interest rates are being transmitted to the cost of bank funding and to that of credit. Against the backdrop of weak investment, however, business demand for loans remains modest. There is a continuing gradual recovery of mortgages to households.

In spite of an unstable framework and with prospects of reduced revenues, the Sparkasse Group will focus on continuing along its growth path, thanks to the relationship of trust that the banks of the group have managed to consolidate over the last few years, as well as thanks to the careful and punctual derisking policy carried out by the Parent Bank in recent years. The combination of these elements will allow further value creation for all stakeholders.

It is worth noting in this regard that during the first part of 2024, Cassa di Risparmio approved the new Group Business Plan for the three-year period 2024 - 2026. With the new plan, the Sparkasse Group has set itself the objective, in its new geographical configuration, of positioning itself as one of the most solid banks in Italy, with a marked sensitivity to issues of sustainability and innovation at the service of households and businesses in the territories in which it operates, wanting to pursue an ability to generate satisfactory profitability.

Consolidated Sustainability Statement

CONTENTS – CONSOLIDATED SUSTAINABILITY STATEMENT

11 CONSOLIDATED SUSTAINABILITY STATEMENT

PART ONE: GENERAL DISCLOSURES

General disclosures

BP-1 – General basis for preparation of the sustainability statements

The Parent Bank has prepared this Consolidated Sustainability Statement (hereinafter also referred to as the "Reporting"), which includes, in accordance with the provisions, the information necessary for understanding the impact of the Group on sustainability issues and in what ways sustainability issues affect the Group's performance, results and position.

This Reporting is the first to be prepared in accordance with the new regulatory framework introduced by Directive 2022/2464 of the European Parliament and of the Council of 14 December 2022 and EU Delegated Regulation No. 2023/2772 governing the European Sustainability Reporting Standards ("ESRS"). The aforementioned Directive was transposed into Italian law through Legislative Decree No. 125 of 5 September 2024.

In Delegated Regulation 2023/2772, 12 general standards were transposed, which apply to all undertakings subject to mandatory reporting on all ESG topics. They specify the information the Bank is required to provide on its impacts, risks and opportunities in the three areas identified by the Directive, namely environment, social and governance. The standards are divided as follows (a) two cross-cutting standards, on general requirements and disclosures (ESRS 1 and ESRS 2); (b) five topical standards related to the environment on climate change (ESRS E1), pollution (ESRS E2), water and marine resources (ESRS E3), biodiversity and ecosystems (ESRS E4), resource use and circular economy (ESRS E5); c) four thematic standards related to social issues on own workforce (ESRS S1), workers in the value chain (ESRS S2), affected communities (ESRS S3), consumers and end-users (ESRS S4); d) one thematic standard related to governance on business conduct (ESRS G1).

The two cross-cutting principles (ESRS 1 and ESRS 2) are mandatory and apply to all undertakings at all times. ESRS 1 describes the architecture of ESRS standards, explains drafting conventions and fundamental concepts, and sets out general requirements for preparing and presenting sustainability-related information. ESRS 2 establishes disclosure requirements for the information that the Bank must provide at a general level across all sustainability topics in the reporting areas, strategy, impact, risk and opportunity management, and metrics and targets.

Topical standards (ESRS categories E, S and G) that address individual sustainability topics are divided into themes, sub-themes and, if necessary, specific sub-themes; they may include specific requirements to supplement the general disclosure requirements of ESRS 2. These standards apply only to the themes, sub-themes and sub-sub-themes assessed as relevant following the Group's assessment of double materiality.

The Parent Bank Cassa di Risparmio di Bolzano S.p.A. prepared this Sustainability Stagement as part of the Management Report on a consolidated basis by including the data of the parent bank and its fully consolidated subsidiaries. Please note that CiviBank is exempt from the obligation to prepare the Sustainability Reporting.

In particular, the scope of the Sustainability Statement is aligned with that of the consolidated financial statements, as shown in the following table.

Entities controlled by the Parent Bank	Operational office	Registered office	Shareholding relationship		Availability of votes %
			Investing company	Stake %	
1. Banca di Cividale SB S.p.A.	Cividale del Friuli (UD)	Cividale del Friuli (UD)	CR Bolzano S.p.A.	81.11	81.11
2. Sparim S.p.A.	Bolzano	Bolzano	CR Bolzano S.p.A.	100	100
3. Raetia SGR S.p.A. in liquidation	Bolzano	Bolzano	CR Bolzano S.p.A.	100	100
4. Sparkasse Haus S.r.l.	Bolzano	Bolzano	CR Bolzano S.p.A.	100	100
5. Fondo Immobiliare Dolomit in liquidation	Milan	Milan	CR Bolzano S.p.A.	96.82	-
6. SPK OBG S.r.l.	Conegliano Veneto (TV)	Conegliano Veneto (TV)	CR Bolzano S.p.A.	60	60
7. Fanes S.r.l.	Conegliano Veneto (TV)	Conegliano Veneto (TV)	CR Bolzano S.p.A.	0	0
8. Civitas S.r.l.	Conegliano Veneto (TV)	Conegliano Veneto (TV)	Banca di Cividale S.p.A.	0	0
9. Sparkasse Energy	Bolzano	Bolzano	Sparim S.p.A.	100	100

The aforementioned reporting standards require the inclusion in the Sustainability Statement of relevant information on the Group's upstream and downstream value chain defined as "the full range of activities, resources and relationships related to the undertaking's business model and the external environment in which it operates". Upstream actors (e.g. suppliers) provide the products or services used in the development of the Group's products or services. Downstream entities (e.g. distributors and customers) receive the Group's products or services. In light of the requirements of the provisions, the Group has defined and implemented organisational and methodological solutions for the identification of its value chain and related relevant actors (for more information see the SBM 1 disclosure).

In the Group's materiality assessment of impacts, risks and opportunities, various representatives of the Group's stakeholders were involved, including the actors identified as relevant within the value chain.

In compliance with regulatory requirements, the Group intends to make use of the option not to provide the following disclosures with reference to the value chain for this reporting:

- information on policies, actions and targets in accordance with ESRS 2 and other ESRS; the Group therefore limits upstream and downstream value chain information to information available in-house, such as data already available to the undertaking and publicly available information; and
- metrics, except for datapoints derived from other EU legislation, as listed in ESRS 2, Appendix B; the Group is therefore not required to include upstream and downstream value chain information.

The above choices are the result of the Parent Bank's difficulties in obtaining all the necessary information on the upstream and downstream value chain, also in relation to the recent introduction of new regulatory requirements and the availability of reliable market data.

Taking into account the Group's business model, this Reporting covers the upstream and downstream segments of the value chain.

It should be noted that, when drafting this Reporting, the Parent Bank did not make use of: 1) the option to omit specific information corresponding to intellectual property, know-how or innovation results; 2) of any exemption from disclosure of information concerning upcoming developments or matters under negotiation, pursuant to Articles 19a(3) and 29a(3) of Directive 2013/34/EU, as implemented in Italy.

BP-2 – Disclosure in relation to specific circumstances

This Consolidated Sustainability Statement is to be considered as a first application in accordance with the new regulatory framework. For this reason, in compliance with the provisions, the Reporting does not contain comparative data with respect to the previous year, nor is it possible to compare the information provided in this Reporting with that contained in the previous Consolidated Non-Financial Statement. It is also specified that in preparing this Reporting, the Group:

- adopted the definitions of "time horizons" provided in ESRS 1 section 6.4 "Definition of short, medium and long term for reporting purposes";
- does not provide, consistent with the transitional provisions, data and/or estimates concerning the value chain, with the exception of specific indicators expressly required by legislation;
- made use, as a rule, of the transitional provisions set out in the provisions for individual disclosure requirements where applicable to the Group.

The Consolidated Sustainability Statement includes a number of quantitative disclosures that are subject to measurement uncertainty, as the measurement principles contain estimated elements or are based on industry averages and other proxies used to make estimates. In particular, reporting on the issue of Climate Change [E1] contains quantitative information on greenhouse gas (GHG) emissions and energy consumption.

For the purpose of a fair representation of performance and to ensure the reliability of the data, the use of estimates has been limited as much as possible, which, if any, are based on the best available methodologies and appropriately reported. Possible causes of measurement uncertainty related to quantitative metrics within the Sustainability Statement concern metrics related to energy consumption and the quantification of direct and indirect emissions ("ESRS E1-5 - Energy consumption and mix", "ESRS E1-6 - Gross scope 1,2,3 GHG emissions and total GHG emissions").

In particular, for the calculation of electricity and fossil fuel consumption, as well as the related direct and indirect emissions, where figures for the 12 months of the year are not available, they have been estimated on the basis of the current year.

For the quantification of indirect emissions (Scope 3), and in particular for category 13 "Downstream Leased Assets", an estimate was used that involves the association of an average emission coefficient (specific to the intended use of the building) multiplied by an area measured through property surveys.

For category 15 "Investments", estimates focused on the determination of surfaces, when not available, and the specific emission consumption of each property, based on Energy Performance Certificates, if available, or on the SIAPE database.

For the remaining categories, however, the degree of uncertainty is low.

Further details on the estimation methods adopted are set out in detail in the relevant paragraphs, to which reference is made.

This Consolidated Sustainability Statement does not include any additional information arising from applicable legislation, with the exception of information pursuant to Article 8 of Regulation (EU) 2020/852 of the European Parliament (please refer to the Disclosure pursuant to Article 8 of Regulation 2020/852 - EU Taxonomy Regulation). It is also specified that no disclosures have been included by reference.

GOV-1 – The role of the administrative, management and supervisory bodies

The Board of Directors of Cassa di Risparmio di Bolzano S.p.A. consists of 9 members, one of whom holds the position of Chief Executive Officer and General Manager, thus being the only executive member. As at the next Shareholders' Meeting, called for 15/04/2025, the appointment of an Anti-Money Laundering Officer is planned, who, to all intents and purposes, will be an Executive Director within the meaning of the Supervisory Provisions.

The current Articles of Association of the Parent Bank do not require the presence of an employee in the lists for the appointment of corporate bodies. Furthermore, it should be noted that the Italian legal system does not include the participation of employee and/or other workers' representatives in meetings of company bodies as a mandatory requirement. Consequently, there is no such representation either within the Bank's corporate bodies or within the bodies of the Subsidiaries.

The Board of Directors is made up of directors from the historical territory of the Province of Bolzano and has a broad range of expertise. Three directors are self-employed professionals (two accountants and one lawyer); two directors are business owners, one is active in the scaffolding and renewable energy sector and one is General Manager of a multinational family group active in the multi-service sector; one is a university professor teaching law at the University of Innsbruck and three are employees, one of whom is the General Manager of the Cassa di Risparmio di Bolzano, one is the General Manager of Garfidi, a provincial guarantee cooperative, and one is the General Technical Manager of Autobrennero SpA. The members of the Board of Directors have varying numbers of years in the role (minimum 3 years, maximum 11 years) and have significant knowledge of banking/financial products.

The Board of Directors is also adequately diversified in terms of gender diversity by including, pursuant to the Articles of Association and Supervisory Provisions, a minimum of the least represented gender of one third of the Board members. Specifically, the Board of Directors consists of 6 men (66.6%) and 3 women (33.3%). Therefore, the degree of gender diversity of the Board of Directors, expressed as a percentage as the average ratio of female to male members, is 33.3%.

With regard to independent directors, the Articles of Association provide that at least one quarter of the Board of Directors shall be made up of directors who meet the independence requirements. The current membership includes three independent directors, representing 33.3% of the total number of Directors. These three independent directors make up the Risk and Sustainability Committee, which also has adequate gender diversity: its members are two women and one man.

The Board of Statutory Auditors consists of three permanent members and two alternate members, all five of whom come from the historical territory of the Province of Bolzano. The permanent members have different professional backgrounds. The Board of Statutory Auditors is composed of a statutory auditor with many years of experience as the person responsible for auditing the financial statements of public interest companies ("EIP") and entities subject to an intermediate regime ("ESRI"), a university lecturer in economics and freelance chartered accountant, and a lawyer with previous experience in the banking sector (salaried employment relationship). The members of the Board of Statutory Auditors have varying numbers of years in the role (minimum 3 years, maximum 11 years) and have gained significant knowledge of banking/financial products. The Board of Statutory Auditors is adequately diversified in terms of gender diversity since the least represented gender accounts for a minimum of one third of its members, pursuant to the Articles of Association and Supervisory Provisions. Specifically, the Board of Statutory Auditors consists of two female Permanent Auditors and one male Permanent Auditor. There is similar gender diversity among the Alternate Auditors, who are represented by one man and one woman. Therefore, the degree of gender diversity of the Board of Statutory Auditors, expressed as a percentage as the average ratio of female to male permanent members, is 66.6%.

The Cassa di Risparmio di Bolzano Group has been on a sustainability path for several years now. Meanwhile, the Bank of Italy first issued 12 expectations on climate and environmental risks ("Supervisory expectations on climate and environmental risks", April 2022), followed by two documents containing good practices for their implementation ("Thematic survey on the degree of alignment of LSIs with supervisory expectations on climate and environmental risks", December 2022 and "Action plans on the integration of climate and environmental risks in LSI business processes: main evidence and good practices", December 2023). The Group has progressively incorporated the expectations of the Supervisory Authority and related best practices into its ESG Plan 2024-2026. The latter was shared with the Authority in August 2024. Therefore, at the time the project started and since 2022, the Directors and Statutory Auditors have benefited from an ongoing training plan with the support of external advisors. Also in light of the above, the skills are adequate to support the identification and approval of the results of the double materiality exercise, particularly with regard to the identification and management of material impacts, risks and opportunities for the Bank. The governance bodies annually undergo a self-assessment exercise to identify, among other things, any training needs. From this exercise, it consistently emerged that part of the yearly planned training should be dedicated to ESG sustainability profiles, with a special focus on the integration of ESG factors into the Group's lending policies and general business activities.

As part of this process, the Board of Directors also resolved to further empower the Risk Committee, which, as at 02/07/2024, took on the new name of Risk and Sustainability Committee, encompassing the following among its duties:

- adopting an advisory role in defining, updating and reviewing the strategic guidelines, medium-/long-term targets and quantitative targets of the Sustainability Plan including ESG risks and its subsequent amendments;
- overseeing the achievement of the Group's stated sustainability commitments, adopting a consultative/proactive approach in identifying actions, interventions and activities aimed at achieving them;
- communicating to the Board of Directors of any critical issues in the achievement of the strategic guidelines, the medium-/long-term targets and the declared quantitative targets emerging from the periodic oversight of the monitoring of such targets.

The Board of Directors takes into account the integration of environmental, social and governance (ESG) factors when defining corporate strategies. Specifically, the Board of Directors approves the sustainability strategy, the Group ESG Plan and related sustainability targets. In addition, the Board of Directors approves the regulations governing the process for the preparation of sustainability statement as well as, on an annual basis, the same reporting included in the Management Report.

In addition, the Board of Directors approves, in good time prior to the preparation of the Reporting, the results of the analyses performed on the value chain and the double materiality assessment, as well as the related findings in relation to material impacts, risks and opportunities.

In addition, the Board of Statutory Auditors monitors, with the support of the control functions, the correct application of the legal provisions on Sustainability Statement and the adequacy, completeness, functionality and reliability of the internal control system and the risk management and control system, including sustainability risks.

In order to ensure timely monitoring of the progress of ESG projects, the following organisational solution was adopted:

- The ESG & Sustainability Committee (a management committee), composed of the ESG Officers and the Heads of the main Divisions and Departments involved in the implementation of the activities in the ESG Plan. The Committee meets at least once every six months and is chaired by the Chief Executive Officer;
- The ESG & Sustainability Department, reporting directly to the Chief Executive Officer, which is responsible for implementing the strategic guidelines relating to sustainability, making use of the other corporate Functions of the Parent Bank and other Group Entities in respect of its remit;
- ESG Officers, employees chosen from within the Group's main Divisions and Departments to operationally integrate ESG factors into the work of their Division or Department.

As a Benefit Company, the subsidiary CiviBank has identified an Impact Manager, who oversees the achievement of the common benefit targets for the Bank and reports on their achievement annually through the Impact Report.

In light of the above, the integration of ESG principles into corporate strategies is based on a multilevel governance structure that can provide the continuous monitoring of sustainability initiatives and compliance with European regulatory standards. The Board of Directors, with the support of the ESG Committee, ensures that sustainability targets are aligned with the Group's overall strategic plan. In particular:

- the ESG Committee oversees and steers sustainability strategies, assessing the impact of initiatives and integrating ESG criteria into business decisions;
- the ESG & Sustainability Department coordinates the implementation of environmental and social policies, monitoring performance indicators;
- the Board of Directors approves the ESG plan and provides the governance of environmental, social and governance factors, with an approach geared towards long-term sustainable value creation.

Through these governance mechanisms, the Group intends to ensure transparent reporting on ESG progress, in line with best practice and stakeholder expectations.

GOV 2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The progress of the ESG Plan, as well as the double materiality assessment and its results, are monitored at least every six months by the ESG & Sustainability Committee, chaired by the Chief Executive Officer and General Manager of Sparkasse, and is periodically brought to the attention of the Parent Bank's Risk and Sustainability Committee and the Boards of Directors of Sparkasse and CiviBank.

Furthermore, in 2024, in compliance with the role and responsibilities set out, various sustainability profiles were submitted to the corporate bodies of the Parent Bank and, where relevant, of the Subsidiaries, which implicitly consider all the relative impacts, risks and opportunities (IRO) and include: policies and strategies, target and action planning and monitoring, climate and environmental risk, compliance and audit checks, sustainability statement and training.

The Statutory Auditors attend the meetings of the Risk and Sustainability Committee and Board of Directors of the Parent Bank, as well as specific meetings of the Board of Statutory Auditors.

GOV-3 – Integration of sustainability-related performance in incentive schemes

Remuneration and incentive policies are a fundamental tool to support the Group's medium- and long-term strategies. These policies are defined with the aim of creating value over time and pursuing sustainable growth for all stakeholders, and are aimed at:

- attracting and retaining qualified staff identified with the company;
- encouraging staff to work towards the company's objectives by recognising performance and merit, safeguarding the company's principles of stability and mitigating potential conflict of interest situations;
- promoting efficiency and effectiveness in the organisation;
- supporting the dissemination and sharing of Group values, developing a sense of teamwork and belonging.

In compliance with the Supervisory Provisions, the Parent Bank Cassa di Risparmio di Bolzano has defined specific procedures on remuneration and incentive policies and practices for the Sparkasse Group, ensuring their overall consistency, providing the necessary guidelines for their implementation and verifying their correct application.

The remuneration and incentive policies of the Sparkasse Group for 2024 were approved by the Shareholders' Meetings of Banca di Cividale S.p.A.-Società Benefit (CiviBank) and Sparkasse on 3 and 4 April 2024, respectively. The approval of remuneration and incentive policies by Shareholders' Meetings is intended to increase shareholder awareness and monitoring of the overall costs, benefits and risks of the chosen remuneration and incentive system.

In accordance with the Supervisory Provisions, Cassa di Risparmio di Bolzano S.p.A., in its capacity as Parent Bank, drafts the remuneration and incentive policies for the entire Group (including the banking subsidiary CiviBank), ensures their overall consistency, provides the necessary guidelines for their implementation and verifies their correct application.

The Group's Banks incorporate Group Policies and, in compliance with the guidelines defined by the Parent Bank, adopt their own, submitting them on an annual basis for approval by their respective Boards of Directors and Shareholders' Meetings, subject to compliance verification by the relevant Parent Bank corporate functions. The individual Group Banks and Companies remain nonetheless responsible for compliance with the regulations directly applicable to them and for the proper implementation of Parent Bank guidelines.

For 2024, as in previous years, an approach inspired by the principles of financial sustainability of the variable component was continued, including through the structure of the entry criteria, which inherently presupposes the verified quality of the results achieved and the consistency with the limits envisaged in the reference framework for determining the risk appetite (the "Risk Appetite Statement" or "RAS").

The remuneration policies adopted by the Sparkasse Group are drawn up, implemented and maintained in line with strategic objectives, sustainability risks and criteria related to capital strength and liquidity. The policies reflect governance objectives and the creation of sustainable, long-term value for shareholders and ensure that the Group is able to attract, develop and retain qualified, motivated and sustainability-oriented employees.

In particular, the integration of environmental, social and good governance (ESG) principles within the remuneration system is motivated by the awareness that these principles are an essential element in guiding decision-making processes towards the promotion of sustainable topics in the medium and long term. Defining strategic ESG targets and monitoring sustainability risks in the Group's activities not only supports the transition to a sustainable economy, but also creates value for businesses and enhances the Group's reputation in the market. Therefore, in line with the defined ESG strategic targets, the Group incorporates the following into the principles applied when defining the variable staff remuneration:

- a commitment to aligning performance with corporate goals and values and long-term ESG strategies;
- the appropriate balance between economic and non-economic, qualitative and quantitative targets, depending on the role, with a particular focus on sustainability topics.

In line with the ESG 2023-2025 Plan, therefore, and with the Group's broader ESG strategic targets, targets for the achievement of plan actions are assigned to each Division/Department/Service owner of the individual initiatives and to all the structures involved in the process (of the Parent Bank and of the individual subsidiaries) - and assessed annually by the Chief Executive Officer and the Board of Directors.

The Sparkasse Group pays great attention to the issues of "Diversity, Equality & Inclusion" and is constantly striving to implement and disseminate, within and outside the Group, a policy in favour of the inclusion of all forms of diversity. In this sense, the Group's remuneration policies also reflect principles of neutrality and ensure, where the same activity is performed, that staff have an equal level of remuneration, including in terms of the conditions for its recognition and payment, in implementation of the EBA guidelines on sound remuneration policies. In particular, the Group ensures that the definition of remuneration and incentive systems and remuneration decision-making are free of bias with regard to gender or any other form of diversity, and are based exclusively on the merit and professional skills of employees, according to a principle of fairness.

The remuneration and incentive system is built internally on the basis of contractual provisions, as well as principles of fairness and recognition of merit; organisational positions are periodically analysed and evaluated, using standard methodologies and market benchmarks.

The variable component of remuneration is mainly based on performance measurement over annual time horizons. The aim is to involve staff in company strategies, through the definition of quantitative and qualitative targets to be achieved through individual and team contributions.

The 2024 bonus system involved all the company structures, both Network and Management, with the exception of Key Persons and Executives, providing for the assignment of specific targets and the consequent remuneration against their actual achievement, within the limits of available resources, with transparent and measurable criteria, according to principles of fairness and recognition of merit.

Objectives are divided into corporate objectives (defined for management roles only), performance objectives - individual, by business area (for all system recipients), and managerial objectives (for coordination roles only).

In particular, for the Key Persons, the management and performance objectives linked to the incentive system were revised and more precisely defined for 2024, in particular by:

i. introducing a specific target to measure compliance and process adequacy, and
ii. specifying, on the basis of the ESG Plan adopted by the Group, the main reference areas for the assignment of individual sustainability targets to Key Persons.

Moreover, for this staff category, the 2024 remuneration and incentive policies envisaged, within the performance objectives, the assignment of at least one sustainability objective, of a qualitative-quantitative type, consistent with the KPIs defined in the Group's strategic plan, representing between 5% and 10% of total variable remuneration.

In line with the Group's sustainability strategy and based on the ESG Plan 2023-2025, the sustainability targets assigned are intended to promote an impact for each of the three ESG factors:

<u>Environmental</u>

- Continuation of initiatives aimed at reducing the Group's direct emissions and self-generation of renewable energy (ref. Scope 1 and 2)
- Analysis of the Group's indirect emissions, including those from banking activities (ref. Scope 3)
- Development of the commercial offer, to support the Group's customers in their sustainability journey and promote both environmental and social impacts

<u>Social</u>

- Development and strengthening of staff skills at all levels, including through training and change management initiatives on sustainability
- Continued promotion of a working environment based on equality, diversity and inclusion principles
- Promoting social impact initiatives for communities in the Group's territory

<u>Governance</u>

- Progressive updating of internal policies and regulations to formalise commitments and processes in the area of sustainability
- Upgrade of IT systems and data enrichment to integrate ESG factors, also with a view to developments in sustainability statement under the Corporate
- Sustainability Reporting Directive
- Progressive integration of tools and methodologies for identifying, measuring and monitoring ESG risks.

SPARKASSE
CASSA DI RISPARMIO

GOV–4 – Statement on due diligence

Due diligence is the process by which the Group identifies, prevents, mitigates and accounts for how it addresses the actual and potential adverse impacts on the environment and people connected with its business. Due diligence is an ongoing practice that responds to and may trigger changes in the undertaking's strategy, business model, activities, business relationships, operating, sourcing and selling contexts.

The Cassa di Risparmio di Bolzano Group's due diligence process is not an autonomous procedure, as it is integrated into the overall corporate system and, therefore, formalised in the specific internal procedures (regulations, policies, etc.) governing the Group's activities, including its control activities. This integrated approach ensures that due diligence is an integral part of the Group's activities with particular reference to the identification and management of adverse impacts.

Furthermore, through the double materiality assessment carried out in 2024, the Group identified the list of positive and negative impacts related to the various sustainability issues and subsequently assessed them in terms of materiality. The results of this assessment were submitted to the Parent Bank's Board of Directors and, therefore, represent the basis for ensuring due diligence through their integration into the overall corporate system, including in terms of governance and strategies.

The adverse impacts (actual and/or potential) for people and/or the environment that are identified as material are reported per sustainability topic within the specific paragraph on each of them (please refer to the relevant paragraphs for more details). The procedures adopted to identify, prevent, mitigate and report on these negative impacts are described in this context.

The main due diligence disclosures are set out in this statement in the paragraphs listed in the table below:

CORE ELEMENTS OF DUE DILIGENCE	PARAGRAPHS IN THE SUSTAINABILITY STATEMENTS
a) Embedding due diligence in governance, strategy and business model	"General Disclosures" - SBM 1 "General Disclosures" - GOV 1 "General Disclosures" - GOV 2 "General Disclosures" - GOV 2 "General Disclosures" - GOV 5
b) Engaging with affected stakeholders in all key steps of the due diligence	"General Disclosures" - SBM 2
c) Identifying and assessing adverse impacts	"General Disclosures" - SBM 3 "General Disclosures" - IRO-1 "Environmental Disclosures" - Climate change "Social Disclosures" - Own workforce "Social Disclosures" - Affected Communities "Social Disclosures" - Consumers and end-users "Governance Information"
d) Taking actions to address those adverse impacts	"Environmental Disclosures" - Climate change "Social Disclosures" - Own workforce "Social Disclosures" - Affected Communities "Social Disclosures" - Consumers and end-users "Governance Information"

e) Tracking the effectiveness of these efforts and communicating	"Environmental Disclosures" - Climate change "Social Disclosures" - Own workforce "Social Disclosures" - Affected Communities "Social Disclosures" - Consumers and end-users "Governance Information"

GOV–5 – Risk management and internal controls over sustainability statement

In compliance with prudential supervisory provisions, the Group has over time defined and updated its system of internal controls and risk management, which represents a fundamental element of the Group's overall corporate system. This system is organised to improve profitability, protect capital strength and ensure compliance with external and internal regulations and codes of conduct. In this way, transparency towards the market is promoted through the monitoring of risks assumed by the Group and, more generally, it is ensured that corporate activities optimally align with the Group's strategies and risk appetite statement.

The internal control system consists of the set of rules, procedures and organisational structures, which enable the Group to achieve the following targets:

- ensuring compliance with corporate strategies and policies;
- contain risk within the limits indicated in the reference framework for determining the Group's risk appetite (RAF);
- prevent the risk of the Group being involved, even unintentionally, in unlawful activities (with particular reference to those connected with money laundering, usury and terrorist financing);
- achieve effectiveness and efficiency in business processes;
- safeguard the value of assets and protection against losses;
- ensuring the reliability and security of corporate information and IT procedures;
- ensuring compliance of operations with the entire existing regulatory apparatus.

In compliance with the provisions, the main types of controls are represented by:

- *line controls ("first-level controls").* These safeguards pertain to day-to-day operations and are included in the operational processes to ensure the proper execution of transactions.
  Where possible, the controls are incorporated into IT procedures and are the responsibility of the operational structures, which are primarily responsible for the risk management process. They are defined and formalised in internal operating procedures.
- *risk and compliance controls ("second-level controls").* Second-level controls include risk management and compliance activities and anti-money laundering risk procedures. The aim of these controls is, inter alia, to ensure:
  - the proper implementation of the risk management process;
  - compliance with the operational limits assigned to the various functions;
  - compliance of company operations with standards, including those involving self-regulation.

  The second-level control functions are independent of their assumption and management (production and management units) and are subject to internal audit.
- *internal audit ("third-level controls").* Internal Audit is responsible for detecting management anomalies, breaches of procedures and internal regulations, and assessing the adequacy, completeness, functionality and reliability of the internal control system.

As outlined in the description of the double materiality assessment process, the Risk Management Function participates in the identification of risks associated with the various sustainability issues, taking into account the results of the risk mapping process, and, where appropriate, performs a reconciliation of the risks associated with the various sustainability topics against those identified in the overall risk mapping process. For this reason, the descriptions of the risks identified with reference to individual issues are subject to prior verification by the Parent Bank's Risk Management Function for possible additions and/or revisions. In addition, the Risk Management Function participates in defining the methodology for conducting the financial materiality assessment of individual risks, taking care to ensure consistency with the overall risk management and governance system (RAF). In this context, the results of the "first level" internal assessment on the financial materiality of the risks are subsequently reviewed by the Risk Management Function, which, if deemed appropriate, may also make adjustments to take into account the results of its own audits.

In compliance with the organisational and documentary model adopted by the Group, regulations have been prepared to govern the overall process of preparing the Consolidated Sustainability Statement, as well as the roles and responsibilities attributed to the corporate bodies and functions involved. These "Sustainability Reporting" Regulations were approved by the Board of Directors of the Parent Bank.

With specific reference to the process of sustainability reporting, it should be noted at the outset that the Group's generally defined internal control system is also applicable. With this in mind, the process governing the preparation of the Sustainability Statement, as well as the roles and responsibilities attributed to the corporate bodies and functions involved, has been drawn up and formalised in specific company regulations submitted to the Parent Bank's Board of Directors for approval. In accordance with the organisational and documentary model adopted, the aforementioned regulations are subject to prior verification by the Compliance Function in order to ascertain their compliance with the relevant provisions. Following this verification, the Compliance Function prepares a specific memo that it submits to the corporate bodies prior to approval of the Regulation.

As provided for in the regulation, the specific corporate functions responsible for preparing the disclosures required by the provisions are identified in advance. These corporate functions retain the appropriate evidence (sources, processing, etc.) used to prepare the disclosures and are responsible for monitoring, to the extent of their competence, risks such as the completeness and integrity of data, the accuracy of estimated results and, where relevant, the availability of data on the upstream and/or downstream value chain and the timing with which the disclosures are made available.

Therefore, each corporate function carries out a self-assessment of the compliance of the content prepared with the provisions; in this context, if full compliance with the provisions is not possible, it provides the appropriate reasons and a potential plan for improvement. This self-assessment is a prerequisite for the Internal Control Functions (Compliance and/or Internal Audit) to carry out any checks within their remit.

Moreover, the procedures, in compliance with the provisions of the overall internal control system adopted by the Parent Bank, are subject to periodic checks, to the extent of their competence, by the Compliance Function and the Internal Audit Function, in accordance with the schedule of activities adopted by the aforementioned corporate functions. In any event, the procedures adopted may need to be updated in line with changes in the regulatory and operational environment, as well as the results of the same checks carried out by the relevant Internal Control Functions.

The Organisation Service, in conjunction with the ESG & Sustainability Service, identifies the need to strengthen the reporting process, on the basis of the results of the planned controls, defining the related improvement plan with the support of the relevant corporate functions involved in its actual implementation. This improvement plan is included in the broader "Group ESG Plan". This Plan is subject to approval by the Parent Bank's Board of Directors and to periodic monitoring, the results of which are reported to the corporate bodies.

Once the draft Sustainability Statement has been prepared, the Compliance Function ascertains the conformity of the activities specifically carried out by the competent corporate functions involved in the procedures on the basis of the results of the self-assessment carried out by the aforementioned functions. The results of these checks are formalised in a specific memo sent to the corporate bodies.

Furthermore, in compliance with the provisions of Italian Legislative Decree No. 125/2024, the Parent Bank's Board of Statutory Auditors monitors the provisions of the aforementioned legislative decree and reports on them in its annual report to the Shareholders' Meeting, within the scope of the functions assigned to it by the law.

The Board of Statutory Auditors monitors and supervises the statutory audit and internal control system. In particular, the Board of Statutory Auditors: a) informs the Board of Directors of the outcome of the activity related to the assurance report; b) monitors the process for the Sustainability Statement, including the use of the electronic format; c) monitors the effectiveness of the internal quality and risk management control and internal audit systems related to the Sustainability Statement; d) monitors the assurance report and the independence of the auditor.

As with other processes concerning the preparation of specific disclosures, the sustainability reporting process also exposes the Group to the following main risks: regulatory non-compliance risk, reputation risk and IT risk. Generally speaking, the Group, taking into account the overall provisions applicable to it, manages the risks under consideration on the basis of specific internal provisions, which, therefore, also apply to the relevant aspects of the reporting process. As such, the main risk mitigation tool under consideration is the internal control system, i.e. the overall set of rules, procedures, organisational structures and controls defined for the sustainability reporting process.

The system of reporting on the results of controls carried out by the Internal Control Functions vis-à-vis the corporate bodies is governed by the specific provisions governing the activities of those Functions. On a routine basis, these procedures require reporting on the results of its audits to be provided to the corporate bodies on a quarterly basis. Furthermore, at the end of the management cycle, i.e. annually, the corporate control functions:

- submit to the corporate bodies a report on the activity carried out, illustrating the checks performed, the results, any weaknesses detected and proposing the measures to be taken to address them;
- prepare a report, each for the aspects within its remit, on the completeness, adequacy, functionality and reliability of the internal control system.

To the extent applicable and in the terms described above, the results of the checks carried out on the reporting process by the Internal Control Functions are appropriately reflected in the disclosures described above.

SBM-1 – Strategy, business model and value chain

Products, services, sectors and markets

The Sparkasse Group conducts its banking business through its Parent Bank, Cassa di Risparmio di Bolzano, and its subsidiary CiviBank; through the other subsidiaries it also mainly provides real estate services that are used by the Group.

The Parent Bank is a regional bank with strong ties to its territory and a vision oriented towards sustainability and innovation. With its roots in Alto Adige, the Bank continues to expand in Trentino, Veneto, Friuli-Venezia Giulia and Emilia-Romagna. It is known for its service model based on proximity to customers and the quality of its financial services; the acquisition of CiviBank Società Benefit has strengthened this vision, enlarging its customer base and further integrating Environmental, Social and Governance (hereinafter also "ESG") principles into its banking model. The Sparkasse Group is committed to creating sustainable and lasting value for all its stakeholders with a strong local presence and an innovation and sustainability-oriented approach.

The Group has a network of 171 branches and more than 1,900 employees, and has consolidated its position as the leading independent banking group based in the Triveneto region, developing a strategy focused on sustainable growth and value creation for the community. Sparkasse and CiviBank share the goal of combining economic growth and positive social impact, respecting the local cultural characteristics and promoting transparent and responsible finance. The relationship with more than 300,000 customers is central and translates into a constant commitment to quality, innovative and sustainable services. The Group's founding values, such as honesty, impartiality, legality, transparency, excellence, respect and team spirit, guide every activity and are enshrined in its Code of Ethics and in the policies adopted on sustainability.

Cassa di Risparmio di Bolzano SpA operates in three main areas:

- Commercial Banking, the bank's core business, with around 200,000 customers, including private individuals and small and medium-sized businesses, who are looked after by specialised advisors to ensure a professional and personalised service.
- Private and Corporate Banking, a single department coordinating two networks: one dedicated to financial advisory for private customers with complex financial needs and another for medium-sized and large businesses, offering sophisticated financial services, including structured finance and internationalisation.
- Virtual Advisory, which since 2021 has been providing remote assistance alongside the physical network, improving the customer experience and also managing former Dolomiti Direkt customers and new customers acquired online.

The products/services related to sustainability topics are described in the following section "Sustainable Finance"'.

The subsidiary CiviBank, which operates in 9 provinces in Friuli-Venezia Giulia and Veneto, embarked on a commercial reorganisation in 2023 to improve specialisation and alignment with the Parent Bank, which was completed in 2024.

The Group's property assets are wholly owned by Sparim S.p.A., which in addition to carrying out support activities for the Parent Bank in terms of management of the property component used in banking activities (Facility Management, Property Management, etc.), handles the valuation of the portfolio of properties held for investment purposes. Furthermore, through its subsidiary "Sparkasse Energy", the Group produces energy from renewable sources to cover the energy consumption - and related CO_2 emissions - of the entire Group.

Business model and value chain

The business model is developed around three core pillars: simplicity and efficiency, proximity to the territory and technological innovation. The combination of these elements makes it possible to offer tailor-made financial solutions for households, businesses and local institutions, while ensuring smooth, omni-channel access to banking services. Process optimisation and digitalisation facilitate access to services, while proximity to the customer and customisation of the offer allow a targeted response to local needs. Investments in artificial intelligence, automation and *digital banking* improve the customer experience and increase operational efficiency.

Furthermore, the business model is based on an ESG approach integrated into business processes, with a focus on the climate transition, social inclusion and corporate transparency. In 2024, consolidated revenues totalled EUR 446.6 million, while net profit came to EUR 117.7 million, an increase of 43.1% compared to 2023. Revenues are distributed mainly in the financial sector, with a strong focus on sustainability. The Sparkasse Group is not active in fossil fuels (coal, oil, gas), in the manufacture of chemicals, controversial weapons or in the production of tobacco, in line with the policies adopted and risk management; it therefore did not generate any revenues in such activities.

The Group's value chain is developed through a business model that combines the sourcing of funding, the responsible management of credit and the creation of innovative solutions for the territory, in which the Bank acts as a bridge between savers, businesses and institutions, fostering local economic growth and the transition to a more sustainable economy.
In particular:

- upstream, it focuses on sourcing funding through deposits, market instruments and sustainable finance, with strict ESG criteria to ensure responsible capital allocation;
- internally, the focus is on human resource development, digitalisation of processes and integration of ESG strategies;
- downstream, efforts are aimed at supporting the economic and social fabric, through targeted funding for individuals, SMEs, tourism, agriculture, the energy transition and financial inclusion.

The efficiency of the value chain is based on the combination of financial stability, innovation and social impact. The Group not only provides banking services, it also plays an active role in the sustainable growth of the region, promoting responsible investments and fostering the creation of shared value for customers, stakeholders and communities. With this strategy, the Group strengthens its role as a reference bank for the sustainable growth of the territory in which it operates.

None of the Group's products or services are prohibited in the markets in which it operates.

The Group is not active and does not operate directly in the fossil fuel business, i.e. it does not generate revenues from the exploration, extraction, production, processing, storage, refining or distribution, including transport, storage and trading, of fossil fuels.

With reference to the breakdown of total revenues, reported in the financial statements, for the significant ESRS sectors and the listing of the additional significant ESRS sectors, since these are transitional requirements that presuppose the adoption of the "*ESRS sector specific standards*" (not yet published), the Group is not reporting on them at this stage.

With reference to the Group's workforce, it should be noted that the integration of CiviBank into the Sparkasse Group, which took place in 2023, became fully operational in 2024, with particular reference to (i) the development of the CiviBank business model, with a view to greater specialisation of the skills of the sales network, in line with the existing model in the Parent Bank, and (ii) the creation of greater synergies and efficiencies in the Group and in the head office functions, which were centralised within the Parent Bank in 2023.

At 31 December 2024, the number of employees on permanent/fixed-term/internship contracts was 1,993, of which 1,000 were women and 993 were men (the Group's numbers include all employees, except for those working in Munich and at Sparkasse Haus (not included in the ABI collective agreement), a total of 6 in 2024).

A total of 1,011 employees, compared to 979 at the end of 2023, of which 220 have part-time contracts (a slight decrease compared with the previous year), work in the province of Bolzano. A further 466 employees, of which 72 are part-time, work in the Province of Trento, in Veneto, Lombardy and Emilia Romagna. A further 516 employees work in Friuli-Venezia Giulia, where CiviBank has its headquarters and historical roots, of which 37 are part-time. Another 4 employees, including 1 with a part-time contract, are based abroad, at the Munich office. The number of FTE employees with permanent/fixed-term/internship contracts, i.e. calculated using the "Full-time equivalent" method by computing the hours actually worked by part-time employees and interns as a proportion of full-time hours and excluding persons on leave, is as follows:

	FULL-TIME EQUIVALENT EMPLOYEES		
	Permanent	Fixed-term	Interns
Cassa di Risparmio di Bolzano S.p.A. (including Munich Branch)*	1,136.01	49.53	69.87
Sparim S.p.A.	20.53	1.00	
Banca di Cividale S.p.A – Società Benefit	397.66	10.00	17.60
Sparkasse Haus	2.00		
Total	1,556.20	60.53	87.47

**At the end of 2024, 4 employees (3.5 calculated using the "Full-time equivalent" method) work in Munich (unit operating abroad), who are fully registered abroad.*

Owing to the centralisation of the functions of the CiviBank headquarters within the Parent Bank, effective at 31.12.2024, in addition to the employees, 131 staff (128.18 FTE) have been seconded from CiviBank to Sparkasse.

Sustainability-related goals in terms of products, services, customers and markets

The Sparkasse Group wants to be a point of reference on the path towards sustainability in the region, striving to create positive impacts, thereby reducing negative impacts for its stakeholders, and balancing economic performance and the interests of shareholders and investors, the environmental and social needs of customers, employees, suppliers, business partners, the region and the whole community.

For each of these stakeholders, the Group has defined specific commitments in its Sustainability Policy. This policy is part of the policy framework guiding strategic actions on sustainability, defining commitments for the different topical areas:

- Ethical and transparent conduct of business for shareholders and investors
- Creating value for customers
- Human capital development
- Responsible management of suppliers and business partnerships
- Sustainable territorial growth and support for local communities
- Environmental protection

The commitments listed translate into concrete activities within the ESG Plan 2024-2026, which the Group continued to work towards during the year, achieving significant results in integrating ESG factors into its operations. The ESG Plan has several areas of focus, including risk and compliance, data modelling and reporting, credit, finance and investment, real estate and operations, training, organisation and communication. In addition, within the Business Plan, the Group has identified the tourism supply chain as a strategic target to promote the sustainable transition.

The Horizon 2026 Business Plan incorporates the Group's sustainability strategy and targets in the three ESG areas – Environmental, Social and Governance. The Group's strategic path towards sustainability has three key priorities:

- Environmental sustainability: concern for the environment has become a core element of the business model. The Group is serving its customers in the climate transition, offering sustainable financing instruments and supporting projects aimed at reducing the carbon footprint of the region;
- Inclusion and social development: through targeted investments in training and socio-cultural development, the Group contributes to the growth of local communities, fostering financial inclusion and access to credit for households and businesses;
- Governance and operational resilience: the Group has established a robust governance structure in which ESG factors are integrated into decision-making processes and data, ensuring transparency and rigorous reporting of results.

The Group offers a wide range of products and services, including transaction products, credit solutions, financial advisory, investment management, digital payments and insurance cover. Through its range of products and services, the Group intends to strengthen its commitment to a sustainable development model.

Innovation plays a key role in the Group's strategy. Investments in artificial intelligence, process automation and advanced digital solutions improve the customer experience and optimise operational efficiency. In addition, the Group has embarked on a profound transformation of its technology infrastructure, with the aim of integrating predictive analysis tools and improving risk management.

Also in the environmental sphere, the Group has demonstrated its concrete commitment to sustainability through further clear and measurable targets in terms of the social pillar, such as:

- 50% of new residential mortgages to be allocated to energy-efficient buildings by 2026, incentivising the renovation of the building stock and reducing energy consumption;
- EUR 5 million invested in community and territorial support activities to promote social cohesion and local development.
- ESG targets for senior and middle management by 2025 to ensure strong alignment between governance and sustainability strategies.

These pillars form the basis of an evolved banking model, capable of combining financial stability, technological innovation and a positive impact on the territory.

Taking into account the Group's business model, the stakeholder categories belonging to the value chain are listed below:

POSITION	STAKEHOLDER CATEGORY
Upstream value chain	– Shareholders – Institutions – Suppliers – Business partners
Own operations	– Employees
Downstream value chain	– Customers – Community and environment

For each of these categories, sub-categories have been identified to further specify the stakeholder groups pertaining to the Group, specifying whether they are upstream or downstream in the value chain.

To define the relevant actors in the value chain for the purpose of the sustainability statement, the Group focused on those relationships most likely to be associated with impacts, risks and opportunities material to the Group. For example:

- entities that expose people and/or the environment to the likelihood of actual and potential impacts, which may in turn be sources of risks and opportunities;
- entities with respect to which the Group's business model has key dependencies in terms of products/services offered.

The above recognition of significant relationships was carried out together with the company representatives who interact most directly with the specific category of stakeholders. Through their contribution, the qualitative and quantitative criteria were clarified for each category, which determined whether the entities were considered relevant, i.e. the information used to identify the existence of dependencies, impacts, risks and opportunities such as to include them in the value chain. Where necessary, the data used as the basis for the analyses are protected according to specific internal procedures defined by the Group.

The following table shows the areas of analysis adopted by the Group to define the value chain and to identify the actors to be included in the same chain.

Category	Rationale for defining the value chain and identifying relevant actors
Shareholders	The shareholding structure of the companies within the reporting boundary was analysed. In this context, relationships of a financial nature that may reciprocally lead to "dependence" are considered, as is exposure to any actual or potential impact in relation to the companies' activities.
Financial intermediaries/institutional investors	The Group's relationships with financial intermediaries/institutional investors were analysed with reference to funding transactions on the one hand and investments made from its own portfolio on the other.
Suppliers	The main services/products purchased were analysed in order to identify those to be potentially included in the value chain. In this case, the focus is on the supply of services/products that affect the definition and marketing of products and services provided to customers.
Customers	Given the intrinsic characteristics of the stakeholders under consideration and the impact on the products and services provided, the analysis focused on corporate customers and public bodies as potential actors in the "downstream" value chain. More in detail, with the support of the competent corporate functions, the top customers for both the Parent Bank and the subsidiary CiviBank were analysed specifically in the area of credit exposures.
Business partners	Analyses were carried out to identify possible business partners to be included in the value chain, taking into account the range of products and services offered to customers. The aim is to identify possible partners who, on the basis of existing business relationships and the business developed by the Group, may determine dependencies or expose them to impacts, risks and opportunities related to sustainability topics.

On the basis of the above, the identification of the actors to be included in the value chain was carried out through the identification and involvement of the appropriate company representatives who interact most directly with the specific category of stakeholders selected.

SBM-2 – Interests and views of stakeholders

The Sparkasse Group periodically involves its stakeholders in the process of assessing impacts, risks and opportunities in preparation of its Sustainability Statement. The outcome of this involvement is also one of the inputs that make up the strategic and sustainability analyses on which the sustainability process is based, which in turn is an integral part of the broader strategic planning process. For the Sparkasse Group, stakeholders are those who can exert influence on the Group or can be affected by it. There are two main groups of stakeholders:

- affected stakeholders: individuals or groups whose interests are affected or could be affected – positively or negatively – by the Group's activities and its direct and indirect business relationships across its value chain; and
- users of sustainability statements: primary users of general-purpose financial reporting (existing and potential investors, lenders and other creditors, including asset managers, credit institutions and insurance undertakings), and other users of sustainability statements, including the Company's business partners, trade unions and employer/employee representative bodies, civil society and non-governmental organisations, public administrations, analysts and academics.

In connection with the above, the Parent Bank mapped the stakeholders involved in the Group's activities and business relationships. In this regard, the Parent Bank, in a similar process to that carried out in previous years, classified stakeholders into specific macro-groups (Shareholders, Institutions, Employees, Value Chain Workers, Suppliers, Customers, Business Partners, the Community and the Environment); for each stakeholder category, they were classified as "affected stakeholders" or "users" or as belonging to both categories.

The table below shows the stakeholder map:

Category	Sub-category
Shareholders	Small shareholders / shareholders' associations
	Foundation
Institutions	Regulatory authorities
	Rating agencies
	Financial intermediaries/institutional investors
Employees	Network and management staff
	Senior management
	Trade unions
Workers in the value chain	Workers of upstream chain actors
	Workers of downstream chain actors
Suppliers	Strategic suppliers
	Other suppliers
Customers	Retail customers
	Corporate customers
	Private customers
	Public bodies
	Consumer associations
Business partners	Banking-Insurance
	Finance-Products
Community/Environment	Institutions and public administrations
	Schools, universities and scientific/research communities
	Environmental associations
	Non-profit associations

The opinions and interests of the aforementioned stakeholders are crucial in guiding the Group's actions in the decision-making process concerning its future strategy and business model. Moreover, stakeholders (whose specific representatives are identified as 'opinion leaders') were involved in the impact materiality assessment downstream of the outcomes of an initial internal assessment, carried out by the Heads of the Group's corporate functions that relate most closely to the various stakeholder categories. Their involvement was achieved through the selection of specific stakeholder representatives ('opinion leaders') who were sent the internal questionnaires.

The Board of Directors is informed of the opinion of the stakeholders at the same time as it approves the outcome of the double materiality assessment.

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

By consolidating the data obtained from the impact and financial assessments, the Group compiled a final list of material *IROs*, which it validated with management.

The following table shows the outcome of the double materiality assessment for the 2024 financial year in terms of the IRO-related sustainability issues or topics that were assessed as material and, consequently, subject to reporting.

REFERENCE ESRS	SUSTAINABILITY TOPIC	ANALYSIS OUTCOME
ENVIRONMENTAL – E1	Climate change	Material
ENVIRONMENTAL – E2	Pollution	Not material
ENVIRONMENTAL – E3	Water and marine resources	Not material
ENVIRONMENTAL – E4	Biodiversity and ecosystems	Not material
ENVIRONMENTAL – E5	Circular economy	Not material
SOCIAL – S1	Secure employment - Adequate wages - Social dialogue - Collective bargaining	Material
	Balance between work and private life	Material
	Health and safety	Material
	Equal treatment and opportunities for all	Material
	Training and skills development	Material
	Other work-related rights	Not material
SOCIAL – S2	Workers in the value chain	Not material
SOCIAL – S3	Affected communities	Material
SOCIAL – S4	Information-related impacts for consumers and/or end-users	Material
	Personal safety of consumers and/or end-users	Material
	Social inclusion of consumers and/or end-users	Not material
N.A. (entity specific)	Sustainable finance	Material
N.A. (entity specific)	Digitalisation, innovation and quality of supply	Material
GOVERNANCE – G1	Corporate culture, Protection of whistle-blowers, Corruption and bribery	Material
GOVERNANCE – G1	Management of relationships with suppliers, including payment practices	Material

Once an IRO related to a sustainability topic has been identified as material, the Group identifies the relevant information to be disclosed on that issue, based on the ESRS concerned. If the IRO is not covered or not sufficiently covered by the ESRS, it must also provide entity-specific disclosure on the issue.

Consistent with the outcome of the double materiality assessment, this Sustainability Statement has been structured by highlighting the above-mentioned sustainability topics in specific paragraphs. Within these paragraphs, the impacts, risks and opportunities identified by the Group are explained. Generally speaking, it should be noted that the actual and potential impacts identified: i) derive from or are linked to the strategy and business model and ii) guide the company's strategy and business model by contributing to their adaptation. For obvious reasons, these impacts affect the Group's risks and opportunities and consequently its strategy and business model. Taking into account impacts, risks and opportunities, the Group defines policies and actions to manage them, as well as, where deemed appropriate, any qualitative and/or quantitative (measurable) targets. Where appropriate, the Group also defines metrics to support the monitoring of policies and actions and, if defined, any targets adopted. In this regard, also taking into account the types of metrics adopted, it should be noted that the metrics are not subject to validation by an external body other than the entity issuing the assurance report, except in specific cases described in the individual chapters on sustainability issues in this Reporting.

It is also specified that, in general, the target-setting process, while taking into account the materiality assessments on sustainability issues carried out in previous years that involved stakeholders on a general basis, does not provide for a specific interaction with these stakeholders. In addition, the characteristics and methods for determining any defined targets are normally based on observable quantities, i.e. they are deterministic measurements that do not involve assumptions or estimation models, except in the specific cases described in the individual chapters on sustainability issues in this Reporting.

Based on the double materiality analysis performed by the Group, the current financial effects of material risks and opportunities on its financial position, financial performance and cash flows have not been quantified. As of the date of approval of this Sustainability Statement, there were no financial effects related to material risks and opportunities related to sustainability issues that would require significant adjustments to the carrying amounts of assets and liabilities reported in the financial statements, including with reference to the financial year following the date of this Reporting.

The following table shows the mapping of the topics/sub-topics/sub-sub-topics set out in the reporting standards (ESRS 1 AR 16) assessed as material as a result of the double materiality assessment and therefore subject to reporting with specific indication of the relevant paragraph.

Topical ESRS	Topic (table AR 16)	Sustainability sub-topic (table AR 16)	Sub-topic (table AR 16)
ESRS E1	Climate change	Climate change adaptation Climate change mitigation Energy	
ESRS S1	Own workforce	Working conditions	Secure employment Working time Adequate wages Social dialogue Collective bargaining, including the rate of the workforce covered by collective agreements
ESRS S1	Own workforce	Working conditions	Balance between work and private life
ESRS S1	Own workforce	Working conditions	Health and safety
ESRS S1	Own workforce	Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value Employment and inclusion of persons with disabilities Measures against violence and harassment in the workplace Diversity
ESRS S1	Own workforce	Equal treatment and opportunities for all	Training and skills development
ESRS S3	Affected communities	Communities' economic, social and cultural rights	Land-related impacts
ESRS S4	Consumers and end-users	Information-related impacts for consumers and/or end-users	Privacy Freedom of expression Access to (quality) information
ESRS S4	Consumers and end-users	Personal safety of consumers and/or end-users	Health and safety Security of a person
ESRS G1	Business conduct	Corporate culture Protection of whistle-blowers Political engagement and lobbying activities Corruption and bribery	Prevention and detection including training Incidents
ESRS G1	Business conduct	Management of relationships with suppliers, including payment practices	

The tables below show the impacts, risks and opportunities related to sustainability topics assessed as relevant.

MAIN IRO - ENVIRONMENT			
CLIMATE CHANGE			
IRO description	IRO type	Time horizon	Coverage 3
Contribution to climate change mitigation and adaptation including through the credit/financing process and the composition of the securities portfolio	Positive impact	Medium	D-VC
Promotion of energy efficiency initiatives and use of renewable energy	Positive impact	Medium	OO;
Acceleration of the climate change process through direct and indirect greenhouse gas emissions, including as a result of the potential increase in energy consumption	Negative impact	S-T	OO;
Unintended social consequences of the exclusion of sectors exposed to climate and environmental risks, as this could affect social structures (e.g. job losses)	Negative impact	S-T	D-VC
Physical risks with financial consequences in terms of destroyed property, repair costs and impacts on the Group's business profiles (e.g. branches unusable due to flooding, business downtime due to adverse weather events, etc.)	Risk	S-T	D-VC
Transition risks that relate to the financial loss due to the shift towards a low-carbon economy, with consequent efforts and costs in terms of adaptation and change of strategy (e.g. non-compliance costs, change in customers' purchasing preferences...)	Risk	S-T	D-VC
Regulatory risk due to rapidly changing environmental and climate standards, resulting in adaptation efforts and costs	Risk	S-T	D-VC
Cost savings/increased revenue through appropriate climate change mitigation and adaptation actions (e.g. by reducing energy consumption and/or increasing low-carbon products and services)	Opportunities	Medium	D-VC
Supporting sustainable investments for long-term financial benefits (e.g. investing/financing in businesses, developing advisory services to support customers)	Opportunities	Medium	D-VC
Strengthening the assessment of climate/environmental risks and incorporating them into existing processes to mitigate credit and financial risks	Opportunities	Medium	D-VC

[3] Abbreviations relating to the level of value chain (VC) coverage: ("OO": Own Operations); ("U-VC": Upstream Value Chain); (D-VC: Downstream Value Chain)

MAIN IRO - SOCIAL			
OWN WORKFORCE (SECURE EMPLOYMENT, WORKING TIME, ADEQUATE WAGES, SOCIAL DIALOGUE, COLLECTIVE BARGAINING)			
IRO description	IRO type	Time horizon	Coverage
Promoting the integration of young people into the world of work, creating new job opportunities	Positive impact	S-T	OO;
Increasing the workforce with adequate employment contracts and social protection	Positive impact	S-T	OO;
Promoting collective bargaining and social dialogue	Positive impact	S-T	OO;
Job creation in the territory	Positive impact	S-T	OO;
Loss/reduction of jobs with effects on the territory ("brain drain abroad")	Negative impact	S-T	OO;
Difficulties for young people in entering the world of work and their emancipation	Negative impact	S-T	OO;
Inadequate job classification	Negative impact	S-T	OO;
Violation of human rights and the right to collective bargaining	Negative impact	S-T	OO;
Shortcomings in selection and sizing resulting in economic losses also in connection with the quality of the products and services provided	Risk	S-T	OO;
Legal and reputational risks related to possible disputes with staff	Risk	S-T	OO;
Legal and reputational risks related to possible disputes with staff	Risk		OO;
Enhanced employee productivity and corporate reputation partly thanks to job creation and adequate remuneration	Opportunities	S-T	OO;
Ensure adequate capacity to manage turnover without leading to loss of knowledge and skills that would lead to negative impacts on company profiles in the medium to long term	Opportunities	S-T	OO;

OWN WORKFORCE (BALANCE BETWEEN WORK AND PRIVATE LIFE)			
IRO description	IRO type	Time horizon	Coverage
Increased personal well-being, including through the use of flexible working tools (e.g. smart working)	Positive impact	S-T	OO;
Support for families including through households/parental leave arrangements	Positive impact	S-T	OO;
People's dissatisfaction and/or health impacts (e.g. burnout)	Negative impact	S-T	OO;
Negatively affecting the birth rate and consequently the ageing population	Negative impact	S-T	OO;
Decreased productivity with an associated increase in strategic risk in terms of achieving corporate financial targets	Risk	Medium	OO;
Difficulties in attracting new skills with negative effect on productivity	Risk	Medium	OO;
Enhanced productivity and corporate reputation through appropriate attention to the well-being of employees	Opportunities	Medium	OO;
Cost savings through remote working	Opportunities	Medium	OO;

OWN WORKFORCE (HEALTH AND SAFETY)			
IRO description	IRO type	Time horizon	Coverage
Increasing the level of safety and well-being for workers	Positive impact	S-T	OO;
Potential increase in cases of occupational injury and occupational illness	Negative impact	S-T	OO;
Risk of employee injuries and illnesses with negative impacts in legal, reputational and sanctioning terms, as well as economic (e.g. for replacement of a sick employee)	Risk	S-T	OO;
Reducing costs related to the occurrence of accidents, absenteeism and turnover, and increasing productivity and work quality through a healthy and safe workplace	Opportunities	Medium	OO;

OWN WORKFORCE (EQUAL TREATMENT AND OPPORTUNITIES FOR ALL)			
IRO description	IRO type	Time horizon	Coverage
Promoting the inclusion of people with disabilities in own workforce	Positive impact	S-T	OO;
Promoting inclusion with an impact on people and the environment	Positive impact	S-T	OO;
Reducing the gender gap	Positive impact	S-T	OO;
Discrimination between women and men, with particular reference to governance roles in the Group with negative repercussions on management	Negative impact	S-T	OO;
Discrimination between women and men, with particular reference to Group employees	Negative impact	S-T	OO;
Exclusion of people with disabilities from employment	Negative impact	S-T	OO;
Weaknesses in diversity and inclusion policies resulting in non-compliance and reputational risks	Risk	S-T	OO;
Increased productivity linked to greater inclusion	Opportunities	Medium	OO;

OWN WORKFORCE (TRAINING AND SKILLS DEVELOPMENT)			
IRO description	IRO type	Time horizon	Coverage
Growth of workers' skills with associated increase in worker satisfaction	Positive impact	S-T	OO;
Inadequate capacity to manage change due to training deficiencies	Negative impact	S-T	OO;
Shortcomings in staff skills and qualifications resulting in economic losses	Risk	S-T	OO;
Increased productivity linked to increased staff professionalism	Opportunities	Medium	OO;

AFFECTED COMMUNITIES (ECONOMIC, SOCIAL AND CULTURAL RIGHTS OF COMMUNITIES)			
IRO description	IRO type	Time horizon	Coverage
Supporting territorial institutions that promote education, including financial and sustainability-oriented education	Positive impact	Medium	OO;
Contribution to social initiatives that promote social inclusion, community well-being and the protection of rights	Positive impact	Medium	OO;
Involvement in programmes aimed at providing communities with levers for progress, contributing to social development and promoting positive relations with diverse communities	Positive impact	Medium	OO;
Lack of and/or inadequate support for institutions in the territory aimed at promoting education (including financial education) and social and environmental targets	Negative impact	Medium	OO;
Lack of and/or inadequate support for community development and social/cultural participation	Negative impact	Medium	OO;
Lack of/and inadequate contribution for the inclusion of minorities	Negative impact	Medium	OO;
Negative relations with communities that may result in damage to the Group's reputation with related financial effects	Risk	S-T	OO;
Dissatisfaction or social unrest that could affect the Bank's target territory and stakeholder confidence	Risk	S-T	OO;
Inappropriate social and cultural initiatives or relationships that may harm the Group’s reputation	Risk	S-T	OO;
Fostering constructive relationships that may bring commercial benefits, such as stable and conflict-free operations and greater ease of local recruitment	Opportunities	Medium	OO;
Investing in socially responsible projects or sectors aligned with emerging cultural and social values, thereby enhancing reputation	Opportunities	Medium	OO;

CONSUMERS AND END-USERS (INFORMATION-RELATED IMPACTS FOR CONSUMERS AND/OR END-USERS)			
IRO description	IRO type	Time horizon	Coverage
Increase in consumer trust thanks to accurate and transparent information and regulatory compliance	Positive impact	Medium	OO;
Greater involvement of customers through the provision of appropriate listening and communication channels with the Bank	Positive impact	Medium	OO;
Violation and disclosure of sensitive information, with potential financial harm (fraud) for customers	Negative impact	S-T	OO; U-VC
Loss of trust and/or economic harm for customers due to non-compliance with transparency and contractual principles	Negative impact	S-T	OO;
Breakdowns, with possible increased costs for the customer, due to inefficient handling of disputes/complaints regarding compliance with transparency and contractual principles	Negative impact	S-T	OO;
Inadequate management of information-related impacts on own products and/or services that may concern health and safety, product quality or the experience of the end user, with negative financial effects as a consequence	Risk	S-T	OO;
Lack of/partial transparency on products and services offered, with consequent legal, reputational and non-compliance risks	Risk	S-T	OO;
Containment of the costs and/or negative financial impacts related to customer complaints regarding compliance with transparency and contractual principles	Opportunities	Medium	OO;
Increased trust and consequent customer loyalty, resulting in positive financial effects	Opportunities	Medium	OO;

CONSUMERS AND END-USERS (PERSONAL SAFETY OF CONSUMERS AND/OR END-USERS)			
IRO description	IRO type	Time horizon	Coverage
Increased consumer well-being and safety	Positive impact	S-T	OO;
Breach and disclosure of sensitive personal/company data (data breach) with potential financial harm (fraud) for customers	Negative impact	S-T	OO; U-VC
Risk of privacy and data protection breaches, resulting in reputational, legal and economic harm	Risk	S-T	OO; U-VC
Risks for the health and safety of consumers with consequent financial impacts deriving from the offer of unsafe products and services (e.g. branch security)	Risk	S-T	OO;
Risk of the Group's involvement (through financing/investments) in companies that may cause harm to the health and safety of consumers and/or of end-users (e.g. reputational risks of financial firms in sensitive sectors such as weapons or gambling)	Risk	S-T	OO;
Containment of the costs and/or negative financial impacts related to any episodes of customer harm	Opportunities	Medium	OO;
Investing in/financing businesses that adequately manage the issue of customer security and therefore have better creditworthiness with consequent positive financial effects in the medium to long term	Opportunities	Medium	OO;

ENTITY-SPECIFIC DISCLOSURES (SUSTAINABLE FINANCE)			
IRO description	IRO type	Time horizon	Coverage
Contribution to customers' decarbonisation journey towards a low-carbon economy	Positive impact	Medium	OO;
Contribution to the development of social initiatives by customers	Positive impact	Medium	OO;
Lack of or partial influence on sustainable development processes	Negative impact	S-T	OO;
Negative environmental and/or social impacts deriving from the allocation of resources	Negative impact	S-T	OO;
Support for initiatives (including through disbursed funding) with negative environmental impacts and consequent reputational harm (e.g. by funding companies in high-emission sectors that continue to generate negative impacts)	Risk	S-T	OO;
Loss of market share due to offering uncompetitive ESG products and/or ESG products not driven by customer needs	Risk	S-T	OO;
Development of sustainable products and/or services with positive effects on environmental and social issues and consequently the bank's financial performance	Opportunities	Medium	OO;

ENTITY-SPECIFIC DISCLOSURES (DIGITISATION, INNOVATION AND PRODUCT/SERVICE QUALITY)			
IRO description	IRO type	Time horizon	Coverage
Transformation of the distribution and production model through enhanced digitalisation, adoption of cloud solutions and widespread, effective use of data analytics and artificial intelligence to deliver improved customer service	Positive impact	S-T	OO; U-VC
Creation of new technologies that improve users' experience of products and service through innovative solutions	Positive impact	S-T	OO; U-VC
Increased customer satisfaction as the Bank meets their expectations	Positive impact	S-T	OO;
Exclusion of groups that might not be able to adapt to digitisation (e.g. through lack of technology, age, socio-economic context)	Negative impact	Medium	OO; U-VC
Potential effects on employees in the event of the disappearance of workplaces due to the replacement of man by machine	Negative impact	Medium	OO; U-VC
Failure to achieve customer satisfaction and meet customer expectations (expectation mismatch)	Negative impact	Medium	OO;
Risk of not meeting customer expectations despite large investments in digital infrastructure	Risk	S-T	OO; U-VC
Potential inability to manage digital innovation and transformation processes with specific reference to cyber risks and consequent economic losses	Risk	S-T	OO; U-VC
Loss of market share due to offering uncompetitive products and/or products not driven by customer needs	Risk	S-T	OO;
Positioning and recognition by stakeholders, particularly customers, as an innovative and digital company	Opportunities	Medium	OO; U-VC
Exploiting new technologies and data analysis (e.g. big data, machine learning) to improve the risk management process	Opportunities	Medium	OO; U-VC
Developing a product offer and sales strategy that reflects the real needs of customers to create sustainable long-term value	Opportunities	Medium	OO;
Strengthening customer loyalty and retention	Opportunities	Medium	OO;

MAIN IRO - GOVERNANCE			
CORPORATE CULTURE - PROTECTION OF WHISTLE-BLOWERS - POLITICAL AND LOBBYING ACTIVITIES - CORRUPTION AND BRIBERY			
IRO description	IRO type	Time horizon	Coverage
Awareness and dissemination of the culture of ethics and human rights in support of people, the community and the environment	Positive impact	S-T	OO;
Increased trust in the banking system through proper management	Positive impact	S-T	OO;
Contribution to sustainable growth of commercial partners (e.g. selection based on ESG criteria, promotion of ESG initiatives)	Positive impact	Medium	OO;
"Encourage the growth of the local economy by preferring local suppliers (where bids are the same)"	Positive impact	Medium	OO;
Violation of human rights and/or direct or indirect harm caused by unethical conduct	Negative impact	S-T	OO;
Loss of trust and/or economic harm suffered through favouring the interests of the Group and/or specific third parties	Negative impact	S-T	OO;
Remuneration systems not in line with company values, strategies and long-term targets	Negative impact	S-T	OO;
Failure to contribute to the fight against mafias and the black economy	Negative impact	S-T	OO;
Economic harm caused to suppliers with possible repercussions for the economic and social fabric of the target territory (e.g. due to late payments)	Negative impact	S-T	OO;
Risks associated with the possible criminal liability of the bank arising from unethical practices, which may lead to legal action or financial penalties	Risk	S-T	OO;
Reputational risk related to the non-compliance with ethical standards, with the consequent loss of trust by customers, investors and other stakeholders	Risk	S-T	OO;
Lack of transparency in lobbying activities with the risk of conflicts of interest and consequent negative effects on the share price and access to financial markets	Risk	S-T	OO;
Conflict of interest risk	Risk	S-T	OO;
Risks associated with the failure to comply with the provisions of Legislative Decree 231/2001	Risk	S-T	OO;
Money laundering and terrorist financing risk	Risk	S-T	OO;
Inadequacy of the remuneration and incentive system that may lead to regulatory breaches or an excessive assumption of risks	Risk	S-T	OO;

MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS, INCLUDING PAYMENT PRACTICES			
IRO description	IRO type	Time horizon	Coverage
Reputational and/or operational risk associated with poor management of supplier relationships with related economic harm	Risk	S-T	OO;
Risk of outsourcing business activities to third-party suppliers, especially important or essential ones (e.g. operational risk, including business continuity, IT risk, reputational risk)	Risk	S-T	OO;
Increased costs related to legal risks in the event of disputes with suppliers	Risk	S-T	OO;
Maintaining an excellent position and reputation with stakeholders thanks to sound business ethics and the implementation of anti-corruption measures to mitigate legal sanctions for non-compliance and thus contribute to the wellbeing of communities	Opportunities	S-T	OO;
Legal and regulatory compliance to improve public perception of the company, reducing the risk of sanctions and having a positive influence on the share price and access to financial markets	Opportunities	S-T	OO;
Appropriate remuneration and incentive mechanisms for the Group's directors and management can foster competitiveness and good governance	Opportunities	S-T	OO;
Responsible payment practices and consideration for the environmental and social impacts in the supply chain reduce the operational and legal risks, improving the Bank's financial stability	Opportunities	S-T	OO;
Prioritising the search for/replacement of suppliers ensuring a high level of quality for the services purchased	Opportunities	S-T	OO;

For more details on the impacts, risks and opportunities, please refer to the individual chapters on sustainability topics.

IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

In general, it should be noted that the procedure for assessing double materiality is an integral part of the sustainability reporting process and is governed by the "Sustainability Reporting" Regulations approved by the Parent Bank's Board of Directors.

As a preliminary remark, it should be noted that, in accordance with the provisions, double materiality comprises two interconnected and often interdependent dimensions: impact materiality and financial materiality. Therefore, a sustainability matter can be material from an impact perspective, from a financial perspective or from both perspectives.

A sustainability matter is material from an impact perspective when it pertains to the Group's material actual or potential, positive or negative impacts on people or the environment over the short-, medium- or long-term ("inside-out" perspective). Impacts include those connected with the Group's own operations and upstream and downstream value chain, including through its products and services, as well as through its business relationships. The materiality of the impact is assessed on the basis of the severity, scope (magnitude of the impact) and likelihood of the impact occurring.

A sustainability matter is material from a financial perspective on the other hand if it has or could reasonably have material financial effects on the Group, or when it generates risks or opportunities that have, or could reasonably be expected to have a material influence, on the Group's development, financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium- or long-term ("outside-in" perspective). Risks and opportunities may derive from past events or future events. The financial materiality of a sustainability matter is not constrained to matters that are within the Group's control, but includes information on material risks and opportunities attributable to business relationships beyond the scope of consolidation used in the preparation of financial statements.

The Group carried out the activities for the assessment of the materiality of impacts, risks and opportunities, enhancing, where deemed appropriate, the relevant practices developed in previous years for the purpose of preparing the Consolidated Non-Financial Statement, while taking into account the new ESRS standards.

The procedure for assessing double materiality consists of the following three steps:

- analysis of the reference context
- identification of IROs related to sustainability issues
- analysis and assessment of material IROs related to sustainability issues

It is specified that the results of the value chain analysis were taken into account in the double materiality assessment as the aforementioned analysis identified the business relationships and actors that contribute to the creation of impacts for the Group, highlighting those that need special attention to manage sustainability issues.

In general, it should be noted that qualitative and qualitative analyses were carried out for the conduct of the double materiality assessment, leaving it to the individual entities to acquire the appropriate evidence to support the assessments made.

Analysis of the reference context

In this first phase, the Group, in order to identify its IROs, carries out a preliminary analysis of its business activities and relationships, the sustainability context in which these occur and the understanding of the main stakeholders involved. This step is the same as that carried out by the Parent Bank when defining the value chain.

Identification of IROs related to sustainability issues

In this second phase, based on the results of the context analysis described in the previous section, the Group identified the impacts, risks and opportunities related to environmental, social and governance issues in its operations and in the upstream and downstream value chain.

As a preliminary step, the Parent Bank identified sustainability issues to comply with the reporting standards and guidelines prepared by EFRAG. These, in particular, involve two approaches that the Group has decided to combine. In particular, it first carried out a review of the list of the topical ESRS in paragraph AR 16 of Appendix A, broken down by topics, sub-topics and sub-sub-topics, to find out whether these same topics were present in the long-list of sustainability topics identified in the 2023 Non-Financial Statement. With respect to the topics listed in paragraph AR 16 of Appendix A, a preliminary exclusion was made of certain sub-topics, which, on the basis of the Group's operating environment, were deemed irrelevant. After that, specific issues deemed material that had already been reported in previous non-financial reports were integrated. In addition, a rationalisation of topics was carried out in order to ensure consistency with the overall structure of the Sustainability Statement.

The impacts, risks and opportunities are outlined for each sustainability matter. In this context, due consideration is given to the Group's value chain. More specifically, the impact identification process involved tracing each impact to the part of the value chain where it occurs (in the Group's internal activities or in its business interactions), with the aim of including in the list of current and potential impacts not only those caused directly by the Group, but also those in which it is involved and/or contributes through its business relationships.

The process of identifying risks and opportunities was implemented from a short-, medium- and long-term perspective.

To identify current and potential impacts, risks and opportunities related to sustainability, the Group considered the following sources:

1. Legal and regulatory context relevant to the Group;
2. Internal company regulations;
3. Strategic Plan, ESG Plan and corporate policies (credit, financial, etc.);
4. Consolidated Non-Financial Statement of the previous period;
5. Analysis of activities, products and services offered and geographical location of own activities;
6. Mapping of the value chain including an assessment of upstream and downstream business relationships;

7. Stakeholder mapping aimed at identifying opinion leaders to be involved.
8. External sources including sustainability disclosures published by other banking groups or banks.

Analysis and assessment of material IROs related to sustainability issues

In this final step, the Group applied the criteria for assessing the financial impact and materiality in order to determine material impacts, risks and opportunities, and consequently the relevant disclosures required by the reporting standards.

The IRO assessment process was mainly based on qualitative assessments; however, for financial materiality, quantitative indicators were also used to support the assessment.

The materiality assessment of the impacts was carried out in two successive steps involving firstly an internal assessment conducted by the relevant company representatives and then an external assessment involving selected stakeholder representatives ("opinion leaders").

With reference to the internal assessment of impact materiality, the Heads of the Group's corporate functions who were to be sent questionnaires for individual assessments were identified. Internal managers have been identified in order to adequately cover the different stakeholder groups, with due consideration of the actors in the value chain.

The actual and potential, negative and positive impacts were assessed on the basis of:

- the scale, scope and irremediable character of the impact for negative impacts and, in addition, the likelihood of the impact occurring and the map over the relevant time horizon for potential negative impacts;
- the scale and scope of the impact for positive impacts and, in addition, the likelihood of the impact occurring and the map over the relevant time horizon for potential positive impacts;

The results of the internal assessment, appropriately aggregated, were then submitted through special questionnaires to the opinion leaders in order to make any adjustments. The purpose of this external engagement is to assess, validate and ensure the completeness of the result of the materiality impact assessment.

In parallel to the impact analysis, the Group assessed the financial materiality (i.e. the individual risks and opportunities associated with the sustainability issues identified) through a combination of:

- the likelihood of occurrence, the assessment of which also takes into account the organisational safeguards for risk and opportunity management integrated into the relevant business processes;
- the potential magnitude of the financial effects in the short, medium and long term. In order to support the assessment of financial impacts, ranges have been defined with reference to certain magnitudes considered explanatory of the business profiles on which the risks might have an impact, in line with the Risk Appetite Framework.

These magnitudes were defined by the Risk Management Department with the cooperation of the Accounting, Tax & Planning Department.

In order to support the assessment of financial impacts, ranges have been defined with reference to certain magnitudes considered explanatory of the business profiles on which the risks and the opportunities might have an impact, in line with the Risk Appetite Framework.

Once the methodological model had been defined, the Heads of first-level corporate functions were identified for each sustainability matter and entrusted with the assessment of risks and opportunities related to the various topics. This identification took into account the business processes and assets on which the identified risks and opportunities manifest themselves according to a principle of proportionality.

In this context, the results of the "first-level" internal assessment of the risks were subsequently reviewed by the Risk Management Department, which, if deemed appropriate, consulted with the individual company representatives on the results of the review under their responsibility and, if necessary, made any changes to the assessments.

For the identification of relevant topics, both from the perspective of impact materiality and financial materiality, the Group adopts a threshold based on the final score given to individual topics. More specifically, should the score given to the individual topic be equal to or below this critical threshold, that topic would be assessed as not material. In any event, the Board of Directors of the Parent Bank may decide, as a matter of prudence, to consider as "material" and, therefore, subject to reporting, certain topics that have been found to be below the threshold.

Considering that the double materiality assessment is a salient step in the process of preparing the Sustainability Statement that influences the content of the Reporting, the results of the assessment were previously submitted to the Parent Bank's Board of Directors for approval on 25.02.2025.

The materiality assessment is updated at least annually well in advance of the start of the activities aimed at preparing non-financial reporting.

The Sparkasse Group has identified climate-related impacts, risks and opportunities, considering its business model. Direct GHG emissions are low and mainly related to electricity consumption from renewable sources and, residually, gas to fuel boilers, which are in the process of being replaced with heat pumps. Indirect GHG emissions mainly stem from customer financing activities. The integration of ESG risks, in particular climate change risk, into the risk management framework takes place through the integration of the corporate risk map with climate and environmental risks, a materiality analysis, management stress tests, the definition of limits, management overlay measures for the Stage 2 classification of credit exposures, and the monitoring of the risks under consideration. The Sparkasse Group manages the potential physical risks with possible financial consequences deriving from destroyed property, repair costs and impacts on business profiles, such as branches being unusable due to flooding, business downtime due to adverse weather events, etc.) In addition, the Group manages the transition risks that relate to the financial loss due to the transition towards a low-carbon economy, with consequent efforts and costs in terms of adaptation and change of strategy, including non-compliance costs, and costs related to adaptation to new regulations and changes in customers' purchasing preferences. Lastly, regulatory risk is material due to rapidly changing environmental and climate standards, resulting in adaptation efforts and costs For more details please refer to paragraph "E1.IRO-1 - Description of the processes to identify and assess climate-related material impacts, risks and opportunities"

Also for the identification of the impacts, risks and opportunities related to the issue of business conduct, the double materiality assessment process described in detail above, which is based, inter alia, on an analysis of the location, activities, sector and structure of the Group's operations, has been adopted. This process identified the materiality of corporate culture, the fight against corruption and bribery, relationships with suppliers and payment methods, and whistleblowing procedures.

Impacts, risks and opportunities (not material) related to Pollution (ESRS E2), Water and marine resources (ESRS E3), Biodiversity and ecosystems (ESRS E4), Resource use and circular economy (ESRS E5)

As a result of the double materiality assessment, the topics "Pollution", "Water and marine resources", "Biodiversity and ecosystems" and "Resource Use and circular economy" were found not to be material.

In assessing the impacts, risks and opportunities associated with the aforementioned topics, it should be noted that the Group has limited itself to conducting a qualitative analysis of its business model, the territory in which it mainly operates and the main counterparties with which it has relationships. In this regard, it should be noted that the Group has not reviewed the location of company sites and activities along the upstream and downstream value chain.

This is because the Group's activities, which are focused on banking and financial intermediation, are not inherently high emitters in terms of pollution, use of water and marine resources, contamination of the ecosystem and biodiversity loss or waste production.

IRO-2 – Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

Through the double materiality process, material IROs related to different sustainability topics were identified. Specific information and detailed data points (DPs) to be reported were then selected and disseminated accordingly. Therefore, only DPs related to the policies, actions, targets and metrics associated with the material topics identified are reported.

SECTION	ESRS	SUB-TOPIC	DISCLOSURE REQUIREMENT	NOTES AND PAGE NUMBER
General disclosures	ESRS 2 General disclosures		BP-1 General basis for preparation of sustainability statements	95
			BP-2 Disclosures in relation to specific circumstances	97
			GOV-1 The role of the administrative, management and supervisory bodies	98
			GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	100
			GOV-3 Integration of sustainability-related performance in incentive schemes	100
			GOV-4 Statement on due diligence	103
			GOV-5 – Risk management and internal controls over sustainability reporting	104
			SBM-1 Strategy, business model, and value chain	107
			SBM-2: Interests and views of stakeholders	112
			SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model	114
			IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities	124
			IRO-2 Disclosure Requirements in ESRS covered by the undertaking's sustainability statements	129

SECTION	ESRS	SUB-TOPIC	DISCLOSURE REQUIREMENT	NOTES AND PAGE NUMBER
Environmental disclosures	ESRS E1 Climate change	Climate change mitigation, Climate change adaptation, Energy	ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes	184
			E1-1 - Transition plan for climate change mitigation	184
			ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	184
			ESRS 2 IRO-1 - Description of the processes to identify and assess material climate-related impacts, risks and opportunities	185
			E1-2 Policies related to climate change mitigation and adaptation	187
			E1-3 Actions and resources in relation to climate change policies	188
			E1-4 Targets related to climate change mitigation and adaptation	190
			E1-5 – Energy consumption and mix	191
			E1-6 – Gross Scope 1, 2, 3 and Total GHG emissions	192
			E1-7 GHG removals and GHG mitigation projects financed through carbon credits	Not material
			E1-8 Internal carbon price	Not material
			E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Phased-in

SECTION	ESRS	SUB-TOPIC	DISCLOSURE REQUIREMENT	NOTES AND PAGE NUMBER
Environmental disclosures	ESRS E2 Pollution	Pollution of air, water and soil Pollution of living organisms and food resources Substances of concern Substances of very high concern Microplastics	IRO-1 - Description of the processes to identify and assess material pollution-related impacts, risks and opportunities in terms of sustainability in incentive systems	Not material
			E2-1 - Policies related to pollution	Not material
			E2-2 - Actions and resources related to pollution	Not material
			E2-3 - Targets related to pollution	Not material
			E2-4 - Pollution of air, water and soil	Not material
			E2-5 - Substances of concern and substances of very high concern	Not material
			E2-6 - Anticipated financial effects from material pollution-related risks and opportunities	Not material Phased-in
	ESRS E3 Water and marine resources	Water consumption Water withdrawals Water withdrawal Water discharges in the oceans Extraction and use of marine resources	ESRS 2 IRO-1 Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	Not material
			E3-1 Policies related to water and marine resources	Not material
			E3-2 Actions and resources related to water and marine resources	Not material
			E3-3 Targets related to water and marine resources	Not material
			E3-4 - Water consumption	Not material
			E3-5 - Anticipated financial effects from material water and marine resources-related risks and opportunities	Not material Phased-in
Environmental disclosures	ESRS E4 Biodiversity and ecosystems	Direct impact drivers of biodiversity loss, impacts on the extent and condition of ecosystems	E4-1 Transition plan and consideration of biodiversity and ecosystems in strategy and business model	Not material
			ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model	Not material
			ESRS 2 IRO-1 Description of the process to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	Not material
			E4-2 Policies related to biodiversity and ecosystems	Not material
			E4-3 Actions and resources related to biodiversity and ecosystems	Not material
			E4-4 Targets related to biodiversity and ecosystems	Not material
			E4-6 Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	Not material
	ESRS E5 Resource use and circular economy	Resource inflows, including use of resources, Resource outflows related to products and services, Waste	ESRS 2 IRO-1 – Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	Not material
			E5-1 Policies related to resource use and circular economy	Not material
			E5-2 Actions and resources related to resource use and circular economy	Not material
			E5-3 Targets related to resource use and circular economy	Not material
			E5-4 - Resource inflows	Not material
			E5-5 - Resource outflows	Not material
			E5-6 – Anticipated financial effects from material resource use and circular economy-related risks and opportunities	Not material Phased-in

SECTION	ESRS	SUB-TOPIC	DISCLOSURE REQUIREMENT	NOTES AND PAGE NUMBER
Social disclosures	ESRS S1 Own workforce	Secure employment - Adequate wages -Social dialogue -Collective bargaining	ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	195
			S1-1 Policies related to own workforce	196
			S1-2 – Processes for engaging with own workers and workers' representatives about impacts	197
			S1-3 – Processes to remedy negative impacts and channels for own workers to raise concerns	198
			S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	199
			S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	200
			S1-6 Characteristics of the undertaking's employees	201
			S1-7 – Characteristics of non-employee workers in the undertaking's own workforce	202
			S1-8 Collective bargaining coverage and social dialogue	203
			S1-10 - Adequate wages	203
Social disclosures	ESRS S1 Own workforce	Balance between work and private life	ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	204
			S1-1 Policies related to own workforce	204
			S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	205
			S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	206
			S1-11 - Social protection	209
			S1-15 Balance between work and private life	210
Social disclosures	ESRS S1 Own workforce	Health and safety	ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	211
			S1-1 Policies related to own workforce	211
			S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	213
			S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	215
			S1-14 – Health and safety metrics	216

SECTION	ESRS	SUB-TOPIC	DISCLOSURE REQUIREMENT	NOTES AND PAGE NUMBER
Social disclosures	ESRS S1 Own workforce	Equal treatment and opportunities for all	ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	218
			S1-1 Policies related to own workforce	218
			S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	220
			S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	221
			S1-9 - Diversity metrics	222
			S1-12 - Persons with disabilities	222
			S1-16 Compensation metrics (pay gap and total compensation)	223
			S1-17 Incidents, complaints and severe human rights impacts	224
		Training and skills development	ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	225
			S1-1 Policies related to own workforce	225
			S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	226
			S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	226
			S1-13 – Training and skills development metrics	231

SECTION	ESRS	SUB-TOPIC	DISCLOSURE REQUIREMENT	NOTES AND PAGE NUMBER
Social disclosures	ESRS S2 Workers in the value chain	Working conditions, Equal treatment and opportunities for all, Other work-related rights	ESRS 2 SBM-2 Interests and views of stakeholders	Not material
			ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model	Not material
			S2-1 Policies related to value chain workers	Not material
			S2-2 – Processes for engaging with value chain workers about impacts	Not material
			S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns	Not material
			S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	Not material
			S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Not material

SECTION	ESRS	SUB-TOPIC	DISCLOSURE REQUIREMENT	NOTES AND PAGE NUMBER
Social disclosures	ESRS S3 Affected communities	Communities' economic, social and cultural rights	ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	232
			S3-1 Policies related to affected communities	232
			S3-2 Processes for engaging with affected communities about impacts	233
			S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns	234
			S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	234
			S3-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	236
Social disclosures	ESRS S4 Consumers and end-users	Information-related impacts for consumers and/or end-users	ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	237
			S4-1 Policies related to consumers and end-users	238
			S4-2 Processes for engaging with consumers and end-users about impacts	239
			S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	240
			S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	241
			S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	243
		Personal safety of consumers and/or end-users	ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	244
			S4-1 Policies related to consumers and end-users	244
			S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	246
			S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	247

SECTION	ESRS	SUB-TOPIC	DISCLOSURE REQUIREMENT	NOTES AND PAGE NUMBER
Social disclosures	Entity specific	Sustainable finance	ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	248
			ESRS 2- MDR-P – Policies adopted to manage material sustainability matters	248
			ESRS 2 MDR-A – Actions and resources in relation to material sustainability matters	249
			ESRS 2 MDR-T – Tracking effectiveness of policies and actions through targets	250
			ESRS 2 MDR-M – Metrics in relation to material sustainability matters	250
		Digitisation, innovation and quality of supply	ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	251
			ESRS 2- MDR-P – Policies adopted to manage material sustainability matters	252
			ESRS 2 MDR-A – Actions and resources in relation to material sustainability matters	252
			ESRS 2 MDR-T – Tracking effectiveness of policies and actions through targets	253
			ESRS 2 MDR-M – Metrics in relation to material sustainability matters	254

SECTION	ESRS	SUB-TOPIC	DISCLOSURE REQUIREMENT	NOTES AND PAGE NUMBER
Governance information	ESRS G1 Business conduct	Corporate culture, Protection of whistle-blowers, Corruption and bribery	ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	255
			GOV-1 The role of the administrative, management and supervisory bodies	256
			G1-1 Corporate culture and business conduct policies	257
			G1-3 Prevention and detection of corruption and bribery	263
			ESRS 2 MDR-A – Actions and resources in relation to material sustainability matters	266
			ESRS 2 MDR-T – Tracking effectiveness of policies and actions through targets	267
			ESRS 2 MDR-M – Metrics in relation to material sustainability matters	268
			G1-4 Confirmed incidents of corruption or bribery	269
			G1-5 Political influence and lobbying activities	269
		Management of relationships with suppliers, including payment practices	ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	270
			G1-2 Management of relationships with suppliers	270
			ESRS 2 MDR-A – Actions and resources in relation to material sustainability matters	274
			ESRS 2 MDR-T – Tracking effectiveness of policies and actions through targets	275
			ESRS 2 MDR-M – Metrics in relation to material sustainability matters	275
			G1-6 Payment practices	276

Table of all the datapoints that derive from other EU legislation

DISCLOSURE REQUIREMENT AND RELATED DATAPOINTS	SFDR reference (1)	Pillar 3 reference (2)	Benchmark Regulation reference (3)	EU Climate Law reference (4)	Material/ Not material	Reference
ESRS 2 GOV-1 Board's gender diversity, paragraph 21 (d)	■		■			p. 98
ESRS 2 GOV-1 Percentage of board members who are independent, paragraph 21 (e)			■			p. 98
ESRS 2 GOV-4 Statement on due diligence, paragraph 30	■					p. 103
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities, paragraph 40(d)(i)	■	■	■			p. 108
ESRS 2 SBM-1 Involvement in activities related to chemical production, paragraph 40 (d) ii	■		■			p. 108
ESRS 2 SBM-1 Involvement in activities related to controversial weapons, paragraph 40 (d)(iii)	■		■			p. 108
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco, paragraph 40 (d) iv			■			p. 108
ESRS E1-1 Transition Plan to reach climate neutrality by 2050, paragraph 14				■	Material	p. 184
ESRS E1-1 Undertakings excluded from Paris-aligned benchmarks, paragraph 16 (g)		■	■		Material	p. 184
ESRS E1-4 GHG emission reduction targets, paragraph 34	■	■	■		Material	p. 190
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors), paragraph 38	■				Not material	
ESRS E1-5 Energy consumption and mix, paragraph 37	■				Material	p. 191
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43	■				Not material	
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions, paragraph 44	■	■	■		Material	p. 192
ESRS E1-6 Gross GHG emissions intensity, paragraphs 53-55	■	■	■		Material	p. 192
ESRS E1-7 GHG removals and carbon credits, paragraph 56				■	Not material	
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66			■		Material	Phase-in
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk, paragraph 66 (c)		■			Material	Phase-in
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes, paragraph 67 (c)		■			Material	Phase-in
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities, paragraph 69			■		Material	Phase-in
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	■				Not material	
ESRS E3-1 Water and marine resources, paragraph 9	■				Not material	
ESRS E3-1 Dedicated policy, paragraph 13	■				Not material	
ESRS E3-1 Sustainable oceans and seas, paragraph 14	■				Not material	
ESRS E3-4 Total water recycled and reused, paragraph 28 (c)	■				Not material	
ESRS E3-4 Total water consumption in m3 for net revenues on own operations, paragraph 29	■				Not material	
ESRS 2 - SBM 3 - E4, paragraph 16 (a) i	■				Not material	

DISCLOSURE REQUIREMENT AND RELATED DATAPOINTS	SFDR reference (1)	Pillar 3 reference (2)	Benchmark Regulation reference (3)	EU Climate Law reference (4)	Material/ Not material	Reference
ESRS 2 - SBM 3 - E4, paragraph 16 (b)	■				Not material	
ESRS 2 - SBM 3 - E4, paragraph 16 (c)	■				Not material	
ESRS E4-2 Sustainable land/agriculture practices or policies, paragraph 24 (b)	■				Not material	
ESRS E4-2 Sustainable oceans/seas practices or policies paragraph 24 (c)	■				Not material	
ESRS E4-2 Policies to address deforestation, paragraph 24 (d)	■				Not material	
ESRS E5-5 Non-recycled waste, paragraph 37 (d)	■				Not material	
ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39	■				Not material	
ESRS 2 - SBM3 - S1 Risk of incidents of forced labour, paragraph 14 (f)	■				Not material	
ESRS 2 - SBM3 - S1 Risk of incidents of child labour, para. 14 (g)	■				Not material	
ESRS S1-1 Human rights policy commitments, paragraph 20	■				Material	p. 196
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 21			■		Material	p. 196
ESRS S1-1 Processes and measures to prevent trafficking in human beings, paragraph 22	■				Not material	
ESRS S1-1 Workplace accident prevention policy or management system, paragraph 23	■				Not material	
ESRS S1-3 Complaints/grievance handling mechanisms, paragraph 32 (c)	■				Not material	
ESRS S1-14 Number of fatalities and number and rate of work-related accidents, paragraphs 88 (b) and (c)	■		■		Not material	
ESRS S1-14 Number of days lost due to injuries, accidents, fatalities or illness, paragraph 88 (e)	■				Not material	
ESRS S1-16 Unadjusted gender pay gap, paragraph 97 (a)	■		■		Material	p. 223
ESRS S1-16 Excessive CEO pay ratio, paragraph 97 (b)	■				Material	p. 223
ESRS S1-17 Incidents of discrimination, paragraph 103 (a)	■				Material	p. 224
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD, paragraph 104 (a)	■		■		Material	p. 224
ESRS 2 - SBM3 - S2 Significant risk of child labour or forced labour in the value chain, paragraph 11(b)	■				Not material	
ESRS S2-1 Human rights policy commitments, paragraph 17	■				Not material	
ESRS S2-1 Policies related to value chain workers, paragraph 18	■				Not material	
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 19	■		■		Not material	
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 19			■		Not material	
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain, paragraph 36	■				Not material	
ESRS S3-1 Human rights policy commitments, paragraph 16	■				Material	p. 233
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines, paragraph 17	■		■		Material	p. 233
ESRS S3-4 Human rights issues and incidents, paragraph 36	■				Material	p. 238
ESRS S4-1 Policies related to consumers and end-users, paragraph 16	■				Material	pp. 238, 244

DISCLOSURE REQUIREMENT AND RELATED DATAPOINTS	SFDR reference (1)	Pillar 3 reference (2)	Benchmark Regulation reference (3)	EU Climate Law reference (4)	Material/ Not material	Reference
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 17	▪		▪		Material	p. 238
ESRS S4-4 Human rights issues and incidents, paragraph 35	▪				Material	pp. 241, 246
ESRS G1-1 United Nations Convention against Corruption, paragraph 10 (b)	▪				Material	p. 257
ESRS G1-1 Protection of whistle-blowers, paragraph 10(d)	▪				Material	p. 261
ESRS G1-4 Fines for violations of anti-corruption and anti-bribery laws, paragraph 24(a)	▪		▪		Material	p. 269
ESRS G1-4 Standards of anti-corruption and anti-bribery, paragraph 24(b)	▪				Material	p. 269

(1) Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR) (OJ L 317, 9.12.2019, p. 1).
(2) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation) (OJ L 176, 27.6.2013, p. 1).
(3) Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).
(4) Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).

PART TWO: ENVIRONMENTAL DISCLOSURES

Environmental disclosures

Disclosure pursuant to Article 8 of the Taxonomy

The Taxonomy Regulation issued on 18 June 2020 is one of the initiatives taken within the EU to foster the transition to sustainable finance. The aim of the European legislation is to implement a taxonomy to define the conditions under which economic activities can be considered environmentally sustainable and to encourage the expansion of mandatory information requirements for the purpose of drawing up sustainability Reporting.

Pursuant to Article 8 of Regulation No. 2020/852, Delegated Regulation 2021/2178 was published, specifying the content and presentation of the information that undertakings subject to the non-financial reporting obligation (NFD) must disclose on eco-friendly economic activities and specifying the methodology for complying with this reporting obligation.

Specifically, Article 10 of Delegated Regulation 2021/2178 et seq. requires credit institutions to report the key performance indicators of financial undertakings in accordance with the relevant annexes of the aforementioned Regulation. More specifically, the Group is required to report the "green asset ratio" (GAR), which indicates the proportion of a credit institution's assets that finance and are invested in Taxonomy-aligned economic activities as a proportion of total covered assets This indicator is calculated using the prudential scope of consolidation.

With regard to the above, it is recalled that:

- activities that are economically aligned with the taxonomy are those that meet the requirements of Article 3 of Regulation No. 2020/852 (in that they contribute substantially to the achievement of one or more of the environmental objectives, do no significant harm to any of the environmental objectives, are carried out in compliance with the minimum safeguards, and comply with the technical screening criteria set out by the Commission;
- covered assets are those eligible for GAR calculation (including loans and advances, debt securities, equity investments and repossessed collateral). This aggregate excludes the amount of exposures to central governments, central banks and supranational issuers.

With reference to this disclosure for the 2024 financial year, the Parent Bank is only required to determine the Taxonomy-aligned activities with reference to the environmental targets represented by the mitigation of environmental change and adaptation to climate change.

It is also specified that EU Regulation No. 2023/2486 requires companies to provide, as from 1 January 2024, the proportion in their covered assets of exposures to Taxonomy non-eligible and Taxonomy-eligible economic activities with respect to the four additional environmental objectives (sustainable use and protection of water and marine resources; transition to a circular economy; prevention and reduction of pollution; and protection and restoration of biodiversity and ecosystems).

Identification of environmentally sustainable activities

According to Article 8 of the Taxonomy Regulation, any undertaking subject to the obligation to publish a Sustainability Statement must include in this document appropriate information on how and to what extent the company's activities are associated with economic activities considered "environmentally sustainable" within the meaning of Articles 3 and 9 of the same Regulation.

Specifically, Article 3 of Regulation (EU) 2020/852 defines an environmentally sustainable economic activity only when the activity simultaneously meets the following requirements:

- it contributes substantially to the achievement of one or more of the environmental targets (referred to in Article 9);
- it does not cause significant harm to any of the environmental targets;
- it is carried out in compliance with minimum safeguards (in line with the OECD guidelines, the UN/Guiding Principles on Business and Human Rights and the ILO principles);
- complies with the technical screening criteria set out by the Commission for each individual environmental target.

Article 9 of Regulation (EU) 2020/852 identifies the following environmental targets:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems.

The technical screening criteria for defining whether an activity is contributing to an environmental objective and not causing significant harm to it are contained in specific delegated acts adopted by the EU Commission. The delegated act relating to the first two objectives ("climate change mitigation" and "climate change adaptation") is Delegated Regulation 2021/2139 of 4 June 2021, which was published in the Official Journal on 9 December 2021.

Regulation No. 2023/2486 also defined the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to pollution prevention and control, or to the protection and restoration of biodiversity and ecosystems and for determining whether that economic activity causes no significant harm to any of the other environmental objectives.

Therefore, it is essential to identify the following definitions in Article 1 of Delegated Regulation 2021/2178:

- "*Taxonomy-eligible economic activity*" means an economic activity described in the delegated acts adopted which regulate in detail the economic activities that enable the achievement of individual environmental objectives and do not harm any other environmental objective, irrespective of whether that economic activity fulfils any or all of the technical screening criteria laid down in those delegated acts;
- "*Taxonomy-non-eligible economic activity*" means an economic activity that is not described in the delegated acts adopted that regulate in detail the economic activities that enable the achievement of individual environmental targets and do not harm any other environmental objective, irrespective of whether that economic activity fulfils any or all of the technical screening criteria laid down in those delegated acts;
- "*Taxonomy-aligned economic activity*" means an economic activity that complies with the requirements laid down in Article 3 of Regulation (EU) 2020/852, i.e. it is Taxonomy-eligible and also complies with the technical screening criteria set out in those delegated acts.

The above regulation defined the criteria for technical screening following the NACE Rev. 2 classification of economic activities as defined by Regulation (EC) No. 1893/2006 of the European Parliament and of the Council (Annex I and Annex II respectively). Specifically, the following is reported for each activity:

- the description of the activity, highlighting the link with the NACE code;
- the technical screening criteria for verifying that the activity contributes substantially to the achievement of the specific environmental target and the criteria for verifying that the activity does not harm other environmental objectives.

Despite the efforts made in this regard by the Parent Bank, taking into account the complexity and burdensome nature of the activities to be undertaken for the acquisition of information, it was not possible to take into account a large body of information that is not yet fully integrated when producing the disclosures for the 2024 financial year.

In consideration of the above, the information on the degree of alignment with the taxonomy was nonetheless prepared by the Parent Bank according to strict criteria in compliance with the provisions in this regard and, in particular, the technical screening criteria. The disclosures that will be produced in the coming years will of course be able to take advantage of a much more solid and extensive pool of public information, as well as the completion of activities aimed at upgrading the corporate information system.

The following tables provide a summary of the Cassa di Risparmio di Bolzano Banking Group's key performance indicators (KPIs) as at 31.12.2024 in compliance with the requirements of Article 8 of Regulation No. 2020/852 and the related implementing regulations. In this respect, it is recalled that Delegated Regulation (EU) 2021/2178 requires institutions to estimate and report GAR twice, once on the basis of the Taxonomy-aligned turnover of the counterparty (for non-financial undertakings) for exposures whose purpose is not to finance specified assets (general purpose loans) and a second time on the basis of the counterparty's Taxonomy-aligned capital expenditure for the same general purpose loan exposures.

More detail is provided in the templates set out in the relevant provisions. In this regard, it should be noted that the additional KPIs relating to fees and commissions and the trading book only apply as from 2026. In this context, the disclosure required by Delegated Regulation (EU) 2022/1214 regarding economic activities in certain energy sectors (nuclear and fossil) is also reported.

Criteria adopted for the preparation of quantitative disclosures

In order to comply with the disclosure requirements, the Parent Bank implemented a specific project to disseminate the GAR regulatory requirements and define the solutions for the specific preparation of the information. All corporate functions involved in the provision of data depending on their area of expertise (Credit Department, Finance and Treasury Department and Accounting and Reporting Department) participated in this project. The work was coordinated by the Organisation Department with the support of the ESG & Sustainability Department. In summary, the Bank, in support of the preparation of quantitative disclosures, performed specific analyses aimed at defining:

A. Extractions from the reference information subsystem based on queries from specific FINREP reporting datapoints detailing, report by report, a number of relevant fields;
B. The integration of information assets by identifying information:
   - to be fed into the system as 'inputs' with the contribution of the competent corporate functions;
   - to be generated automatically on the basis of specific calculation routines and by exploiting available information;

C. Methodological proposals for the preparation of certain information attributes to be acquired as inputs, defining in a precise manner the scope of activities for which the enrichment of information assets is required;
D. The characteristics and contents of the templates to be published also in table format and in Italian;
E. The rules for generating templates to be published based on the information available;
F. The solution for prudential consolidation.

With reference to the above-defined scope of financial assets, the items to be excluded were identified as exposures to central governments, central banks and supranational issuers. In this regard, the portfolios already used to provide the detailed information in the Notes to the Financial Statements were used.

Next, the items to be excluded from the taxonomy eligibility check were identified, represented by:

a) the value of both hedging and trading derivatives;
b) the value of the trading portfolio (excluding derivatives) by reference to asset item 20(a);
c) current accounts and demand deposits with banks recognised under asset item 40;
d) loans, securities and equity investments in undertakings that are not required to prepare a Sustainability Statement.

For the identification of exposures referred to in (d) above, all items with counterparties belonging to the Households and Local Government categories were excluded on a preliminary basis. Next, the entities to which the Group has exposures were identified using the list provided by Consob of entities that publish sustainability Reporting. This list has been suitably supplemented to take account of foreign counterparties and counterparties belonging to Groups.

Once the total value of the exposures in respect of the reporting undertakings was determined, the value of the exposures of the non-publishing undertakings was determined by calculating the difference. Therefore, based on the provisions of Delegated Regulation 2021/2178, it is assumed that entities that do not publish a Sustainability Statement do not meet the requirements for exposures to them to be considered "sustainable". Given the characteristics of the Parent Bank and its focus on the Small and Medium Undertakings sector, this approach is clearly penalising with regard to the calculation of the proportion of Taxonomy-eligible assets.

As for the trading portfolio, it should be noted that it is represented almost entirely by investments that relate to the defined-benefit section of the pension fund managed internally by the Parent Bank4. In this respect, the ESG guidelines in force from time to time at Group level apply.

Exposures to entities subject to sustainability reporting requirements

With regard to exposures to reporting entities, a review was undertaken to assess whether these exposures could be Taxonomy-eligible/aligned. To this end, a distinction was made in respect of:

- special purpose loans and general purpose loans to non-financial undertakings: the former "represent loans and advances where the use of the proceeds is known", while for general purpose loans the use of proceeds is unknown. For general purpose loans, the Bank determined the Taxonomy-eligible/aligned portion based on the Capital Expenditure KPI and on the Turnover KPI that the counterparty is required to report for each environmental target under Delegated Regulation 2021/2178. For special purpose loans, an ad-hoc analysis was carried out to verify the technical screening criteria laid down in the provisions;
- exposures to financial undertakings (loans and advances, debt securities and equity investments); the Bank determined the Taxonomy-eligible/aligned portion based on the Capital Expenditure KPI and the Turnover KPI that the counterparty is required to report for each environmental target under Delegated Regulation 2021/2178;

[4] The amount of the trading portfolio of the subsidiary CiviBank is not material.

- debt securities and equity investments in non-financial undertakings for which the same criteria have been adopted as in the previous paragraph.

Finally, it should be noted that the units of CIUs where detailed information on their composition was available were considered on the basis of the characteristics of the underlying instruments.

Exposures to households

With respect to exposures to counterparties categorised as households, loans secured by residential property were considered eligible. For these loans, based on the detailed information acquired, the specific analyses were carried out to assess the alignment with the technical criteria for buildings (see Annex I, points 7.2, 7.3, 7.4, 7.5, 7.6 and 7.7 of Delegated Regulation 2021/2139). Specifically, among the criteria adopted to consider the alignment of such exposures, the availability of the energy performance certificates of the properties securing the loan ("EPCs") and the measurement of the exposure of these properties to the physical climate/environmental risk were assumed as pre-requisites.

More specifically, the loans under review were defined as Taxonomy-aligned if the following requirements had been verified and met:

a) Substantial Contribution (SC):
   - *Year of construction of the building before 31/12/2020*, energy class A or in the top 15% of the national or regional building stock in terms of primary energy demand (PED);
   - *Year of construction of the building after 31/12/2020*, reduction of the building's primary energy demand by 10% compared to the primary energy demand of Nearly Zero Energy Buildings (NZEB). Specifically, the threshold identified for taxonomy-aligned primary energy demand is 22.0 kWh/m2 per year or less;

b) Do No Significant Harm (DNSH) - Assessment of the climatic risks that may impact the property securing the loan, its vulnerability and possible adaptation solutions to reduce the risk. For the purpose of verifying compliance with DNSH, the physical risk score acquired from certified external providers associated with the secured properties was examined.

With regard to any financing represented by consumer credit for the purchase of motor vehicles complying with the technical screening criteria set forth in Annex I, point 6.5 of Delegated Regulation 2021/2139, it should be noted that the Parent Bank does not have any specific information. In any case, the potential eligible amount of this financing was deemed negligible, considering on the one hand the overall volume of financing granted to households for the purchase of durable goods and on the other hand the available market share of new registrations of electric/hybrid cars.

Exposures represented by loans and advances financing public housing and other specialised financing to public authorities

An analysis of exposures to local governments was conducted and found no specific loans to finance public housing that met the technical screening criteria in Annex I, point 7.7 of Delegated Regulation 2021/2139.

SPARKASSE CASSA DI RISPARMIO

Annex VI - Template for the KPIs of credit institutions

Template 0 - Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

Million €

		Total sustainable assets	KPI ****	KPI *****	Coverage % (over total assets) ***	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and section 1.1.2 of Annex V)	% of assets excluded from the GAR denominator (Article 7(1) and section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	166	1.42%	1.80%	74.04%	42.36%	25.96%

		Total sustainable assets	KPI	KPI	Coverage % (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and section 1.1.2 of Annex V)	% of assets excluded from the GAR denominator (Article 7(1) and section 1.2.4 of Annex V)
Additional KPIs	GAR (flow)	68	2.16%	3.01%	67.52%	46.77%	32.48%
	Trading book*	-	-	-			
	Financial guarantees	-	-	-			
	Assets under management	2	2.92%	5.35%			
	Revenues and commissions income**	-	-	-			

*For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR

**Revenues and commissions income from services other than lending and AuM

***% of assets covered by the KPI over banks' total assets

****based on the Turnover KPI of the counterparty

*****based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used

Note 1: Fees and Commissions and Trading Book KPIs shall only apply starting 2026. SMEs´inclusion in these KPI will only apply subject to a positive result of an impact assessment.
Note 2: The Group has no financial guarantees to counterparties subject to disclosure requirements.

Template 1 - Assets for the calculation of GAR - Based on Turnover as at 31/12/2024 (1 of 4)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n
		31/12/2024													
	EUR millions	Total (gross) carrying amount	Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	**5,003**	**3,134**	**166**	**115**	**7**	**13**	**1**	**0**	**-**	**0**	**0**	**-**	**-**	**0**
2	**Financial undertakings**	**709**	**91**	**9**	**-**	**1**	**3**	**0**	**0**	**-**	**0**	**0**	**-**	**-**	**0**
3	Credit institutions	343	75	5	-	0	0	0	0	-	0	0	-	-	-
4	Loans and advances	36	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	306	75	5	-	0	0	0	0	-	0	0	-	-	-
6	Equity instruments	1	0	0		0	0	0	0		-	-	-		-
7	Other financial corporations	365	16	4	-	0	2	0	0	-	0	0	-	-	0
8	of which insurance undertakings	48	8	2	-	0	1	0	0	-	-	-	-	-	-
9	Loans and advances	31	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	16	8	2	-	0	1	0	0	-	-	-	-	-	-
11	Equity instruments	1	-	-		-	-	-	-		-	-	-		-
12	of which management companies	62	7	2	-	0	1	0	0	-	0	0	-	-	0
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	62	7	2		0	1	0	0		0	0	-		0
16	of which insurance undertakings	255	1	0	-	0	-	0	0	-	0	-	-	-	-
17	Loans and advances	247	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	1	0	0	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	7	1	0		0	-	0	0		0	-	-		-
20	**Non-financial undertakings**	**231**	**65**	**42**	**-**	**6**	**10**	**0**	**0**	**-**	**-**	**0**	**-**	**-**	**-**
21	Loans and advances	183	47	27	-	6	3	0	0	-	-	0	-	-	-
22	Debt securities, including UoP	48	18	15	-	-	7	-	-	-	-	-	-	-	-
23	Equity instruments	0	0	0		-	-	-	-		-	-	-		-
24	**Households**	4,028	2,978	115	115	-	-	-	-	-	-				
25	of which loans collateralised by residential immovable property	3,335	2,978	115	115	-	-	-	-	-	-				
26	of which building renovation loans	-	-	-	-	-	-	-	-	-	-				
27	of which motor vehicle loans	-	-	-	-	-	-								
28	**Local government financing**	**36**	**-**	-	-	-	-	-	-	-	-	-	-	-	-
29	Building financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	36	-	-	-	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-	-	-	-	-	-	-

continued: Template 1 - Assets for GAR calculation - Based on Turnover as at 31/12/2024 (2 of 4)

		o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		31/12/2024																
		Circular economy (EC)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	EUR millions	Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	0	-	-	0	1	-	-	-	0	-	-	-	3,136	166	115	7	13
2	Financial undertakings	0	-	-	0	0	-	-	-	0	-	-	-	92	9	-	1	3
3	Credit institutions	0	-	-	-	0	-	-	-	-	-	-	-	75	5	-	0	0
4	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	0	-	-	-	0	-	-	-	-	-	-	-	75	5	-	0	0
6	Equity instruments	-	-		-	-	-		-	-	-		-	0	0		0	0
7	Other financial corporations	0	-	-	0	-	-	-	-	0	-	-	-	16	4	-	0	2
8	of which insurance undertakings	0	-	-	-	-	-	-	-	-	-	-	-	8	2	-	0	1
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	0	-	-	-	-	-	-	-	-	-	-	-	8	2	-	0	1
11	Equity instruments	-	-		-	-	-		-	-	-		-	-	-		-	-
12	of which management companies	0	-	-	0	-	-	-	-	0	-	-	-	7	2	-	0	1
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	0	-		0	-	-		-	0	-		-	7	2		0	1
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	1	0	-	0	0
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	0	0	-	-	-
19	Equity instruments	-	-		-	-	-		-	-	-		-	1	0		0	0
20	Non-financial undertakings	0	-	-	-	1	-	-	-	-	-	-	-	67	42	-	6	10
21	Loans and advances	0	-	-	-	0	-	-	-	-	-	-	-	48	27	-	6	3
22	Debt securities, including UoP	0	-	-	-	1	-	-	-	-	-	-	-	19	15	-	-	7
23	Equity instruments	-	-		-	-	-		-	-	-		-	0	0		-	-
24	Households	-	-	-	-									2,978	115	115	-	-
25	of which loans collateralised by residential immovable property	-	-	-	-									2,978	115	115	-	-
26	of which building renovation loans	-	-	-	-									-	-	-	-	-
27	of which motor vehicle loans													-	-	-	-	-
28	Local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Building financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

SPARKASSE CASSA DI RISPARMIO

continued: Template 1 - Assets for GAR calculation - Based on Turnover as at 31/12/2024 (3 of 4)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n
			31/12/2024												
			Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
	EUR millions	Total (gross) carrying amount		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	6,691	-	-	-	-	-	-	-	-	-	-	-	-	-
33	Financial and non-financial undertakings	5,580													
34	SMEs and non-financial corporations (other than SMEs) not subject to NFRD disclosure requirements	5,539													
35	Loans and advances	5,360													
36	- of which loans collateralised by commercial immovable property	1,691													
37	- of which building renovation loans	-													
38	Debt securities	71													
39	Equity instruments	108													
40	Non-EU counterparties not subject to NFRD disclosure requirements	41													
41	Loans and advances	11													
42	Debt securities	30													
43	Equity instruments	-													
44	Derivatives	31													
45	On demand interbank loans	19													
46	Cash and cash-related assets	70													
47	Other categories of assets (e.g. goodwill, commodities, etc.)	991													
48	TOTAL GAR ASSETS	11,694	3,134	166	115	7	13	1	0	-	0	0	-	-	0
49	Assets not covered for GAR calculation	4,101													
50	Central governments and supranational issuers*	3,331													
51	Central banks exposure	729													
52	Trading book	42													
53	TOTAL ASSETS	15,795	3,134	166	115	7	13	1	0	-	0	0	-	-	0
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure requirements														
54	Financial guarantees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55	Assets under management	80	9	2	-	0	1	0	0	-	0	0	0	-	0
56	- Of which debt securities	28	7	2	-	0	1	0	0	-	0	0	0	-	0
57	- Of which equity instruments	7	1	0	-	0	0	0	0	-	0	0	0	-	0

* Also included are exposures, where the use of proceeds is not known, to local and regional authorities and companies whose owners or shareholders are those referred to in Article 7(1) of the Disclosure Delegated Act 2021/2178 (i.e. central banks, central governments, supranational entities).

continued: Template 1 - Assets for GAR calculation - Based on Turnover as at 31/12/2024 (4 of 4)

		o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
EUR millions		31/12/2024																
		Circular economy (EC)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	Financial and non-financial undertakings																	
34	SMEs and non-financial undertakings (other than SMEs) not subject to NFRD disclosure requirements																	
35	Loans and advances																	
36	- of which loans collateralised by commercial immovable property																	
37	- of which building renovation loans																	
38	Debt securities																	
39	Equity instruments																	
40	Non-EU counterparties not subject to NFRD disclosure requirements																	
41	Loans and advances																	
42	Debt securities																	
43	Equity instruments																	
44	Derivatives																	
45	On demand interbank loans																	
46	Cash and cash-related assets																	
47	Other categories of assets (e.g. goodwill, commodities, etc.)																	
48	TOTAL GAR ASSETS	0	-	-	0	1	-	-	-	0	-	-	-	3,136	166	115	7	13
49	Assets not covered for GAR calculation																	
50	Central governments and supranational issuers*																	
51	Central banks exposure																	
52	Trading book																	
53	TOTAL ASSETS	0	-	-	0	1	-	-	-	0	-	-	-	3,136	166	115	7	13
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure requirements																	
54	Financial guarantees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55	Assets under management	0	0	-	0	0	0	-	0	0	-	-	-	9	2	-	0	1
56	- Of which debt securities	0	0	-	0	0	0	-	0	0	-	-	-	8	2	-	0	1
57	- Of which equity instruments	0	0	-	0	0	0	-	0	0	-	-	-	2	0	-	0	0

* Also included are exposures, where the use of proceeds is not known, to local and regional authorities and companies whose owners or shareholders are those referred to in Article 7(1) of the Disclosure Delegated Act 2021/2178 (i.e. central banks, central governments, supranational entities).

Template 1 - Assets for GAR calculation - Based on Turnover as at 31/12/2023 (1 of 4)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n
		31/12/2023													
			Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
	EUR millions	Total (gross) carrying amount			Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	4,741	3,452	71	0	11	5	0	0	0	0	0	0	0	0
2	Financial undertakings	476	107	7	0	0	1	0	0	0	0	0	0	0	0
3	Credit institutions	281	90	0	0	0	0	0	0	0	0	0	0	0	0
4	Loans and advances	48	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Debt securities, including UoP	229	90	0	0	0	0	0	0	0	0	0	0	0	0
6	Equity instruments	5	0	0		0	0	0		0	0	0	0		0
7	Other financial companies	195	17	7	0	0	1	0	0	0	0	0	0	0	0
8	of which insurance undertakings	57	17	7	0	0	1	0	0	0	0	0	0	0	0
9	Loans and advances	28	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	27	17	7	0	0	1	0	0	0	0	0	0	0	0
11	Equity instruments	2	0	0		0	0	0		0	0	0	0		0
12	of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0		0	0	0		0	0	0	0		0
16	of which insurance undertakings	138	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	129	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	1	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	8	0	0		0	0	0	0	0	0	0	0		0
20	Non-financial undertakings	202	94	39	0	11	3	0		0	0	0	0	0	0
21	Loans and advances	155	60	24	0	11	3	0	0	0	0	0	0	0	0
22	Debt securities, including UoP	43	32	15	0	0	0	0	0	0	0	0	0	0	0
23	Equity instruments	4	1	0		0	0	0		0	0	0	0		0
24	Households	4,055	3,245	26	0	0	0	0	0	0	0				
25	of which loans collateralised by residential immovable property	3,245	3,245	26	0	0	0	0	0	0	0				
26	of which building renovation loans	0	0	0	0	0	0	0	0	0	0				
27	of which motor vehicle loans	0	0	0	0	0	0								
28	Local government financing	8	7	0	0	0	0	0	0	0	0	0	0	0	0
29	Building financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	8	7	0	0	0	0	0	0	0	0	0	0	0	0
31	Collateral obtained by taking possession: residential and commercial immovable properties	0	0	0	0	0	0	0	0	0	0	0	0	0	0

continued: Template 1 - Assets for GAR calculation - Based on Turnover as at 31/12/2023 (2 of 4)

		o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
EUR millions		31/12/2023																
		Circular economy (EC)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	0	0	0	0	0	0	0	0	0	0	0	0	3,452	72	0	11	5
2	**Financial undertakings**	0	0	0	0	0	0	0	0	0	0	0	0	107	7	0	0	1
3	Credit institutions	0	0	0	0	0	0	0	0	0	0	0	0	90	0	0	0	0
4	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	90	0	0	0	0
6	Equity instruments	0	0		0	0	0		0	0	0		0	0	0		0	0
7	Other financial companies	0	0	0	0	0	0	0	0	0	0	0	0	17	7	0	0	1
8	of which insurance undertakings	0	0	0	0	0	0	0	0	0	0	0	0	17	7	0	0	1
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	17	7	0	0	1
11	Equity instruments	0	0		0	0	0		0	0	0		0	0	0		0	0
12	of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0		0	0	0		0	0	0		0	0	0		0	0
16	of which insurance undertakings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0		0	0	0		0	0	0		0	0	0		0	0
20	**Non-financial undertakings**	0	0	0	0	0	0	0	0	0	0	0	0	94	39	0	11	3
21	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	60	24	0	11	3
22	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	32	15	0	0	0
23	Equity instruments	0	0		0	0	0		0	0	0		0	1	0		0	0
24	**Households**	0	0	0	0									3,245	26	0	0	0
25	of which loans collateralised by residential immovable property	0	0	0	0									3,245	26	0	0	0
26	of which building renovation loans	0	0	0	0									0	0	0	0	0
27	of which motor vehicle loans													0	0	0	0	0
28	**Local government financing**	0	0	0	0	0	0	0	0	0	0	0	0	7	0	0	0	0
29	Building financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	7	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

continued: Template 1 - Assets for GAR calculation - Based on Turnover as at 31/12/2023 (3 of 4)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n
	EUR millions	31/12/2023													
		Total (gross) carrying amount	Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	7,167	0	0	0	0	0	0	0	0	0	0	0	0	0
33	Financial and non-financial undertakings	5,810													
34	SMEs and non-financial undertakings (other than SMEs) not subject to NFRD disclosure requirements	5,753													
35	Loans and advances	5,536													
36	- of which loans collateralised by commercial immovable property	1,761													
37	- of which building renovation loans	0													
38	Debt securities	113													
39	Equity instruments	104													
40	Non-EU counterparties not subject to NFRD disclosure requirements	57													
41	Loans and advances	23													
42	Debt securities	33													
43	Equity instruments	2													
44	Derivatives	38													
45	On demand interbank loans	12													
46	Cash and cash-related assets	70													
47	Other categories of assets (e.g. goodwill, commodities, etc.)	1,237													
48	TOTAL GAR ASSETS	11,908	3,452	71	0	11	5	0	0	0	0	0	0	0	0
49	Assets not covered for GAR calculation	5,576													
50	Central governments and supranational issuers*	4,577													
51	Central banks exposure	944													
52	Trading book	55													
53	TOTAL ASSETS	17,484	3,452	71	0	11	5	0	0	0	0	0	0	0	0
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure requirements														
54	Financial guarantees	0	0	0	0	0	0	0	0	0	0	0	0	0	0
55	Assets under management	169	15	3	0	0	1	0	0	0	0	0	0	0	0
56	- Of which debt securities	17	4	1	0	0	0	0	0	0	0	0	0	0	0
57	- Of which equity instruments	42	10	2	0	0	1	0	0	0	0	0	0	0	0

* Also included are exposures, where the use of proceeds is not known, to local and regional authorities and companies whose owners or shareholders are those referred to in Article 7(1) of the Disclosure Delegated Act 2021/2178 (i.e. central banks, central governments, supranational entities).

continued: Template 1 - Assets for GAR calculation - Based on Turnover as at 31/12/2023 (4 of 4)

		o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
	EUR millions	31/12/2023																
		Circular economy (EC)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33	Financial and non-financial undertakings																	
34	SMEs and non-financial undertakings (other than SMEs) not subject to NFRD disclosure requirements																	
35	Loans and advances																	
36	- of which loans collateralised by commercial immovable property																	
37	- of which building renovation loans																	
38	Debt securities																	
39	Equity instruments																	
40	Non-EU counterparties not subject to NFRD disclosure requirements																	
41	Loans and advances																	
42	Debt securities																	
43	Equity instruments																	
44	Derivatives																	
45	On demand interbank loans																	
46	Cash and cash-related assets																	
47	Other categories of assets (e.g. goodwill, commodities, etc.)																	
48	TOTAL GAR ASSETS	0	0	0	0	0	0	0	0	0	0	0	0	3,452	72	0	11	5
49	Assets not covered for GAR calculation																	
50	Central governments and supranational issuers*																	
51	Central banks exposure																	
52	Trading book																	
53	TOTAL ASSETS	0	0	0	0	0	0	0	0	0	0	0	0	3,452	72	0	11	5
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure requirements																	
54	Financial guarantees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
55	Assets under management	0	0	0	0	0	0	0	0	0	0	0	0	15	3	0	0	1
56	- Of which debt securities	0	0	0	0	0	0	0	0	0	0	0	0	4	1	0	0	0
57	- Of which equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	10	2	0	0	1

* Also included are exposures, where the use of proceeds is not known, to local and regional authorities and companies whose owners or shareholders are those referred to in Article 7(1) of the Disclosure Delegated Act 2021/2178 (i.e. central banks, central governments, supranational entities).

Template 1 - Assets for GAR calculation - Based on CapEx as at 31/12/2024 (1 of 4)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n
		31/12/2024													
	EUR millions	Total (gross) carrying amount	Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	5,003	3,200	210	115	32	28	1	1	-	0	0	0	-	-
2	Financial undertakings	709	100	13	-	1	5	0	0	-	0	0	0	-	-
3	Credit institutions	343	76	6	-	0	1	0	0	-	0	0	-	-	-
4	Loans and advances	36	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	306	76	6	-	0	1	0	0	-	0	0	-	-	-
6	Equity instruments	1	0	0		0	0	-	-		-	-	-		-
7	Other financial corporations	365	25	7	-	1	4	0	0	-	0	0	0	-	-
8	of which insurance undertakings	48	16	4	-	0	3	0	0	-	-	-	-	-	-
9	Loans and advances	31	5	0	-	-	0	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	16	11	4	-	0	3	0	0	-	-	-	-	-	-
11	Equity instruments	1	0	0		0	-	-	-		-	-	-		-
12	of which management companies	62	7	3	-	0	1	0	0	-	0	0	0	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	62	7	3		0	1	0	0		0	0	0		-
16	of which insurance undertakings	255	1	0	-	0	0	0	0	-	0	-	-	-	-
17	Loans and advances	247	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	1	0	0	-	-	0	-	-	-	-	-	-	-	-
19	Equity instruments	7	1	0		0	-	0	0		0	-	-		-
20	Non-financial undertakings	231	122	82	-	31	23	1	0	-	-	0	-	-	-
21	Loans and advances	183	88	53	-	30	8	0	0	-	-	0	-	-	-
22	Debt securities, including UoP	48	33	29	-	0	15	0	0	-	-	-	-	-	-
23	Equity instruments	0	0	0		0	0	-	-		-	-	-		-
24	Households	4,028	2,978	115	115	-	-	-	-	-	-				
25	of which loans collateralised by residential immovable property	3,335	2,978	115	115	-	-	-	-	-	-				
26	of which building renovation loans	-	-	-	-	-	-	-	-	-	-				
27	of which motor vehicle loans	-	-	-	-	-	-								
28	Local government financing	36	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Building financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	36	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-

continued: Template 1 - Assets for GAR calculation - Based on CapEx as at 31/12/2024 (2 of 4)

		o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		31/12/2024																
		Circular economy (EC)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
	EUR millions			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	1	0	-	0	0	0	-	-	0	-	-	-	3,202	211	115	32	28
2	Financial undertakings	0	0	-	0	0	0	-	-	0	-	-	-	101	13	-	1	5
3	Credit institutions	0	-	-	-	-	-	-	-	-	-	-	-	76	6	-	0	1
4	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	0	-	-	-	-	-	-	-	-	-	-	-	76	6	-	0	1
6	Equity instruments	-	-		-	-	-		-	-	-		-	0	0		0	0
7	Other financial corporations	0	0	-	0	0	0	-	-	0	-	-	-	25	7	-	1	4
8	of which insurance undertakings	0	-	-	-	0	-	-	-	-	-	-	-	17	4	-	0	3
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	5	0	-	-	0
10	Debt securities, including UoP	0	-	-	-	0	-	-	-	-	-	-	-	11	4	-	0	3
11	Equity instruments	-	-		-	-	-		-	-	-		-	0	0		0	-
12	of which management companies	0	0	-	0	0	0	-	-	0	-	-	-	7	3	-	0	1
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	0	0		0	0	0		-	0	-		-	7	3		0	1
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	1	0	-	0	0
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	0	0	-	-	0
19	Equity instruments	-	-		-	-	-		-	-	-		-	1	0		0	0
20	Non-financial undertakings	1	-	-	-	0	-	-	-	-	-	-	-	123	82	-	31	23
21	Loans and advances	1	-	-	-	0	-	-	-	-	-	-	-	89	53	-	30	8
22	Debt securities, including UoP	0	-	-	-	0	-	-	-	-	-	-	-	34	29	-	0	15
23	Equity instruments	-	-		-	-	-		-	-	-		-	0	0		0	0
24	Households	-	-	-	-									2,978	115	115	-	-
25	of which loans collateralised by residential immovable property	-	-	-	-									2,978	115	115	-	-
26	of which building renovation loans	-	-	-	-									-	-	-	-	-
27	of which motor vehicle loans													-	-	-	-	-
28	Local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Building financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

continued: Template 1 - Assets for GAR calculation - Based on CapEx as at 31/12/2024 (3 of 4)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n
	EUR millions	31/12/2024													
		Total (gross) carrying amount	Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**6,691**	-	-	-	-	-	-	-	-	-	-	-	-	-
33	**Financial and non-financial undertakings**	**5,580**													
34	SMEs and non-financial undertakings (other than SMEs) not subject to NFRD disclosure requirements	**5,539**													
35	Loans and advances	5,360													
36	- of which loans collateralised by commercial immovable property	1,691													
37	- of which building renovation loans	-													
38	Debt securities	71													
39	Equity instruments	108													
40	Non-EU counterparties not subject to NFRD disclosure requirements	**41**													
41	Loans and advances	11													
42	Debt securities	30													
43	Equity instruments	-													
44	**Derivatives**	31													
45	**On demand interbank loans**	19													
46	**Cash and cash-related assets**	70													
47	**Other categories of assets (e.g. goodwill, commodities, etc.)**	991													
48	TOTAL GAR ASSETS	**11,694**	**3,200**	**210**	**115**	**32**	**28**	**1**	**1**	**-**	**0**	**0**	**0**	**-**	**-**
49	**Assets not covered for GAR calculation**	**4,101**													
50	**Central governments and supranational issuers***	3,331													
51	**Central banks exposure**	729													
52	**Trading book**	42													
53	TOTAL ASSETS	**15,795**	**3,200**	**210**	**115**	**32**	**28**	**1**	**1**	**-**	**0**	**0**	**0**	**-**	**-**
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure requirements														
54	Financial guarantees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55	Assets under management	80	11	4	-	0	2	0	0	-	0	0	0	-	0
56	- Of which debt securities	28	9	3	-	0	2	0	0	-	0	0	0	-	0
57	- Of which equity instruments	7	2	1	-	0	0	0	0	-	0	0	0	-	0

* Also included are exposures, where the use of proceeds is not known, to local and regional authorities and companies whose owners or shareholders are those referred to in Article 7(1) of the Disclosure Delegated Act 2021/2178 (i.e. central banks, central governments, supranational entities).

continued: Template 1 - Assets for GAR calculation - Based on CapEx as at 31/12/2024 (4 of 4)

		o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
	EUR millions	31/12/2024																
		Circular economy (EC)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	Financial and non-financial undertakings																	
34	SMEs and non-financial undertakings (other than SMEs) not subject to NFRD disclosure requirements																	
35	Loans and advances																	
36	- of which loans collateralised by commercial immovable property																	
37	- of which building renovation loans																	
38	Debt securities																	
39	Equity instruments																	
40	Non-EU counterparties not subject to NFRD disclosure requirements																	
41	Loans and advances																	
42	Debt securities																	
43	Equity instruments																	
44	Derivatives																	
45	On demand interbank loans																	
46	Cash and cash-related assets																	
47	Other categories of assets (e.g. goodwill, commodities, etc.)																	
48	TOTAL GAR ASSETS	1	0	-	0	0	0	-	-	0	-	-	-	3,202	211	115	32	28
49	Assets not covered for GAR calculation																	
50	Central governments and supranational issuers*																	
51	Central banks exposure																	
52	Trading book																	
53	TOTAL ASSETS	1	0	-	0	0	0	-	-	0	-	-	-	3,202	211	115	32	28
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure requirements																	
54	Financial guarantees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55	Assets under management	0	0	-	0	0	0	-	0	0	-	-	-	12	4	-	0	2
56	- Of which debt securities	0	0	-	0	0	0	-	0	0	-	-	-	9	3	-	0	2
57	- Of which equity instruments	0	0	-	0	0	0	-	0	0	-	-	-	2	1	-	0	0

* Also included are exposures, where the use of proceeds is not known, to local and regional authorities and companies whose owners or shareholders are those referred to in Article 7(1) of the Disclosure Delegated Act 2021/2178 (i.e. central banks, central governments, supranational entities).

Template 1 - Assets for GAR calculation - Based on CapEx as at 31/12/2023 (1 of 4)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n
		31/12/2023													
	EUR millions	Total (gross) carrying amount	Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	4,741	3,475	84	0	17	7	0	0	0	0	0	0	0	0
2	Financial undertakings	476	115	10	0	0	4	0	0	0	0	0	0	0	0
3	Credit institutions	281	91	0	0	0	0	0	0	0	0	0	0	0	0
4	Loans and advances	48	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Debt securities, including UoP	229	91	0	0	0	0	0	0	0	0	0	0	0	0
6	Equity instruments	5	0	0		0	0	0	0		0	0	0		0
7	Other financial companies	195	24	10	0	0	4	0	0	0	0	0	0	0	0
8	of which insurance undertakings	57	24	10	0	0	4	0	0	0	0	0	0	0	0
9	Loans and advances	28	4	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	27	19	10	0	0	4	0	0	0	0	0	0	0	0
11	Equity instruments	2	0	0		0	0	0	0		0	0	0		0
12	of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0		0	0	0	0		0	0	0		0
16	of which insurance undertakings	138	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	129	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	1	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	8	0	0		0	0	0	0		0	0	0		0
20	Non-financial undertakings	202	109	48	0	17	3	0	0	0	0	0	0	0	0
21	Loans and advances	155	74	29	0	15	2	0	0	0	0	0	0	0	0
22	Debt securities, including UoP	43	34	18	0	2	1	0	0	0	0	0	0	0	0
23	Equity instruments	4	1	1		1	0	0	0		0	0	0		0
24	Households	4,055	3,245	26	0	0	0	0	0	0	0				
25	of which loans collateralised by residential immovable property	3,245	3,245	26	0	0	0	0	0	0	0				
26	of which building renovation loans	0	0	0	0	0	0	0	0	0	0				
27	of which motor vehicle loans	0	0	0	0	0	0								
28	Local government financing	8	7	0	0	0	0	0	0	0	0	0	0	0	0
29	Building financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	8	7	0	0	0	0	0	0	0	0	0	0	0	0
31	Collateral obtained by taking possession: residential and commercial immovable properties	0	0	0	0	0	0	0	0	0	0	0	0	0	0

continued: Template 1 - Assets for GAR calculation - Based on CapEx as at 31/12/2023 (2 of 4)

		o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
EUR millions		31/12/2023																
		Circular economy (EC)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	0	0	0	0	0	0	0	0	0	0	0	0	3,475	84	0	18	7
2	Financial undertakings	0	0	0	0	0	0	0	0	0	0	0	0	115	10	0	0	4
3	Credit institutions	0	0	0	0	0	0	0	0	0	0	0	0	91	0	0	0	0
4	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	91	0	0	0	0
6	Equity instruments	0	0		0	0	0		0	0	0		0	0	0		0	0
7	Other financial corporations	0	0	0	0	0	0	0	0	0	0	0	0	24	10	0	0	4
8	of which insurance undertakings	0	0	0	0	0	0	0	0	0	0	0	0	24	10	0	0	4
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	4	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	19	10	0	0	4
11	Equity instruments	0	0		0	0	0		0	0	0		0	0	0		0	0
12	of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0		0	0	0		0	0	0		0	0	0		0	0
16	of which insurance undertakings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0		0	0	0		0	0	0		0	0	0		0	0
20	Non-financial undertakings	0	0	0	0	0	0	0	0	0	0	0	0	109	48	0	18	3
21	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	74	29	0	15	2
22	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	34	18	0	2	1
23	Equity instruments	0	0		0	0	0		0	0	0		0	2	1		1	0
24	Households	0	0	0	0									3,245	26	0	0	0
25	of which loans collateralised by residential immovable property	0	0	0	0									3,245	26	0	0	0
26	of which building renovation loans	0	0	0	0									0	0	0	0	0
27	of which motor vehicle loans													0	0	0	0	0
28	Local government financing	0	0	0	0	0	0	0	0	0	0	0	0	7	0	0	0	0
29	Building financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	7	0	0	0	0
31	Collateral obtained by taking possession: residential and commercial immovable properties	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

continued: Template 1 - Assets for GAR calculation - Based on CapEx as at 31/12/2023 (3 of 4)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n
	EUR millions	Total (gross) carrying amount	31/12/2023												
			Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	7,167	0	0	0	0	0	0	0	0	0	0	0	0	0
33	Financial and non-financial undertakings	5,810													
34	SMEs and non-financial undertakings (other than SMEs) not subject to NFRD disclosure requirements	5,753													
35	Loans and advances	5,536													
36	- of which loans collateralised by commercial immovable property	1,761													
37	- of which building renovation loans	-													
38	Debt securities	113													
39	Equity instruments	104													
40	Non-EU counterparties not subject to NFRD disclosure requirements	57													
41	Loans and advances	23													
42	Debt securities	33													
43	Equity instruments	2													
44	Derivatives	38													
45	On demand interbank loans	12													
46	Cash and cash-related assets	70													
47	Other categories of assets (e.g. goodwill, commodities, etc.)	1,237													
48	TOTAL GAR ASSETS	11,908	3,475	84	0	17	7	0	0	0	0	0	0	0	0
49	Assets not covered for GAR calculation	5,576													
50	Central governments and supranational issuers*	4,577													
51	Central banks exposure	944													
52	Trading book	55													
53	TOTAL ASSETS	17,484	3,475	84	0	17	7	0	0	0	0	0	0	0	0
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure requirements														
54	Financial guarantees	0	0	0	0	0	0	0	0	0	0	0	0	0	0
55	Assets under management	169	17	6	0	0	2	0	0	0	0	0	0	0	0
56	- Of which debt securities	17	5	2	0	0	1	0	0	0	0	0	0	0	0
57	- Of which equity instruments	42	12	4	0	0	1	0	0	0	0	0	0	0	0

* Also included are exposures, where the use of proceeds is not known, to local and regional authorities and companies whose owners or shareholders are those referred to in Article 7(1) of the Disclosure Delegated Act 2021/2178 (i.e. central banks, central governments, supranational entities).

continued: Template 1 - Assets for GAR calculation - Based on CapEx as at 31/12/2023 (4 of 4)

		o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
	EUR millions	31/12/2023																
		Circular economy (EC)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33	Financial and non-financial undertakings																	
34	SMEs and non-financial undertakings (other than SMEs) not subject to NFRD disclosure requirements																	
35	Loans and advances																	
36	- of which loans collateralised by commercial immovable property																	
37	- of which building renovation loans																	
38	Debt securities																	
39	Equity instruments																	
40	Non-EU counterparties not subject to NFRD disclosure requirements																	
41	Loans and advances																	
42	Debt securities																	
43	Equity instruments																	
44	Derivatives																	
45	On demand interbank loans																	
46	Cash and cash-related assets																	
47	Other categories of assets (e.g. goodwill, commodities, etc.)																	
48	TOTAL GAR ASSETS	0	0	0	0	0	0	0	0	0	0	0	0	3,475	84	0	18	7
49	Assets not covered for GAR calculation																	
50	Central governments and supranational issuers*																	
51	Central banks exposure																	
52	Trading book																	
53	TOTAL ASSETS	0	0	0	0	0	0	0	0	0	0	0	0	3,475	84	0	18	7
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure requirements																	
54	Financial guarantees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
55	Assets under management	0	0	0	0	0	0	0	0	0	0	0	0	17	6	0	0	2
56	- Of which debt securities	0	0	0	0	0	0	0	0	0	0	0	0	5	2	0	0	1
57	- Of which equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	12	4	0	0	1

* Also included are exposures, where the use of proceeds is not known, to local and regional authorities and companies whose owners or shareholders are those referred to in Article 7(1) of the Disclosure Delegated Act 2021/2178 (i.e. central banks, central governments, supranational entities).

Template 2 - GAR sector information - Based on Turnover

			a	b	e	f	i	j	m	n	q	r	u	v	y	z
	Breakdown by sector - NACE level (code and label) Million €		Climate change mitigation (CCM)		Climate change adaptation (CCA)		Water and marine resources (WTR)		Circular economy (EC)		Pollution (PPC)		Biodiversity and ecosystems (BIO)		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)	
			Non-financial undertakings (subject to NFDR)		Non-financial undertakings (subject to NFDR)		Non-financial undertakings (subject to NFDR)		Non-financial undertakings (subject to NFDR)		Non-financial undertakings (subject to NFDR)		Non-financial undertakings (subject to NFDR)		Non-financial undertakings (subject to NFDR)	
			Total gross carrying amount		Total gross carrying amount		Total gross carrying amount		Total gross carrying amount		Total gross carrying amount		Total gross carrying amount		Total gross carrying amount	
				Of which environmentally sustainable (Taxonomy-aligned)		Of which environmentally sustainable (Taxonomy-aligned)		Of which environmentally sustainable (Taxonomy-aligned)		Of which environmentally sustainable (Taxonomy-aligned)		Of which environmentally sustainable (Taxonomy-aligned)		Of which environmentally sustainable (Taxonomy-aligned)		Of which environmentally sustainable (Taxonomy-aligned)
1	10.73	Production of pasta, couscous and similar farinaceous products	0	-	0	-	0	-	0	-	0	-	0	-	0	-
2	14.13	Manufacture of other outerwear	5	-	5	-	5	-	5	-	5	-	5	-	5	-
3	20.6	Manufacture of man-made fibres	23	0	23	-	23	-	23	-	23	-	23	-	23	0
4	21.20	Manufacture of pharmaceutical preparations	2	-	2	-	2	-	2	-	2	-	2	-	2	-
5	23.13	Manufacture of hollow glass	9	-	9	-	9	-	9	-	9	-	9	-	9	-
6	25.12	Manufacture of metal doors and windows	0	-	0	-	0	-	0	-	0	-	0	-	0	-
7	25.62	Machining	5	2	5	-	5	-	5	-	5	-	5	-	5	2
8	27.40	Manufacture of electric lighting equipment	1	-	1	-	1	-	1	-	1	-	1	-	1	-
9	30.11	Building of ships and floating structures	3	0	3	-	3	-	3	-	3	-	3	-	3	0
10	30.91	Manufacture of motorcycles (including engines)	3	0	3	-	3	-	3	-	3	-	3	-	3	0
11	31	Manufacture of furniture	0	-	0	-	0	-	0	-	0	-	0	-	0	-
12	35.11	Production of electricity	77	23	77	-	77	-	77	-	77	-	77	-	77	23
13	35.12	Transmission of electricity	3	2	3	-	3	-	3	-	3	-	3	-	3	2
14	35.13	Distribution of electricity	3	0	3	-	3	-	3	-	3	-	3	-	3	0
15	38	Waste collection, treatment and disposal activities; materials recovery	7	3	7	-	7	-	7	-	7	-	7	-	7	3
16	46.9	Non-specialised wholesale trade	6	-	6	-	6	-	6	-	6	-	6	-	6	-
17	47.11	Retail sale in non-specialised shops with food, beverages or tobacco predominating	0	0	0	-	0	-	0	-	0	-	0	-	0	0
18	47.71	Retail sale of clothing in specialised stores	6	-	6	-	6	-	6	-	6	-	6	-	6	-
19	49.10	Passenger rail transport (interurban)	5	3	5	-	5	-	5	-	5	-	5	-	5	3
20	52.21	Service activities incidental to land transportation	0	0	0	-	0	-	0	-	0	-	0	-	0	0
21	53.1	Postal activities under universal service obligation	0	-	0	-	0	-	0	-	0	-	0	-	0	-
22	58.29	Other software publishing	1	-	1	-	1	-	1	-	1	-	1	-	1	-
23	61.10	Wired telecommunications activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	62.01	Computer programming activities	26	3	26	0	26	-	26	-	26	-	26	-	26	3
25	68.20	Renting and operating of own or leased real estate	0	0	0	-	0	-	0	-	0	-	0	-	0	0
26	68.31	Real estate agencies	0	-	0	-	0	-	0	-	0	-	0	-	0	-
27	70.1	Activities of head offices	8	0	8	-	8	-	8	-	8	-	8	-	8	0
28	70.10	Activities of holding companies engaged in management activities (operational holding companies)	30	4	30	-	30	-	30	-	30	-	30	-	30	4
29	96.01	Washing and (dry-)cleaning of textile and fur products	8	-	8	-	8	-	8	-	8	-	8	-	8	-

Template 2 - GAR sector information - Based on CapEx

			a	b	e	f	i	j	m	n	q	r	u	v	y	z
	Breakdown by sector - NACE level (code and label) Million €		Climate change mitigation (CCM)		Climate change adaptation (CCA)		Water and marine resources (WTR)		Circular economy (EC)		Pollution (PPC)		Biodiversity and ecosystems (BIO)		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)	
			Non-financial undertakings (subject to NFDR)		Non-financial undertakings (subject to NFDR)		Non-financial undertakings (subject to NFDR)		Non-financial undertakings (subject to NFDR)		Non-financial undertakings (subject to NFDR)		Non-financial undertakings (subject to NFDR)		Non-financial undertakings (subject to NFDR)	
			Total gross carrying amount	Of which environmentally sustainable (Taxonomy-aligned)	Total gross carrying amount	Of which environmentally sustainable (Taxonomy-aligned)	Total gross carrying amount	Of which environmentally sustainable (Taxonomy-aligned)	Total gross carrying amount	Of which environmentally sustainable (Taxonomy-aligned)	Total gross carrying amount	Of which environmentally sustainable (Taxonomy-aligned)	Total gross carrying amount	Of which environmentally sustainable (Taxonomy-aligned)	Total gross carrying amount	Of which environmentally sustainable (Taxonomy-aligned)
1	10.73	Production of pasta, couscous and similar farinaceous products	0	0	0	-	0	-	0	-	0	-	0	-	0	0
2	14.13	Manufacture of other outerwear	5	0	5	-	5	-	5	-	5	-	5	-	5	0
3	20.6	Manufacture of man-made fibres	23	4	23	-	23	-	23	-	23	-	23	-	23	4
4	21.20	Manufacture of pharmaceutical preparations	2	-	2	-	2	-	2	-	2	-	2	-	2	-
5	23.13	Manufacture of hollow glass	9	-	9	-	9	-	9	-	9	-	9	-	9	-
6	25.12	Manufacture of metal doors and windows	0	-	0	-	0	-	0	-	0	-	0	-	0	-
7	25.62	Machining	5	2	5	-	5	-	5	-	5	-	5	-	5	2
8	27.40	Manufacture of electric lighting equipment	1	-	1	-	1	-	1	-	1	-	1	-	1	-
9	30.11	Building of ships and floating structures	3	0	3	-	3	-	3	-	3	-	3	-	3	0
10	30.91	Manufacture of motorcycles (including engines)	3	0	3	-	3	-	3	-	3	-	3	-	3	0
11	31	Manufacture of furniture	0	-	0	-	0	-	0	-	0	-	0	-	0	-
12	35.11	Production of electricity	77	56	77	-	77	-	77	-	77	-	77	-	77	56
13	35.12	Transmission of electricity	3	2	3	0	3	-	3	-	3	-	3	-	3	2
14	35.13	Distribution of electricity	3	2	3	-	3	-	3	-	3	-	3	-	3	2
15	38	Waste collection, treatment and disposal activities; materials recovery	7	1	7	-	7	-	7	-	7	-	7	-	7	1
16	46.9	Non-specialised wholesale trade	6	-	6	-	6	-	6	-	6	-	6	-	6	-
17	47.11	Retail sale in non-specialised shops with food, beverages or tobacco predominating	0	0	0	-	0	-	0	-	0	-	0	-	0	0
18	47.71	Retail sale of clothing in specialised stores	6	0	6	-	6	-	6	-	6	-	6	-	6	0
19	49.10	Passenger rail transport (interurban)	5	4	5	-	5	-	5	-	5	-	5	-	5	4
20	52.21	Service activities incidental to land transportation	0	0	0	-	0	-	0	-	0	-	0	-	0	0
21	53.1	Postal activities under universal service obligation	0	-	0	-	0	-	0	-	0	-	0	-	0	-
22	58.29	Other software publishing	1	-	1	-	1	-	1	-	1	-	1	-	1	-
23	61.10	Wired telecommunications activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	62.01	Computer programming activities	26	4	26	0	26	-	26	-	26	-	26	-	26	4
25	68.20	Renting and operating of own or leased real estate	0	0	0	-	0	-	0	-	0	-	0	-	0	0
26	68.31	Real estate agencies	0	-	0	-	0	-	0	-	0	-	0	-	0	-
27	70.1	Activities of head offices	8	1	8	-	8	-	8	-	8	-	8	-	8	1
28	70.10	Activities of holding companies engaged in management activities (operational holding companies)	30	5	30	-	30	-	30	-	30	-	30	-	30	5
29	96.01	Washing and (dry-)cleaning of textile and fur products	8	-	8	-	8	-	8	-	8	-	8	-	8	-

Template 3 - GAR KPI stock - Based on Turnover (1 of 2)

		31.12.2024																
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
% (compared to total assets covered in the denominator)		Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)				Circular economy (EC)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which special purpose loans	Of which transitional	Of which enabling			Of which special purpose loans	Of which enabling			Of which special purpose loans	Of which enabling			Of which special purpose loans	Of which enabling
	GAR - Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	26.80%	1.42%	0.99%	0.06%	0.11%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Financial undertakings	0.78%	0.08%	0.00%	0.01%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	0.64%	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.64%	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial undertakings	0.14%	0.04%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which insurance undertakings	0.07%	0.02%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.07%	0.02%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.06%	0.02%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.06%	0.02%		0.00%	0.01%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.01%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
20	Non-financial undertakings	0.56%	0.36%	0.00%	0.05%	0.09%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	0.40%	0.23%	0.00%	0.05%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.15%	0.13%	0.00%	0.00%	0.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
24	Households	25.47%	0.99%	0.99%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%	0.00%	0.00%	0.00%
25	of which loans collateralised by residential immovable property	25.47%	0.99%	0.99%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%	0.00%	0.00%	0.00%
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%												
28	Local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Building Financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	Total GAR assets	26.80%	1.42%	0.99%	0.06%	0.11%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

SPARKASSE
CASSA DI RISPARMIO

continued: Template 3 - GAR KPI (stock) - Based on Tu (2 of 2)

		31.12.2024													
		r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
% (compared to total assets covered in the denominator)		Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which special purpose loans	Of which enabling			Of which special purpose loans	Of which enabling			Of which special purpose loans	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	26.82%	1.42%	0.99%	0.06%	0.11%	42.78%
2	**Financial undertakings**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.78%**	**0.08%**	**0.00%**	**0.01%**	**0.02%**	**6.06%**
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.65%	0.04%	0.00%	0.00%	0.00%	2.93%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.31%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.64%	0.04%	0.00%	0.00%	0.00%	2.62%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.01%
7	Other financial undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.14%	0.04%	0.00%	0.00%	0.02%	3.12%
8	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.07%	0.02%	0.00%	0.00%	0.01%	0.41%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.27%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.07%	0.02%	0.00%	0.00%	0.01%	0.14%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.01%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.06%	0.02%	0.00%	0.00%	0.01%	0.53%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.06%	0.02%		0.00%	0.01%	0.53%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	2.18%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.11%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.01%	0.00%		0.00%	0.00%	0.06%
20	**Non-financial undertakings**	**0.01%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.57%**	**0.36%**	**0.00%**	**0.05%**	**0.09%**	**1.97%**
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.41%	0.23%	0.00%	0.05%	0.03%	1.57%
22	Debt securities, including UoP	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.16%	0.13%	0.00%	0.00%	0.06%	0.41%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
24	**Households**									**25.47%**	**0.99%**	**0.99%**	**0.00%**	**0.00%**	**34.44%**
25	of which loans collateralised by residential immovable property									25.47%	0.99%	0.99%	0.00%	0.00%	28.52%
26	of which building renovation loans									0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans									0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28	**Local government financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.31%
29	**Building Financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	**Other local government financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.31%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	Total GAR assets	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	26.82%	1.42%	0.99%	0.06%	0.11%	42.78%

Template 3 - GAR KPI stock - Based on CapEx (1 of 2)

		31.12.2024																
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
% (compared to total assets covered in the denominator)		Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)				Circular economy (EC)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which special purpose loans	Of which transitional	Of which enabling			Of which special purpose loans	Of which enabling			Of which special purpose loans	Of which enabling			Of which special purpose loans	Of which enabling
	GAR - Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	27.37%	1.80%	0.99%	0.27%	0.24%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%
2	**Financial undertakings**	**0.86%**	**0.11%**	**0.00%**	**0.01%**	**0.04%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
3	Credit institutions	0.65%	0.05%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.65%	0.05%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial undertakings	0.21%	0.06%	0.00%	0.01%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which insurance undertakings	0.14%	0.04%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.09%	0.04%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.06%	0.02%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.06%	0.02%		0.00%	0.01%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.01%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
20	**Non-financial undertakings**	**1.04%**	**0.70%**	**0.00%**	**0.26%**	**0.20%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.01%**	**0.00%**	**0.00%**	**0.00%**
21	Loans and advances	0.76%	0.46%	0.00%	0.26%	0.07%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.29%	0.24%	0.00%	0.00%	0.13%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
24	**Households**	**25.47%**	**0.99%**	**0.99%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**					**0.00%**	**0.00%**	**0.00%**	**0.00%**
25	of which loans collateralised by residential immovable property	25.47%	0.99%	0.99%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%	0.00%	0.00%	0.00%
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%												
28	**Local government financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	**Building Financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	**Other local government financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	Total GAR assets	27.37%	1.80%	0.99%	0.27%	0.24%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%

continued: Template 3 - GAR KPI stock - Based on CapEx (2 of 2)

		31.12.2024													
		r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
% (compared to total assets covered in the denominator)		Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which special purpose loans	Of which enabling			Of which special purpose loans	Of which enabling			Of which special purpose loans	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	27.38%	1.80%	0.99%	0.27%	0.24%	42.78%
2	**Financial undertakings**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.86%**	**0.11%**	**0.00%**	**0.01%**	**0.04%**	**6.06%**
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.65%	0.05%	0.00%	0.00%	0.01%	2.93%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.31%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.65%	0.05%	0.00%	0.00%	0.01%	2.62%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.01%
7	Other financial undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.21%	0.06%	0.00%	0.01%	0.03%	3.12%
8	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.14%	0.04%	0.00%	0.00%	0.02%	0.41%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%	0.00%	0.00%	0.00%	0.00%	0.27%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.09%	0.04%	0.00%	0.00%	0.02%	0.14%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.01%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.06%	0.02%	0.00%	0.00%	0.01%	0.53%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.06%	0.02%		0.00%	0.01%	0.53%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	2.18%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.11%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.01%	0.00%		0.00%	0.00%	0.06%
20	**Non-financial undertakings**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**1.06%**	**0.70%**	**0.00%**	**0.26%**	**0.20%**	**1.97%**
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.76%	0.46%	0.00%	0.26%	0.07%	1.57%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.29%	0.25%	0.00%	0.00%	0.13%	0.41%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
24	**Households**									**25.47%**	**0.99%**	**0.99%**	**0.00%**	**0.00%**	**34.44%**
25	of which loans collateralised by residential immovable property									25.47%	0.99%	0.99%	0.00%	0.00%	28.52%
26	of which building renovation loans									0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans									0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28	**Local government financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.31%
29	**Building Financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	**Other local government financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.31%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	27.38%	1.80%	0.99%	0.27%	0.24%	42.78%

Template 3 - GAR KPI stock - Based on Turnover in T-1 (1 of 2)

		31.12.2023																
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
% (compared to total assets covered in the denominator)		Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)				Circular economy (EC)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which special purpose loans	Of which transitional	Of which enabling			Of which special purpose loans	Of which enabling			Of which special purpose loans	Of which enabling			Of which special purpose loans	Of which enabling
	GAR - Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	28.99%	0.60%	0.00%	0.09%	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	**Financial undertakings**	**0.90%**	**0.06%**	**0.00%**	**0.00%**	**0.01%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
3	Credit institutions	0.76%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial undertakings	0.14%	0.06%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which insurance undertakings	0.14%	0.06%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.14%	0.06%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
20	**Non-financial undertakings**	**0.79%**	**0.33%**	**0.00%**	**0.09%**	**0.03%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
21	Loans and advances	0.51%	0.20%	0.00%	0.09%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.27%	0.12%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.01%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
24	**Households**	**27.25%**	**0.22%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**					**0.00%**	**0.00%**	**0.00%**	**0.00%**
25	of which loans collateralised by residential immovable property	27.25%	0.22%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%	0.00%	0.00%	0.00%
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%												
28	**Local government financing**	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	**Building Financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	**Other local government financing**	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	28.99%	0.60%	0.00%	0.09%	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

continued: Template 3 - GAR KPI stock - Based on Turnover in T-1 (2 of 2)

		31.12.2023													
		r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
% (compared to total assets covered in the denominator)		Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which special purpose loans	Of which enabling			Of which special purpose loans	Of which enabling			Of which special purpose loans	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	28.99%	0.60%	0.00%	0.09%	0.04%	39.81%
2	**Financial undertakings**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.90%**	**0.06%**	**0.00%**	**0.00%**	**0.01%**	**4.00%**
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.76%	0.00%	0.00%	0.00%	0.00%	2.36%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.40%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.75%	0.00%	0.00%	0.00%	0.00%	1.92%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.04%
7	Other financial undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.14%	0.06%	0.00%	0.00%	0.01%	1.63%
8	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.14%	0.06%	0.00%	0.00%	0.01%	0.48%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.23%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.14%	0.06%	0.00%	0.00%	0.01%	0.23%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.01%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.16%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.08%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%			0.00%	0.00%		0.00%	0.00%	0.07%
20	**Non-financial undertakings**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.79%**	**0.33%**	**0.00%**	**0.09%**	**0.03%**	**1.69%**
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.51%	0.20%	0.00%	0.09%	0.02%	1.30%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.27%	0.12%	0.00%	0.00%	0.00%	0.36%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.01%	0.00%		0.00%	0.00%	0.03%
24	**Households**									**27.25%**	**0.22%**	**0.00%**	**0.00%**	**0.00%**	**34.05%**
25	of which loans collateralised by residential immovable property									27.25%	0.22%	0.00%	0.00%	0.00%	27.25%
26	of which building renovation loans									0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans									0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28	Local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%	0.00%	0.00%	0.00%	0.00%	0.07%
29	Building Financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%	0.00%	0.00%	0.00%	0.00%	0.07%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	Total GAR assets	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	28.99%	0.60%	0.00%	0.09%	0.04%	39.81%

Template 3 - GAR KPI stock - Based on CapEx in T-1 (1 of 2)

		31.12.2023																
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
	% (compared to total assets covered in the denominator)	Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)				Circular economy (EC)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which special purpose loans	Of which transitional	Of which enabling			Of which special purpose loans	Of which enabling			Of which special purpose loans	Of which enabling			Of which special purpose loans	Of which enabling
	GAR - Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	29.18%	0.70%	0.00%	0.15%	0.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	**Financial undertakings**	**0.96%**	**0.08%**	**0.00%**	**0.00%**	**0.03%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
3	Credit institutions	0.76%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.76%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial undertakings	0.20%	0.08%	0.00%	0.00%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which insurance undertakings	0.20%	0.08%	0.00%	0.00%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.16%	0.08%	0.00%	0.00%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
20	**Non-financial undertakings**	**0.92%**	**0.40%**	**0.00%**	**0.15%**	**0.03%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
21	Loans and advances	0.62%	0.24%	0.00%	0.13%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.28%	0.15%	0.00%	0.02%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.01%	0.01%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
24	**Households**	**27.25%**	**0.22%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**					**0.00%**	**0.00%**	**0.00%**	**0.00%**
25	of which loans collateralised by residential immovable property	27.25%	0.22%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%	0.00%	0.00%	0.00%
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%												
28	**Local government financing**	**0.05%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	**Building Financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	**Other local government financing**	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	Total GAR assets	29.18%	0.70%	0.00%	0.15%	0.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

continued: Template 3 - GAR KPI stock - Based on CapEx in T-1 (2 of 2)

		31.12.2023													
		r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
% (compared to total assets covered in the denominator)		Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which special purpose loans	Of which enabling			Of which special purpose loans	Of which enabling			Of which special purpose loans	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	29.18%	0.71%	0.00%	0.15%	0.06%	39.81%
2	**Financial undertakings**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.96%**	**0.08%**	**0.00%**	**0.00%**	**0.03%**	**4.00%**
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.76%	0.00%	0.00%	0.00%	0.00%	2.36%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.40%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.76%	0.00%	0.00%	0.00%	0.00%	1.92%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.04%
7	Other financial undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.20%	0.08%	0.00%	0.00%	0.03%	1.63%
8	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.20%	0.08%	0.00%	0.00%	0.03%	0.48%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.04%	0.00%	0.00%	0.00%	0.00%	0.23%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.16%	0.08%	0.00%	0.00%	0.03%	0.23%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.01%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.16%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.08%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.07%
20	**Non-financial undertakings**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.92%**	**0.41%**	**0.00%**	**0.15%**	**0.03%**	**1.69%**
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.62%	0.25%	0.00%	0.13%	0.02%	1.30%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.28%	0.15%	0.00%	0.02%	0.01%	0.36%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.01%	0.01%		0.00%	0.00%	0.03%
24	**Households**									**27.25%**	**0.22%**	**0.00%**	**0.00%**	**0.00%**	**34.05%**
25	of which loans collateralised by residential immovable property									27.25%	0.22%	0.00%	0.00%	0.00%	27.25%
26	of which building renovation loans									0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans									0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28	**Local government financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	**0.05%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.07%**
29	Building Financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%	0.00%	0.00%	0.00%	0.00%	0.07%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	Total GAR assets	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	29.18%	0.71%	0.00%	0.15%	0.06%	39.81%

Template 4 - GAR KPI flow - Based on Turnover (1 of 2)

	% (compared to total assets covered in the denominator)	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		31.12.2024																
		Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)				Circular economy (EC)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which special purpose loans	Of which transitional	Of which enabling			Of which special purpose loans	Of which enabling			Of which special purpose loans	Of which enabling			Of which special purpose loans	Of which enabling
	GAR - Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	15.61%	2.16%	1.45%	0.16%	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	**Financial undertakings**	**1.42%**	**0.11%**	**0.00%**	**0.01%**	**0.01%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
3	Credit institutions	1.42%	0.11%	0.00%	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	1.42%	0.11%	0.00%	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
20	**Non-financial undertakings**	**0.98%**	**0.61%**	**0.00%**	**0.15%**	**0.05%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
21	Loans and advances	0.86%	0.54%	0.00%	0.15%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.12%	0.07%	0.00%	0.00%	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
24	**Households**	**13.22%**	**1.45%**	**1.45%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**					**0.00%**	**0.00%**	**0.00%**	**0.00%**
25	of which loans collateralised by residential immovable property	13.22%	1.45%	1.45%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%	0.00%	0.00%	0.00%
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%												
28	**Local government financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	**Building Financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	**Other local government financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	Total GAR assets	15.61%	2.16%	1.45%	0.16%	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

SPARKASSE
CASSA DI RISPARMIO

continued: Template 4 - GAR KPI flow - Based on Turnover (2 of 2)

		31.12.2024													
		r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
% (compared to total assets covered in the denominator)		Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which special purpose loans	Of which enabling			Of which special purpose loans	Of which enabling			Of which special purpose loans	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	15.62%	2.16%	1.45%	0.16%	0.05%	30.73%
2	**Financial undertakings**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**1.42%**	**0.11%**	**0.00%**	**0.01%**	**0.01%**	**7.19%**
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.42%	0.11%	0.00%	0.01%	0.01%	6.20%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.15%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.42%	0.11%	0.00%	0.01%	0.01%	5.05%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.99%
8	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.99%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.99%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
20	**Non-financial undertakings**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.98%**	**0.61%**	**0.00%**	**0.15%**	**0.05%**	**3.51%**
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.86%	0.54%	0.00%	0.15%	0.01%	3.07%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.12%	0.07%	0.00%	0.00%	0.04%	0.42%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.03%
24	**Households**									**13.22%**	**1.45%**	**1.45%**	**0.00%**	**0.00%**	**20.00%**
25	of which loans collateralised by residential immovable property									13.22%	1.45%	1.45%	0.00%	0.00%	13.22%
26	of which building renovation loans									0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans									0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28	**Local government financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%
29	**Building Financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	**Other local government financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	Total GAR assets	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	15.62%	2.16%	1.45%	0.16%	0.05%	30.73%

Template 4 - GAR KPI flow - Based on CapEx (1 of 2)

		31.12.2024																
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
% (compared to total assets covered in the denominator)		Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)				Circular economy (EC)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which special purpose loans	Of which transitional	Of which enabling			Of which special purpose loans	Of which enabling			Of which special purpose loans	Of which enabling			Of which special purpose loans	Of which enabling
GAR - Covered assets in both numerator and denominator																		
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	16.83%	3.01%	1.45%	0.94%	0.14%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	**Financial undertakings**	**1.61%**	**0.12%**	**0.00%**	**0.01%**	**0.01%**	**0.01%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
3	Credit institutions	1.42%	0.12%	0.00%	0.01%	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	1.42%	0.12%	0.00%	0.01%	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial undertakings	0.19%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which insurance undertakings	0.19%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.19%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
20	**Non-financial undertakings**	**2.00%**	**1.45%**	**0.00%**	**0.93%**	**0.13%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
21	Loans and advances	1.77%	1.31%	0.00%	0.93%	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.23%	0.14%	0.00%	0.00%	0.07%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
24	**Households**	**13.22%**	**1.45%**	**1.45%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**					**0.00%**	**0.00%**	**0.00%**	**0.00%**
25	of which loans collateralised by residential immovable property	13.22%	1.45%	1.45%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%	0.00%	0.00%	0.00%
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%												
28	**Local government financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	**Building Financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	**Other local government financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	Total GAR assets	16.83%	3.01%	1.45%	0.94%	0.14%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

continued: Template 4 - GAR KPI flow - Based on CapEx (2 of 2)

		31.12.2024													
		r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
% (compared to total assets covered in the denominator)		Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which special purpose loans	Of which enabling			Of which special purpose loans	Of which enabling			Of which special purpose loans	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	16.84%	3.01%	1.45%	0.94%	0.14%	30.73%
2	**Financial undertakings**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**1.62%**	**0.12%**	**0.00%**	**0.01%**	**0.01%**	**7.19%**
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.43%	0.12%	0.00%	0.01%	0.01%	6.20%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.15%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.43%	0.12%	0.00%	0.01%	0.01%	5.05%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.19%	0.00%	0.00%	0.00%	0.00%	0.99%
8	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.19%	0.00%	0.00%	0.00%	0.00%	0.99%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.19%	0.00%		0.00%	0.00%	0.99%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
20	**Non-financial undertakings**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**2.00%**	**1.45%**	**0.00%**	**0.93%**	**0.13%**	**3.51%**
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.77%	1.31%	0.00%	0.93%	0.05%	3.07%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.23%	0.14%	0.00%	0.00%	0.07%	0.42%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.03%
24	**Households**									**13.22%**	**1.45%**	**1.45%**	**0.00%**	**0.00%**	**20.00%**
25	of which loans collateralised by residential immovable property									13.22%	1.45%	1.45%	0.00%	0.00%	13.22%
26	of which building renovation loans									0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans									0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28	**Local government financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%
29	**Building Financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	**Other local government financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	Total GAR assets	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	16.84%	3.01%	1.45%	0.94%	0.14%	30.73%

Template 5 - KPI off-balance sheet exposures (stock) - Based on Turnover

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
% (compared to total eligible off-balance sheet assets)		31.12.2024																
		Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)				Circular economy (EC)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which special purpose loans	Of which transitional	Of which enabling			Of which special purpose loans	Of which enabling			Of which special purpose loans	Of which enabling			Of which special purpose loans	Of which enabling
1	Financial guarantees (FinGuar KPI)*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Assets under Management (AuM KPI)	10.78%	2.87%	0.00%	0.15%	1.45%	0.26%	0.03%	0.00%	0.01%	0.01%	0.00%	0.00%	0.00%	0.41%	0.01%	0.00%	0.01%

		r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
% (compared to total eligible off-balance sheet assets)		31.12.2024												
		Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which special purpose loans	Of which enabling			Of which special purpose loans	Of which enabling			Of which special purpose loans	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)*	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Assets under management (AuM KPI)	0.19%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	11.67%	2.92%	0.00%	0.15%	1.47%

* The Group has no financial guarantees to counterparties subject to disclosure requirements

Template 5 - Off-balance sheet exposures (stock) - Based on CapEx

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
% (compared to total eligible off-balance sheet assets)		31.12.2024																
		Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)				Circular economy (EC)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which special purpose loans	Of which transitional	Of which enabling			Of which special purpose loans	Of which enabling			Of which special purpose loans	Of which enabling			Of which special purpose loans	Of which enabling
1	Financial guarantees (FinGuar KPI)*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Assets under management (AuM KPI)	13.97%	5.23%	0.00%	0.22%	2.68%	0.24%	0.10%	0.00%	0.01%	0.02%	0.01%	0.00%	0.00%	0.13%	0.00%	0.00%	0.00%

		r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
% (compared to total eligible off-balance sheet assets)		31.12.2024												
		Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which special purpose loans	Of which enabling			Of which special purpose loans	Of which enabling			Of which special purpose loans	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)*	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Assets under management (AuM KPI)	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	14.39%	5.35%	0.00%	0.22%	2.70%

* The Group has no financial guarantees to counterparties subject to disclosure requirements

Template 5 - Off-balance sheet exposures (flow) - Based on Turnover

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
% (compared to total eligible off-balance sheet assets)		31.12.2024																
		Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)				Circular economy (EC)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which special purpose loans	Of which transitional	Of which enabling			Of which special purpose loans	Of which enabling			Of which special purpose loans	Of which enabling			Of which special purpose loans	Of which enabling
1	Financial guarantees (FinGuar KPI)*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Assets under management (AuM KPI)	6.52%	2.13%	0.00%	0.35%	0.98%	0.37%	0.01%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.19%	0.01%	0.00%	0.00%

		r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
% (compared to total eligible off-balance sheet assets)		31.12.2024												
		Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which special purpose loans	Of which enabling			Of which special purpose loans	Of which enabling			Of which special purpose loans	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)*	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Assets under management (AuM KPI)	0.20%	0.01%	0.00%	0.01%	0.06%	0.00%	0.00%	0.00%	7.34%	2.16%	0.00%	0.35%	1.00%

* The Group has no financial guarantees to counterparties subject to disclosure requirements

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Template 5 - Off-balance sheet exposures (flow) - Based on CapEx

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
% (compared to total eligible off-balance sheet assets)		31.12.2024																
		Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)				Circular economy (EC)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which special purpose loans	Of which transitional	Of which enabling			Of which special purpose loans	Of which enabling			Of which special purpose loans	Of which enabling			Of which special purpose loans	Of which enabling
1	Financial guarantees (FinGuar KPI)*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Assets under management (AuM KPI)	8.91%	3.48%	0.00%	0.21%	1.70%	0.18%	0.09%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.07%	0.00%	0.00%	0.00%

		r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
% (compared to total eligible off-balance sheet assets)		31.12.2024												
		Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which special purpose loans	Of which enabling			Of which special purpose loans	Of which enabling			Of which special purpose loans	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)*	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Assets under management (AuM KPI)	0.04%	0.01%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	9.21%	3.58%	0.00%	0.21%	1.73%

* The Group has no financial guarantees to counterparties subject to disclosure requirements

Standard templates for the disclosure referred to in Article 8(6) and (7) of EU Delegated Regulation 2021/2178

Template 1 - Nuclear and fossil gas-related activities - stock assets (Turnover and CapEx)

Line	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and implementation of innovative electricity generation facilities that produce energy from nuclear processes with minimum waste from the fuel cycle.	YES
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES

Line	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to the construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

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Template 2 - Taxonomy-aligned economic activities (denominator) - stock assets - Turnover

Line	Economic activities	Amount (mln €) and proportion (%)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	166	1.42%	166	1.42%	0	0.00%
8.	Total applicable KPI	11,694	100.00%	11,694	100.00%	11,694	100.00%

Template 2 - Taxonomy-aligned economic activities (denominator) - stock assets - CapEx

Line	Economic activities	Amount (mln €) and proportion (%)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	211	1.80%	210	1.80%	1	0.00%
8.	Total applicable KPI	11,694	100.00%	11,694	100.00%	11,694	100.00%

Template 3 - Taxonomy-aligned economic activities (numerator) - stock assets - Turnover

Line	Economic activities	Amount (mln €) and proportion (%)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	0.01%	0	0.01%	-	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	0.03%	0	0.03%	-	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	0.17%	0	0.17%	-	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	0.10%	0	0.10%	0	1.21%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	166	99.68%	166	99.69%	0	98.79%
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	166	100.00%	166	100.00%	0	100.00%

Template 3 - Taxonomy-aligned economic activities (numerator) - stock assets - CapEx

Line	Economic activities	Amount (mln €) and proportion (%)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	0.04%	0	0.04%	-	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	0.06%	0	0.06%	-	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	0.10%	0	0.10%	-	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	0.01%	0	0.01%	-	0.00%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	211	99.79%	210	99.79%	1	100.00%
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	211	100.00%	210	100.00%	1	100.00%

Template 4 - Taxonomy-eligible but not taxonomy-aligned economic activities - stock assets - Turnover

Line	Economic activities	Amount (mln €) and proportion (%)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	1	0.03%	1	0.03%	-	0.00%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.01%	0	0.01%	0	0.09%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	2,968	99.96%	2,967	99.96%	0	99.91%
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	2,969	100.00%	2,968	100.00%	0	100.00%

Template 4 - Taxonomy-eligible but not taxonomy-aligned economic activities - stock assets - CapEx

Line	Economic activities	Amount (mln €) and proportion (%)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	-	0.00%
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	2,990	99.99%	2,989	99.99%	0	100.00%
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	2,990	100.00%	2,990	100.00%	0	100.00%

Template 5 - Taxonomy non-eligible economic activities - stock assets - Turnover

Line	Economic activities	Amount (mln €)	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.00%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.00%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.01%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.00%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.00%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.00%
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	8,559	99.99%
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	8,559	100.00%

Template 5 - Taxonomy non-eligible economic activities - stock assets - CapEx

Line	Economic activities	Amount (mln €)	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.00%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.01%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.00%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.00%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.00%
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	8,493	99.99%
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	8,493	100.00%

Climate change

E1.GOV-3 – Integration of sustainability-related performance in incentive schemes

For details on remuneration policies linked to sustainability objectives, and in particular climate objectives, see the section "*Integration of sustainability-related performance in incentive schemes*".

E1-1 – Transition plan for climate change mitigation

The Group has not yet adopted a comprehensive Transition Plan. The Sparkasse Group is committed to defining a Transition Plan in the medium term.

SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

With reference to the topic "*Climate change*", the following table shows the impacts, risks and opportunities ("IROs") identified by the Group.

Climate change			
IRO description	IRO type	Time horizon	Coverage[5]
Contribution to climate change mitigation and adaptation including through the credit/financing process and the composition of the securities portfolio	Positive impact	Medium	D-VC
Promotion of energy efficiency initiatives and use of renewable energy	Positive impact	Medium	OO;
Acceleration of the climate change process through direct and indirect greenhouse gas emissions, including as a result of the potential increase in energy consumption	Negative impact	S-T	OO;
Unintended social consequences of the exclusion of sectors exposed to climate and environmental risks, as this could affect social structures (e.g. job losses)	Negative impact	S-T	D-VC
Physical risks with financial consequences in terms of destroyed property, repair costs and impacts on the Group's business profiles (e.g. branches unusable due to flooding, business downtime due to adverse weather events, etc.)	Risk	S-T	D-VC
Transition risks that relate to the financial loss due to the shift towards a low-carbon economy, with consequent efforts and costs in terms of adaptation and change of strategy (e.g. non-compliance costs, change in customers' purchasing preferences...)	Risk	S-T	D-VC
Regulatory risk due to rapidly changing environmental and climate standards, resulting in adaptation efforts and costs	Risk	S-T	D-VC
Cost savings/increased revenue through appropriate climate change mitigation and adaptation actions (e.g. by reducing energy consumption and/or increasing low-carbon products and services)	Opportunities	Medium	D-VC
Supporting sustainable investments for long-term financial benefits (e.g. investing/financing in undertakings, developing advisory services to support customers)	Opportunities	Medium	D-VC
Strengthening the assessment of climate/environmental risks and incorporating them into existing processes to mitigate credit and financial risks	Opportunities	Medium	D-VC

Starting in Q3 2023, the Group introduced into its system the Physical Risk Score, the Transition Risk Score and the Climate Change Risk Score (CCRS, a synthesis of the previous two), which were obtained from an external provider and assign a risk score to corporate counterparties. In addition, a specific physical score is calculated for both individual and corporate counterparties, which takes into account real estate pledged as collateral.

Physical risk is assessed with reference to both the counterparties (Businesses) and the real estate collateral portfolio. With reference to Businesses, the physical risk to the company's overall operations is assessed by analysing the risk that physical events may harm operational assets (facilities, warehouses, etc.), limiting their operations. With reference to the real estate collateral portfolio, the risk is assessed that physical events may harm a real estate asset securing loans granted by the Bank, resulting in a loss of value for the Bank.

5 Abbreviations relating to the level of value chain (VC) coverage: ("OO": Own Operations); ("U-VC": Upstream Value Chain); ("D-VC": Downstream Value Chain)

The Group does not currently have specific procedures and methodologies for conducting a structured resilience analysis of its strategy and business model with respect to climate change.

Nevertheless, for the purposes of preparing the ICAAP-ILAAP Annual Report, the Parent Bank carries out a stress test exercise (sensitivity analysis) on the Group to take into account the physical risk and the transition risk associated with the loan portfolio.

With regard to physical risk, a "stress" LGD was assumed for the definition of the adverse scenario, reflecting the worsening of recovery rates on mortgage exposures with a "High" and "Very High" physical risk associated with collateral properties, compared to what was adopted in the normal course of business (current view). The increase in LGD was then applied to the adjustment rates of the positions in scope on the reference date.

With reference to the database used to define the stress LGD for ICAAP purposes, the following shocks set out by the ECB in the "2022 Climate Risk Stress Test" were applied to mortgage-backed exposures:

- mortgage-backed commercial real estate (CRE) portfolio: - 43% if the physical risk is "High" and "Very High";
- residential real estate (RRE) mortgage-backed portfolio: - 45% if the physical risk is "High" and "Very High".

As regards transition risk, a 'what if' analysis was carried out for the definition of the adverse scenario, assuming that positions with an associated "High" and "Very High" transition risk, with the same counterparty rating, were artificially classed as Stage 2.

According to the results obtained as at 31.12.2024, consistent with the methodological approach adopted for the assessment of financial materiality, the impact of climate change (risk assessment) on the loan portfolio was assessed as "Medium High" in terms of profitability and "Medium Low" in terms of capital.

Also in the area of liquidity risk, in the 2023 ICAAP-ILAAP Report, the Group conducted an initial stress test in which it took into account a reduction in liquidity resulting from a reduction in the value of residential properties subject to a high flood risk.

For the purposes of the analysis, only individual counterparties subject to high flood risk with homes in Friuli-Venezia Giulia, Veneto and Trentino-Alto Adige, the regions with the most significant amounts/sales, were considered.

The reduction in liquidity was assumed to be equal to the reduction in property value resulting from the extreme flooding event, using as a proxy the estimated percentage reductions reported in the "2022 Climate Risk Stress Test" paper published by the EBA (-45% price shock on residential real estate).

The results showed a low risk of outflows from an extreme flood event on residential properties involving individual counterparties.

E1.IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities

The Sparkasse Group, in view of its business model, has identified the impacts, risks and opportunities described in the table above. The Group's direct GHG emissions refer to its operating properties. These emissions are low and mainly relate to renewable electricity consumption and, on a residual basis, the use of gas to power certain boilers that are in the process of being replaced by heat pumps. Indirect GHG emissions, which are higher, arise mainly from financing activities with customers. For details of the process of impact identification and analysis, see "*General disclosures*", Part One of the Sustainability Statement.

The integration of ESG risks, and in particular climate change risk, into the risk management framework is mainly achieved through:

- the introduction of climate and environmental risks into the risk map;

- a materiality analysis to assess the significance of climate and environmental risk factors (physical risk and transition risk);
- conducting management stress tests (sensitivity of physical risk and transition risk) to assess the impacts of these risks in terms of capital adequacy and liquidity management;
- the definition of specific RAF limits and operational limits within the Risk Appetite Framework (RAF);
- the introduction of management overlay measures for the Stage 2 classification of positions belonging to sectors with a high concentration of exposure to environmental and climate risks for the purpose of calculating the expected credit loss (ECL) on performing loans;
- the monitoring of ESG risks according to the different risk categories (credit risk, market risk, operational risk), with particular reference to climate and environmental risks.

The Risk Appetite Framework (RAF) was enriched with new RAF limits, new operational limits and new risk indicators to monitor and assess the main risks related to ESG issues, with a focus on climate and environmental risks.

In this regard, a set of indicators and limits have been identified for credit risk in order to monitor:

- the estimated maximum loss (EML) of corporate counterparties in sectors with "High" and "Very High" Climate Change Risk Scores (CCRS).
- the exposure of businesses in sectors with “High” and “Very High” Transition Risk Scores;
- for the individual counterparty portfolio, the % of real estate loans on properties classed as “High” and “Very High” physical risk, Energy Class 'F' or 'G' and Loan To Value <= 80%.

For market risk, the Risk Management Function monitors ESG factors using a risk indicator related to the monitoring of the ESG ratings for the securities portfolio by setting a minimum rating threshold (B).

For operational risk, there are specific risk indicators called “Operational losses related to environmental factors (Environmental)”, “Operational losses related to social factors (Social)” and “Operational losses related to governance factors (Governance)”.

The analyses carried out on climate and environmental risks described above are used not only to assess the risks themselves, but also to define the RAF indicators. In addition, the results of these analyses were taken into account in assigning the level of financial materiality to topic E1 - Climate Change, in line with the methodological choices adopted and described in "*General disclosures*", Part One of the Sustainability Statement.

The Group currently:

- does not perform any further scenario analysis;
- does not assess other asset items besides loans to customers;
- did not identify any specific climate-related dangers and/or transition events based on the analyses performed.

E1-2 – Policies related to climate change mitigation and adaptation

The Sparkasse Group has not adopted a specific policy on climate change.

In Europe, the banking system has been identified as one of the levers to implement European Union ESG strategies. Sustainable finance is at the forefront of the pillars of financial regulation in 2025, and ESG factors will become a cross-cutting theme across all banking functions as a result of the strong regulatory impetus under way.

In a similar initiative, the Bank of Italy recently invited banking system participants to consider climate and environmental risks in their processes for assessing, granting and monitoring loans in addition to traditional risks. In response to the publication of the Bank of Italy's list of 12 expectations for climate and environmental risks and subsequent best practices, the Sparkasse Group provided the supervisory authority with its ESG Plan 2024-2026, which integrates climate change mitigation and adaptation measures.

The Sparkasse Group Code of Ethics includes a commitment to managing its impact on the environment effectively and efficiently. With this in mind, the objectives to be pursued by all Recipients are: reducing energy consumption and the use of consumables, making waste management more efficient, improving corporate mobility and upgrading the energy efficiency of buildings. In addition, there is a constant search for innovative and effective environmental solutions, including the offer of specific products and services to customers.

In the context described above, in 2024 the Sparkasse Group approved the "HORIZON 2026" business plan, through which it aims to consolidate its position as the leading independent Group based in the Triveneto region, demonstrating that it is in step with the times and close to households and businesses, thanks to the importance it places on the issues of sustainability, innovation and the creation of value added for the territory in which it operates.

The new Plan contains key priorities aimed at improving the Group's efficiency and effectiveness. Among these priorities, an important role is played by the focus on sustainability, which includes concrete actions to reduce environmental impact and promote sustainable development.

In addition, the Group's Sustainability Policy makes explicit its awareness of the environmental responsibility arising both from its own direct business activities and from the behaviour of the actors with whom it interacts along its value chain. This Policy also formalises the following environmental commitments:

- monitor and reduce the Group's emissions through energy efficiency and consumption optimisation policies, efficient commodities procurement and waste disposal;
- prefer energy supply from renewable sources wherever possible;
- promote sustainable mobility habits and initiatives;
- encourage sustainable behaviour in customers, employees, suppliers and all stakeholders in order to mitigate the environmental impact of its value chain.

Policies on own operations

As of 2024, the Sparkasse Group has not formalised specific policies as the environmental impacts resulting from the use of its property assets are low. Nonetheless, in 2025 the Group will undertake the process of obtaining ISO 14001 Environmental Management System certification.

The Cassa di Risparmio di Bolzano Group, considering the nature of its services and products, mainly uses paper and toner as commodities.

Over the years, numerous initiatives have been undertaken to use resources more effectively and efficiently. In particular, to reduce direct environmental impact and initiate cost-saving actions, since 2017 the Group has adopted a strategic programme called "paperless". This programme aims to drastically reduce the use of paper and toner through the implementation of work processes that reduce paper consumption, in addition to enabling the use of digital signatures by customers. This allows bank documents to be signed without printing them, leading to significant paper and toner savings. In addition, since 2018, the use of recycled paper has been gradually introduced, starting with the management offices. This has reduced the environmental impact and kept costs down, even in times of rising pulp costs.

The Group has not introduced a specific policy for the use of paper and toner, as it has achieved satisfactory results from the initiatives undertaken in recent years. It is also considered at Group level that it will be difficult to further reduce paper and toner use. Moreover, in a benchmarking exercise with a panel of comparable banks, the Group's consumption was slightly below the panel average.

Credit policies

In line with regulatory developments and the requirements of the Commission Delegated Regulation (EU) 2021/2178 (the "EU Taxonomy"), the Group has begun integration activities in respect of credit policy. The latter provides operational and behavioural guidelines that orient the Bank's activities towards the proper management of environmental issues.

The Group plans, in line with recent regulatory developments and market expectations, to introduce climate and environmental assessment components (e.g. energy class, climate risk, environmental risk, physical risk and transition risk) alongside the economic and financial drivers commonly used for assessing counterparty creditworthiness.

E1-3 – Actions and resources in relation to climate change policies

Actions relating to own operations

As a consolidated company of the Sparkasse Group, Sparim manages the entire Group's property assets, according to the business plan approved by the Parent Bank's Board of Directors from time to time.

During 2024, energy management continued - within the scope of an Energy Performance Contract signed in 2018 for a ten-year term - with reference to Sparkasse's property assets. This activity has resulted, already as of 2019 and on a structural basis, in the reduction of consumption and emissions by more than 20% compared to the baseline.

In addition, boilers will be progressively replaced with heat pumps in the Group's properties, which will provide further benefits in terms of reducing CO2 emissions.

As for future targets, the Group aims to reduce Scope 2 (Market-Based) emissions to zero by 2025 and to reduce the emissions from its properties (included in Scope 1) by 45% by 2030 compared to 2024, in line with the ESG Plan. Please refer to the relevant paragraphs for further details.

Regarding CiviBank, in 2024 the scope of activities and investments that will be put in place from 2025 within the framework of a ten-year Energy Performance Contract has been identified, which could lead to a structural reduction in consumption and emissions from its properties of between 12% and 15%, i.e. the headquarters in Cividale and the 64 branches located throughout Friuli-Venezia Giulia and Veneto. Energy consumption and environmental emissions will be significantly reduced. When fully operational, a reduction of over 200 tonnes of CO2 per year is expected, which is equivalent to the absorption of emissions by 1,200 trees each year. The investments and technical activities plan will be managed in cooperation with the energy service company Uno Energy Innovative Solutions and the team of local Friuli-Venezia Giulia maintenance companies that have been working with the Bank for some time.

Since 2023, the Group has also been engaged in energy self-production from renewable sources through its subsidiary Sparkasse Energy, with a first solar farm entering production in December 2024, and a second under construction and scheduled to come on stream in 2025. The total capacity of the two solar farms is 8 MWh, which will allow them to cover the Group's electricity consumption in full.

Sparkasse Energy is operating/building two solar farms:

- the facility in Villa Poma (MN) started operation on 9/12/24 and produces 3,100k MWh/year;
- the plant in Gazzo Veronese (VR) will be operational by the summer and will produce 10,100k MWh/year.

The Sparkasse Energy project requires significant CapEx investments (land and facilities) totalling EUR 12.7 million from 2023 to 2025.

With regard to supplier management, the internal regulations were supplemented in 2024 to include ESG criteria in the evaluation of suppliers within the Register, which will be progressively integrated into the processes.

The Group's most significant actions in terms of the environmental impacts of its purchasing policies, specifically of paper and toner, relate to the following areas:

- Reducing paper consumption and making the related processes more efficient;
- Limiting printing in colour;
- Purchase of Forest Stewardship Council (FSC) certified paper;
- Purchase of recycled paper.

In 2024, the Cassa di Risparmio Group continued its focus on the use of commodities derived from recycled materials, through the exclusive use of FSC (Forest Stewardship Council) certified paper and increasing the percentage of recycled paper used from 41.4% in 2023 to 62.9% in 2024.

From the recycled papers available, the Group has chosen to use the most environmentally friendly paper, produced by a German company that is a leader in the European market, which has not only the EU Ecolabel but also Blue Angel certification, the German ecolabel. Compared to paper made from virgin fibres, this recycled paper offers the highest saving in terms of CO2 emissions and consumption of raw materials, energy and water.

Actions related to credit policies

The Sparkasse Group, in line with the operational rules for granting and monitoring credit and credit policies, has introduced guidelines for the proper management of ESG issues in relation to the bank's lending activities.

In order to accurately assess loan requirements with respect to eligibility and alignment to the European Taxonomy, with the aim of mitigating and adapting to climate change, as well as to accurately calculate (where possible) the GHG emissions of its portfolio, the Group has arranged to enrich its information assets by introducing the requirement to retrieve the energy performance certificate for properties pledged as collateral from the counterparty into the Operating

Rules for the granting and monitoring of credit. In addition, in order to improve the quality of the historical data stored in its systems, it conducted campaigns to retrieve energy performance certificates from existing counterparties (stock of loans).

In addition, in order to ensure higher data quality, if the information on the specific energy class is not available, the Group makes use of a certified estimate, acquired from an accredited and established provider.

With regard to climate and environmental risks, in line with the requirements of the Bank of Italy's "12 expectations", a "Climate Change Risk Score" was implemented in 2024 with the aim of monitoring historical exposures to corporate counterparties with respect to the:

- Physical climatic risk: measures the exposure of corporate customers to acute and chronic physical climatic and environmental risk factors, understood as factors that could harm the value of the collateral property or the company's operations;
- Transition risk: measures the potential impact of the transition to a net zero production system (carbon tax, emission reduction investments, technology and market changes, etc.). It is determined from public data considering the EU taxonomy, consumption intensity, changes in technology and the market.

In continuity and consistency with the above, the Group has acquired and recorded in its systems a physical climate and environmental risk score attributed to all real estate pledged as collateral, in order to monitor the exposure of the same with respect to the risks envisaged by Regulation 2021/2139 EC.

E1-4 - Targets related to climate change mitigation and adaptation

The Group has no measurable targets for 2024 for the reduction of Scope 1, 2 and 3 emissions. On the other hand, it has set itself the goal of achieving zero Scope 2 (Market-Based) emissions in 2025, thanks to the launch of the Sparkasse Energy project, described in the previous section.

The target for Scope 1 emissions is to reduce emissions from the Group's properties by 45% in 2030 compared to 2024. This is expected to be achieved through the implementation of the levers described above.

The above objectives were defined internally in line with the activities of the Group's ESG Plan. These were not identified on the basis of decarbonisation curves consistent with the goal of limiting global warming to 1.5°C.

For the loan portfolio target, please refer to the chapter on *Sustainable Finance.*

E1-5 – Energy consumption and mix

Energy consumption and mix	Group (2024)
1) Natural gas for heating	2,697
2) LPG	2
3) Automotive diesel	1,050
4) Automotive petrol	134
5) Energy purchased from non-renewable sources	2,153
6) Total energy consumption from fossil sources (MWh) (sum of rows 1 to 5)	6,036
Share of fossil sources in total energy consumption (%)	53%
7) Consumption from nuclear sources (MWh)	0
Share of nuclear sources in total energy consumption (%)	0
8) Fuel consumption for renewable sources, including biomass (also includes industrial and municipal waste of biological origin, biogas, renewable hydrogen, etc.) (MWh)	0
9) Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources (MWh)	5,313
10) Consumption of self-generated non-fuel renewable energy (MWh)	0
11) Total energy consumption from renewable sources (MWh) (sum of rows 8 to 10)	5,313
Share of renewables in total energy consumption (%)	47%
Total energy consumption (MWh) (sum of rows 6, 7 and 11)	11,348

For the calculation of electricity and gas consumption, data was collected for the 12 months of the year, where available, while for the remaining months or in the case of partial information, consumption was estimated. Any estimates were made on the basis of the current year's consumption. In this case, the fuels accounted for are: Natural gas, LPG, diesel and petrol for automotive use.

In respect of energy consumption, the share of electricity from renewable sources certified through Guarantees of Origin (GO) was assessed.

The Sparkasse Group does not incur any consumption for carrying out activities in Section L - Real Estate Activities*, which is one of the high climate impact sectors, as defined in Annex I of Regulation (EC) 1893/2006 of the European Parliament and of the Council (as defined in Commission Delegated Regulation (EU) 2022/1288). Moreover, the consumption incurred by the subsidiary Sparim S.p.A. relates to properties used in the conduct of banking business.

E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions

Gross Scopes 1, 2, 3 and Total GHG emissions	Group (2024)
Scope 1 GHG emissions	
Gross Scope 1 GHG emissions (tCO_2eq)	885
Scope 2 GHG emissions	
Gross Scope 2 GHG emissions, location-based (tCO_2eq)	2,180
Gross Scope 2 GHG emissions, market-based (tCO_2eq)	673
Significant Scope 3 GHG emissions	
1. Purchased goods and services	119
2. Capital goods	
3. Fuel and energy-related activities (not included in Scope 1 or Scope 2)	
4. Upstream transportation and distribution	
5. Waste generated in operations	1
6. Business travel	
7. Employee commuting	
8. Upstream leased assets	
9. Downstream transportation and distribution	
10. Processing of sold products	
11. Use of sold products	
12. End-of-life treatment of sold products	
13. Downstream Leased Assets	6,865
14. Franchises	
15. Investments	463,572
Total GHG emissions	
Total GHG emissions (location-based) (tCO_2eq)	473,662
Total GHG emissions (market-based) (tCO_2eq)	472,115

Electricity from renewable sources purchased by the Group is certified with a Guarantee of Origin.

GHG intensity in relation to net revenues	Group (2024)
Total GHG emissions (position-based) per net revenues (tCO2eq/monetary unit)	0.00110
Total GHG emissions (market-based) per net revenue (tCO2eq/monetary unit)	0.00110

Net revenue is considered to be theGroup's net interest and other banking income(item 120 of the Consolidated Income Statement).

The Sparkasse Group in quantifying Scope 1 emissions uses primary energy consumption data derived mainly from fuel bills and fuel cards (energy consumption is also assessed within indicator E1- 5) using specific emission factors for individual energy categories as set out in the Ministry of the Environment "Table of national standard parameters for greenhouse gas monitoring and reporting".

With regard to Scope 2, energy consumption deriving mainly from utility bills was used as primary data (energy consumption is also measured as part of indicator E1- 5) using specific emission factors as outlined within the sector guidelines (ABI Lab guidelines on the application in banking of the European Sustainability Reporting Standards (ESRS) - environmental topics - version December 2024)

In assessing the relevant Scope 3 categories, the Sparkasse Group takes into account the requirements defined within the GHG Protocol's Corporate Value Chain Accounting and Reporting Standard. Furthermore, as a financial institution, the Group takes into account the Global GHG Accounting and Reporting Standard for the Financial Industry developed by the Partnership for Carbon Accounting Financials (PCAF).

Overall, with regard to Scope 3, the percentage of emissions calculated using primary data collected from suppliers or other value chain actors is about 13%.

For the purpose of the Reporting as at 31 December 2024, the Group excluded the following Scope 3 categories from the list:

- Category 2 - Capital goods: the Group did not purchase any capital goods in the current year;
- Category 3 - Fuel- and energy-related activities not included in Scope 1 or Scope 2: as a financial institution, the Group did not consider this category to be significant with respect to energy consumption;
- Category 4 - Upstream transportation and distribution: not applicable to the Group;
- Category 6 - Business travel: an estimate could not be made due to partial data coverage for this category;
- Category 7 - Employee commuting: not significant in light of the estimates made;
- Category 8 - Upstream leased assets: not applicable to the Group;
- Category 9 - Downstream transportation and distribution: not applicable to the Group;
- Category 10 - Processing of sold product: not applicable to the Group;
- Category 11 - Use of sold products: not applicable to the Group;
- Category 12 - End-of-life treatment of sold products: not applicable to the Group;
- Category 14 - Franchises: not applicable to the Group.

Within Scope 3, the emissions calculated refer to the Group's prudential scope of consolidation. Below are the details of the methodologies and data used:

- Category 1: Emissions related to "Purchased goods and services" for the Group were quantified using the "average-data method" in line with the relevant GHG Protocol Standard. In particular, office paper and toners were considered as purchased goods.
- The emissions were calculated using the following emissions factors:
  - UK Government GHG Conversion Factors for Company Reporting - DEFRA 2024 for office paper
  - HP LCA for LaserJet cartridges for toner

With reference to the emission coefficient for toner, the contribution of the upstream process related to production is taken into account, re-proportioned for the corrected functional unit.

- Category 5: Emissions related to "Waste generated in operations" were quantified using the average-data method in line with the relevant GHG Protocol Standard. In particular, the scope of the emissions calculation includes the following types of waste:
  - Bulky waste
  - Insulating material
  - Equipment no longer in use
  - Paper

- Toner
- Iron and steel
- Batteries

All waste produced by the Group is routed to the municipal disposal site; therefore, the category-specific emissions factors (source: UK Government GHG Conversion Factors for Company Reporting - DEFRA 2024) used for calculation purposes mainly refer to the landfill type of disposal, except for paper intended for recovery.

- Category 13: Emissions related to "Downstream Leased Activities" were quantified using the average-data method in line with the relevant GHG Protocol Standard. The scope for the calculation of emissions includes Group-owned real estate leased to third parties. Secondary data and sector averages, such as emission coefficients (provided by the PCAF Standard - Partnership for Carbon Accounting Financials) are used to estimate emissions. These coefficients, differentiated according to the intended use of the real estate, are then multiplied by the surface area (expressed in square metres) determined through property surveys.
  It should be noted that given the discretionary nature of the ABI Lab guidelines, these issues were reported within Scope 3

- Category 15: For this first year of reporting, the Group has chosen to provide disclosure of financed emissions related to the individuals segment, represented by residential real estate, and emissions related to the government securities segment.
  In particular, with regard to loans to private individuals, emissions were calculated in line with the PCAF Standard. The calculation is based on the building's surface area in square metres, an emission coefficient (derived from the Energy Performance Certificates, where available, or alternatively from the SIAPE database) and an attribution factor.

  It should be noted that, for this asset class, estimates were mainly based on building surface area in square metres, when not available, and on emission coefficients.

  Gross emissions from loans to private individuals amounted to 60,956 tCO2eq.

  Concerning the asset class relating to government bonds, however, the calculation of emissions arising from securities to sovereign entities is performed on the basis of the PCAF methodology, relative to the *Sovereign Debt* asset class.

  In detail, the emissions calculation is based on the emissions of the reference country, multiplied by an attribution factor that takes into account the exposure to government bonds, divided by purchasing power parity-adjusted GDP and converted into euros.

  Gross emissions from government bonds amounted to 402,616 tCO2eq.

It should also be noted that, as of 31 December 2024, the Sparkasse Group has not assessed biogenic CO2 emissions from the combustion or biodegradation of biomass for Scope 1, 2 and 3. Furthermore, there are currently no national methodologies to identify these indirect emissions in a timely manner.

PART THREE: SOCIAL DISCLOSURES

Social disclosures: Own workforce

Secure employment, adequate wages, social dialogue and collective bargaining

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

With reference to the topic "*Working conditions: secure employment, adequate wages, social dialogue and collective bargaining*", the table below shows the impacts, risks and opportunities (IROs) identified by the Group. These IROs refer to the total own workforce, which includes employees and other staff, and stem from the Group's overall activities.

Own workforce (Secure employment, Working time, Adequate wages, Social dialogue Collective bargaining)			
IRO description	IRO type	Time horizon	Coverage
Promoting the integration of young people into the world of work, creating new job opportunities	Positive impact	S-T	OO;
Increasing the workforce with adequate employment contracts and social protection	Positive impact	S-T	OO;
Promoting collective bargaining and social dialogue	Positive impact	S-T	OO;
Job creation in the territory	Positive impact	S-T	OO;
Loss/reduction of jobs with effects on the territory ("brain drain abroad")	Negative impact	S-T	OO;
Difficulties for young people in entering the world of work and their emancipation	Negative impact	S-T	OO;
Inadequate job classification	Negative impact	S-T	OO;
Violation of human rights and the right to collective bargaining	Negative impact	S-T	OO;
Shortcomings in selection and sizing resulting in economic losses also in connection with the quality of the products and services provided	Risk	S-T	OO;
Legal and reputational risks related to possible disputes with staff	Risk	S-T	OO;
Legal and reputational risks related to possible disputes with staff	Risk		OO;
Enhanced employee productivity and corporate reputation partly thanks to job creation and adequate remuneration	Opportunities	S-T	OO;
Ensure adequate capacity to manage turnover without leading to loss of knowledge and skills that would lead to negative impacts on company profiles in the medium to long term	Opportunities	S-T	OO;

The actual and potential impacts on the company's own workforce identified above: (i) derive from or are linked to the company's strategy and business model and (ii) guide the company's strategy and business model by contributing to their adaptation. The impacts and dependencies in terms of work form affect, for obvious reasons, the Group's risks and opportunities and consequently its strategy and business model.

The occurrence of employment-related impacts may derive not only from distinctive factors specific to the Group, but also from systemic factors related to the economic and regulatory environment.

S1-1 – Policies related to own workforce

The Sparkasse Group believes that human resources are an essential corporate asset, the development of which is a key factor in achieving its objectives. Employees are the driving force of the Group and represent a true competitive and productive advantage.

The Sparkasse Group guarantees a safe, inclusive and respectful working environment in line with the highest ethical and regulatory standards. To this end, it adopts and complies with a set of policies and guidelines that protect workers' rights, promote corporate welfare, foster professional growth and ensure social dialogue.

In particular, the Group adheres to the principles enshrined in the United Nations International Charter of Human Rights and the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work and the relevant Conventions with particular attention to freedom of association, equal treatment and the fight against forced and child labour with the aim of guaranteeing the integrity of the individual in their physical sphere, understood as safety, freedom and individual personality, and in the psychological sphere, understood as moral and social integrity.

The Group's commitment will be formalised in 2025 with the publication of a policy setting out the guiding principles for its own workforce.

Internally, as will be extensively described in the following chapters, the Group has adopted the *Code of Ethics and Conduct* and the *Diversity, Equity & Inclusion* Policy, which promote mutual respect, combat all forms of discrimination and support the work-life balance. Specific measures are also in place to protect the health and safety of workers, in accordance with current legislation and the best international standards. Moreover, the professionalism and dedication of employees are fundamental values for the achievement of the company's objectives. For this reason, the individual Group companies are committed to developing the skills and enhancing the abilities and potential of their employees, and offer equal employment opportunities to all employees on the basis of their specific professional qualifications and performance capabilities, without any form of intrinsic or extrinsic discrimination.

The workforce is mainly made up of employees plus a small contingent of contract workers. This ensures that the Group plays an important role in the territories in which it operates, promoting the integration of young people into the world of work and, in general, creating new employment opportunities, while providing appropriate employment contracts and social protection.

Relationships between employees, at all levels, are characterised by integrity, loyalty and mutual respect. Therefore, the proper management of staff, which includes following the principles described in the Code of Ethics and Conduct, represents for the Group an ethical duty of all those with responsibility.

The *material* topics highlighted by staff are increasingly those of work-life balance, quality of working life and, in particular, professional and career paths that enrich human resources. Furthermore, the Group pays particular attention to the continuous development of people through specific training programmes for each professional profile. In general, the initiatives launched in previous years continued for all companies during 2024, and in particular the activities on the topic of Welfare, understood as personal and corporate "well-being", were intensified, which represents a point of increasing attention and will remain of great relevance for the next few years.

With this in mind, the People & Transformation Department and, in particular, the People Management Division, are responsible for overseeing the effectiveness and proper functioning of the human resources management process for the Parent Bank and its subsidiaries. In particular, the assignment of roles and responsibilities of the various organisational units responsible for carrying out activities provides for a separation of roles between those who plan staffing requirements (numbers and professional profiles) and those who approve the aforesaid planning, those who approve the guidelines for staff selection and those who carry out the selection of staff when it is not possible to cover needs with internal personnel (due to a lack of sufficient numbers or of the required professional profiles), those who identify training priorities, and finally, those who evaluate staff performance and those who decide on any promotions.

To this end, a Resources Committee has been set up, which supports the Chief Executive Officer/General Manager when making assessments of staff management.

In particular, the Resources Committee:

- evaluates the proposals for the numbers of staff needed that are formulated in the reporting period by the various business units for the Organisation Department and People Management Division for the prior verifications under their responsibility;
- supports the assessment of internal mobility needs (transfers between internal organisational units) in order to facilitate the appropriate qualitative and quantitative sizing of structures;
- monitors the performance of the source-use dynamics of resources with respect to company objectives and business plan targets;
- monitors the trend of staff cost dynamics related to training requirements with respect to company objectives and Business Plan targets;
- carries out a prior assessment of staff initiatives, with particular reference to training and people engagement;
- supports the Head of the People Management Division in ensuring the efficient adoption and continuous and effective implementation of the Diversity, Equity & Inclusion Policy;
- monitors issues related to inclusion, gender equality and integration, and equal opportunities, also with a view to identifying, investigating and managing any form of non-inclusiveness.

S1-2 – Processes for engaging with own workers and workers' representatives about impacts

The Group, also in compliance with the applicable regulations and agreements, provides for ways of involving and informing workers' representatives in the relevant negotiations, with the aim of entering into agreements that introduce new measures and staff management policies, and which improve on the provisions of the sector's national collective labour agreement (CCNL). At the same time, the regular and constant dialogue with workers' representatives makes it possible to understand and intervene in specific situations involving particularly vulnerable workers.

In order to ensure the effective implementation of this involvement and its impact on corporate strategies, the People Management Division has the operational responsibility to ensure that the worker representative consultation and participation processes are effectively carried out and that the results guide the Group's approach to staff management. The agreements are formally signed by the Chief Executive Officer of Cassa di Risparmio di Bolzano S.p.A., representing Sparkasse, and the General Manager of CiviBank, representing Banca di Cividale S.p.A.

Workers' representatives are also involved in the "*territorial discussions*" established with the aim of proposing and discussing the introduction of measures to improve the work-life balance for Sparkasse Group employees. This initiative was launched in 2021 with the aim of preparing a co-created and shared three-year plan with a programme that led to obtaining the "*Family & Work Audit*" certification issued by the Autonomous Province of Bolzano and the subsequent re-certification - following a new audit and the co-creation of a new three-year plan - in 2024.

Similarly, and with the aim of bringing the Sparkasse Group culture to life for employees by directly involving them in defining it, a process of identifying the new Group Values and creating the related Code of Conduct was initiated in 2024.

The definition of the Code of Conduct was the result of a participative and itinerant process, which actively involved people from all areas and levels of the organisation. Through five regional events, 2 hosted in Bolzano, 2 in Udine and 1 in Vicenza, more than 400 employees met for an open and constructive discussion. Growing together means cultivating common roots and caring for the land that unites us and on which we can build the future. With the Code of Conduct, the Group lays the foundations of a strong and shared identity, transforming values into behaviours that guide our daily actions. The path we have embarked on goes beyond words: it is a living commitment, created by people for people, to build a stronger, more inclusive and future-oriented organisational community.

Like a garden, our Code of Conduct has been carefully planted: the seeds are the five values that guide our being part of the Group - Value to People, Reliability, Kindness in Relationships, Innovation and Relationship with the Territory. These values have germinated thanks to a shared journey, an experience that has given voice to each and every person, strengthening our common identity.

S1-3 – Processes to remedy negative impacts and channels for own workers to raise concerns

The Group has adopted a whistleblowing system for reporting concerns as required by the Bank of Italy's Supervisory Provisions, and formalised in the relevant internal regulations.

Specifically, all Group staff, including all those who represent and manage Group companies in any capacity, as well as external contractors/third parties and all persons as referred to in Article 3 of Legislative Decree No. 24 of 10 March 2023, may report any matter with content requiring investigation.

As a general rule, reports are made in writing, which may be in computerised form, or orally. In all cases, internal reporting systems ensure the privacy and protection of the personal data of the reporting person and of any person who has been reported.

The process for managing such reports includes:

- assessment phase: each communication is duly assessed to verify whether its content requires further investigation or assessment, in line with current regulations and what has been established at Group level;
- processing phase: if the assessment phase reveals the need for intervention, the case is analysed and corrective procedures are initiated, ensuring a timely and targeted response to the issues raised, guaranteeing the privacy and protection of the personal data of both the reporting person and any person who has been reported, thus enhancing confidence in the system.

The Group adopts a systemic approach to the control and monitoring of issues raised, which includes regular analysis of reports to assess the effectiveness of channels and processes, as well as constant reminders to employees to provide feedback on the use of channels, in order to continuously improve the system and anticipate any critical issues.

For more information, in particular on the specific reporting channels available, please refer to paragraph "*G1-1 - Corporate culture and business conduct policies*" with specific reference to Internal Whistle-blower Reporting Systems.

S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

The employment contracts offered by the Group are usually for an indefinite period. The employment of young people, particularly in the Province of Bolzano, often takes place through the banking apprenticeship contract, thus ensuring in-depth training (150 hours/year) for new employees provided by the Region/Province (vocational school). At the end of this, the trainees have to sit a final exam before a commission and the same Region/Province then issues the "Banking Operator Diploma".

In order to make the Sparkasse Group attractive and to introduce the two banks to young people, allowing them to enrich their school and academic career through work experience, 2024 saw the continuation - and intensification - of the cooperation with schools and universities throughout the Group's territory. In particular, the Parent Bank has effectively resumed hosting summer interns in its branches and organising work experience for school students, in addition to continuing with the internship projects at the Headquarters of both banks, which were widely attended, particularly curricular and extracurricular ones.

In this respect, especially regarding the Parent Bank, the intense collaboration with Libera University of Bolzano continued, with the aim of pooling training initiatives and sharing experiences of professional growth of recent graduates with potential, including through support for degree courses and academic initiatives of various kinds.

In particular, since 2018, i.e. the first year of its introduction, Sparkasse has been an official partner of the Master's Degree course in Accounting & Finance, offering a degree prize in cash every year to be awarded to the most deserving thesis and a number of study grants for the best students, who thus had the opportunity to attend the second year of the course at Baruch College in New York with which the Libera Università di Bolzano has an agreement for the Italy-USA double degree. Since 2022, following the agreements made by the Libera Università di Bolzano and the re-confirmation of the partnership, the Bank can guarantee a study grant for each academic year at the New York University Stern School of Business, considered one of the most renowned business schools in the world.

It should be noted that the Group's workforce in both banks includes people in protected categories under the terms of the regulations in force. To this end, the banks have entered into an agreement with the relevant institutions that provides for a recruitment programme to gradually cover the mandatory quota.

The selection of employees is carried out in line with the planning of staff requirements and in accordance with the guidelines approved by the companies' Boards of Directors, supervised and guaranteed by the Parent Bank, particularly with regard to staff with technical functions.

Staff recruitment takes place through a careful selection of available CVs and preliminary and technical interviews with candidates carried out directly by the banks or possibly delegated to external companies (e.g. employment agencies). In addition to classic channels and active partnerships with schools and universities for more junior roles, LinkedIn is also actively used as to support the search for candidates, mostly in the case of specific skills, which cannot always be found through advertisements in the local and national press or other traditional channels. The Parent Bank also continued the partnership that began in 2020 with "Karriere Südtirol" and "Carriera Trentino", specialised job search websites focusing on the Alto Adige and Trentino areas, where the Bank regularly posts vacancies on its profile, which also attracts speculative applications, mostly from young people.

In this context, for the whole Group:

- the consistency between planned and recruited resources is verified;
- for the recruitment of people in protected categories, which attracts a subsidy, the appropriate documentation is acquired and staff belonging to the facilitated categories are hired;
- where external companies are used for staff selection, contracts are signed and the relevant termination and penalty clauses are stipulated.

In particular, the following additional aspects are taken into account with regard to the selection of heads of corporate functions:

- verification of professional requirements;
- appointment and termination by the body with strategic supervisory functions, stating the reasons therefor.

In the case of those responsible for the control functions, the governance body with control functions must also be consulted.

It should be noted that - with a view to supporting labour policies that incentivise the application of diversity and gender neutrality principles - significant attention is also paid to gender quotas in staff search and selection activities, particularly when identifying candidates to be short-listed for recruitment.

The action plan described above relating to 2024, which included apprenticeship projects, partnerships with universities (with particular reference to the sponsorship of the Master's Degree in Accounting & Finance at the University of Bolzano), portal licences and job search advertisements, resulted in total operating expenses of €125,000. A budget of €150,000 was approved for the 2025 action plan.

S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The Sparkasse Group is committed to ensuring a working environment that complies with current legislation, recognising that the protection of working conditions goes far beyond the formal fulfilment of legal obligations. The strategy is based on three core pillars: strict compliance with regulations, active listening to staff and the promotion of a participatory culture that allows everyone to actively contribute to the review and improvement of management processes.

The Group's first and foremost commitment is to ensure full compliance with laws and regulations on working conditions. This approach ensures respect for workers' rights, and also lays the foundation for ethical and responsible business management. We constantly monitor the evolution of the regulatory framework and take all necessary measures to be in line with international best practices and local guidelines, thus ensuring a safe, fair and respectful working environment for all staff.

The Group believes that human capital is at the heart of its success and innovation. With this in mind, we actively promote a climate of listening and dialogue, which goes far beyond mere regulatory compliance. We are committed to fostering open communication with employees and trade union representatives; to promote continuous feedback; and to encourage active participation in all staff-related processes.

We are committed to continuous improvement, based on collective participation and open discussion. The qualitative and quantitative objectives related to working conditions and staff management are described in detail in the following chapters and are linked to the development of internal competencies, the promotion of people's well-being and an appropriate work-life balance.

In accordance with the Business Plan, the Group has set targets in terms of headcount and related costs.

The Resources Committee regularly monitors the source-use dynamics of resources, which are minuted with detailed analysis and information on gender, position and type of contract.

S1-6 – Characteristics of the undertaking's employees

The tables below are constructed based on the number of employees (individuals and non-FTE) at the end of the reporting period (31.12.2024) without capturing fluctuations during the year.

Number of employees per position by gender

Position	2,024				
	M	F	Other	Unreported	TOTAL
Executives	32	6	0	0	38
Middle managers	546	294	0	0	840
White-collar	415	700	0	0	1,115
Total	993	1,000	0	0	1,993

Employees by contract type

Indicator	2,024				
Number of employees by contract type	M	F	Other	Unreported	TOTAL
Full-time	976	688	0	0	1,664
Part-time	17	312	0	0	329
Total	993	1,000	0	0	1,993
Number of employees on permanent contracts by type	M	F	Other	Unreported	TOTAL
Full-time	949	655	0	0	1,604
Part-time	16	312	0	0	328
Total	965	967	0	0	1,932
Number of employees on fixed-term contracts by type	M	F	Other	Unreported	TOTAL
Full-time	27	33	0	0	60
Part-time	1	0	0	0	1
Total	28	33	0	0	61

The figure was calculated at the end of the reporting period (31.12.2024)

Number of employees who left the Group broken down by position and gender with relative turnover rate

Gender	Turnover in the period by number			
	2,024			
	Executives	Middle managers	White-collar	Total
Men	1	38	36	75
Women	0	13	37	50
Total	1	51	73	125
Rate (%)	3%	6%	7%	6%

S1-7 – Characteristics of non-employee workers in the undertaking's own workforce

Total number of non-employee workers in the company's own workforce

Type	Gender		Total
	M	F	
Non-employee workers	13	10	23

The above table is based on the number of non-employee workers (individuals and non-FTE) at the end of the reporting period (31.12.2024) and does not include fluctuations during the year.

For the sake of completeness, it should be noted that, as at 31.12.2024, the Group had 20 interns (12 men and 8 women) and 3 temporary workers (1 man and 2 women) in the Group.

S1-8 – Collective bargaining coverage and social dialogue

Coverage rate	Collective bargaining coverage		Social dialogue
	Employees - EEA (for countries with > 50 employees. representing > 10% of total workers)	Employees - non-EEA (estimate for regions with > 50 employees. representing > 10% of total workers)	Representation in the workplace (EEA only) (for countries with > 50 employees)
0-19%			
20-39%			
40-59%			
60-79%			Italy
80-100%	Italy		

All Group employees working in Italy are covered by collective bargaining agreements (ABI). Therefore, the percentage of employees covered by collective labour agreements is 100%. 79.98% of employees are union members.

S1-10 - Adequate wages

Group employees receive an adequate wage, in line with banking industry benchmarks.

Specifically, and to ascertain the adequacy of the policies implemented, the Group has adopted:

- systems for collecting data on the characteristics of organisational positions that take into account the responsibilities and complexity managed by the different roles, by participating in sector pay surveys;
- comparisons with market wage benchmarks;
- incentive/reward systems linked to objective parameters that allow for the recognition of merit and performance.

In particular, the Group participated in the ABI Servizi annual remuneration survey for 2024.

Balance between work and private life

SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

With reference to the topic "*Balance between work and private life*", the following table shows the impacts, risks and opportunities (IROs) identified by the Group. These IROs refer to the total own workforce, which includes employees and other staff, and stem from the Group's overall activities.

Own workforce (Balance between work and private life)			
IRO description	IRO type	Time horizon	Coverage
Increased personal well-being, including through the use of flexible working tools (e.g. smart working)	Positive impact	S-T	OO;
Support for households including through family/parental leave arrangements	Positive impact	S-T	OO;
People's dissatisfaction and/or health impacts (e.g. burnout)	Negative impact	S-T	OO;
Negatively affecting the birth rate and consequently the ageing population	Negative impact	S-T	OO;
Decreased productivity with an associated increase in strategic risk in terms of achieving corporate financial targets	Risk	Medium	OO;
Difficulties in attracting new skills with negative effect on productivity	Risk	Medium	OO;
Enhanced productivity and corporate reputation through appropriate attention to the well-being of employees	Opportunities	Medium	OO;
Cost savings through remote working	Opportunities	Medium	OO;

The actual and potential impacts on the company's own workforce identified above: (i) derive from or are linked to the company's strategy and business model and (ii) guide the company's strategy and business model by contributing to their adaptation. The impacts and dependencies in terms of work form affect, for obvious reasons, the Group's risks and opportunities and consequently its strategy and business model.

The occurrence of employment-related impacts may derive not only from distinctive factors specific to the Group, but also from systemic factors related to the economic and regulatory environment.

S1-1 – Policies related to own workforce

For the Sparkasse Group, work-life balance has been a fundamental pillar in its human resources management for many years, embodying a real and tangible commitment to sustainability and the well-being of its employees. This guiding principle is not limited to a simple theoretical definition, but is embodied in structured and measurable actions designed to create working environments that favour the reconciliation of personal and professional needs and is integrated into the Group's various processes.

The path towards an optimal balance is expressed through the achievement of the Family & Work Audit Certification, issued by the Autonomous Province of Bolzano. This recognition testifies to the Group's commitment to innovative and responsible policies, which translate into three-year plans of dynamic and adaptable programmes. These plans involve interventions and measures aimed at improving various aspects of working life, from managing working time and work organisation to caring for the physical environment and promoting effective internal communication. They also include strategies aimed at enhancing the role of management, fostering continuous staff development, ensuring adequate remuneration policies and incentives and, last but not least, offering services dedicated to supporting families.

This strategic approach is characterised by its ability to evolve and respond to changing needs in the context, thanks to constant monitoring and regular updating in direct collaboration with the Executive Board. This integrated approach not only strengthens the relevance of the plan within the organisation, but also testifies to the Group's willingness to anticipate and manage changes in the market and society, putting the well-being of employees at the heart of every decision. In this way, the Sparkasse Group is supporting an exemplary model in promoting a harmonious work-life balance, contributing decisively to the success and growth not only of individual employees, but of the entire organisation.

Responsibilities related to the implementation and enforcement of work-life balance policies are entrusted to the People Management Division, which, in conjunction with the People & Transformation Department, works daily to translate the commitment to a corporate culture of well-being and sustainability into concrete results. In line with this approach, the Staff Regulations formalise this attribution of responsibility to the Division, specifying in detail the activities for which it is responsible in the area of work-life balance. For the time being, no specific policy on work-life balance has been defined, a choice motivated precisely by the structure of the system of internal sources, which provides for the detailed definition of the responsibilities and relevant activities of the different Departments directly in the Internal Regulations.

S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Subject to specific organisational requirements, all Group employees may have flexible working hours and the possibility of working in agile mode (smart working). In particular, staff working in the central offices can work from home for up to 10 days per month, while for those working in the branch network, a maximum of 16 days are allowed to be devoted mainly to training activities.

In addition to these two flexible working practices, webinars on time management and a broader work-life balance project were carried out with the specific aim of providing employees with the necessary skills to better manage their time and the challenges presented by their daily professional and private lives.

Offering employees concrete tools to facilitate the work-life balance, especially in difficult times, is a pillar of our social sustainability strategy. For this reason, in 2023, the Group introduced the *Solidarity Time Bank*, an initiative that allows everyone to donate holidays, leave and hours accumulated in the time bank to colleagues who have run out of leave but need time to deal with personal or family emergencies.

This initiative is based on an essential principle: solidarity. Mutual aid not only offers concrete support to those in need, but also strengthens the sense of belonging and cohesion within the corporate community, creating a more inclusive, empathetic and sustainable working environment.

With a view to community development, and in the context of its sustainability and social responsibility strategy, in 2025 the Group will launch a corporate volunteering initiative: an innovation aimed at strengthening the bond between the Group, its employees and the community. This initiative will enable our employees to make their time (one day per year) and skills available for voluntary activities, supporting charitable causes and promoting territorial cohesion.

Participating in this initiative not only fosters a culture of solidarity, but also promotes a sustainable growth model, in which the Group becomes a reference point for collective well-being, creating shared value, improving the social impact of our organisation and strengthening stakeholder trust.

In the conviction that well-being also passes through a healthy and positive working environment, further actions were grounded in the care and psycho-physical well-being of people. With this in mind, a modern and functional company gym was opened, with preferential rates for employees and their families, which gives them the opportunity to exercise on their own or to participate in the various courses organised throughout the week and at various times of the day to allow as much participation as possible.

Regarding well-being and mental health, the Employee Assistance Programme (EAP), has been set up to provide specialised counselling and advice to individuals who wish to use the service. Each employee can benefit from psychological and social welfare assistance, as well as legal and tax advice with the help and support of qualified professionals.

To meet the needs of households, the Group has arranged agreements with a number of facilities offering childcare services during the summer months when school activities are not available. In addition, a series of webinars on caring for elderly people and family members with disabilities are intended to raise awareness and support for all aspects of caregiving.

In order to celebrate people's achievements and strengthen the sense of community, a programme of events open to families and a scholarship programme for the children of employees who have excelled through their commitment and achievements has been implemented.

Professional and personal development is a strategic lever and contributes to creating the best conditions for working and personal well-being. Therefore, specific training courses were created for managers, with a focus on work-life balance, smart working team management and valuing diversity.

Finally, communication represents a fundamental pillar that, together with the actions described above, ensures that employees are informed about the various initiatives proposed. A dedicated communication and information channel for employees is the company Intranet, making it easier to find information and services for employees.

S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Together with the actions already taken in pursuit of a better work-life balance, the Group sets itself specific objectives in a structured three-year plan of programmes. This commitment involves the following key areas of action, identified in the context of specific territorial discussions representative of the corporate population, each aimed at promoting a more flexible and inclusive working environment.

1. Working time:

The primary objective is to promote gender equality in access to senior positions, including on a part-time basis. To this end, it is envisaged that access to leadership roles will be regulated and incentivised with part-time contracts, overcoming existing limitations and initiating policies aimed at removing any constraints for women in reaching top positions. This is an incremental and relative target as it relates to an outcome that will be evaluated in relation to the pre-existing situation through the calculation of the number of promotions of people with part-time working hours that occurred during 2025.

The use of smart working is also being promoted: the agreement was renewed, strengthening it and bringing it in line with the new needs of employees. In addition, a relative quantitative target was set to ensure that 80% of the employees who signed the agreement actively use smart working by 2026.

2. Work organisation:

The aim is to improve collaboration between different business areas, fostering cohesion, a sense of belonging and the exchange of good practices. Measures include confirming moments of sharing, organising team-building initiatives, creating territorial HR reference points, recognising company loyalty and raising awareness of respecting the time of others. With this aim of improving cooperation between people and fostering good working practices, the Values Project was launched in 2024, which led, with the involvement and participation of the entire corporate population, to the identification of 5 Corporate Values and the drafting of a Code of Conduct, fundamental tools for consolidating a corporate culture based on sharing, and mutual respect and responsibility.

3. Place of work:

The focus is on supporting the organisation of break and travel times. Equipped break areas are to be set up in the main operational offices to allow employees to eat meals, warm up food and socialise, thus reducing travel time and costs by the end of 2026.

4. Information and communication:

The aim is to improve internal communication through the sharing of best practices on work-life balance and women's careers, conducting surveys to detect employee needs, creating a corporate community and promoting corporate volunteering programmes by 2026. This is an absolute target measured through the implementation of the projects listed above. In this regard, the corporate volunteering project has already been implemented by the company and communicated to all employees who thus have one day per year at their disposal to dedicate to voluntary activities.

5. Management:

The focus is on developing the leadership skills (Manager as Coach) of management, fostering the exchange of skills between different generations and promoting the reduction of stress and burnout. Measures include the implementation of reverse mentoring programmes, management awareness-raising measures and training courses on burnout, parenting and caregiving, to be implemented by the end of 2025. Some of these management development and training programmes such as awareness-raising on various topics (gender equality and equal opportunities, caregiving, burnout, etc.) and strengthening leadership were already proposed in 2024 and will continue in 2025. As this is an absolute goal, it is monitored through the implementation of the training activity itself, as well as through the degree of employee adherence and satisfaction.

6. Additional economic benefits and corporate welfare:

The aim is to support staff in care/domestic work through feasibility analysis and the implementation of agreements for cleaning and ironing services, as well as after-school services, baby-sitting and summer centres.

The absolute target is measured by the actual implementation of the service to support the corporate population by 2026. In 2025, specific agreements were implemented with some organisations that provide care and assistance services for employees' school-age children.

7. Family services and territorial welfare:

The aim is to support the sharing of care work in the families of staff, to financially support staff in the care of elderly parents and to offer support and services to families, easing the care/domestic workload. Measures include awareness-raising projects on active fatherhood, analyses for the possible provision of insurance products for ascendant family members and feasibility analyses for agreements for services for persons/families by mid-2026. This is an absolute target and is deemed to have been attained upon the implementation of the services in question for the benefit of employees or upon completion of the feasibility analysis that prevented their implementation. In 2025, an agreement was signed that provides for subsidised rates for all employees who find themselves in the situation of having to find support in caring for family members who are dependent. This initiative involved all the staff concerned.

In summary, the aim of this integrated plan is to create a working environment in which employees feel valued, supported and able to balance their professional and personal responsibilities in order to improve their well-being with a consequent impact also in terms of productivity, engagement and corporate image.

Believing that the success of its reconciliation policies should be measured in a concrete and transparent way, the Group has defined a set of metrics that, taken together, offer a comprehensive view of the impact of the initiatives undertaken.

Firstly, attention is being paid to working time, with a particular focus on the career progression of women. The number of promotions to senior positions for those with part-time contracts will be a key indicator, as will the trend in requests for contract conversions, especially for staff with senior roles. Closely linked to the issues of work-life balance but also to the development of a culture oriented towards a fair distribution of care burdens between men and women, there is also awareness-raising of the use of paternity and parental leave and measures to support caregiving, monitoring their use over time.

The organisation of work will be evaluated through several parameters: the number of initiatives promoted to improve collaboration and exchange of best practices, participation in meetings between different company areas and the effectiveness of territorial HR contact persons, measured through employee feedback. Two other important indicators will be the number of company loyalty bonuses - a sign of a working environment that values commitment and dedication - and the turnover rate of employees, particularly those with family responsibilities, in order to identify any serious work-life balance issues.

As for the workplace, the use of the equipped spaces in the operational offices will be monitored to see how well these services meet the needs of staff.

The area of information and communication will be measured through the number of communication activities on work-life balance best practices, the participation rate in surveys on well-being and the analysis of results, and the evaluation of the project on territorial integration.

An important focus will be on management, with measurement of involvement in reverse mentoring programmes, participation in awareness-raising interventions and burnout courses, and the number of women's careers actively supported.

Finally, additional economic benefits and corporate welfare will be evaluated through the rate of use of agreements for family support services and the number of requests for after-school and baby-sitting services, and the rate of use of psychological and social welfare counselling services provided by the company.

Together, these metrics will make it possible to monitor the company's progress in promoting a work culture geared towards work-life balance, well-being and gender equality. The periodic analysis of the data collected will make it possible to provide valuable information to the management and the various internal bodies and committees responsible for dealing with the issues in question, in order to:

- monitor the effectiveness of the actions taken over time, taking corrective action where necessary, and with the aim of responding more effectively to employees' needs.
- attracting and retaining talent;
- promoting an inclusive culture that respects the needs of individuals.

The tables below are constructed based on the number of employees (individuals and non-FTE) at the end of the reporting period (31.12.2024) without capturing fluctuations during the year.

S1-11 - Social protection

The Cassa di Risparmio di Bolzano Group, in line with the provisions of the National Collective Bargaining Agreement for the sector, offers its employees a supplementary health care system to provide cover for medical expenses incurred.

Healthcare is based on the principles of solidarity, mutuality and employer involvement, which are considered fundamental to the achievement of company objectives. The system is structured to ensure financial sustainability in the relationship between contributions, benefits and administrative costs.

The beneficiaries of healthcare are Group employees with permanent contracts, employees receiving extraordinary benefits from the Solidarity Fund and their family members who are tax-dependent. Also provided for are specific cases, processes and benefits for non-tax dependent family members, such as spouses, cohabiting partners, children and other family members in the same household.

Registration for healthcare is done by means of special membership forms, with simultaneous authorisation to deduct the monthly/annual contribution from the member. The commencement of registration varies from case to case, but it is essential to notify any changes in relation to family members in good time, failing which there will be a six-month delay in cover.

The employee may cancel his or her registration at any time by notifying the competent office in writing. In that case, the cancellation also extends to registered family members. Healthcare ceases upon termination of employment or death of the member, with some exceptions depending on years of service.

Healthcare may be suspended in the event of absence from work without pay, with the exception of certain specific situations such as sick leave, maternity leave, elective office and extended voluntary leave. The suspension also applies to family members whose income exceeds the limit for being considered tax-dependent.

The management of healthcare for Cassa di Risparmio di Bolzano is entrusted to "EMVA Società di Mutuo Soccorso - ETS" and "Fondo Tutela", which are duly registered with the Register of Healthcare Funds, while for CiviBank, it is managed through insurance policies with Generali S.p.A. Group companies pay membership fees to the fund managers to access cover and benefits. There is an annual contribution to be paid by the beneficiaries, with different amounts for EMVA, Fondo Tutela and Generali.

Reimbursement requests and claims must be submitted within specific deadlines, electronically for EMVA and Generali and via the My Assistance service for Fondo Tutela. Full documentation of the expenses incurred must be submitted, with precise details and formal requirements. Reimbursements are settled monthly or at the end of treatment, with written notice to the beneficiary.

The reimbursement is recognised independently of other contributions or reimbursements, but any overlaps must be checked. With the introduction of the Fondo Tutela benefits, reimbursement requests to EMVA for the same rights are no longer allowed, with specific exceptions.

There are also extraordinary benefits such as Long Term Care in the event of temporary or permanent disability resulting from an accident and cover for appointments with specialists following periodic check-ups.

The Group has set up a corporate welfare plan that allows employees to use their accrued credit to claim reimbursement for healthcare services, including medicine costs, through Cassa di Assistenza Previass II. Reimbursements can be extended to family members, including non-tax dependent and non-cohabiting family members.

S1-15 – Work-life balance metrics

The Cassa di Risparmio Group guarantees employees the right to family leave, as set out in the contractual terms.

Percentage of employees that benefited from family-related leave and breakdown by gender

Return after parental leave	2024		
	F	M	Total
Percentage of employees entitled to take family-related leave	1,000	993	1,993
Number of employees who took leave	33	6	39
Percentage of eligible employees who took leave	3.3%	0.6%	1.9%
Number of employees who returned to work after the leave period ended	9	6	15
Rate of return from leave	27%	100%	38%
Number of persons who have requested leave and 12 months have elapsed since their return	19	6	25
Number of employees who are still employed 12 months after the period of leave ended	32	4	36
12-month retention rate of employees returning to work	168%	67%	144%

Health and safety

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

With reference to "*Health and Safety*", the following table shows the impacts, risks and opportunities (IROs) identified by the Group. These IROs refer to the total own workforce, which includes employees and other staff, and derive from the Group's overall activities.

Own workforce (Health and safety)			
IRO description	IRO Type	Time horizon	Coverage
Increasing the level of safety and well-being for workers	Positive impact	S-T	OO;
Potential increase in cases of occupational injury and occupational illness	Negative impact	S-T	OO;
Risk of employee injuries and illnesses with negative impacts in legal, reputational and sanctioning terms, as well as economic (e.g. for replacement of a sick employee)	Risk	S-T	OO;
Reducing costs related to the occurrence of accidents, absenteeism and turnover, and increasing productivity and work quality through a healthy and safe workplace	Opportunities	Medium	OO;

The actual and potential impacts on own workforce identified above: (i) derive from or are linked to the company's strategy and business model and (ii) guide the company's strategy and business model by contributing to their adaptation. The impacts and dependencies in terms of work force affect, for obvious reasons, the Group's risks and opportunities and consequently its strategy and business model.

The occurrence of employment-related impacts may derive not only from distinctive factors specific to the Group, but also from systemic factors related to the economic and regulatory environment.

S1-1 – Policies related to own workforce

The Group considers the physical integrity of its human resources an inalienable value. The individual Group companies operate with full respect for human dignity and are committed to ensuring working conditions in a healthy and safe environment in compliance with all regulations protecting worker safety and the environment.

The company's Occupational Safety Management System is based on full compliance with the relevant mandatory regulations, and includes prevention efforts geared towards continuous improvement and the preservation of the physical and moral integrity of workers and users in order to achieve ever higher health and safety standards, widespread ergonomic levels and an optimal working environment.

To this end, the Company has undertaken to develop a prevention system, by means of methodologies and procedures and according to the specific type and complexity of the work activity, in order to guarantee general measures for the protection of occupational health and safety and full compliance with the evolution of regulations and strategic objectives in terms of occupational health and safety.

The health and safety policy adopted by the Group has been outlined with the following principles in mind:

- pursue the protection of the health and psychophysical integrity of workers by adopting the definition of health given by the World Health Organisation, which integrates this concept with that of worker well-being, through the provision of high-quality work spaces, equipment and processes;
- pursue, on the basis of the requirements of Article 28 of Legislative Decree 106/09, the assessment of both "risk factors" and "risk conditions";
- pursue a "precautionary principle" on the basis of the provisions of Article 15 of Legislative Decree 81/08, and of Article 2087 of the Italian Civil Code, aiming at the provision of corporate measures to improve the "well-being" of workers beyond the regulatory provisions.

The individual Group companies clearly explain and publicise the fundamental principles and criteria on the basis of which decisions of all kinds and at all levels are made regarding occupational health and safety through both internal occupational safety regulations and through the training and dissemination of existing procedures.

Moreover, the same Model for the prevention of offences pursuant to Legislative Decree 231/2001, of which the Group's Code of Ethics is an integral part, provides for corporate measures for the prevention of offences against the individual as well as offences committed in breach of the rules on accident prevention and the protection of occupational health and safety.

The Parent Bank has formalised the aforementioned procedures for occupational health and safety in the relevant internal regulations, submitting them to the Board of Directors for approval, as well as for updates and checks in accordance with the internal control system adopted. To this end, the individual Group companies constantly strive to:

- avoid risks;
- assess risks that cannot be avoided;
- combat risks at source;
- adapt work to people, particularly with regard to the design of workplaces and the choice of work equipment and working and production methods, in particular to mitigate monotonous and repetitive work and to reduce the effects of such work on health;
- take into account the degree of technical development;
- replace what is dangerous with what is not dangerous or is less dangerous;
- integrate prevention into planning, aiming for a coherent whole that incorporates technology, work organisation, working conditions, employer-employee relationships and the influence of factors in the working environment;
- prioritise collective protection measures over individual protection measures;
- provide workers with adequate instructions and training.

These principles are used to take the necessary measures to protect the safety and health of workers, including occupational risk prevention, information and training, and the provision of the necessary organisation and means.

Responsibility for the implementation of the policies remains with the Board of Directors or Chief Executive Officer/General Manager, who have delegated the occupational health and safety management function to the delegated employer. Within the Group organisation, specific responsibilities have also been assigned to the following people, as required by law:

- the Occupational Safety Management System Manager (*Responsabile del Sistema di gestione della sicurezza sul lavoro*, RSGSL) must ensure that the requirements laid down in the occupational safety management system documents are applied and kept active over time, as well as the application of the management and regulatory requirements for occupational health and safety.

- the Prevention and Protection Service Manager (*Responsabile del Servizio di Prevenzione e Protezione*, RSPP) is a particularly important person for the protection of workers' health and safety, as he/she is the person called upon, within the Group, to liaise with the employer in order to verify the adequacy of the accident prevention measures adopted.
- Executives in charge of Health and Safety, who, by virtue of their professional skills and hierarchical and functional powers appropriate to the nature of the task conferred upon them, implement the employer's instructions by organising the work activity and supervising it.
- Supervisors in charge of Health and Safety, who, by virtue of their professional skills and within the limits of hierarchical and functional powers appropriate to the nature of the task conferred upon them, supervise the work activity and ensure the implementation of the instructions received, monitoring their correct execution by the workers and exercising a functional power of initiative.
- Workers' Safety Representatives (*Rappresentanti dei lavoratori per la sicurezza*, RLS) are persons elected or appointed to represent workers with regard to aspects of occupational health and safety. The RLS has the function of protecting workers' rights with regard to safety and promotes the improvement of working conditions. They participate in monthly consultations and in the annual OHS meeting, which is normally held in December.

The Risk Assessment Document (*Documento di valutazione dei Rischi*, DVR) for occupational health and safety was also prepared on the basis of the implementation, for all Group companies, of an Occupational Health and Safety Management System (*Sistema di Gestione della Salute e Sicurezza sul Lavoro*, SGSSL), prepared on the basis of: 175 operational offices and all Group employees (2,011).

The application of this management standard has led Cassa di Risparmio di Bolzano S.p.A. to the implementation and development of ISO 45001 procedures, resulting in the re-certification by the Swiss certification body QS International Schaffhausen AG in 2024.

With reference to the protection of employees and customers and, in particular, the prevention of robbery and assault risks in branches and the management of employees in various emergency situations, including pandemic situations, the protection of people continues to be the cardinal principle inspiring all initiatives implemented for the protection of branches, which has led to the strengthening and introduction of technological security measures, supported by the development of a security culture.

S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

In order to ensure compliance with the above criteria and principles, the Parent Bank defines and applies effective policies and procedures to ensure health and safety in the workplace.

The Delegated Employer (Dario Maria Nardelli), with the cooperation of the Prevention and Protection Department, oversees the effectiveness and proper functioning of the process for safety in the workplace, for the Parent Bank and for the subsidiaries in accordance with the provisions of the Group Regulation "Protection of Occupational Health and Safety". In particular, the roles and responsibilities of the various organisational units responsible for carrying out the work of each Group company were assigned.

Every employee is required to pay the utmost attention to the prevention of hazards in order to avoid accidents and personal injury, and to comply with all health and safety regulations and practices relevant to their work, taking all necessary precautions to protect themselves and their co-workers. Furthermore, they must immediately report accidents, injuries and unsafe practices at the site concerned to their direct supervisor and/or the Prevention and Protection Department.

In addition, we have to consider, as a very important deterrent, the attention of our staff who adopt appropriate preventive measures, starting with the attention of the people/colleagues by promptly reporting critical issues and/or related operational concerns to their superiors, to the OHS, to the special Crisis Unit Committee (set up at the start of the pandemic) and to the managers of the Parent Bank.

With reference to the protection of employees and customers and, in particular, the prevention of robbery and assault risks in branches and the management of employees in various emergency situations, including pandemic situations, the protection of people continues to be the cardinal principle inspiring all initiatives implemented for the protection of branches, which has led to the strengthening and introduction of technological security measures, supported by the development of a security culture.

The Group has made efforts to uphold the principles set out in the company's policies on occupational safety, from the standard of workplaces and equipment to compulsory training, which, in terms of content and methods, is always particularly welcomed by employees

The officers in charge of health and safety of the Sparkasse Group, identified for the purposes of Legislative Decree 81/2008, are: the Group Occupational Health and Safety Manager, the Prevention and Protection Service Managers (RSPP) of the individual Group companies, the Group Prevention and Protection Officer (*Addetto al Servizio di Prevenzione e Protezione*, ASPP), the Chief Occupational Physician with two other Subordinate Occupational Physicians and the 8 Workers' Safety Representatives (RLS).

All employees are trained and informed about the regulations in force, risk prevention and how to behave in the presence of emergency situations including first aid, criminal events, fire. Specific training is also administered to the people covered by Legislative Decree 81/2008 (Executives, Supervisors, Emergency Officers, Prevention and Protection Officers, Workers' Safety Representatives).

In order to guarantee prompt intervention, “Special Duty Officers” are identified within the organisation, i.e. employees who, following appropriate training courses, are appointed as fire officers and first aid officers, as required by current occupational safety regulations. There are also “security contact persons” who intervene in case of alarms outside working time and cooperate in emergency management.

In total, in the Group there are around 540 fire officers and 548 first aid officers, representing about 30% of staff. There are also around 300 physical security contact persons.

In addition to the above-mentioned physical and occupational safety, great attention is paid to the updating of training carried out in an effective and engaging manner, also using online technology. In 2024, more than 5,800 hours of occupational health and safety training were provided for a total of more than 564 participants, including numerous classroom and online training sessions.

In 2024, the occupational physicians carried out more than 300 medical examinations and 21 inspections at operational offices.

The main activities concerning occupational health and safety carried out in 2024 can be summarised as follows:

Main activities in 2024			
Inspections by the Occupational Safety Department	70 operational offices for monitoring environmental parameters/microclimate	36 branches for Radon detector positioning	Carrying out evacuation tests at operational offices
Training	Annual planning of occupational health and safety training courses	Teaching in courses for executives, supervisors, new recruits, fire officers	Setting up online courses for robbery and assault risk
Regulations	Updating the DVR and emergency plans Risk assessment update	Updating Regulation, operational standard and annexes	Constant updating Woody section on Occupational Safety
Health and well-being	Planning medical appointments and health monitoring	Activation of counselling service	Health and safety risks update, update of job duties and related risks
Meetings	Monthly meetings with RLSs and Occupational Physicians	Periodic Crisis Unit meetings with Occupational Physician	Updates with Sparim to evaluate operational offices

In December of each year, the annual OHS Meeting is also organised, attended by the RLSs, the heads of various Departments/Divisions and units, representatives of Group companies, occupational physicians, etc., during which the activities carried out and the targets for the following year are shared and the updating of the DVR is approved.

The positive trend in occupational safety in our Bank is mainly due to a very low number of accidents in the workplace (2), 3 commuting accidents, and no occupational diseases.

As far as occupational health and safety is concerned, in 2024, around Euro 190,000 was spent at Group level, for 2025 a total expenditure of around Euro 230,000 is expected.

There were no investments (CapEx) in 2024 and none are planned for 2025.

S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

For 2025, the Risk Assessment Document (DVR) for occupational health and safety will be prepared also in view of the implementation, for all Group companies, of an Occupational Health and Safety Management System (SGSSL), based on 175 operational offices and all Group employees (2,011).

The main activities planned for 2025 are summarised below:

- preparatory activities for the maintenance of CRBZ's ISO 45001 certification and the related audit and preparation of documentation for the issuance of ISO 14001 certification;
- preparation of documentation for the issuance of ISO 45001 and ISO 14001 certificates for CiviBank and Sparim;
- planning and delivery of training to Executives in charge of Health and Safety, Supervisors in charge of Health and Safety, new recruits, workers, Fire Officers and First Aid Officers, Group RLSs including the ISO 45001 update;
- implementation of appropriate training on the risk of robbery/assault for sales network employees (in addition to the aforementioned courses);
- risk assessment of job duties and related occupational health and safety risks, in cooperation with the Occupational physician, RLS and any external consultants;
- updating of the lists of staff exposed to risk at work with the definition of the plan of health checks, including for staff at risk;
- definition of any further analyses and/or measures for the assessment of work-related stress risk based on the INAIL platform in cooperation with the RLS, RSPP and the Occupational Physician;

- organisation of periodic consultations with the Group's RLSs;
- constant updating/preparation of DVRs and Emergency Plans of the operational offices (new or renewed) and the relevant emergency floor plans;
- monitoring and positioning of detectors for Radon risk according to the new relevant regulations;
- constant support to the Banks' services on occupational health and safety and/or in any critical or dangerous situation, for doubts and questions from all employees;
- with Sparim, interventions to be carried out in CiviBank's various operational offices concerning real estate investments as set out in the 2025 and 2026 business plan.

As previously mentioned, in order to have those features which may grant an exemption from liability as provided for by the regulations in force (Legislative Decree 231/2001), the current occupational health and safety management system must be implemented/updated also on the basis of the aforementioned observations of the ISO 45001 Certification and of what the standard provides for on occupational health and safety.

The integrated ISO 45001 (occupational safety) and ISO 14001 (environmental sustainability) certification for the Sparkasse Group, which is highly sought after, in addition to ISO 9001 (quality) for Sparim, will give the Sparkasse Group a special and unique identity.

Always with the aim of further reducing accidents at work, Academy's collaboration with our Occupational Safety Department in planning training, RLSs, Occupational Physicians and all those who, between Executives and Prevention Officers and those in charge of emergency management, have a role and responsibilities in the management of occupational health and safety, remains fundamental.

In the aforementioned areas of prevention, we will also have the opportunity to develop those initiatives concerning the improvement of the home-work relationship, the organisation of time, the inclusion of exercise-well-being-eating also in the work environment, and more, for a sustainable and continuous pursuit of well-being at work.

Aside from the above, which is functional to maintaining the aforementioned certifications, the Group has not defined any further measurable targets for occupational health and safety.

S1-14 – Health and safety metrics

The Board of Statutory Auditors, acting as the Supervisory Body pursuant to Legislative Decree No. 231/2001, is periodically informed by the Occupational Health and Safety Manager on the progress of the action plans and any measures envisaged for the continuous improvement of the organisational model. If necessary, the Prevention and Protection Service Manager, the Internal Audit Department and the Compliance Department are involved.

Executives and Prevention Officers must ensure compliance with regulatory requirements and compliance with rules of conduct, prevention and protection measures and internal regulations on occupational health and safety.

The Occupational Safety Department carries out a review of first-level monitoring, which consists of analysing the critical issues that have emerged at the level of reports by workers, reports by supervisors and audit reports of any kind carried out, and consequently assesses the preventive and corrective measures to be implemented.

The action plan therefore contains all the actions planned as a result of the critical issues and observations recorded and indicates not only the responsible parties, but also the verification of the effectiveness of the improvement action carried out.

100% of all employees are covered by the occupational health and safety management system.

The number of deaths due to workplace accidents is zero.

The number of deaths due to work-related injuries and/or illnesses is zero.

There are no occupational diseases registered by the occupational physicians.

In 2024, the number of accidents was 5: 2 accidents at work and 3 commuting accidents for a total of 78 days absence from work.

The OHS is informed of the number of accidents and the days of absence related to them; out of a total of 2,962,019 hours worked the accident rate is 1.7%.

Equal treatment and opportunities for all

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

With reference to the issue of "*Equal treatment and opportunities for all*", the following table shows the impacts, risks and opportunities (IROs) identified by the Group. These IROs refer to the total own workforce, which includes employees and other staff, and derive from the Group's overall activities.

Own workforce (Equal treatment and opportunities for all)			
IRO description	IRO Type	Time horizon	Coverage
Promoting the inclusion of people with disabilities in own workforce	Positive impact	S-T	OO;
Promoting inclusion with an impact on people and the environment	Positive impact	S-T	OO;
Reducing the gender gap	Positive impact	S-T	OO;
Discrimination between women and men, with particular reference to governance roles in the Group with negative repercussions on management	Negative impact	S-T	OO;
Discrimination between women and men, with particular reference to Group employees	Negative impact	S-T	OO;
Exclusion of people with disabilities from employment	Negative impact	S-T	OO;
Weaknesses in diversity and inclusion policies resulting in non-compliance and reputational risks	Risk	S-T	OO;
Increased productivity linked to greater inclusion	Opportunities	Medium	OO;

The actual and potential impacts on own workforce identified above: (i) derive from or are linked to the company's strategy and business model and (ii) guide the company's strategy and business model by contributing to their adaptation. The impacts and dependencies in terms of work force affect, for obvious reasons, the Group's risks and opportunities and consequently its strategy and business model. The occurrence of employment-related impacts may derive not only from distinctive factors specific to the Group, but also from systemic factors related to the economic and regulatory environment.

S1-1 – Policies related to own workforce

The Sparkasse Group is committed to promoting an inclusive, fair and discrimination-free working environment at all levels. It does not allow any form of unequal treatment of any individual. It also ensures the absence of discrimination in recruiting, hiring, training and management of the employment relationship in all respects, as provided for in the "*Diversity, Equity & Inclusion*" Policy - implemented as of 2023 - by all Group companies, as well as in the Code of Ethics and Conduct.

The "*Diversity, Equity & Inclusion Policy*" was approved by the Board of Directors and, in general, the organisational responsibility for ensuring its implementation lies with the People Management Division. No specific worker involvement process was carried out for the definition of this Policy. Nonetheless, employees were provided with adequate information on the Policy adopted and the People Management Division is available to receive any comments and/or requests regarding the principles contained in the Policy.

The Group recognises the importance of a diverse organisation and ensures that all people have equal opportunities in the development of their careers within all Group companies and that they can freely express their individual characteristics without any discrimination regarding race and ethnic origin, skin colour, sex, sexual orientation, gender identity, disability, age, religion, political opinions, national ancestry or social background, as well as any other form of individual characteristic. Moreover, diversity represents value added: it generates plurality of perspectives, fosters innovation and contributes to a stimulating working environment. It makes it possible to respond effectively to market stimuli by generating effective and innovative solutions that protect internal and external stakeholders. Finally, it strengthens the corporate image and reputation, allowing the Group to be more attractive to new employees and investors.

By monitoring this issue, potential risks related to the loss of key people, the creation of an unsuitable working environment (with a consequent increase in the turnover rate) and the dissemination of an unrepresentative image of the Group can be reduced.

For these reasons, the Group is constantly striving to enhance the talents, skills, experience and diverse cultural backgrounds of a pluralistic organisation, where people feel respected, appreciated and can express their potential.

The following principles guide the Group's approach:

- full respect for human rights,
- attention to equal dignity and equal opportunities,
- fairness and non-discrimination,
- freedom of expression,
- transparency.

This approach is in line with the "*material*" topics that define the Group's profile, such as: reliability, collaboration, respect for customers, employees and the community, internal and external accountability, and reporting as a tool for transparency.

The DE&I policies are integrated within the Group's overall regulatory framework, with particular reference to the following documents:

- Cassa di Risparmio di Bolzano Group Code of Ethics
- Sustainability Policy;
- Regulation on Remuneration Policies and practices.

They also underpin all the policies the Group adopts for human resources management.

Concerning the process of worker involvement for policy-making purposes, please refer to section *S1-2 - Processes for engaging with own workers and workers' representatives about impacts* above.

S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

The Group has implemented specific actions to promote diversity, equity and inclusion in line with the Diversity, Equity & Inclusion policy adopted.

Safeguards are in place to continuously ensure a selection, evaluation and promotion process based on objective and transparent criteria so that no subjective criteria (ethnicity, language, religion, gender, sexual orientation, national origin, age, disability, political opinion, marital status, etc.) can impact on the selection and career development of individuals.

In particular, the Group has adopted internal policies to eliminate the glass ceiling, i.e. those obstacles that female workers encounter in their careers to reach top positions. Moreover, it has been verified that career development paths are implemented equally for men and women.

The Group's commitment to promoting diversity is also realised through strategic partnerships. The Group adheres to the ABI's "*Women in Banking Charter*" and actively collaborates with "*Valore D*", a network uniting over 350 Italian companies committed to promoting gender inclusion and equality in the professional world.

Thanks to these partnerships, several training and information initiatives ("talks") on the topics of "*Diversity Equality & Inclusion*" continued in the year 2024, involving a high number of employees, with the aim of fostering the adoption of actions and measures to promote respect and integration between people, in order to develop a functional cultural approach to an inclusive work environment. At the training level, much emphasis was placed on promoting the DE&I culture at the managerial level: several thematic workshops were organised for Sparkasse Group managers aimed at understanding the reasons why it is useful to promote diversity in a working group and to provide the tools to enhance it in the best possible way.

Gender equality has also been promoted through various awareness-raising initiatives: both through the publication of information on the company intranet and through the use of the online course "*Gender Equality in the Sparkasse Group*" developed with the target of providing an overview of the commitments and actions taken by the Sparkasse Group to promote gender equality at all levels of the company and assigned to all new hires.

Motherhood remains an obstacle in the path to achieving gender equality in the labour market, as the choice to have a child affects men and women very differently (the "child penalty"). To this end, the Group launched awareness-raising actions aimed at promoting greater use of parental leave by men and continued to provide training courses entitled "*Back to Work!*" with the aim of facilitating the return to work by raising participants' awareness of an appropriate distribution of family workloads.

Finally, the Group is constantly committed to supporting people belonging to "protected categories" (individuals with disabilities and other groups entitled to employment support under Italian law). In both banks, there are employees belonging to protected categories who are perfectly integrated within the teams they are part of and assigned activities and tasks suited to their abilities and aptitudes, under the terms of the regulations in force. In addition, there are specific Programme Agreements in place that provide for a recruitment plan. In this regard, both banks have entered into an Agreement with the relevant institutions that provides for a Recruitment Programme to gradually cover the compulsory quota provided for by the regulations in force.

The action plan entailed operating expenses totalling around Euro 34,500 for memberships and training. A budget of approximately Euro 35,000 has been allocated for 2025.

S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

A key target of the Group is to develop governance controls and mechanisms to ensure compliance with internal policies and national and international standards on human rights, diversity, equity and inclusion, so that no one suffers any form of discrimination based on individual characteristics such as gender, age, ethnicity, sexual orientation, disability, religious beliefs or other personal or social conditions.

Although the Group has not set measurable result-oriented targets, it has adopted a structured monitoring and reporting system to assess the effectiveness of its policies and the impact of actions taken. To this end, it regularly analyses qualitative and quantitative data, collects feedback from internal stakeholders and promotes cultural reinforcement on the topic through training initiatives, awareness-raising campaigns and listening tools.

By 2025, a strategic action plan will be drawn up in which measurable, realistic, time-planned targets will be defined for each target area and assigned to persons accountable for their implementation. The plan will be defined with the aim of implementing a UNI-certified management system for staff management with an equality perspective.

In accordance with the "Horizon 2026" Business Plan and the Group's ESG Plan, attention is paid to the recruitment of staff under the age of 25. Indeed, a target was set to ensure that 40% of new hires in the Parent Bank are under 25 years of age.

The Group uses qualitative and quantitative metrics in order to verify the effectiveness of its actions and to monitor the matters under its responsibility. It prepares periodic reports that are shared with management and the relevant committees.

The Group monitors and reports on the composition of the workforce with respect to different aspects of diversity, including gender, age, cultural background and other characteristics at least annually. Monitoring is also done by annually compiling the Inclusion Impact Index, which measures the effects of actions undertaken to promote Diversity, Equity and Inclusion. It consists of two parts: a quantitative section that provides an analysis of the organisation's gender and generational equality, and a qualitative section that encompasses the company's positioning on inclusion in all its aspects, analysing the organisation's policies with respect to six aspects of diversity. The Inclusion Impact Index provides an insight into how the Group is positioned compared to other national players.

The pay gap is measured annually in order to verify its trend and to understand whether corrective actions are needed to ensure pay equity at all levels. In fact, the Group adopts a structured approach to ensure gender pay equity, implementing an ongoing monitoring system based on specific indicators, focusing mainly on the Gender Equity Pay Gap, i.e. ensuring that there is equal pay according to the responsibilities and duties assigned.

The tables below are based on the number of employees (individuals and non-FTE) at the end of the reporting period (31.12.2024) and does not capture fluctuations during the year.

S1-9 - Diversity metrics

The gender distribution in number and percentage at senior management level

Job category	Gender (in numbers)			As a % of total employees	
	M	F	TOTAL	M	F
Senior management	32	6	38	3.2%	0.6%

*Senior management refers to all Executives.

Distribution of employees by age group

Employees (number)	Gender		
	M	F	TOTAL
Age group			
<30	157	186	343
30-50	439	502	941
>50	397	312	709
Total	993	1,000	1,993
Average age	44.54	42.73	43.63

Distribution of employees by age group in %

Employees (number) in %	31/12/2024		
	Men	Women	Total
Age group			
<30	8%	9%	17%
30-50	22%	25%	47%
>50	20%	16%	36%
Total	50%	50%	100%

S1-12 - Persons with disabilities

Total number and percentage of employees with disabilities in the workforce

Gender	Number	As a % of total employees
Men	30	3.02%
Women	40	4.00%
Total	70	3.51%

People with a disability of at least 60% and recognised as mandatory hiring of persons with disabilities were included in the count.

S1-16 – Compensation metrics (pay gap and total compensation)

The tables below show the percentage gap in pay between its female and male employees and the ratio between the remuneration of its highest paid individual and the median remuneration for its employees. In particular, this disclosure includes:

a. the gender pay gap, defined as the difference of average pay levels between female and male employees, expressed as percentage of the average pay level of male employees;
b. the ratio of the annual total remuneration of the highest-paid individual to the median annual total remuneration for all employees (excluding the highest paid individual).

Gender pay gap, expressed as a percentage of the average salary level of male employees, broken down by job category

The gross pay gap (*) between male and female employees is 28.56. The following table shows the gender pay gap for each job category.

	2024
Total employees	28.56

Job category	2024
Executives	11.13
Middle Managers	
Middle Managers-Level1	2.27
Middle Managers-Level2	6.16
Middle Managers-Level3	15.72
Middle Managers-Level4	19.19
White-collar	
Single Level	-3.75
White-collar-Level1	0.46
White-collar-Level2	11.81
White-collar-Level3	11.83
White-collar-Level4	6.79

Meaning as follows: The pay gap between a male and female 1st level middle manager is 2.27.

The ratio of the annual total remuneration of the highest paid individual to the median annual total remuneration for all employees

Ratio	2024
Ratio of the annual total remuneration of the highest paid individual to the median annual total remuneration of all employees**	12.97

(*) The gender pay gap, defined as the difference of average pay levels between female and male employees, expressed as percentage of the average pay level of male employees. For the calculation of the pay gap, all employees were included and the following aspects were taken into account: Basic gross annual remuneration, one-off bonus, 13th month pay, production bonus, extraordinary insurance policies, car and any recurring elements (non-competition agreement, one-off bonus, performance-based variable remuneration).

(**) The following formula was used for the calculation: The ratio of the annual total remuneration of the highest paid individual to the median annual total remuneration for all employees. The denominator excludes the gross annual pay of the person with the highest wage, i.e. the Chief Executive Officer of Cassa di Risparmio di Bolzano.

S1-17: Incidents of discrimination, complaints and human rights incidents

In 2024, no complaints or reports concerning incidents of discrimination (whether gender or any other form), human rights violations or actions violating the integrity of the person were received either through the established channels or through informal channels.

The company maintained an active whistleblowing system and dedicated reporting channels for possible human rights violations, ensuring privacy and protection against possible retaliation for all employees and stakeholders. The absence of complaints is a positive indicator of the Group's commitment to the promotion and protection of diversity and mutual respect, while the organisation remains vigilant and proactive in identifying areas for improvement.

Training and skills development

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

With reference to the topic of "*Training and skills development*", the following table shows the impacts, risks and opportunities (IROs) identified by the Group. These IROs refer to the total own workforce, which includes employees and other staff, and derive from the Group's overall activities.

Own workforce (Training and skills development)			
IRO description	IRO Type	Time horizon	Coverage
Growth of workers' skills with associated increase in worker satisfaction	Positive impact	S-T	OO;
Inadequate capacity to manage change due to training deficiencies	Negative impact	S-T	OO;
Shortcomings in staff skills and qualifications resulting in economic losses	Risk	S-T	OO;
Increased productivity linked to increased staff professionalism	Opportunities	Medium	OO;

The actual and potential impacts on own workforce identified above: (i) derive from or are linked to the company's strategy and business model and (ii) guide the company's strategy and business model by contributing to their adaptation. The impacts and dependencies in terms of work force affect, for obvious reasons, the Group's risks and opportunities and consequently its strategy and business model. The occurrence of employment-related impacts may derive not only from distinctive factors specific to the Group, but also from systemic factors related to the economic and regulatory environment.

S1-1 – Policies related to own workforce

The Sparkasse Group recognises training and skills development as a strategic pillar for the achievement of corporate targets and the creation of sustainable value.

For this reason, the Group is committed to promoting training and development activities that foster continuous learning and flexible skills management, supporting the professional development of its employees. Adequate training is a transformation engine that enhances individual and collective performance, improving not only organisational effectiveness, but also the sharing and internalisation of corporate culture. This process not only enhances people's engagement, but creates a virtuous ecosystem in which each individual feels part of the company's success in line with the ESG Plan and the "Horizon 2026" Business Plan.

The positive impact also extends to the Group's customers, who benefit from services characterised by high professional standards, an increased focus on risk prevention and a responsible approach. In this way, the quality of the service offered becomes a natural expression of the commitment and skills of the staff, strengthening trust and the relationship with the customer.

The adoption of transparent evaluation systems and well-structured professional development paths are central, and are aimed at maximising the talent and potential of each individual.

All training and development activities are carried out in the Group with the target of:

- promoting training initiatives and development projects in line with the demands of the Business Plan;

- organising a quality training programme in line with the Group Values and the needs expressed by the Group Management;
- responding to regulatory changes by protecting staff and the Group from the commission, even unknowingly, of acts that may constitute offences;
- activating partnerships and relationships exclusively with consulting and training companies capable of guaranteeing customised, effective and high-quality training and development initiatives;
- enhancing and developing the competences of people in implementation of the Group's Sustainability Policy and Diversity, Equity & Inclusion Policy;
- optimising the service provided through continuous monitoring and process efficiency.

The Sparkasse Group's training and development initiatives are fully aligned with sustainability principles and the Sustainability Policy, with a focus on transparency, measuring impacts and creating shared value for stakeholders. In addition, a Quality Management System (QMS) in accordance with the international standard UNI EN ISO 9001:2015 for training services has been in place since 2021 in order to promote continuous improvement in the quality of the products/services offered and customer satisfaction, consistent with the context in which the Sparkasse Group operates.

The QMS is extended to all activities involving the design and delivery of courses and training paths for all Group staff. The process of extending UNI EN ISO 9001:2015 certification to the subsidiary Banca di Cividale started in January 2024.

The QMS is the tool through which the staff training needs are fulfilled, in line with the company's needs and strategies, and on the basis of the indications provided by the competent corporate functions, with a view to continuous improvement of performance. It was approved by People & Transformation Management and the implementation of the QMS is the responsibility of the People Management Division.

S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions
S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Training and skills development courses were developed in 2024 in response to the corporate social responsibility targets that the Group has set itself and in line with regulatory, commercial and strategic needs, providing the support of the competent functions (specialist and business), as well as and control functions, where necessary.

The training and development offer made available by the Group and enjoyed by all its employees covered various topics and was delivered through online courses, classroom courses delivered by internal trainers and/or external lecturers, "blended" courses, individual coaching, team building and highly specialised external courses. The main training areas are outlined below.

Be Sustainable

For the Group, the ecological transition is such a crucial issue that the commitment and focus on sustainability has been included as a pillar of the "Horizon 2026" Strategic Plan. In order to promote a culture of sustainability, an internal communication programme entitled "*Della Serie, basta poco!"* was launched and the "*Protagonists of Sustainability"* path was released, consisting of two video clips: the first aimed at providing a general overview of the ESG world, while the second focused on sustainable food choices and how to adopt more sustainable behaviour.

In line with the three-year Family & Work Audit project and the ESG plan, there was also a focus on people: a number of in-person training sessions were held during the year, on the topics of "*Time Management*", "*Stress Management*", "*Care-giving"* and "*Burnout/Balance*", which were tackled in an innovative way, as they were organised in discussion sessions led by professional psychologists: the participants were able to talk about their experiences and difficulties, gathering useful insights on how to deal with them from both the professionals and the other participants. In addition, the webinar "*Employee Assistance Program - 360° wellness in the company"* was organised to present the new counselling service.

The Group has invested heavily in the development of inclusive leadership capable of strengthening the skills of managers so that they have the necessary expertise to manage a rapidly changing environment. The "*Being a leader of change"* course was organised, which, through training sessions and team/individual coaching, was aimed at changing the mindset of managers in order to develop their approach to change, moving from the rigidity of "it has always been done this way" to proposing, accepting and discovering new options and developing the responsibility of when to "let something go" and when to correct mistakes. Significant emphasis was placed on leadership communication styles, conflict management, remote team management, diversity management within teams and the ability to organise and plan a schedule.

2024 also saw the launch of a strategic project for the Group: the updating of its Values in order to align them with the new sustainability principles and the sentiment of its people, and the construction of the Code of Conduct. For more details, see section *S1-2 – Processes for engaging with own workers and workers' representatives about impacts*

Skills development also takes place through a structured feedback process, which is an important building block for proper staff management; it represents a fundamental moment for the development and growth of the individual and allows particular training needs to emerge.

In the Group, performance is evaluated annually in the context of an interview that takes place on the basis of an internal evaluation system, which is subject to union reporting. In particular, at this interview the following are assessed:

- performance in terms of activities carried out and behaviours acted upon and the level of achievement of assigned targets;
- professionalism i.e. skills and capabilities with reference to the initiatives proposed and/or undertaken with respect to the assigned processes.

In order to ensure greater objectivity of the assessment, the system provides that the judgement expressed by the assessor on the assessed person is validated by a supervisor figure (usually the direct superior) and by the Parent Bank's People Management Division, according to an internal workflow.

In addition to the performance evaluation of the year ended, the process also includes the definition and assignment of targets for the current year to all staff. Whereas for previous years, ESG performance targets were assigned solely to Top Management, from 2025 onwards, it has become mandatory to extend these targets to Middle Management, which, in turn, may cascade them down to their respective teams.

It is planned to continue with internal awareness campaigns on ESG topics, as well as to organise further training sessions on inclusive leadership and people-related themes (stress management, time management, etc.).

Following broad participation by Group employees in shaping the new Values System and the Code of Conduct, in 2025 an internal communication and training campaign will be launched with the aim of ensuring that every employee is aware of the new values system and develops behaviours aligned with the principles defined in the Conduct Agreement.

The aim is to promote a culture of sustainability and corporate values, and develop a people-oriented inclusive leadership model to align managers and employees with the Sparkasse Group's ESG strategy and contribute to the achievement of sustainability targets.

On one hand, it is important to raise employee awareness on ESG topics, fostering a widespread and lasting cultural change. Through the adoption of training programmes and awareness-raising initiatives, the organisation commits to building collective awareness and promoting individual responsibility towards social and environmental sustainability targets. On the other hand, it is crucial to disseminate change-oriented leadership capable of placing people at the heart of the organisational process.

Target and unit of measurement

- Increase management training at the Cassa di Risparmio Group level, by ensuring the participation of at least 75% of managers in training programmes by 2024 (% of managers trained in leadership);
- Train employees on ESG topics reaching 100% by 2026 (% of employees trained in ESG);
- Promote the Group's values culture (Code of Conduct), ensuring that 60% of Group employees are trained by September 2025 (% of employees trained);
- Launch continuous training initiatives under the Family & Work Audit project on the topics of "parenting", "individual well-being", "stress management", and "care-giving", aiming to develop the motivation and potential of persons, fostering opportunities for "re-engagement" of senior employees, identifying motivational drivers in younger generations and raising awareness of gender-related stereotypes (number of initiatives organised);
- Launch social engagement initiatives to encourage green behaviours and a culture oriented towards environmental sustainability (e.g. waste management) through internal awareness campaigns (number of campaigns launched);
- 100% of managers (Top and Middle) with ESG targets included in their MBOs by 2025 (% of managers with ESG targets).

Technical Expertise

At the beginning of 2024, a training programme was organised to strengthen specific expertise in anti-money laundering, with the aim of ensuring continuous refresher training and safeguarding the Group from any form of risk.

A major awareness programme on cyber risks was launched, based on two pillars: on one hand, the implementation of a training plan covering all key aspects of cybersecurity, from threat awareness to daily security practices; on the other, the development of controlled spear-phishing campaigns aimed at identifying the main causes of organisational system vulnerabilities.

Also with a view to strengthening technical ESG skills, the training programme initiated with the "*Competence Centre for Sustainability*" of the Free University of Bozen/Bolzano was completed, with participation from *Corporate banking advisors*, *Business advisors* and the Sparkasse Group's *ESG Officers*. In addition, the advisors attended training sessions to promote awareness of regulatory changes in sustainable credit management and to develop expertise on the integration of ESG factors in investment services and the internal advisory platform. Several online courses on ESG topics were included in the Network's continuing education courses.

Significant importance was also given to regulatory training (e.g. training on Legislative Decree 231/01, corruption prevention within the Group, transparency) and to professional training pathways related to the credit sector, particularly Basic Credit.

In 2024, the new commercial model was introduced in Banca Cividale: in collaboration with CiviBank's Commercial Department, workshops were organised for the new roles introduced in Banca di Cividale, with the aim of providing all necessary tools to fully adopt the new commercial model, which involves role evolution towards greater specialisation. The thematic workshops involved Branch Managers/Heads, business advisors, small business advisors, personal advisors and private banking advisors. Branch Managers/Heads then took part in a dedicated training programme aimed at strengthening their managerial skills and preparing them to manage change.

With a focus on skills development and the acquisition of new roles, professional training pathways in credit, financial, and insurance matters were delivered, enabling employees to adequately respond to customer needs while meeting business targets.

The professional development of staff is pursued through onboarding and on-the-job training programmes for new recruits, aimed at welcoming and guiding individuals, facilitating their independent understanding and internalisation of the Group's Values and characteristics, fostering team integration, and developing a sense of belonging to the company.

Artificial Intelligence (AI) is transforming the way we work, automating repetitive tasks and improving operational efficiency. However, it is important to understand how it works so that it can be used to create added value for the Group and its stakeholders. For this reason, a training and awareness programme on Artificial Intelligence and its potential applications will be launched in the near future. Additionally, training initiatives to strengthen knowledge of relevant regulations will continue.

In 2025, a training programme will be launched for Private advisors aimed at obtaining the ESG Advisor certification, while Corporate and Business advisors will be involved in training activities on ESG products within the tourism sector.

The strengthening of knowledge of regulations (including ESG), new technologies, new products, and new procedures aligns with the target of making the banking business innovative, sustainable, and in line with evolving market needs. Deepening technical expertise enables staff to remain up to date on emerging trends, comply with current regulations, and thus provide innovative and high-quality services to customers.

Target and unit of measurement

- Provide online training activities on ESG topics across the Sales Network, incorporating more than 4 online courses on ESG into their dedicated training programmes (number of ESG courses delivered to the Network);
- Develop technical knowledge on artificial intelligence tools applicable to the banking business by delivering specialised training courses and ensuring that 60% of Group employees are trained by 2025 (% of trained employees);
- Develop a training and skills development plan in line with the requirements of the Departments and the needs of stakeholders.

Career Transformation and Reskilling

In 2025, the Group will launch a comprehensive skills mapping project, involving the implementation of an innovative professional assessment and development system. The main actions will include conducting a detailed analysis of existing skills for each professional category, through interviews, structured evaluations, and the use of digital self-assessment tools. Customised upskilling and reskilling pathways will be designed based on identified gaps, enabling employees to acquire strategic skills through targeted training, mentoring, and internal mobility programmes. Additionally, an integrated technological platform will be developed to monitor skills evolution, identify in-house talent and support dynamic training planning, ensuring a proactive approach to human capital management and enhancement.

The action plan described above for 2024, covering training, the values/Code of Conduct project and the CiviBank Leader Assessment, incurred total operational expenses of Euro 1.049 million. A budget of Euro 773,000 was approved for the 2025 action plan.

The focus on reskilling, skills enhancement, career development and the integration of ESG targets into managerial systems reflects the Group's strategic priorities with respect to sustainability targets. This approach not only prepares staff to face the challenges of a rapidly evolving market but also fosters a resilient and innovation-oriented organisational culture.

Through skills development projects, the Group aims to improve operational efficiencies, employee satisfaction, and the ability to achieve long-term strategic objectives.

Target and unit of measurement

- Launch targeted professional development pathways and reskilling initiatives by 2026 (number of pathways launched);
- Develop, by 2026, an advanced skills identification and valorisation system per professional category.

The Group uses qualitative-quantitative metrics to assess the effectiveness of its initiatives. Quarterly reports are prepared and shared with management and relevant committees.

Specifically, the following data are analysed:

- Training hours delivered;
- Average training hours per employee;
- Number of employees involved in training activities;
- Number of employees involved in ESG-related training activities;
- Percentage of employees who have completed upskilling/reskilling courses;
- Percentage of employees who have completed professional development courses;
- Level of employee satisfaction with training programmes;
- Learning index of skills acquired through training;
- Employee engagement index measured through periodic surveys;
- Number of non-conformities related to training activities;
- Number of employees involved in periodic performance and career development reviews;
- Percentage reduction of grievances concerning service quality.

These indicators are subject to continuous monitoring to allow intervention if any of them fall below a minimum threshold.

S1-13 – Training and skills development metrics

The following tables present:

- the average number of training hours per employee and by gender;
- the percentage of employees who participated in periodic performance and career development reviews, disaggregated by gender.

Average number of training hours, by gender and job category

AVERAGE HOURS BY GENDER AND JOB CATEGORY			
JOB CATEGORY	F	M	TOTAL
Executives	72.39	39.50	44.70
Middle managers	56.03	63.55	60.91
White-collar	46.67	58.09	50.92
Total	**49.58**	**60.49**	**55.02**

The average training hours were calculated by including in the numerator the training hours completed between 01.01.2024 and 31.12.2024 by employees active as at 31.12.2024. In the denominator, on the other hand, the figure appearing in the table "*Number of employees by job category and gender*" in the ESRS disclosure requirement S1-6 was entered.

Total number of employees who participated in periodic performance and career development reviews broken down by gender and job category

Job category	(numbers)			(%) of totals by gender		
	M	F	TOTAL	M	F	TOTAL
Executives	24	6	30	75%	100%	79%
Middle managers	503	245	748	92%	83%	89%
White-collar	360	589	949	87%	84%	85%
Total	**887**	**840**	**1,727**	**89%**	**84%**	**87%**

A periodic performance review is defined as a review of which the employee is aware, conducted at least once a year based on criteria known to the employee and their superiors. The review may include an evaluation by the employee's direct supervisor, colleagues, or a broader group of employees. The HR department may also participate in the review.

Social information: Affected Communities

Affected Communities: land-related impacts

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

With reference to the topic "Affected Communities", the following table shows the impacts, risks and opportunities (so-called "IRO") identified by the Group. As outlined in the previous chapter "*General Disclosures*", Part One of the Sustainability Statement, the Group includes the following main stakeholders within the Community: Public institutions and administrations, schools, universities and scientific/research communities, environmental associations and non-profit associations.

Affected communities (communities' economic, social and cultural rights - land-related impacts)			
IRO Description	IRO Type	Time horizon	Coverage
Supporting territorial institutions that promote education, including financial and sustainability-oriented education	Positive impact	Medium	OO;
Contribution to social initiatives that promote social inclusion, community well-being and the protection of rights.	Positive impact	Medium	OO;
Involvement in programmes aimed at providing communities with levers for progress, contributing to social development and promoting positive relations with different communities	Positive impact	Medium	OO;
Lack of and/or inadequate support for territorial institutions aimed at promoting education (including financial education), social and environmental targets.	Negative impact	Medium	OO;
Lack of and/or inadequate support for community development and social/cultural participation	Negative impact	Medium	OO;
Lack of and/or inadequate contribution to the inclusion of minorities	Negative impact	Medium	OO;
Negative relations with communities that may result in damage to the Group's reputation with related financial effects	Risk	S-T	OO;
Dissatisfaction or social unrest that could affect the Bank's target territory and stakeholders' trust	Risk	S-T	OO;
Wrong social and cultural initiatives or relations that may tarnish the reputation of the Group	Risk	S-T	OO;
Fostering constructive relationships that can bring business benefits, such as stable, conflict-free operations and easier local recruitment	Opportunities	Medium	OO;
Investing in socially responsible projects or sectors aligned with emerging cultural and social values, thereby enhancing reputation	Opportunities	Medium	OO;

With its activities, the Group plays a key role in supporting our economy and society. The Group, also due to its origins and characteristics, is particularly attached to its local communities and is attentive to understanding the perceptions and concerns of communities in order to activate appropriate initiatives.

S3-1 – Policies related to affected communities

The Sparkasse Group intends to promote a development model for the local area and community that promotes equitable and sustainable well-being. In December 2023, the Parent Bank's Board of Directors approved the document "Sustainability Policy", which supports the definition of strategic choices in the area of sustainability, contributes to accelerating positive impacts and reducing negative impacts on the environment and people. In addition, ensures the involvement of stakeholders along the entire value chain through initiatives to promote a culture of sustainability:

- support for community development through social programmes focusing on sustainability, education and financial culture, including through partnership agreements;
- support for the development of entrepreneurship initiatives in the area, particularly among young people and women;
- promoting and disseminating responsible practices aimed at fostering social cohesion and improving quality of life, in collaboration with regulatory authorities and other organisations.

The Sustainability Policy is available on the Sparkasse Parent Bank's website: www.sparkasse.it.

Additionally, in 2024, the Group drafted a Human Rights Policy (approved in early 2025), which addresses all Group stakeholders, *i.e.*, shareholders and investors, customers, Group employees, suppliers and business partners, and all communities in the territories where the Group operates. The Policy defines the principles the Group commits to promoting, with the aim of safeguarding the integrity of the Person in his or her physical sphere (understood as safety, freedom, and individual personality) and in his or her psychological sphere (understood as moral and social integrity). The Human Rights Policy is founded on the principles of equality, diversity, and inclusion and draws inspiration from internationally and nationally accepted declarations, conventions, standards, principles, guidelines, and recommendations, including the United Nations International Bill of Human Rights.

The Group operates and has a presence in the following territories: Autonomous Provinces of Bolzano and Trento, Veneto, Friuli-Venezia Giulia, Lombardy, and Emilia-Romagna (with a single branch in Munich, Germany). Thanks to the widespread presence of Sparkasse Group branches across the territory, it engages local institutions and communities in initiatives aimed at generating the impacts described in the table above.

The identified impacts, risks, and opportunities, as well as the Sparkasse Group's Sustainability Policy and Human Rights Policy, apply to all communities in the territories where the Group has a presence.

In the context of land-related impacts, the Fondazione Cassa di Risparmio di Bolzano also plays a key role as the majority shareholder of Cassa di Risparmio di Bolzano SpA. The Foundation, a private legal entity, autonomous both with respect to its organisational documents and management, which pursues socially beneficial purposes, allocates annual dividends (resulting from the aforementioned shareholding) and revenues from the management of a securities portfolio to projects and initiatives in the Bolzano Province, in the form of donations and disbursements. The Foundation plays a central role in promoting sectors such as art, scientific research, support for socially vulnerable groups, and philanthropy.

S3-2 – Processes for engaging with affected communities about impacts

The views of the affected communities are gathered as part of the *materiality analysis,* which determines the materiality of topics to be prioritised in relation to the Group's business strategy and value chain. This input guides decisions and activities aimed at managing actual and potential impacts on the environment and people. Please refer to the specific section SBM 2 within the "*General Disclosures*" chapter, Part One of the Sustainability Reporting. No additional engagement processes have been initiated at this time.

S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns

Potential negative impacts on communities may arise from insufficient or inadequate support for promoting education (including financial education), advancing social and environmental targets, fostering social/cultural participation within communities and ensuring minority inclusion.

To manage these impacts, the Group plans and implements a range of initiatives (such as sponsorships, partnerships, etc.) designed to positively influence its reference communities.

The Group's relationship with the territory is built upon continuous attention and active listening, thus enabling the provision of evolving services that meet stakeholders' needs and knowledge levels. Stakeholders may submit inquiries through dedicated forms on the Group banks' websites, or send communications via the listed contact channels. Additionally, Sparkasse and CiviBank maintain active social media platforms for engagement, where all interactions must observe respectful and appropriate language conventions. Beyond these channels, the Grievances Office serves as a further safeguard for customers.

S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

The Sparkasse Group extends its influence beyond the economic realm, actively supporting sports, cultural, and social initiatives with clearly defined targets and purposes.

In addition to strengthening relationships with customers and reinforcing customer loyalty, involvement and acquisition, the Group’s support strategy aims to strengthen and consolidate ties with the socio-economic fabric - the very environment from which Banks’ resources for their economic activity derive. The focus is on “valuable” sponsorships and donations and on high visibility initiatives to foster local development by supporting projects and initiatives of prominent local associations and entities, in order to generate measurable positive impacts for the community, people and the environment (where "impact" denotes an organisation’s capacity to drive positive change in a given field to avoid negative impacts).

Collaborations with local entities are viewed as strategic opportunities, enabling direct dialogue between the Group and organisations that are closely attuned to community needs and aspirations, fostering the development of high-impact initiatives and activities. This ongoing engagement and dialogue with stakeholders and the Group's concrete support to affected communities, conducted in compliance with internal regulations, helps mitigate or remediate declared potential negative impacts and risks.

Local applicants seeking sponsorships or donations must submit proposals via a dedicated platform available on the website, or by making a written request directly to the Bank, indicating the objectives for which the support is requested.

To ensure strategic and consistent allocation of sponsorship resources, only projects that meet stringent criteria will be evaluated, such as:

- reliability of the applicant;
- importance of the project or initiative, particularly its social impact on people, communities and environment;
- contribution to the goals of the 2030 Agenda and to the improvement of the “BES” (*benessere equo e sostenibile*, equitable and sustainable well-being) indicators;
- actors involved in terms of number, type, characteristics, diversity and level of interest aroused by the event/initiative/activity;
- strategies for local community stakeholder communication and engagement;
- quality of reporting on the results of the event/initiative/activity;
- the degree of partnership loyalty and operational collaboration between the Bank and the Association;

- historical data of grant allocations in the previous years;
- geographical scope of operations - established or newly established areas.

The subsidiary CiviBank, as a Benefit Corporation, supports philanthropic activities also in the following areas:

- education and training: initiatives and activities related to the development of personal skills at any age, prioritising training interventions and educational projects related to financial education and sustainability;
- social: initiatives and activities supporting specific categories of people, particularly those in need or disadvantaged, activities and facilities oriented towards personal assistance (e.g. early childhood, youth, elderly, sick, disabled, needy and vulnerable);
- promotion of local development and environmental protection: activities to promote the territory and safeguard and enhance the environment, civil protection interventions, municipal and supra-municipal tourist events, local promotion initiatives;
- youth sport: sports and team activities exclusively in the youth sector that promote health and social interaction;
- culture: cultural promotion initiatives in the field of art (music, dance, theatre, cinema, painting and sculpture, poetry), the rediscovery/enhancement of the cultural values of local tradition and local artistic heritage;
- community building: local events involving the population. These include, for example, activities aimed at specific groups of the local population (e.g. youth groups, clubs, alpine groups, local voluntary associations etc.).

Sponsorship requests are authorised by specially delegated organisational units and bodies. Requests going beyond the limits of the delegated powers require authorisation from the Board of Directors.

For the subsidiary CiviBank, as a Benefit Corporation, charitable donations may be allocated annually and are capped at 3% of net profit for the year, as per its Articles of Association and as determined by the Board of Directors and the Shareholders' Meeting. The Management (*Direzione Generale*) handles approvals unless internal regulations require authorisation from CiviBank's Board of Directors.

As a Benefit Corporation (Art. 44 of its Articles of Association), CiviBank is required to draw up an annual Impact Report pursuant to Law no. 208 of 28 December 2015, detailing:

- specific targets, methods and actions taken by CiviBank's directors to deliver common benefit;
- an assessment of the impact generated by the Bank's relations with its suppliers, with the local region and local communities in which it operates, the volunteering initiatives, donations, cultural and social activities, and all actions supporting local development and its supply chain, and also an assessment of environmental impacts (in terms of resource use, energy, raw materials, production processes, logistics and distribution processes, product use and consumption, and end-of-life).

For its Impact Report, CiviBank employs the B Impact Assessment (BIA) standard by B Lab, an independent, global, multi-stakeholder group with specific expertise in responsible and sustainable business practices.

S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The ESG Plan 2024-2026 seeks to position Sparkasse Group as a point of reference in the territory's journey towards sustainability. In particular, under its *Horizon 2026* Business Plan, the Group has disclosed its target of allocating Euro 5 million to back activities supporting the community and territories.

This target relates to the Banking Group, Sparkasse and CiviBank, over the reporting period of the Business Plan (i.e. 2024 to 2026), and

reflects the Group's commitment to social development, promoting inclusiveness, investing in training and supporting the socio-cultural development of the territories.

Note: These targets were formulated without direct consultation with affected communities.

In relation to the aforementioned target, the Group is actively engaged in supporting the territory through sponsorships and donations. The following table details the amounts disbursed in 2024 by Sparkasse and CiviBank:

/000	2024		
	Sparkasse	CiviBank	Group
Total sponsorships and donations (incl. VAT)	Euro 1,228	Euro 931	Euro 2,160

SPARKASSE
CASSA DI RISPARMIO

Social information: Consumers and end-users

Information-related impacts for consumers and/or end-users

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

With reference to the topic "*Information-related impacts for consumers and/or end-users*", the following table shows the impacts, risks and opportunities ("IRO") identified by the Group. These IROs uniformly apply to all customer segments with which the Group operates, unless otherwise specified in the table.

Regarding the methods used to consider Group customers in identifying impacts, risks, and opportunities, reference is made to the general process adopted by the Bank for conducting double materiality assessments. The identified IROs are also taken into account in defining the strategy and business model, in the general terms explained in the "*General Disclosures*" chapter, Part One of the Sustainability Reporting.

CONSUMERS AND END-USERS (Information-related impacts for consumers and/or end-users)			
IRO Description	IRO Type	Time horizon	Coverage
Increase in consumer trust thanks to accurate and transparent information and regulatory compliance	Positive impact	Medium	OO;
Greater involvement of customers through the provision of adequate channels for feedback and communication with the Bank	Positive impact	Medium	OO;
Violation and disclosure of sensitive information, with potential financial harm (fraud) for customers	Negative impact	Short term	OO;U-VC;
Loss of trust and/or financial harm for customers due to non-compliance with transparency and contractual principles	Negative impact	Short term	OO;
Service disruptions, including potential cost increases for customers, due to inefficient management of disputes/grievances regarding compliance with transparency and contractual principles	Negative impact	Short term	OO;
Inadequate management of impacts related to information on products and/or services that may relate to health, safety, product quality, or end-user experience, resulting in negative financial effects	Risk	S-T	OO;
Lack of/partial transparency on products and services offered, leading to legal, reputational, and non-compliance risks	Risk	S-T	OO;
Containment of costs and/or negative financial impacts related to customer grievances in the context of compliance with transparency and contractual principles	Opportunities	Medium	OO;
Increased trust and consequent customer loyalty, leading to positive financial effects	Opportunities	Medium	OO;

S4-1 – Policies related to consumers and end-users

The Sparkasse Group recognises the quality of information provided to consumers as a key element in ensuring a responsible, fair and inclusive banking experience. Access to clear, reliable and understandable information is crucial for customers to make informed decisions, protect their financial interests and feel safeguarded in their relationship with the bank. The Group is aware of the potential negative impacts that inadequate communication may generate: lack of transparency or the dissemination of incorrect information can result in a loss of customer trust, with possible reputational and legal consequences for the Group. Furthermore, inefficient handling of grievances or reports from consumers may exacerbate dissatisfaction risk and undermine long-term customer relationships.

The centrality of transparency and customer protection is fully integrated into the Group's governance model, which includes advanced monitoring tools and a continuous review process for contractual documentation and transparency policies. To this end, a risk-based approach has been adopted for managing regulatory obligations related to transparency and consumer protection. The organisational model incorporates supervision and control mechanisms to ensure that consumer information is always clear, comprehensive, and in line with market standards.

To address challenges related to consumer protection, the Group has developed a comprehensive framework of policies, guidelines, and processes aimed at ensuring a high level of transparency and quality in the information provided to customers. These include:

- Consumer Protection Policy, which establishes principles and guidelines to ensure fairness, transparency and protection for customers;
- Product Oversight Governance Policy for investment services, insurance products, and banking products and services;
- Customer Classification and Profiling Policy, which also serves as a fundamental pillar for better understanding customer needs and expectations regarding investments, guiding commercial policy towards an offering aligned with their requirements and in line with the adequacy parameters established by the protection model. Specifically, the following dimensions are analysed: Financial experience and knowledge; Risk tolerance; Investment objectives; Financial situation; Liquidity needs; Time horizon; Capacity to withstand losses; Sustainability (ESG) preferences, to align the offering with the customers' ethical and environmental choices, strengthening the bank's role in the sustainable transition;
- Operational Standard for the Development of New Products, Services and Activities, which governs the entire lifecycle of the Group's products. This standard ensures that each new product is developed in line with its target market, through continuous sales monitoring, analysis of received reports and ongoing comparison with commercial data to identify any misalignments with customer needs.

In general, responsibility for policy implementation remains, in accordance with the organisational model, with the Board of Directors.

In line with its strategic approach, the Group pursues targets aimed at improving the accessibility and quality of information, reducing the risk of misunderstandings and increasing customer trust. This includes reviewing contractual and informational/disclosure documents, simplifying the language used in commercial communications and adopting digital tools to make information more user-friendly.

Regarding the product offering, in order to ensure that banking products align with customer expectations and needs, the Group has developed tools for monitoring sales outside the target market, a process that involves continuous analysis of commercial flows and of any anomalies with respect to the reference targets. This system enables timely intervention in case of deviations, implementing corrective measures to realign the offering with actual market demand. More specifically, for investment products, based on data collected through the profiling process, the Group develops strategic guidance for commercial policy, defining guidelines for launching new products, adapting the existing offer and creating tailored solutions.

In line with Product Governance rules, the Group has also defined and implemented procedures to improve the alignment between products offered and customer profiles, reducing the risk of mis-selling and ensuring greater consumer protection.

From an operational perspective, the implementation of the aforementioned procedures and policies, as well as their monitoring, is entrusted to the Business Strategy & Development Department, which oversees the following activities within the Group:

- Commercial and business strategy, namely the coordination of strategic commercial development activities, from the identification of growth drivers to the implementation of execution actions, and the assessment of the alignment of new strategic initiatives with corporate targets, in agreement with the other Bank Departments involved in the strategic process;
- Business Development, to ensure continuous commercial development across different sales channels, ensuring the broad-spectrum oversight and development of products to be offered to customers and the related remuneration, as well as ensuring regulatory oversight in the commercial sphere by liaising with the Bank's control functions;
- Customer engagement and omnichannel strategy, with the aim of overseeing the main remote customer support hub through the various available channels, ensuring the management and control of activities and operations, as well as designing the cross-channel customer trajectory and innovative ways of interacting with customers, coordinating their implementation with particular reference to CRM, including in terms of marketing automation.

S4-2 – Processes for engaging with consumers and end-users about impacts

The assistance and support channels have been enhanced, including the *Sparkasse Meet* virtual advisory service, which allows customers to receive personalised remote assistance, facilitating dialogue with the bank and improving accessibility to services, ensuring timely responses and effective solutions in the event of reports.

To further consolidate its commitment to customer experience, the Group periodically conducts customer surveys to assess satisfaction levels and/or better understand customer needs and expectations. These surveys, together with the analysis of commercial and sales data, provide key insights to improve the quality of the offering and customer relationships.

In addition to surveys, benchmarking activities are continuously carried out to ensure a positive impact on consumers and end-users, improving the quality, transparency, and accessibility of its products and services; the analysis of the offering helps identify areas for improvement in the customer experience, promoting more inclusive and consumer-protection-oriented banking solutions.

Furthermore, to monitor its competitive position, the Parent Bank conducts quarterly analyses of market shares in deposits and loans for each Bank, assessing pricing competitiveness relative to competitors. Additionally, benchmarking analyses are performed on specific business segments to refine business strategies and optimise the institution's positioning in the banking sector.

The introduction of financial education programmes is also under consideration, aiming to support customers in understanding banking products and services, promoting greater awareness in financial decision-making.

S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

The Parent Bank considers all communications (grievances or reports) received from customers through various channels, in order to improve its services. Where a service failure is identified, the grievances unit reports it to the competent unit so that the latter, or other competent units, can take steps to remedy it. The designated units are responsible for verifying the effectiveness of the remedies adopted.

Each customer may contact the Grievances Office of their respective bank by:

- ordinary or registered mail or in-person delivery at the branch where they hold their accounts;
- e-mail or certified email to the address indicated on the website of their respective bank within the Sparkasse Group under the "Grievances" section;
- or by completing a form available on the website of their respective bank within the Sparkasse Group under the "Grievances" section.

These channels are made available directly by the Bank, including through its sales network.

These methods are also communicated through information leaflets and the website.

Additionally, further informational channels are available, such as remote assistance with toll-free numbers, remote advisors and dedicated email addresses for enquiries, alongside the constant availability of the sales network in the local region.

The channels are provided directly by the Bank through its sales network, website, and information leaflets.

Annually, the number of grievances and customer contacts with the grievances unit is reported to corporate bodies and published on the corporate website. Similar communications are also sent to the supervisory authorities (Bank of Italy, Consob, etc.).

There are no specific arrangements in place to periodically ascertain general awareness of these processes and channels; however, multiple informational channels are in place to promote their awareness.

In any case, given the number and frequency of requests received, it appears that the process and channels are known and used by customers. Data on channel usage and, consequently, on the number of grievances submitted are published on the website. For the other relevant matters, please refer to the section "*G1-1 – Corporate culture and business conduct policies*"

Among the main third-party mechanisms available to customers (excluding judicial ones) are:

- Banking and Financial Ombudsman (ABF);
- Financial Disputes Arbitrator (ACF);
- Insurance Ombudsman (where operational);
- Reports to Supervisory Authorities;
- Mediation and assisted negotiation;
- Intermediation by consumer associations;

These channels are all accessible to consumers/end-users.

Grievances are handled with the aim of resolving the issue and assessing the customer's concerns, often requiring cooperation with other departments.

Certain specific grievances, where appropriate, are treated with internal privacy.

In all cases, for all grievances data privacy regulations are strictly observed.

Regarding the submission of anonymous reports, all communications received (e.g. anonymous letters) are considered, although feedback cannot be provided directly to the person submitting the report due to anonymity.

The Group's banks annually publish the number of grievances received on their websites.

S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

The Group has implemented a series of initiatives to strengthen customer relationships, improve the quality of information provided, and ensure an increasingly transparent, secure, and accessible banking experience. Below are the key actions taken during the year:

Integration of sustainability preferences into customer profiling questionnaires

Regarding Sustainability topics, a project was implemented to integrate customer sustainability preferences into the advisory process. After the first phase (completed in August 2022), which introduced additional sustainability filters and minimum quality add-ons into the "Best Of" assessment, a "Phase 2" of the ESG Project was planned, which developed the protection model in this area during 2024. From January 2024, sustainability checks are shifting away from the traditional three pillars (E, S, G), instead focusing on more analytical drivers aligned with evolving regulations and available market data, analysing Sustainability, Environmental Sustainability (Taxonomy), and PAI (Principal Adverse Impact) variables both in terms of the customer's ESG profile and the classification of individual products. Additionally, a Product Governance control was developed in 2024 dedicated to sustainability. This control was designed to verify, in advance, that portfolio checks match customer preferences with the attributes of the investment product being purchased, thereby fulfilling the remaining regulatory requirements for the Bank's investment services protection model.

Customer preference data is analysed centrally at least semi-annually.

Overall, there is strong interest in sustainability, with over 60% of Sparkasse's portfolio held by customers with an interest in this field. In relation to Sparkasse, following the extension of the Parent Bank's advisory model to its subsidiary, CiviBank conducted its "first" customer contractualisations and profiling with a full set of sustainability questions, including questions on environmental sustainability and PAI (Principal Adverse Impact) topics.

The analysis of financial instrument coverage in order to assess the value of ESG-focused portfolios is conducted annually.

Completion and alignment of investment product offerings

For 2025, the Banking Group has set the common target of completing and consolidating the convergence, between the two Legal Entities, of most investment products/services available to customers. This convergence will form a robust architecture that, leveraged by the advisors network's expertise, will strengthen the Banking Group's positioning as a solid and competent reference point for financial advisory for its customers, offering a high-value service through a broad range of products. The expansion of external advisory services and the integration of CiviBank's Asset Management into Sparkasse's offering, planned for 2025, aim to meet growing demand for personalised, high-quality investment solutions. CiviBank's Asset Management represents a strategic growth segment for the Group; the offering was expanded in 2024 with the launch of new Asset Management Lines aligned with the Group's selected PAI policies.

Customer and prospect satisfaction survey in Friuli-Venezia Giulia

Approximately two years after the acquisition, the Group conducted a survey of CiviBank customers and prospects to assess the impact on CiviBank of the integration into the Sparkasse Group, in terms of brand perception and evaluation, as well as customer experience.

Area of application: Friuli-Venezia Giulia

Period: March-April 2024

No. of customers and prospects involved: 1,000

Survey of customers under 30

In 2024, with the support of a leading research institute, the Group conducted a survey among customers and prospects under 30 in the Triveneto region, involving both parents and young individuals, in order to identify the priorities of different customer segments in terms of expectations and needs. The qualitative and quantitative survey included both German and Italian native speakers.

Area of application: Retail customers in Triveneto.

Period: October–November 2024.

No. of customers and prospects involved: 1,100

Analysis of app store reviews

The Sparkasse Meet Service continuously monitors and analyses reviews left by users on the App Store in relation to the online banking app. This process involves collecting and categorising feedback, identifying critical issues, suggestions and positive aspects reported by customers. Subsequently, the contact centre prepares detailed reports and, where possible, responds to customers in order to improve the customer experience and strengthen the institution's image. Furthermore, feedback is shared with internal teams to optimise the app and implement any functional improvements.

S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The Group's strategic targets in consumer protection are developed along the following main lines:

- improving the transparency of information provided to customers by reducing the complexity of banking documents and increasing content clarity;
- strengthening the monitoring of product alignment with market targets, ensuring ongoing alignment between commercial offerings and customer needs;
- monitoring profiling data in real time, guaranteeing constant updates and increasingly advanced customisation of the offering;
- improving customer relationship management by optimising interactions between branches, advisors, and digital platforms;
- integrating advanced data analysis functionalities thereby enhancing the effectiveness and customer focus of the decision-making process;
- increasing customer engagement in decision-making processes by developing active listening tools and periodic surveys to gather feedback for improving banking services.

In addition to the above, the Group has not defined any further measurable targets in the topic under review.

The effectiveness of the policies and actions undertaken is monitored through a set of KPIs (Key Performance Indicators) that assess progress and identify potential areas for improvement. These metrics enable the Group to clearly evaluate the impacts generated and strengthen its consumer relationship management model, fostering continuous improvement and shared value creation. The main indicators adopted include:

- customer satisfaction levels, measured through periodic surveys;
- total number of grievances received and average grievance handling time;
- percentage of grievances resolved at first contact;
- market share in deposits and loans, monitored quarterly to ensure competitiveness of the offer.

Personal safety of consumers and/or end-users

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

Regarding the topic "Personal safety of consumers and/or end-users," the table below outlines the impacts, risks, and opportunities (IROs) identified by the Group. These IROs uniformly apply to all customer segments with which the Group operates, unless otherwise specified in the table.

Regarding the methods used to consider Group customers in identifying impacts, risks, and opportunities, reference is made to the general process adopted by the Bank for conducting double materiality assessments. The identified IROs are also taken into account in defining the strategy and business model, in the general terms explained in the "*General Disclosures*" chapter, Part One of the Sustainability Reporting.

CONSUMERS AND END-USERS (Personal safety of consumers and/or end-users)			
IRO Description	IRO Type	Time horizon	Coverage
Increased consumer well-being and safety	Positive impact	S-T	OO;
Breach and disclosure of sensitive personal/company data (data breach) with potential financial harm (fraud) for customers	Negative impact	Short term	OO;U-VC;
Risk of privacy and data protection violations, resulting in reputational, legal and economic harm	Risk	S-T	OO;U-VC;
Risks to consumer health and safety with resulting financial impacts, from offering unsafe products or services (e.g. branch security)	Risk	S-T	OO;
Risk of Group involvement (through financing/investments) in companies that may harm consumer and/or end-user health and safety (e.g. reputational risks from financing firms operating in sensitive sectors such as arms or gambling)	Risk	S-T	OO;
Containing costs and/or negative financial impacts related to potential customer harm incidents	Opportunities	Medium	OO;
Investing in/financing businesses that adequately manage the issue of customer security and therefore have better creditworthiness with consequent positive financial effects in the medium to long term	Opportunities	Medium	OO;

S4-1 – Policies related to consumers and end-users

The Sparkasse Banking Group considers that the protection and security of personal data, eliminating any breach of privacy, availability and integrity, are of paramount importance. Technical and organisational measures have been put in place to prevent and manage such breaches and, should they arise, to safeguard the rights and freedoms of data subjects.

To prevent potential data breaches, the Banking Group has adopted the "Information Security" Regulation, including an annex titled "General Measures on Information Security", approved by the Board of Directors of each of the two legal entities.

This document, compliant with supervisory provisions applicable to banks (Bank of Italy Circular No. 285 of 17 December 2013 ("New Prudential Supervision Provisions for Banks" - Title IV, Chapter 4, Section IV), defines clear protocols and procedures to ensure data security, appropriate system access, continuous monitoring, incident management and response to information security events.

Proactively, and in line with the accountability principle under EU Regulation 679/2016 (GDPR), the Group has - in the broader context of regulation of data processing and data protection - also adopted policies to manage events that could adversely affect data subjects' rights, establishing criteria to assess impact and implementing regulatory requirements (e.g. reporting incidents to the Italian Data Protection Authority and notifying the data subject in high-risk cases where his/her rights and freedoms may be compromised).

This matter is regulated within the company's data protection Policy and also by the Data Protection Rules, adopted by the CEO and General Manager of each legal entity, and also within the detailed operational rule "Incident Management Procedure".

The implementation of the aforementioned rules, which apply to all staff and corporate bodies of the group's banks, is the responsibility of the Board of Directors of the group companies.

The topic will be further addressed during 2025 and included within specific sustainability policies, reflecting the general obligation to protect human rights, particularly the right to privacy under Article 12 of the Universal Declaration of Human Rights.

Additionally, the Data Protection Officer (DPO) function has been established within the Compliance & AML Department, serving as a specialised compliance unit for data protection, performing the following tasks for the Parent Bank Sparkasse and the subsidiary CiviBank:

- to inform and provide advice to the data controller or the data processor, and also to employees in charge of data processing, about the obligations that arise from the GDPR and from other provisions of Union or domestic data protection legislation;
- to monitor compliance with the GDPR, with associated domestic legislation and with the data controller's or data processor's data protection policies and procedures, including the assignment of responsibilities to, and the awareness-raising and training of staff involved in data processing and related control activities;
- to provide, where requested, an opinion on data protection impact assessments (DPIA) and to oversee their implementation;
- to cooperate with the national Data Protection Authority and act as a point of contact with data subjects;
- to serve as the point of contact for the Italian Data Protection Authority, including prior consultation under Article 36, and to conduct consultations, where appropriate, on any other relevant issues.

The DPO carries out the tasks assigned under Regulation 679/2016 (GDPR) and under the received mandate. For ex-ante impact analysis of the measures issued by the Italian Data Protection Authority and on legislation relevant to data protection processes, the DPO relies on the Compliance Banking and Governance Service. For specialist technical/procedural IT matters for facilitating the exercise of data subjects' rights, the DPO is supported by the Security Unit, the first line of defence for data protection, situated within the IT Security Back Office Service.

Regarding the foreign branch located in Munich, Germany, subject to German legislation, the Bank outsources the DPO service to DZ Compliance Partner.

The Group considers the physical integrity of its resources to be an inalienable value, operating with full respect for human dignity and undertaking to ensure healthy and safe working conditions in compliance with all applicable rules protecting the safety of workers. The Group implements corporate measures to prevent offences against the individual as well as offences committed in violation of the rules on accident prevention and the protection of hygiene and health at work, applicable to all employees, customers, and visitors across operational offices. For further details, refer to the preceding section "Health and Safety."

S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

The Group has acted by investing in technology to protect both its software and hardware tools from potential external intrusions and its corporate information assets from unauthorised internal access. Additionally, it has focused on the human factor by providing training to employees on both Data Protection and Cybersecurity, aiming to prevent and mitigate cyber risks, of which privacy risk is a subset.

The following mandatory training modules were delivered during the year:

- "Unawareness of cyber threats makes one complicit," addressed to all staff and aimed at raising awareness of the main cyber threats, effective organisational and individual cyber risk management, and tools to mitigate negative impacts in case of an attack;
- "Dora: exploring ICT and cybersecurity safeguards together," targeted at certain central office personnel (all members of the Compliance Department, IT Unit, and Operational Risk and Cybersecurity Unit) and also at network operators dealing with Bancassurance, familiarising them with the minimum security standards under EU legislation for managing ICT risks in the financial sector, and identifying vulnerabilities that could compromise digital operational resilience.

Additionally, the DPO deemed it necessary to remind all employees of the concept of "Data Breach," its prevention, and the need for prompt reporting of such incidents if they occur to avoid financial losses and reputational risks for the Bank. To this end, a mandatory course entitled "GDPR – Data Breach" has been made compulsory for all Group employees.

Another mandatory course, "GDPR: EU Regulation 2016/679", was also implemented, to raise awareness among younger and less experienced staff (new hires and interns).

Through the institutional website and social media channels, informational content was disseminated to customers to protect them from criminal activities involving social engineering techniques, in the belief that raising awareness of such phenomena and appropriate countermeasures is an effective security measure safeguarding customers.

Throughout the year, the DPO provided ongoing advisory services, issuing opinions, analysing contracts/agreements with business partners for services/products where the company assumes the role of Data Processor or Sub-Processor (e.g. insurance intermediation or placement of financial instruments), reviewing consultancy contracts for whose performance companies require access to customer data, drafting the corresponding appointments as Data Processor, approving internal regulations that impact personal data, taking part in the review of internal regulations that define the company's Privacy Model (Data Protection Policy and related annexes, DPO Policy, and Group Data Protection Rules), and reporting any guidelines from the Italian Data Protection Authority and from the EDPB to the relevant internal functions.

In line with the accountability principle, activities related to data protection are subject to specific information flows to the Parent Bank's corporate bodies and relevant subsidiaries: the annual report and the activity plan for the following year. Additionally, the DPO is required, on an ad hoc basis: to a) promptly inform the Chief Executive Officer, Board of Statutory Auditors, and Board of Directors in case of a data breach; b) to report to these bodies on the risks to data subjects' rights and freedoms arising from the incident.

The Banking Group also annually assesses compliance risk (non-compliance) related to the data protection process.

Customer awareness remains a high priority, with dissemination activities set to continue and intensify in 2025.

S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The Banking Group's overarching objectives are: 1. to protect its information assets, including personal data, preventing breaches of confidentiality, availability, or integrity that directly impact data subjects' rights and freedoms; 2. to manage any incidents in compliance with existing data protection legislation, avoiding administrative fines imposed by the Data Protection Authority and minimising risks to data subjects' rights and freedoms by adopting appropriate technical and organisational measures.

For assessing potential data breaches, the company employs specific internal metrics outlined in the operational procedure "Incident Management Procedure". Furthermore, the DPO, in case of a suspected data breach, follows methodological guidelines (self-assessment) published on the Italian Data Protection Authority website.

To evaluate compliance risk related to the personal data protection process, methodologies from the "Compliance Model and Non-Compliance Risk Assessment" Policy are applied. These methodologies also include the use of IT procedures supported by the software Aris Risk & Compliance Manager (ARCM)-GRC, which is populated by the legal inventory of Accenture Financial Advanced Solutions & Technology.

Social information: Additional entity-specific disclosures

Sustainable finance

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

With reference to the topic "*Sustainable finance*", the following table shows the impacts, risks and opportunities ("IRO") identified by the Group. Regarding the interaction between the identified impacts, risks and opportunities with the strategy and business model, reference is made to the previous chapter "*General Disclosures",* Part One of the Sustainability Reporting.

Entity-specific disclosures (Sustainable finance)			
IRO Description	IRO Type	Time horizon	Coverage
Contribution to customers' decarbonisation journey towards a low-carbon economy	Positive impact	Medium	OO;
Contribution to the development of social initiatives by customers	Positive impact	Medium	OO;
Lack or partial influence on sustainable development processes	Negative impact	Short term	OO;
Negative environmental and/or social impacts deriving from resource allocation	Negative impact	Short term	OO;
Support for initiatives (including through disbursed funding) with negative environmental impacts and consequent reputational harm (e.g. by funding companies in high-emission sectors that continue to generate negative impacts)	Risk	S-T	OO;
Loss of market share due to uncompetitive and/or non-customer-driven ESG product offerings	Risk	S-T	OO;
Development of sustainable products and/or services with positive environmental and social impacts and consequent positive effects on the bank's financial performance	Opportunities	Medium	OO;

MDR-P – Policies adopted to manage material sustainability matters

Sustainable finance represents a pillar of the Group's strategy, playing a central role in promoting the ecological transition and creating a more inclusive and responsible economic system. The Group has adopted an integrated approach to support businesses and individuals in reducing environmental impact and adopting sustainable business models, through a range of financial products aligned with ESG (Environmental, Social, Governance) principles. The gradual evolution of implementing subsidised financing instruments for the green transition and integrating ESG criteria into credit granting processes are key elements of the Group's strategy. Furthermore, the Group is progressively expanding its offering of sustainable investment products, introducing ESG instruments within its catalogue, enabling customers to allocate their financial resources to projects and companies with high standards of environmental and social responsibility.

The target is to foster a more resilient and sustainable economic system, mitigating risks arising from climate change and facilitating businesses' access to the financial resources needed for the ecological transition; the adoption of these principles enables the Group to guarantee new growth opportunities for businesses adopting sustainable practices. Strengthening a financial culture based on ESG criteria is also a priority target for the Group, which aims to promote responsible investments through active customer engagement.

The Sparkasse Group has not adopted a specific policy in the area of sustainable finance. Nonetheless, among the main instruments adopted by the Group is the 2024 Credit Policy, which contains guidelines for the granting and management of credit, with initial integration of climate and environmental factors into credit monitoring processes, and incentives for offering sustainability-related financing products.

MDR-A – Actions and resources in relation to material sustainability matters

During 2024, the Group strengthened its commitment to sustainable finance by incorporating sustainability focus and attention as a cross-cutting pillar of the Group's Horizon 2026 strategic plan and introducing a specific area of activity to enhance ESG offering.

In particular, for private individuals, the offering of "green" loans, i.e. for the purchase of real estate of low environmental impact energy classes, was reinforced through a marketing campaign; Sparkasse also offers products to promote sustainable mobility, financing the adoption of low environmental impact vehicles, and to promote energy improvements and water efficiency and conservation measures. In 2024, the Group also launched the Study Loan, a product designed to facilitate and access to academic education for young people up to the age of 40. Thanks to the guarantee of the State Fund for Youth Credit, the product offers flexible financing conditions without collateral requirements, with a positive impact in terms of financial inclusion.

Furthermore, to support corporate clients in their technological and energy transition development plans, the Group provides an advisory service to companies wishing to benefit from the national "Transition Plan 5.0" scheme.

Also for corporate clients, subsidised financing programmes have been developed to support investments by businesses operating in low environmental impact technologies. In cooperation with the Ministry of Enterprises and Made in Italy (MIMIT), Nuova Sabatini Green funding has been made available, providing targeted incentives for the purchase of ecological capital goods, with the target of promoting energy efficiency and the adoption of more sustainable production solutions. In parallel, thanks to collaboration with the European Investment Bank (EIB), part of the Climate Action ceiling has been allocated to support companies in implementing projects with positive environmental impact. An additional instrument was the European Investment Fund (EIF), which provided guarantees to finance business initiatives focused on sustainability and carbon emission reduction.

In 2024, the Group signed the "Garanzia Futuro" agreement, which specifically offers 70% coverage and aims to support the development of Italian businesses of all sizes in global markets, initiatives linked to the National Recovery and Resilience Plan (NRRP), investments in technological innovation and digitalisation. Furthermore, concrete contributions are envisaged for strategic supply chains, for businesses operating in economically disadvantaged areas, and to support the development of female entrepreneurship.

In line with the New Green Deal and the European green taxonomy, the "Green Guarantee" is also offered to corporate clients in any sector, with turnover up to Euro 500 million, who wish to finance their green investment projects, who can benefit from the 80% Guarantee. In particular, the target is to support the various financial needs of businesses related to projects promoting climate change mitigation and adaptation. Projects must meet specific parameters and be, for example, aimed at integrating production cycles with low-emission technologies for the production of sustainable goods and services, accelerating the transition towards sustainable and multimodal mobility, reducing and/or preventing pollution.

In the investment sector, too, the Group has taken significant steps towards integrating sustainability into its products. In 2024, the ESG protection model was enhanced through the introduction of more granular suitability checks for products compliant with the EU Taxonomy and considering Principal Adverse Impacts (PAIs), while simultaneously strengthening the Product Governance system. These interventions enable a more precise classification of investment products and their distribution based on alignment with customers' sustainability preferences, ensuring that investors can allocate capital towards opportunities that reflect their values and long-term objectives." Particular attention has been devoted to strengthening CiviBank's Asset Management services, a strategic asset for the Group, aiming to provide high-value-added services aligned with emerging market trends.

MDR-T – Tracking effectiveness of policies and actions through targets.

The Group's target (as outlined in the Horizon 2026 strategic plan) within sustainable finance is to achieve, by 2026, a figure of 50% of new mortgages granted to private individuals and guaranteed by high energy-efficiency residential properties (energy classes A and B) relative to the total number of mortgages guaranteed by residential properties (identified by the cadastral category for the property). For 2024 and 2025, no specific analogous target has been set. The definition of this target is included, as previously mentioned, in the Strategic Plan and thus subject to approval by the Parent Bank's Board of Directors; the target-setting process, while considering materiality analyses on sustainability matters conducted in previous years involving stakeholders generally, did not entail specific engagement with said stakeholders. It is specified that the characteristics and methodology for determining this target do not incorporate hypotheses or models, as they are deterministic measurements based on observable quantities and, therefore, not subject to estimation.

MDR-M – Metrics in relation to material sustainability matters

To assess the effectiveness of sustainable finance policies, Sparkasse utilises key performance indicators (KPIs), including:

- Number and volumes of mortgages granted to individuals and secured by properties with high energy efficiency classes;
- Number and volume of subsidised financings dedicated to ecological transition.

Digitisation, innovation and quality of offering

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

With reference to the topic *"Digitisation, innovation and quality of offering"*, the following table shows the impacts, risks and opportunities ("IRO") identified by the Group. Regarding the interaction between the identified impacts, risks and opportunities with the strategy and business model, reference is made to the previous chapter "*General Disclosures"*, Part One of the Sustainability Reporting.

Entity-specific disclosures (Digitalisation, innovation and quality of offering)			
IRO Description	IRO Type	Time horizon	Coverage
Transformation of the distribution and production model through enhanced digitalisation, adoption of cloud solutions and widespread, effective use of data analytics and artificial intelligence to deliver improved customer service	Positive impact	S-T	OO;U-VC;
Creation of new technological solutions enhancing user experience of products and services through innovative solutions	Positive impact	S-T	OO;U-VC;
Increased customer satisfaction as the Bank meets their expectations	Positive impact	S-T	OO;
Exclusion of groups potentially unable to adapt to digitisation (e.g. due to lack of technology, age, socio-economic context)	Negative impact	Medium	OO;U-VC;
Potential consequences for employees from workplace displacement due to automation	Negative impact	Medium	OO;U-VC;
Failure to achieve customer satisfaction and meet customer expectations (expectation mismatch)	Negative impact	Medium	OO;
Risk of failing to meet customer expectations despite substantial digital infrastructure investments	Risk	S-T	OO;U-VC;
Potential inability to manage digital transformation and innovation processes, with specific reference to cyber risks and consequent economic losses	Risk	S-T	OO;U-VC;
Loss of market share due to uncompetitive and/or non-customer-driven product offerings	Risk	S-T	OO;
Positioning and recognition by stakeholders, particularly customers, as an innovative and digital company	Opportunities	Medium	OO;U-VC;
Leveraging new technologies and data analytics (e.g., big data, machine learning) to enhance risk management processes	Opportunities	Medium	OO;U-VC;
Developing product offerings and sales strategies that genuinely reflect customer needs to create sustainable long-term value.	Opportunities	Medium	OO;
Strengthening customer loyalty and retention	Opportunities	Medium	OO;

MDR-P - Policies adopted to manage material sustainability matters

Innovation and digitisation are transforming the banking sector at an unprecedented speed, redefining how customers access financial services and interact with their bank. For the Group, this transformation represents not merely a technological phenomenon but a key strategic lever to enhance customer experience, broaden service accessibility and ensure increasingly inclusive, secure and sustainable offerings.

In recent years, the Group has undertaken a digital transformation journey aimed at streamlining operations, improving offer personalisation and embedding innovation within business processes. Within this context of accelerating digitisation, particular emphasis is placed on transparency, security and accessibility, ensuring all customers – regardless of technological proficiency – can access banking services simply and effectively.

The Group's innovation approach is based on a clearly defined strategy that integrates digitisation, quality of offering and sustainability. The target is to guarantee a financial ecosystem where technology and innovation serve people, making the banking experience simpler, more efficient and more accessible. The Group's commitment further extends to ensuring digital innovation does not become a driver of financial exclusion but rather enhances accessibility to banking services. To this end, the bank has developed – and continues to develop – targeted strategies for customer segments with specific needs, such as youth, start-ups, economically vulnerable individuals and less digitally-savvy demographics.

The Sparkasse Group has developed a series of strategic guidelines steering banking service innovation and digitisation, with particular focus on quality of offering, cybersecurity and sustainability. These principles do not constitute formal policies but represent the reference framework for evolving digital services and enhancing customer relationships.

One of the most significant strategic developments in the Horizon 26 plan is the implementation of the new CRM system, which will further enhance customer relationship management by tailoring service offerings and increasing operational efficiency. This tool represents a significant step forward in integrating the Bank's various contact channels, ensuring a more streamlined and more targeted management of customer interactions.

MDR-A – Actions and resources in relation to material sustainability matters

Throughout 2024, the Group developed numerous initiatives to make its services increasingly digital, accessible, and innovative, with the aim of delivering a cutting-edge banking experience.

The evolution of CRM saw the launch of a dedicated project in 2024, preceded by an analysis phase in Q4 2023. The new evolved, omni-channel CRM ecosystem will advance the Group's commercial model by focusing on:

- An evolved front-end: differentiated views and functionalities based on the Service Model and user type
- Marketing intelligence: omni-channel, event-driven, and real-time customer engagement orchestration
- Analytics & AI: leveraging customer data (online, offline, and third-party) for hyper-personalised offerings using Analytics and AI
- Commercial programming: enabling a new commercial approach to enhance productivity while preserving and elevating the role of the Network and its territorial presence

Within these strategies, moreover, the Innovation Lab LDV20, a business unit dedicated to innovation and startups, adopted an approach aimed at supporting the creation of sustainable start-ups by providing know-how, tools, and networks for entrepreneurial development. LDV20 committed to fostering emerging initiatives through free training and consultancy, ensuring transparency in accessing financial services.

The wooden Sparkasse Card was introduced, a debit card made from FSC-certified material designed to reduce the environmental impact of payment cards production. Additionally, the Group continued to promote the "Zerocarta" version of current accounts, offering customers the option to adopt a fully paperless model. Customers opting for paper-based communications contribute through higher pricing to a dedicated fund for the Green Project, financing environmental sustainability initiatives. To involve the entire organisation, the Parent Bank engaged Group employees in selecting the environmental associations and projects to be supported. Through this initiative, two organisations committed to biodiversity protection and local ecosystem preservation were identified.

One of the most notable projects was the enhancement of digital channels, with new functionalities introduced on the ON online banking platform and adjustments to improve digital accessibility. The Bank is aligning its services with the standards set by the Stanca Law, ensuring its website and mobile app are fully accessible also to people with disabilities. This commitment translates into the adoption of assistive tools, simplified interfaces, and intuitive navigation features.

In 2024, Sparkasse continued its digital transformation journey with determination, including with regard to remote financial advisory services. The digitisation of financial advisory services is part of a broader strategic plan, with the Bank committed to continuously evolving its customer relationship models, recognising that technological innovation is not only a means to improve operational efficiency but also an opportunity to bring the bank closer to its customers, ensuring increasingly personalised, accessible, and valuable service.

The digital advisory service, initially available only to Sparkasse Meet's specialist team, was gradually extended to the entire sales network, enabling customers to benefit from personalised support without visiting a branch. This innovation has made advisory services more accessible and flexible, meeting the needs of an increasingly digitally oriented clientele. During the year, a new digital appointment management process was introduced, enabling customers to schedule and receive advice more quickly and efficiently. The system ensures smoother request handling, reducing wait times and improving alignment between advisor availability and customer preferences. A further step forward is the integration of remote financial advisory services for CiviBank, a project currently underway with completion expected in 2025. The target is to offer customers of both Group banks a unified and innovative experience aligned with digital standards.

The Sparkasse Meet remote advisory service is progressively revolutionising how the Bank interacts with customers, making advice more flexible and accessible. The adoption of the new CRM system will further integrate and optimise customer information, delivering a more personalised and responsive service. Through advanced data analytics and AI tools, the CRM system will support the sales network in proposing targeted solutions, improving service quality and customer loyalty. The rollout of the new Group CRM will be structured in two waves, both to be completed by 2025: the first wave focuses on Remote Advisory, while the second will extend functionalities to the branch network.

MDR-T – Tracking effectiveness of policies and actions through targets.

The Group intends to continue its digital innovation journey with a series of strategic targets aimed at improving customer experience, strengthening cybersecurity and expanding accessibility to banking services.

Key targets for 2024-2026 include:

- Completing compliance with the Stanca Law requirements, ensuring full accessibility of digital platforms for people with disabilities.
- Expanding digital advisory services, enhancing Sparkasse Meet by extending it to CiviBank and integrating AI tools to improve customer support.
- Promoting the adoption of the wooden Sparkasse Card, raising customer awareness on the importance of sustainability in digital payments.
- Implementing the new CRM system, integrating it with digital systems to optimise customer management and enhance service personalisation.

- Supporting businesses in their digital transition through subsidised financings and innovative fintech solutions, with LDV20 continuing to invest in mentoring and in support for innovative businesses to foster the development of new sustainable business models.

MDR-M – Metrics in relation to material sustainability matters

To assess the impact of digitisation and innovation strategies, Sparkasse continuously monitors a series of key KPIs, including:

- Compliance level with the Stanca Law, ensuring inclusive digital accessibility.
- Number of active users on digital services and annual growth trends.
- Number of interactions managed via Sparkasse Meet.
- Transaction volume with the wooden Sparkasse Card, measuring the adoption of sustainable payment solutions.
- Number of Zerocarta accounts activated and impact of the Project Green fund.

PART FOUR: GOVERNANCE INFORMATION

Governance information

Corporate culture, Protection of whistleblowers, Corruption and bribery

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

With reference to the topics of "*Business conduct: corporate culture, protection of whistleblowers, corruption and bribery*", the table below sets out the impacts, risks, and opportunities ("IRO") identified by the Group. Regarding the methods adopted to take into account the Group's customers in the assessment of impacts, risks, and opportunities and their interaction with the strategy and the business model, reference is made to the preceding chapter "*General Disclosures*", Part One of the Sustainability Reporting.

Corporate culture - Protection of whistleblowers - Political engagement and lobbying activities - Corruption and bribery			
IRO Description	IRO Type	Time horizon	Coverage
Awareness and dissemination of a culture of ethics and human rights in support of individuals, the community, and the environment	Positive impact	S-T	OO;
Increased trust in the banking system due to proper management	Positive impact	S-T	OO;
Contribution to the sustainable growth of commercial partners (e.g. selection based on ESG criteria, promotion of ESG initiatives)	Positive impact	Medium	OO;
"Supporting the growth of the local economy by prioritising local suppliers (where the terms are equal)"	Positive impact	Medium	OO;
Violation of human rights and/or direct or indirect harm due to unethical conduct	Negative impact	Short term	OO;
Loss of trust and/or financial harm suffered due to prioritising the interests of the Group and/or specific third parties	Negative impact	Short term	OO;
Remuneration systems not in line with company values, strategies and long-term targets	Negative impact	Short term	OO;
Failure to contribute to combating organised crime and the shadow economy	Negative impact	Short term	OO;
Financial harm to suppliers adversely affecting the economic and social fabric of the territory in question (e.g. due to delayed payments)	Negative impact	Short term	OO;
Risks associated with the bank's potential criminal liability arising from unethical practices, which may lead to legal action or financial penalties	Risk	S-T	OO;
Reputational risk linked to non-compliance with ethical standards, leading to a loss of trust from customers, investors and other stakeholders	Risk	S-T	OO;
Lack of transparency in lobbying activities, with a risk of conflicts of interest and consequent adverse effects on share value and access to financial markets	Risk	S-T	OO;
Conflict of interest risk	Risk	S-T	OO;
Risks related to non-compliance with the provisions of Legislative Decree 231/2001	Risk	S-T	OO;
Risk of money laundering and terrorist financing	Risk	S-T	OO;
Inadequacy of the remuneration and incentive system, which may lead to regulatory violations or excessive risk-taking	Risk	S-T	OO;

GOV-1 – The role of the administrative, management and supervisory bodies

The Group, aware that customer trust, respect for rules and fairness in business constitute the fundamental elements for the performance of banking activities, has over the years adopted an approach that places at the centre of its business the set of activities aimed at ensuring the compliance of corporate activities with internal and external rules and codes of conduct, thus allowing fairness and consistency of behaviour to become part of the organisation's *modus operandi*.

To oversee the various regulatory areas, a procedural system has been established and implemented, whose application is verified and guaranteed through the operation of the internal control system and the synergic contribution of all functions in the company. In this context, particular attention is given to the Code of Ethics and the Organisation, Management and Control Model adopted pursuant to Legislative Decree 231/2001, which form an integral part of the Group’s prevention system, designed to ensure management oriented towards legality and transparency.

The existence of a corporate environment that is characterised by ethical integrity and a strong control culture, alongside the formalisation of procedures to ensure that corporate affairs and activities are conducted correctly – thus facilitating the achievement of targets with the utmost good faith, fair dealing and transparency - are absolutely necessary requirements to guarantee effective and efficient Group governance and informed management.

Ethical integrity contributes significantly to the effectiveness of control policies and systems and influences behaviour that might escape control systems, however sophisticated they may be.

In light of this, the Group deems it necessary to promote dissemination of the values underlying correct conduct, in order to encourage all those involved in the corporate structure to adopt them.

Regarding the role and responsibilities of the corporate bodies in matters of business conduct, the Group complies with all supervisory provisions contained in Circular no. 285/13 on corporate governance and internal control system. More specifically, please note in this regard that the Board of Directors of the Parent Bank (and, similarly, the Boards of the subsidiaries, within their remit) establishes (by approving suitable internal regulations) the rules of professional conduct for staff, including through the Code of Ethics or equivalent instruments, and ensures their implementation by monitoring compliance by staff. It also defines operational methods and safeguards to ensure adherence to professional conduct rules, including by specifying prohibited behaviours such as, for example, the use of false or inaccurate information and the commission of financial or tax offences.

The Parent Bank’s Board of Statutory Auditors (and, similarly, those of the subsidiary companies, to the extent of their remit), in its capacity as the control body, oversees compliance with legislative, regulatory and articles of association provisions, proper administration, and the adequacy of organisational and accounting structures. The control body is responsible for overseeing the functionality and effectiveness of the whole internal control system. Given the plurality of corporate functions and structures that have control responsibilities, the control body is required to ascertain the effectiveness of all structures and functions involved in the controls system and to ensure their adequate coordination, promoting corrective actions for any shortcomings and irregularities found.

The Board of Statutory Auditors may rely on the company's internal control structures and functions to carry out and direct its audits and necessary verifications. To this end, it receives appropriate periodic or ad hoc information flows on specific corporate situations or trends. Furthermore, the Board of Statutory Auditors ascertains and examines the causes and remedies of managerial irregularities, operational anomalies and deficiencies or gaps in organisational and accounting frameworks. It must also promptly inform the Bank of Italy of any facts or acts that come to its knowledge which may constitute irregularities in bank management or violations of banking regulations.

Note, finally, that the Parent Bank’s Board of Statutory Auditors also serves as the Supervisory Body (SB 231) and also as the “Audit and Internal Control Committee”.

G1-1 – Corporate culture and business conduct policies

With regard to business conduct and the related impacts, risks and opportunities identified below, reference is made to some of the key instruments adopted by the Group, which substantively reflect the policies implemented to regulate the behaviour of all employees and collaborators across various domains, thus forming an integral part of the Group's prevention system. These instruments, approved by the Board of Directors of the Parent Bank and of the subsidiaries, designed to establish, promote, and evaluate corporate culture, are:

- Code of Ethics and Conduct;
- Organisation, Management, and Control Model under Legislative Decree no. 231 of 8 June 2001;
- Internal control system;
- Corruption Prevention Policy.

Additionally, the Group has implemented a Whistleblowing system to ensure transparency and integrity in corporate operations. The Whistleblowing system aims to prevent fraud and irregularities, reinforcing the trust of customers and stakeholders in the financial institution's integrity.

Further safeguard is provided by the Supervisory Body (whose members coincide with those of the Board of Statutory Auditors), tasked with monitoring the effectiveness of and compliance with the Organisational Model under Legislative Decree 231/2001 and assessing the Whistleblowing system's efficacy.

Code of Ethics

The Code of Ethics, most recently updated in August 2023 - a governance instrument and integral part of the "Organisation, Management, and Control Model" under Legislative Decree 231/2001—defines the set of values that guide the Sparkasse Group in achieving its business objectives. This document is therefore intended to serve as the "identity card" of the Cassa di Risparmio Group's business ethics, containing the basic guidelines for sustainable corporate management that respects all stakeholders. More specifically, the Code provides a behavioural framework, expressing the ethical commitments and responsibilities in conducting business and corporate activities undertaken by its recipients, while establishing specific principles of legitimacy, transparency and verifiability.

Members of the Bank's corporate bodies, employees and external collaborators are required to behave in accordance with the principles of dignity and moral integrity, when carrying out their work activities and also outside working time or in non-work-related situations, refraining from any behaviours that could negatively impact the image of the Cassa di Risparmio.

The Bank also considers compliance with this Code of Ethics by suppliers and external consultants to be a fundamental criterion for evaluating current and future dealings.

Honesty, impartiality, fairness, legality, transparency, excellence, and value creation for shareholders are key values enshrined in the Group's Code of Ethics.

After defining the corporate mission and the values guiding the Bank, the document sets out the aforementioned behavioural criteria, categorised into (1) general principles, (2) external relations, (3) internal relations, and (4) other rules of conduct. In this respect, the Code includes specific provisions concerning dealings with the public administration, in the section on external relations. These provisions, coordinated with and supplemented by the principles of conduct and safeguards relating to some of the sensitive activities outlined in the Organisational Model, constitute the corruption prevention system.

All Group companies have adopted the Code of Ethics approved by the Parent Bank's Board of Directors. In the event of violations, recipients are subject to disciplinary measures proportionate to the severity of the misconduct.

The Group ensures the widest possible dissemination of the Code, including publication on its website and company intranet, distribution of a copy to each new employee, director, statutory auditor, or external collaborator upon recruitment, engagement or appointment.

CiviBank has adopted the Parent Bank's Code of Ethics, which defines the values that guide the Group in the pursuit of its business objectives. This document is adopted in compliance with Legislative Decree 231/2001 on the administrative liability of entities and serves as a governance instrument, forming an integral part of the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001.

Organisation and Management Model (Legislative Decree 231/2001)

Legislative Decree no. 231 of 8 June 2001 (hereinafter, the "Decree" or "Legislative Decree no. 231/2001") regulates the "administrative liability of legal entities and of entities without legal personality in connection with the commission of specific offences by individuals who are integrated in various ways into the entity's structure".

The entity's administrative liability arises for offences that are exhaustively listed in the Decree ("predicate" offences), and are committed for the benefit or in the interest of the entity by its senior executives or by their subordinates, in a context in which there has been a simultaneous failure to fulfil management and supervisory obligations. In this context, the entity may be held liable for an offence committed by one of its representatives if organisational fault or negligence is established i.e. a failure to put in place the necessary safeguards to prevent such an offence from being committed in the first place. However, the Decree provides for the adoption and implementation of an organisation, management and control model, which enables the entity to be exempt from liability and, therefore, to avoid the relevant sanctions.

The Parent Bank has, accordingly, adopted the Organisation, Management, and Control Model (hereinafter the "231 Model"), comprising rules, procedures, and organisational structures aimed at preventing the commission of offences and managing associated risks.

The 231 Model identifies and defines the general principles adopted by the Group in conducting its business, the internal rules applicable to recipients, the control principles and processes, the document that regulates correct conduct (the Code of Ethics), the areas at-risk, specific offences (actual or potential), the preventive actions that may be taken and the criteria for establishing and assigning duties to the Supervisory Body (SB), established by the Parent Bank in 2009 in compliance with Legislative Decree 231/2001. Since May 2015, the function of SB for Sparkasse and its subsidiaries Sparim and Sparkasse Haus, was assigned to the Parent Bank's Board of Statutory Auditors. For CiviBank, this function was assigned to its Board of Statutory Auditors as of September 2014. Raetia SGR appointed a single-member SB, and currently this function is entrusted to one of the SGR's Statutory Auditors. The SB, vested with autonomy and independence in the exercise of its functions and with adequate expertise, monitors the implementation, effectiveness and compliance of the 231 Model, ensuring the periodic updating of the Model adopted by the Parent Bank and by the subsidiaries, in coordination with their own Supervisory Bodies.

To ensure continuous and effective monitoring by the SB, the 231 Model regulates information flows to and from the SB. Moreover, the SB reports annually to the Board of Directors on its activities, controls, and relevant outcomes.

Non-compliance by employees with the rules and principles provided for in the 231 Model, the Code of Ethics, or in other internal regulations (integral to the 231 Model) constitutes a contractual breach. Similarly, the failure by external collaborators (self-employed workers, quasi-subordinate workers, professionals, advisors, agents, suppliers, business partners etc.) to comply with the principles and rules of conduct provided in the 231 Model and in the Code of Ethics constitutes a contractual breach and may result in contract termination. In this context, the Procurement Department requires suppliers to acknowledge and sign the 231 Model.

First implemented in 2009, the 231 Model undergoes continuous updates to reflect regulatory changes, particularly the new "predicate offences" added in the Decree's "catalogue" of offences since its entry into force.

The 231 Model is intended to provide recipients with an optimally effective tool for mitigating entities' administrative liability risks, aligned with current best practices.

The General Part outlines the regulatory framework, the company's organisational activities and structures, the risk assessment methodology, the rules regulating the Supervisory Body, the whistleblowing reporting channels, the disciplinary system, training and awareness programs, and the criteria for updating and adapting the 231 Model.

The Special Part's structure mirrors the Bank's macro-activity areas. In addition, the Special Part outlines the general principles of conduct applicable to the various activities, the main phases of processes relating to individual sensitive activities, the list of internal procedures and applicable operational practices, the safeguards that ensure the traceability of documentation relating to the process, the delegated powers and other powers conferred for carrying out the activity, and also the specific offence risks present i.e. the specific types of offence in respect of which a risk of commission is identified.

The Group has published the General Part of the 231 Model and the Code of Ethics on its website (www.sparkasse.it).

Within the 231 Model, particular emphasis is placed on bribery/corruption, money laundering, and terrorist financing risks.

In relation, in particular, to the risk of committing the offences of bribery/corruption and extortion by a public official, the Group maintains a high level of vigilance and has, over time, implemented internal safeguards designed to identify and prevent the commission of such offences, which are specifically addressed and regulated by the Code of Ethics and Conduct and by the 231 Model, which all staff members are required to know and comply with.

Internal control system

To ensure the achievement of its strategic and operational objectives, the Group has over time defined and updated its internal control and risk management system, which represents a key pillar of the entire Group's overall corporate system, as well as being a means through which the company promotes its corporate culture.

This system is organised to improve profitability, protect capital strength and ensure compliance with external and internal regulations and codes of conduct. In this way, transparency towards the market is promoted through the monitoring of risks assumed by the Group and, more generally, it is ensured that corporate activities optimally align with the Group's strategies and risk appetite statement.

The Parent Bank's Board of Directors is responsible for the internal control and risk management system, for which it defines guidelines and whose adequacy and effective operation it periodically ascertains, ensuring that the main risks to which the Group is exposed are correctly identified and adequately measured, managed and monitored, thereby contributing to the prevalence of corporate conduct that is aligned to the strategies and objectives defined by the Board of Directors, and to the Group's risk appetite statement.

The internal control system consists of a set of rules, procedures and organisational structures that enable the Group to achieve the following targets:

- ensuring compliance with corporate strategies and policies;
- containing risk within the limits indicated in the Group's risk appetite framework (RAF);
- preventing the risk of the Group becoming involved, even inadvertently, in illicit activities (particularly activities related to money laundering, usury and terrorist financing);
- achieving effectiveness and efficiency in business processes;
- safeguarding the value of assets and protecting against losses;
- ensuring the reliability and security of corporate information and IT procedures;
- ensuring compliance of operations with the entire existing regulatory apparatus.

Finally, the Parent Bank's Board of Statutory Auditors carries out its own controls remotely, either directly or on the basis of information provided by the Boards of Statutory Auditors of the individual Group companies, also in its capacity as Supervisory Body (SB 231).

In compliance with applicable supervisory provisions, the Parent Bank has defined, for the Group as a whole and for its individual components, a corporate organisational system consisting of:

- organisational variables (General Management/territorial network, professional figures, delegated powers);
- individual processes required to ensure the functionality of these organisational variables.

Each process is divided into "phases" and each phase into "sub-phases" to be put in place for carrying out the phase itself. For each sub-phase, the steps to be taken for the concrete application of criteria are regulated.

This makes it possible to identify, for each legal and supervisory provision, whether currently in force or issued from time to time, the specific responsibilities attributable to the various organisational units of the Group and of its members, and to relate them to the relevant processes. The overall activities that the Group and its members are required to perform in order to achieve corporate targets, in compliance with legal and supervisory provisions - and, thus, with a view to sound and prudent management - are set out within the internal classification of processes.

The corporate organisational system is further complemented by the Regulations of Management Bodies and Committees, the General Corporate Regulations, the Policy of Management and Coordination Activities of the Parent Bank on Subsidiaries, and also by the Group Corporate Governance Project Regulation.

Sparkasse has therefore strengthened its documentary system in order to ensure the governance of its subsidiary by publishing provisions on functional (dotted line) reporting, in order to ensure that corporate operations are conducted regularly and effectively and that applicable principles and guidelines are shared in order to encourage the alignment of all corporate functions impacted by the Integration Programme.

In addition, Sparkasse, with the publication of the Policy "Management and Coordination Activities of the Parent Bank on Subsidiaries":

- has outlined the regulatory and governance framework for the Group aimed at ensuring correct and regular functioning, characterised by a common entrepreneurial design, strong internal cohesion and unitary direction, in line with regulatory strictures and the requirements of sound and prudent management of the Group itself;
- has regulated Group controls, i.e. the criteria to be followed and the activities to be carried out by Sparkasse to perform the controls required by supervisory provisions on the internal control system, and demanded by the operational and managerial needs of the Group's members and of the Group as a whole.

With reference to the role of Subsidiaries, these must transmit to the Parent Bank - with adequate advance notice and compulsorily in the prescribed cases - appropriate information on matters of particular strategic and/or managerial importance, and also contribute to achieving the Group's targets by adhering to the Group management and coordination model provided for.

In line with Supervisory Provisions, Sparkasse, within the framework of Group management and coordination activities, exercises:

- strategic control over the development of the various areas of activity in which the Group operates and the risks inherent in the activities carried out;
- management control aimed at ensuring the maintenance of the conditions of economic, financial and equity balance both of the individual companies and of the group as a whole;
- technical-operational control aimed at the assessment (by second-level control functions) of the various risk profiles brought to the Group by individual subsidiaries and the Group's overall risks.

In accordance with applicable regulatory provisions, Sparkasse has adopted the "Corporate Governance Project" Group Regulation, which outlines the articles of association provisions and internal organisational arrangements of Sparkasse and its Group, while also serving as a mechanism of communication with its shareholders, investors and the market, aimed at providing detailed information on the *corporate governance* mechanisms governing its operation.

The proper operation of internal control system depends on an effective interaction between the corporate bodies, those entrusted with the statutory audit of accounts, and the control functions (functions that are vested with control responsibilities under legislative or self-regulatory provisions or under the company Articles of Association): such functions include Compliance and Anti-Money Laundering, Risk Management, Internal Audit, Board of Statutory Auditors, the Board of Statutory Auditors, as well as the Supervisory Body pursuant to Legislative Decree 231/2001 ([composed by the members of the] Board of Statutory Auditors).

Internal whistleblowing systems

An internal whistleblowing system is active within the Cassa di Risparmio di Bolzano Group, for the reporting of acts or facts that may infringe banking regulations, or of other unlawful acts or conduct.

Internal whistleblowing systems were introduced by the Bank of Italy's Supervisory Provisions on internal corporate systems for the reporting of breaches of banking regulations (Circular no. 285/2013, Part I, Title IV, Chapter 3, Section VIII), and they form an integral part of the Internal Control System.

This legal regime implements Article 52-bis of the Consolidated Banking Act (TUB), which incorporates into Italian law the provisions of the CRD Directive on the obligations of banks to establish whistleblowing procedures.

The measure implementing EU Directive 2019/1937 was transposed into Legislative Decree no. 24 of 10 March 2023, published in Italian Official Journal no. 63 of 15 March 2023.

Legislative Decree 24/2023 consolidates into a single legal document the entire set of rules on reporting channels and on the protections granted to whistleblowers in the public and private sector. The result is an organic and uniform set of rules aimed at enhancing whistleblower protection, thereby further encouraging whistleblowers to report unlawful acts or conduct, subject to the limits and according to the procedures indicated in the Decree.

The Cassa di Risparmio di Bolzano Group has appointed the Head of the Internal Audit Department as whistleblowing manager, tasked with ensuring that the whistleblowing procedure is conducted correctly and promptly with the help of tools available to his/her department; said manager - where appropriate - is also obliged to communicate the content of whistleblowing reports directly, and in good time, to the corporate bodies. The Whistleblowing Manager is tasked with receiving, examining and evaluating reports (except reports that directly concern them or their subordinates, which must be addressed directly to the Parent Bank's Supervisory Body, established under Legislative Decree no. 231 of 8 June 2001 ("SB").

The Whistleblowing Manager and any other individual involved in the procedure are obliged to guarantee the confidentiality of the information received, including the identity of the whistleblower, who must in any case be adequately protected from retaliatory, discriminatory, or otherwise unfair conduct following the report.

Whistleblowing reports may be made (subject to verification of their content) by all staff employed within the Cassa di Risparmio di Bolzano Group, including all those who represent and manage the companies of the Group, in any capacity, but also parties such as external collaborators/third parties or shareholders.

In general, reports are made in writing, including in electronic form, or orally. Internal oral reports are made by telephone or using voicemail systems or, at the request of the whistleblower, at a face-to-face meeting scheduled within a reasonable period of time.

The Whistleblower has the following channels available to make a report:

- a dedicated application, introduced to facilitate comprehensive and exhaustive reports, accessible on the corporate Intranet and giving the option to make a confidential, encrypted report through a mailbox, or alternatively, the option of anonymous reporting;
- a postal channel, to the address "Head of Internal Audit, via Cassa di Risparmio 12, 39100 Bolzano" or, where applicable, to the address of the Supervisory Body, "Organismo di Vigilanza 231/2001, via Cassa di Risparmio 12, 39100 Bolzano";
- email channel, to whistleblowing@sparkasse.it and whistleblowing@pec.sparkasse.it or, in prescribed cases, to the Supervisory Body's email address ODV231sparkasse@sparkasse.it.

Furthermore, Legislative Decree no. 24 of 10 March 2023 provides for the introduction of an external reporting channel. The Italian Anti-corruption Authority (ANAC) is the competent authority with remit for external reports, including those from the private sector. Reporting to this Authority is permissible only where one of the following conditions is met:

- the whistleblower has already made an internal report, but it has not been followed up;
- the whistleblower has reasonable grounds to believe that, if they were to make an internal report, it would not be effectively followed up, or the report could create a risk of retaliation, and to believe that the violation may constitute an imminent, or manifest, risk to the public interest.

The following are valid subjects for reporting, for the purposes of these provisions: acts, conduct or events that could represent a "material" violation, such as non-compliance with the Code of Ethics, and, in relation to internal provisions, violations of law and the commission of offences. Material offences include, for example (without limitation): misappropriation, fraud, deceit, theft, misrepresentation and falsification within a document (Article 137 of the Consolidated Banking Act), breach of professional privilege (Article 622 of the Italian Criminal Code), violations of anti-money laundering legislation, as well as those indicated in Legislative Decree no. 24 of 10 March 2023.

Training on business conduct falls within the broader "Be Sustainable" programme, which aims to promote a culture of sustainability and corporate values. Furthermore, the Group provides online courses for all new recruits on the 231 Model, on the Code of Ethics and on the disciplinary system, with final tests to assess learning levels. For further details, please refer to the previous section "Training and Skills Development".

G1-3 – Prevention and detection of corruption and bribery

The topic of Anti-Corruption has been regulated by the "Corruption Prevention Policy". The first version of this policy came into force on 6/05/2022, following a resolution by the Parent Bank's Board of Directors adopted on 27/04/2022. It defines, in a coordinated way, the principal safeguards adopted by the Cassa di Risparmio di Bolzano Group in order to identify, prevent and combat corruption/bribery by key corporate officers, employees, and collaborators of the various Group companies. The Policy deals mainly with the following areas:

- relations with the Public Administration;
- gifts and sponsorships;
- the purchase of goods and services, dealings with third parties, and the acquisition of equity investments;
- accounting entries and records;
- recruitment and management of staff;
- the acquisition, management and disposal of real estate;
- dealings between private parties.

Furthermore, the following areas are regulated: the roles and responsibilities of the bodies and functions involved; procedures for disseminating the Policy and the holding of training sessions; procedures for reporting corruption/bribery; sanctions for violations.

The Policy covers the entire value chain defined by the Cassa di Risparmio di Bolzano Group, as it impacts all activities, resources and relationships linked to the bank's and the Group's business model and the external environment in which it operates. Regarding its scope, the Policy applies across the board to all activities carried out and to all services provided by Cassa di Risparmio and by the other Group companies. The Policy, in general, is part of the system of safeguards for the prevention and management of risks adopted by the Cassa di Risparmio Group. The provisions of this Policy are, therefore, coordinated and supplemented by the principles, safeguards and controls that are defined in the Code of Ethics and the Organisation, Management, and Control Model pursuant to Legislative Decree no. 231 of 8 June 2001 (the "231 Model") of Cassa di Risparmio and of its Subsidiaries, and also in all internal regulations and employment contracts that govern the regular and lawful conduct of the various activities. In any case, the commission of offences of corruption/bribery or the failure to comply with regulatory provisions for the prevention of corruption expose the Banks and the Group companies to the risk of administrative sanctions, including those arising from the commission of offences under Legislative Decree 231/2001, and makes them vulnerable to significant legal and reputational risks.

Specifically, the Policy is applicable not only to Cassa di Risparmio, but also to all Group companies. Indeed, the main provisions of the Policy should be familiar to and respected by all persons who hold a position or carry out an activity within the Group, including:

- the members of bodies with strategic supervision, management, and control functions;
- those with management responsibilities, such as the heads of the various Departments and Services;
- employees at all levels;
- external collaborators and suppliers, as well as all external parties who act in the name and on behalf or in the interest of Group companies.

All of these individuals are required to observe and, if within their remit, ensure the observance of the principles contained in the Policy. Under no circumstances can the claim to be acting in the interest of the Group companies justify the acting or conducting oneself in a manner contrary to the principles set out therein.

The Compliance Function is the highest managerial level responsible for the implementation of the Anti-Corruption policy, as it oversees the operational coordination and verification of compliance with applicable anti-corruption safeguards. Furthermore, the Compliance Function:

- carries out, in cooperation with the Supervisory Body (i.e. the Bank's body responsible for supervising the operation of and compliance with the 231 Model and its updating pursuant to Article 9 of Legislative Decree no. 231/2001. For Cassa di Risparmio, for CiviBank and for Sparim, the members are the same as the respective Boards of Statutory Auditors) a special risk assessment focussed on the risk of commission of corruption/bribery offences or corrupt practices, as part of the regular review of corporate risks related to the administrative liability of entities that the Supervisory Body periodically carries out;
- oversees and safeguards against the risk of corruption/bribery, proposing amendments or additions to the Policy, and also to other material internal documents and rules;
- conducts checks and controls within its remit to combat and prevent corruption/bribery;
- transmits reports or related information flows to the Supervisory Body and to the Board of Statutory Auditors, and also to the Parent Bank's Board of Directors, to the extent of their remit.

Secondly, the Internal Audit Function also plays a significant role, as it:

- carries out checks and controls on the system and operation of safeguards adopted to combat and prevent corruption/bribery;
- reports any corrective or improvement actions related to the safeguards adopted;
- transmits relevant reports or information flows to the Supervisory Body and to the Board of Statutory Auditors, to the Compliance and Anti-Money Laundering Function, and also to the Board of Directors of the Parent Bank, as applicable.

By means of this Policy, the Group not only complies with the provisions of Legislative Decree 231/2001, but also with the provisions of:

- the Italian Criminal Code, specifically Article 318 ("Bribery for the exercise of official functions"), Article 319 ("Bribery for an act contrary to official duties"), Article 319-ter ("Bribery in judicial proceedings"), Article 322 ("Incitement to bribery"), and Article 322-bis ("Embezzlement, extortion by a public official, unlawful inducement to give or promise a benefit, bribery and incitement to bribery of members of international courts or of European Union bodies or of international parliamentary assemblies or of international organisations and of officials of the European Union and of foreign States");
- the Italian Civil Code, particularly Article 2635 ("Bribery among private parties") and Article 2635-bis ("Incitement to bribery among private parties");
- Law no. 190 of 6 November 2012, "*Provisions for the prevention and suppression of corruption and illegality in the public administration*"; Law no. 3 of 9 January 2019, "*Measures to combat offences against the public administration, and measures on the statute of limitations for criminal offences and on the transparency of political parties and movements*".

The Group's commitment to preventing and combating corruption/bribery and the approach adopted are based on declarations, conventions and standards defined at an international level, including the United Nations "*Convention Against Corruption*", adopted by Resolution 58/4 of 31 October 2003.

It was decided to define the Policy as the "Corruption Prevention Policy" in view of the expansion of the Group's operations, its significant dealings with public bodies and the development of business with foreign entities, and also in order to align with industry best practices.

The Cassa di Risparmio Group ensures the widest dissemination of the Policy, including by publication on the websites of Cassa di Risparmio (in Italian, German and English) and of CiviBank (in Italian and English), and on the corporate intranet accessible to employees, where there is a specific notification of new updates. Furthermore, each new employee, director, statutory auditor or collaborator is adequately briefed on the matter upon recruitment, engagement or appointment.

Regarding the procedures for reporting any corrupt practices, the Policy stipulates that any officer, employee or collaborator of the Cassa di Risparmio Group who receives, or becomes aware of, a request for or offer of money or other benefits from any person whatever, in order to perform or omit to perform a particular function or activity, must immediately report it to their Manager. The latter, in turn, is obliged to forward the report received to the Supervisory Body, also using the dedicated e-mail address (*ODV231sparkasse@sparkasse.it*) and to the Head of the Compliance and Anti-Money Laundering Function for appropriate assessment. This is without prejudice to the possibility of using the whistleblowing systems put in place by the Group.

In particular, where gifts are received that surpass a predetermined economic value or where doubts exist concerning invitations to conventions, trips or similar activities, recipients are required to complete the "Form for the disclosure of gifts received" and to promptly forward it to the Head of the Compliance and Anti-Money Laundering Function.

The Compliance Function drafted, for Cassa di Risparmio, CiviBank and Sparim, a specific Risk Assessment for each company, related to the risk of commission of corruption/bribery offences or corrupt practices, in which the risk areas and, for each of these, the various vulnerable or sensitive activities are outlined. For each of these, an assessment was made of the possible conduct or of the operational methods for committing offences, the overall risk was calculated, and the existing rules of conduct and safeguards were correlated. Any reference process was included, and the residual risk for each sensitive activity was calculated. Additionally, the functions where the risk of corruption and bribery is higher were identified. According to the Parent Bank's 2024 Risk Assessment, the internal functions most impacted are: Board of Directors, Chief Executive Officer and General Manager; the Board of Statutory Auditors; the Commercial Banking Department, the Private & Corporate Banking Department; the Finance & Treasury Department; the Credit & NPE Department; Control Functions; the Communication Division; the Digital & Innovation Department; the Procurement Department; the Business Strategy & Development Department; the People & Transformation Department; the People Management Division; Sparim (for the activities that Sparim carries out for the Parent Bank). The internal functions most impacted at CiviBank, according to the 2024 Risk Assessment, are: Board of Directors and General Manager; the Board of Statutory Auditors; the Commercial Department; the functions of the Parent Bank, which perform outsourced operations, as already mentioned; the Leasing Unit. The company Sparim presents the following most impacted internal functions: Board of Directors and Chief Executive Officer; Manager; the Administrative Area; the Technical Area; Property Management; the People Management Division (of the Parent Bank).

The Policy outlines procedures to prevent, detect and manage allegations or actual cases of corruption and bribery. Specifically, training is provided to employees and key corporate officers and, as already indicated, the Policy is published on both banks' websites and on the corporate intranet, and there is an obligation to report any corrupt practices. Moreover, as a result of the Risk Assessment, it is possible to identify areas at risk of offences, sensitive activities, processes, and risks concerning Anti-corruption matters. Additionally, the Policy and the Risk Assessments both guarantee that the investigating parties are not part of the management chain concerned, since the investigative activity has been allocated to the second and third-tier internal control functions.

The results of the Risk Assessment and training provided during 2024 were presented at meetings of the Supervisory Body of the Parent Bank and of CiviBank, and subsequently notified to the respective Risk Committees of the Parent Bank and of CiviBank and, finally, to the Board of Directors of the Parent Bank on 3/12/2024 and to that of CiviBank on 18/12/2024. The Risk Assessment is performed periodically.

Regarding the training course provided to employees, it is entitled "Corruption Prevention for the Cassa di Risparmio Group" and is delivered online by accessing the People & Training platform via the company intranet. The course is based on the content of the Policy and has two modules: the first focuses on the general principles and safeguards adopted in the context of preventing and combating offences of corruption and bribery, while the second covers the roles and responsibilities of the various bodies, functions and organisation of the Group companies, as well as reporting and sanctions. The course concludes with a multiple-choice test.

As of 31/10/2024, the course has been completed by 97% of current Cassa di Risparmio employees, 95% of current CiviBank employees, and 95% of current Sparim employees. Furthermore, the same course is compulsorily assigned to all new hires of the Group. Considering that the at-risk Functions identified above cover almost all of the corporate functions overall, these percentages substantially approximate those attributable to the at-risk Functions alone.

As for the corporate bodies, no training was provided during 2024 for the Parent Bank, as it had already been delivered in 2022 to the same members still in office. For the Board of Directors of CiviBank, whose members in office had not yet received training in the area, the training was delivered on 28/05/2024. The training was entitled "Corruption risks and the control system: the choices of CiviBank and the Sparkasse Group". The main topics addressed were: an overview of corruption/bribery in Italy; an overview of the applicable legislation and sanctions; reputational risks for the Bank; the importance of prevention; the notion of corruption in the Cassa di Risparmio di Bolzano Group; sensitive activities in detail; the link with money laundering and the NRRP (National Recovery and Resilience Plan); the importance of reporting. Out of a total of 9 members, 8 members of the CiviBank Board of Directors (88.88%) attended the training. For the Board of Statutory Auditors, the Chairman and the two standing auditors were present (attendance rate: 100%). In relation to Sparim, as its key corporate officers also hold the same positions in the Parent Bank, the details already provided in respect of Cassa di Risparmio apply equally to Sparim.

MDR-A – Actions and resources in relation to material sustainability matters

In general, the Group takes actions in pursuit of the targets defined in the conduct policies outlined above, which are, essentially, the continuous updating of internal procedures and related rules in the light of evolving legal and operational frameworks, training, and the actual implementation - within the relevant remit - of the prescribed controls, following which relevant improvement measures are identified.

During 2024, specific Risk Assessments were prepared for Cassa di Risparmio, CiviBank and Sparim, and training was provided to employees and corporate bodies, as already extensively detailed above. Additionally, the "Corruption Prevention Policy" was updated, incorporating the new "Annex 1 - Form for the disclosure of gifts received" with reference to the paragraph on "Gifts and Sponsorships", to be completed in cases where gifts exceeding the pre-determined value are received, and to be submitted to the Head of the Compliance and Anti-Money Laundering Function for evaluation, as well as a new section regulating relationships between private parties. The latter specifically regulates typically corrupt practices in dealings with the Public Administration, which may also extend to corruption between private parties. Therefore, the risk of such conduct is present in all Group activities where corrupt practices could potentially occur. These actions were undertaken to further reinforce the findings of the 2023 Risk Assessments, and at the request of the corporate bodies.

Moreover, as already indicated, anti-corruption measures involve the entire value chain of the Sparkasse Group, as all relevant parties must comply with - and, where applicable, enforce - the Group's corruption prevention policy.

The Group is committed to the following future actions: reviewing and, where necessary, updating existing policies and relevant regulations; conducting anti-corruption audits and controls; updating the Risk Assessment; ongoing training.

The implementation of the specific actions listed above did not entail significant operational expenses (OpEx) or capital expenditures (CapEx).

During 2024, the Group completed a project to implement the Code of Conduct. Specifically, the Group and its companies, in the performance of their respective activities, identified the values that define them, integrating them with the cultural behaviours that identify the daily actions of individuals and of the community. In light of this, the Group made the decision to supplement the existing values section of the Corporate Mission and Values chapter with a behavioural section that follows directly from it. The resulting Code of Ethics thus encompasses the set of values and behaviours that the Group and the entire community have chosen to adopt in order to materialise and substantiate their ethical and organisational identity, in line with their purpose, in a manner that is correct and sustainable.

MDR-T – Tracking effectiveness of policies and actions through targets.

For the management of material impacts, risks, and opportunities linked to business conduct and corporate culture, the Group's target primarily lies in ensuring the effective oversight of non-compliance risk, i.e. the risk of incurring judicial or administrative sanctions, significant financial losses or reputational damage due to violations of mandatory rules (legislative or regulatory provisions) or of self-regulatory provisions (e.g. articles of association, codes of conduct, self-regulatory codes) that may occur in the course of business activities. This is particularly relevant given the vulnerabilities that are inherent in the structure of the banking system, which make it a potential instrument for illicit purposes. Consequently, the Group acknowledges its specific responsibility in combating corruption, money laundering, and financial crime.

Furthermore, the Cassa di Risparmio di Bolzano Group aims to encourage the use of whistleblowing systems and to foster a culture of legality. To this end, the Group clearly, precisely, and comprehensively explains its internal reporting procedure to staff, outlining the safeguards in place to protect the confidentiality of the whistleblower's and alleged perpetrator's personal data (with the express warning that European and Italian data protection regulations governing access to personal data do not apply to the whistleblower's identity, which may only be disclosed with their consent or where such information is necessary in order for the reported party to defend him/herself).

The Group has not defined specific measurable targets in relation to business conduct, although qualitative considerations are duly factored into remuneration and incentive policies.

MDR-M – Metrics in relation to material sustainability matters

The primary metric supporting the assessment of business conduct, having regard to associated impacts and risks, is the non-compliance risk assessment formulated by the Compliance Function, following its audits. This assessment of non-compliance risk is determined by combining:

- Inherent non-compliance risk, derived from the combination of exposure level and the probability of risk materialisation;
- Assessment of safeguards adopted, based on the combination of ex-ante regulatory compliance checks and ex-post compliance audits, drawing on self-assessments by individual managers of the activities within their remit, and also on direct audits by the compliance function or indirect audits by the Internal Audit function in line with the service agreement entered into.

These metrics are not subject to external validation by an entity other than the one issuing the compliance certification.

Specifically, for the assessment of corruption risks, a risk matrix was established, comprising an assessment of the level of exposure to corrupt practices, representing the overall risk associated with the activity. These assessments jointly consider:

- the incidence of the activity, as an assessment of its frequency and/or economic significance for the Bank;
- the theoretical risk of corruption, as an assessment of the theoretical potential for corrupt practices.

The assessment of the residual risk level of corrupt practices was then maintained.

In general, this activity was carried out with the support of a law firm with long-standing expertise in the field and extensive knowledge of the Sparkasse Group.

In relation to whistleblowing issues, the Whistleblowing Manager issues the "Information Note on the Annual Report of the Whistleblowing Manager". In compliance with applicable data protection regulations, the Whistleblowing Manager provides an annual report on the proper functioning of internal reporting systems, containing aggregated information on the outcomes of activities following received reports. This report is approved by corporate bodies and made available to bank staff. The most recent information note dates back to February 2024.

Note that, given the specific nature of the subject matter, the Bank has not currently adopted quantitative metrics to assess the performance and effectiveness of IROs related to business conduct.

With specific reference to the risks of corruption and bribery, their assessment is conducted through the dedicated Risk Assessments for Cassa di Risparmio, CiviBank and Sparim, which include the following elements::

- The identified risk areas are: dealings with the public administration; gifts and sponsorships; procurement of goods and services, dealings with third parties, and acquisition of equity investments; accounting entries and records; recruitment and management of staff; purchase, management and sale of real estate; relations between private parties. For Sparim's Risk Assessment, the risk areas were adapted to align with the provisions of the "Organisation, Management and Control Model pursuant to Legislative Decree 231/2001" adopted by the company.
- the various sensitive activities were listed for each risk area. For each of these, an assessment was made of the possible conduct or of the operational methods for committing offences, the overall risk was calculated, and the existing rules of conduct and safeguards were correlated. Where applicable, the relevant process and the most impacted internal functions were identified, and the residual risk for each sensitive activity was calculated.

Note that Cassa di Risparmio and CiviBank prepared their Risk Assessments starting in 2023, while Sparim's first Risk Assessment was conducted in 2024.

Following the 2024 Risk Assessments, no major critical issues were identified; in fact, the level of organisational safeguards adopted by the Group was considered High.

G1-4 – Incidents of corruption or bribery

During 2024, no cases of corruption and bribery were identified within the Sparkasse Group, nor were any convictions or fines imposed for violations of anti-corruption laws. Consequently, the number of confirmed cases stands at zero.

G1-5 – Political influence and lobbying activities

The Cassa di Risparmio di Bolzano Group has not identified any political influence or lobbying activities in relation to its commitments, impacts, risks and material opportunities. Indeed, as stated in the Code of Ethics, the Group does not provide contributions in any form to political parties, associations, or other organisations of a political or trade union nature. In the context of the Fit and Proper ("F&P") process, the Director Christoph Rainer declared his position as Deputy Mayor of the municipality of Sesto (BZ), a town with 1,900 inhabitants, clarifying that this role does not cover a significant area compared to Cassa's geographical reach. Therefore, there is no evidence of financial or in-kind political contributions made directly or indirectly.

The Group is not registered in the EU Transparency Register nor in any equivalent register of a Member State.

Management of relationships with suppliers including payment practices

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

In relation to the topic of "Management of relationships with suppliers including payment practices", the following table outlines the impacts, risks and opportunities ("IRO") identified by the Group. Regarding the methods adopted to take into account the Group's customers in the assessment of impacts, risks, and opportunities and their interaction with the strategy and the business model, reference is made to the preceding chapter "*General Disclosures"*, Part One of the Sustainability Reporting.

Management of relationships with suppliers including payment practices			
IRO Description	IRO Type	Time horizon	Coverage
Reputational and/or operational risk associated with poor management of supplier relationships, with related economic harm	Risk	S-T	OO;
Risk of outsourcing corporate operations to third-party suppliers, especially core or essential ones (e.g. operational risk, including business continuity, IT risk, reputational risk)	Risk	S-T	OO;
Increased costs related to legal risks in the event of disputes with suppliers	Risk	S-T	OO;
Maintaining an excellent position and reputation with stakeholders thanks to sound business ethics and the implementation of anti-corruption measures, to mitigate legal sanctions for non-compliance and thus contribute to the wellbeing of communities	Opportunities	S-T	OO;
Legal and regulatory compliance to improve public perception of the company, reducing the risk of sanctions and having a positive influence on the share price and access to financial markets	Opportunities	S-T	OO;
Appropriate remuneration and incentive mechanisms for the Group's directors and management can foster competitiveness and good governance	Opportunities	S-T	OO;
Responsible payment practices and consideration for the environmental and social impacts in the supply chain reduce operational and legal risks, improving the Bank's financial stability	Opportunities	S-T	OO;
Prioritising the search for/replacement of suppliers thereby ensuring a high level of quality of the services purchased	Opportunities	S-T	OO;

G1-2 – Management of relationships with suppliers

The Group considers suppliers as key stakeholders with whom to establish collaborative and transparent relationships, in line with the Group's "operating ethically" principles. Suppliers are an integral part of the value chain, and in this context, the Group implements targeted actions to rationalise and contain costs while ensuring high-quality services and products.

Thanks to its strong local roots and ties within the territory, the Group prefers to collaborate with local suppliers in order to reduce the environmental impacts associated with the movement of goods and people, whilst continuing to evaluate suppliers based on criteria of price/quality, reliability, and efficiency.

The Group's primary target is to develop and maintain long-term supplier relationships based on the principles of integrity, transparency, equity, honesty, and impartiality.

To achieve this target, the Group defines and applies effective policies and procedures for managing supplier relations, adhering to the above-mentioned criteria and principles while ensuring traceability in procurement processes.

Furthermore, the Parent Bank has formalised these procedures within its internal regulations, submitting them for approval by the Board of Directors and updating and monitoring them in line with the internal control system adopted. The internal regulations set forth the principles and responsibilities that apply in supplier and procurement management, with the following targets:

- Managing purchase requests
- Certifying that the expenditure aligns with the goods/service received
- Monitoring expenses
- Optimising the relationship between the Bank and its suppliers
- Managing supplier-related obligations
- Negotiating expenses to reduce costs while maintaining service levels
- Increasing and measuring service quality
- Ensuring objectivity, traceability and transparency when assessing and selecting suppliers

The Procurement Service, within the Digital & Innovation Department, ensures the effectiveness and proper functioning of the procurement process for the Group, following the guidelines provided in the "Procurement" Regulation. The roles and responsibilities of the various organisational units involved in the process of procuring goods and services have been defined, with a clear segregation of duties between those who manage the budget, those who establish the criteria for the selection of suppliers, those who manage the relationship with suppliers, those who verify the supply, those who authorise payment, and those who make the payment.

The selection of suppliers, governed by clear and non-discriminatory procedures, is based on assessments of reliability in terms of professionalism, integrity and punctuality in fulfilling commitments. The Parent Bank verifies any potential conflicts of interest and evaluates the professional abilities and experience of suppliers' human resources, also evaluating their organisational structure and their regulatory compliance, particularly their compliance with occupational safety rules.

During 2024, the Procurement Regulation was further revised by amending the section on the Single Supplier Register, specifying that participation in competitive tenders requires documentation certifying the legal compliance of the company and its senior management, executives, and shareholders.

Furthermore, consistently with the provisions of the Group Sustainability Regulation, a stipulation has been incorporated in the Procurement Regulation concerning ESG evaluation and weighting criteria in decisions on admission to the Single Supplier Register and their monitoring over time.

In addition, the use of the SPK Manager application was extended to Group structures from the beginning of 2024. This application enables the efficient, traceable management, approval, and monitoring of procurement requests.

Lastly, starting from the second half of the year, digital contract signing was introduced as standard practice, streamlining the signing process, reducing the need for printing, and minimising paper usage.

In 2024, the Parent Bank identified no violations of trade union rights or freedom of assembly among its suppliers. Purchases of goods and services are made by private negotiation, adhering to predefined terms and value thresholds, while ensuring transparency and objectivity in tenders.

The Group encourages suppliers to adhere to conduct standards consistent with the Code of Ethics, which is provided to suppliers upon engagement. The Group's supplier selection policy is not solely based on economic criteria but also considers qualitative aspects, such as suppliers' quality certifications. Conduct that contravenes the principles of the Organisational Model, the Code of Ethics or the Code of Conduct constitutes a contractual breach and is grounds for early termination of the contract.

In compliance with applicable provisions, the Parent Bank, aiming to promote orderly corporate management aligned with the Group's organisational model, has established an Outsourcing Management and Oversight Framework, which includes:

- the establishment of the Third Party Service, under the People & Transformation Department, tasked with supporting and coordinating the structures involved in risk analysis and monitoring of outsourced services;
- the appointment, for each Group company, of a Head of Outsourcing Risk Management and Oversight (*Responsabile della Gestione e Supervisione dei Rischi di esternalizzazione*, RGSR) responsible for the overall coordination and supervision of outsourcing contracts;
- the appointment of an Outsourced Operations Coordinator (*Referente Attività Esternalizzate*, RAE) for each outsourced function, identified for all outsourced functions, both those deemed essential or core and those that are not.

The RGSR and the RAEs, with the coordination and support of the Third-Party Service, ensure specific safeguards for the outsourcing of corporate operations, managing risks arising from outsourcing decisions while keeping control of and remaining responsible for outsourced operations, and retain the technical and management skills required to backsource them.

The decision to outsource certain corporate functions (including non-core) aligns with the corporate outsourcing policy. This policy, approved by the Parent Bank's Board of Directors, establishes:

- the decision-making process for outsourcing corporate functions (decision-making levels; involved functions; risk assessment, including those related to potential conflicts of interest of the supplier and the impact on corporate functions; operational continuity impact assessment; criteria for supplier selection and due diligence);
- the minimum content of outsourcing contracts and the expected service levels for outsourced operations;
- the procedures for ongoing monitoring of outsourced functions, with the involvement of the internal audit function;
- internal information flows, to ensure that corporate bodies and functions in charge of control have full awareness and governance over risk factors pertaining to the functions outsourced;
- business continuity plans (contractual clauses, operational plans, etc.) in case of improper performance by the supplier.

In any case, through the outsourcing of corporate functions, Group companies must not:

- delegate their responsibilities or those of corporate bodies;
- alter their relationship with or obligations towards customers;
- jeopardise their ability to comply with the requirements of prudential regulations or place themselves in a situation of breaching statutory operational restrictions;
- undermine the quality of the internal control system;
- hinder supervisory oversight.

While ensuring the proper performance of all outsourced activities by the supplier, the effective functioning of internal control system and continuous monitoring of the supplier's performance, the Bank has adopted the following additional safeguards for the outsourcing of essential or core functions:

- the written agreement between Group entities and the supplier must formalise and clearly define:
    a. their respective rights and obligations; expected service levels, expressed in objective and measurable terms, as well as the information necessary to verify compliance; potential conflicts of interest and appropriate safeguards to prevent or mitigate them; conditions under which the agreement may be amended; the duration of the agreement and renewal terms, as well as mutual commitments in case of termination;
    b. the service levels guaranteed in emergencies and the continuity solutions compatible with business needs and in line with the requirements of supervisory authorities. The agreement also stipulates methods of participation, directly or through user committees, in verifying supplier's business continuity plans. Termination clauses are included, allowing Group entities to terminate the outsourcing agreement if events should arise that could impair the supplier's ability to deliver the service or in case of non-compliance with agreed service levels;

- the supplier must:
    a. have the competence, capacity and legal authorisations required to perform the outsourced functions professionally and reliably;
    b. inform the Group entity of any event that could impair its ability to perform the outsourced functions effectively and in compliance with applicable laws, promptly reporting security incidents in particular, to enable the activation of emergency procedures;
    c. ensure the security of information relating to the Group's activities, in terms of availability, integrity and confidentiality; including ensuring compliance with data protection regulations;

- the Group entity:
    a. retains the necessary competence to effectively oversee the outsourced functions and to manage the risks associated with outsourcing, including those arising from potential conflicts of interest of the supplier; in this context, it designates, within its organisation, a person responsible for monitoring the individual outsourced functions, possessing adequate professional qualifications (the "outsourced operations coordinator");
    b. obtains the supplier's business continuity plans or secures adequate information to assess the quality of the planned measures and integrate them with the continuity solutions implemented internally;

- the Parent Bank, its independent auditors and the supervisory authorities have effective access to data relating to the outsourced operations and to the premises where the supplier operates. The supervisory authority's right of access is expressly stipulated in the agreement, without additional costs for the Parent Bank;

- the sub-outsourcing (i.e. the possibility for the supplier to outsource, in turn, part of the operations covered by the outsourcing agreement) must not compromise compliance with the principles and conditions for outsourcing; accordingly, the agreement with the supplier stipulates that any sub-outsourcing arrangements must be agreed in advance with the Parent Bank and must be defined in such a way as to ensure full compliance with all the conditions listed above in relation to the primary agreement, including the possibility for the supervisory authority to access data relating to the outsourced operations and the premises where the sub-supplier operates.

MDR-A – Actions and resources in relation to material sustainability matters

The Group currently does not have specific ESG indicators concerning its suppliers; however, in the coming years, it plans to introduce both a statistical ESG indicator and a specific indicator following the administration of a questionnaire to the most relevant suppliers.

Once the ESG indicators are available, the Group will proceed, starting from 2025, by subjecting suppliers who together represent 80% of the Group's total expenditure value to statistical scoring, while targets will subsequently be set for suppliers to be assessed via a specific indicator following the administration of a tailored questionnaire.

Furthermore, during 2025, it is planned to introduce certain ESG-related information within the supplier due diligence process, starting with suppliers of outsourced services and essential or core functions, as well as services falling within the scope of Regulation (EU) 2022/2554 – the Digital Operational Resilience Act (DORA).

During 2024, the Parent Bank updated the "Management of Outsourced Corporate Functions" Regulation following organisational changes and in order to integrate and update the documentary templates used to help formalise the various phases of the process. Additionally, new provisions were incorporated following the entry into force of the 40th Update to Bank of Italy Circular No. 285/2013.

In addition, the Third-Party Service carried out a comprehensive review of the Operational Standard, which defines the operational framework under which Group companies are required to organise and manage the outsourcing process, making operational the "Outsourcing" Module of the ARCM - *Aris Risk & Compliance Management* - application, which regulates the workflow for the assessment and management of an outsourced function.

The ARCM workflow ensures the preparation of a case file by preliminarily:

- verifying the regulatory prerequisites for the outsourcing of services, the feasibility of proceeding with outsourcing, and whether the outsourced services fall within the essential or core functions category
- conducting an assessment of the Supplier, particularly its organisational and governance structure, market positioning, and financial conditions
- defining an exit strategy and plan in case of financial distress, qualitative deterioration of services, or the emergence of material risks affecting the performance of the function
- conducting an analysis (carried out by second-level control functions) of the outsourcing proposal and the mapping of associated risks

The ARCM workflow comprises 5 macro-phases managed through dedicated "sheets":

1. Request: Registration and classification of the outsourcing request
2. Feasibility analysis, risk assessment: Preliminary analysis of outsourcing and Supplier due diligence
3. Agreement: Agreement preparation process, from draft agreement to approval by the competent Body;
4. Periodic monitoring: Process for monitoring outsourced operations
5. Contract renewal or termination: Evaluation process for the outsourcing which is expiring and contract renewal or termination.

Additionally, the Third-Party Service will, during 2025, design and release an upgrade to the ARCM "Outsourcing" module to enable the relevant departments involved in the acquisition of ICT services under DORA to register the documentation supporting existing ICT Services, ensuring the preliminary preparation of a case file for future cases.

MDR-T – Tracking effectiveness of policies and actions through targets.

In compliance with the supervisory provisions on outsourcing, the Group aims to identify the most effective and efficient solutions while ensuring adequate risk management and, consequently, full adherence to the principles of sound and prudent business management. With the individual outsourcers of essential or core operational functions, the Group defines, in accordance with regulatory requirements, specific agreed service levels that include, where appropriate, precise *service level agreements* (SLAs) to facilitate timely monitoring in order to ensure that appropriate corrective action can be taken without undue delay in the event of failure to meet the agreed service levels.

The target of the monitoring activity is to ensure constant oversight of outsourced function providers, and to promptly detect any anomalies in the performance of outsourced services or potential critical situations that could negatively impact the regular conduct of the Bank's activities.

MDR-M – Metrics in relation to material sustainability matters

The ongoing monitoring and control of outsourced operations are required under current regulations for all outsourcing agreements, following a risk-based approach and with particular regard to the outsourcing of Essential or Core Functions. To this end, based also on reports received from the outsourcer, the relevant Outsourced Operations Coordinator(s) (RAE):

- promptly identify any anomalies and deficiencies that could compromise the smooth operation of the company's activities;
- monitor the classification of the requested function (essential or core, or other), intervening if a risk situation emerges that differs from what was defined during the previous analysis;
- monitor anomaly reports collected internally;
- assess the impact of such reports on risk assessments;
- continuously verify the outsourcer's process compliance with external standards and agreed requirements;
- monitor financial conditions, periodically reviewing the outsourcer's financial statements and gathering information on any corporate changes or anomalies in cash flows;
- evaluate the need for corrective interventions and, where applicable, propose amendments to contractually agreed SLAs.

The ongoing control action to ensure that outsourced activities are performed correctly is performed at least annually. This activity is ensured by the individual RAEs with the help of specific documentation in which the results of the verifications are detailed.

The complete documentation is submitted to the Third-Party Service, which checks its completeness and accuracy before forwarding it to the RGSR of each company for assessment.

If the outsourcing qualifies as an essential or core function, the competent RGSR prepares a report for the Board of Directors, summarising the outcomes of all monitoring activities conducted. For high-risk NON-ESSENTIAL OR NON-CORE FUNCTIONS outsourcing, the report is prepared and submitted for approval to the CEO/GM or GM of each company. For medium or low-risk NON-ESSENTIAL OR NON-CORE FUNCTIONS outsourcing, the report is signed directly by the respective RGSRs.

It should be noted that in the event of material changes and/or serious incidents concerning outsourcing agreements that could significantly undermine its operational continuity, or if an outsourced function was later classified as an essential or core operational function, a new communication must be made to the Bank of Italy.

Regarding intra-group outsourcing arrangements, this oversight activity is assured through a process of monitoring (normally quarterly) of the services covered by intra-group outsourcing agreements. This involves monitoring the actual delivery of services by reference to the terms of the service agreement, the *Service Level Agreements* (SLAs) guaranteed across the various services, their effectiveness, as well as identifying any corrective actions to improve service delivery.

Based on this monitoring activity, the contract supervisors of the intra-group companies (the RGSRs of each company), with the support of the Third-Party Service, draft an annual "Report on the outcome of monitoring activities" to be submitted for approval by the Boards of Directors of the respective companies. This report contains a review of any factors that may have led to a change in the risk profiles associated with the provision of services, or to an adjustment of the contractually defined pricing conditions, along with any proposed amendments or additions.

The periodic monitoring of outsourcing risks is assigned to the competent RAE primarily, in collaboration with the proposing department. However, second-level control functions are involved in an in-depth risk analysis if a change in the classification of the outsourcing (as an essential or core function) is identified.

In accordance with regulatory provisions (Bank of Italy Measure no. 166/2023 "Reporting on the outsourcing of corporate functions for supervised intermediaries"), the company is required to submit an annual report to the Bank of Italy. The Parent Bank submits the report on a consolidated basis, which covers outsourcing agreements signed by the Parent Bank and by the Italian entities of the Group, provided they are also the end users. In instances where agreements are entered into by special purpose companies, the reporting obligation applies solely in relation to outsourcing agreements for which the end users are Italian intermediaries belonging to the Group.

G1-6 – Payment practices

It should be noted, preliminarily, that payments for invoices issued to the Parent Bank and CiviBank are managed by the Supplier and Fixed Assets Accounting Unit within the "Financial Statements, Accounting and Reporting Division". Conversely, payments referring to other Group companies (and in particular Sparim) are handled by the respective companies themselves.

Invoices correctly addressed to the two banks of the Cassa di Risparmio di Bolzano Group:

1. are mostly received in electronic format;
2. are forwarded to the Responsibility/Cost Centres (CDR) for verification of the successful delivery of services and the correct receipt of purchased goods;
3. are authorised for payment by the CDR Manager;
4. are paid in automatic weekly payment runs.

Invoices correctly addressed to Sparim:

- are mostly received in electronic format;
- are forwarded to internal departments according to their remit (Projects Department, Facility, Property, Administration) and subsequently to the Parent Bank's tax officer for additional tax review (particularly the applicable VAT treatment);
- are authorised for payment by Sparim's General Manager;
- are paid in automatic weekly payment runs or, in urgent cases, by manual bank transfers using the Cassa di Risparmio di Bolzano's 'On' application.

Invoices are paid by direct bank transfer generally on the due date, as defined in the agreement with the supplier. Depending also on the type of supply, additional payment methods may apply (e.g. SEPA Direct Debits, PagoPA, etc.). In some cases, payment is made in advance of receipt of the invoice (e.g. for accommodation, meals, course participation, or, for Sparim, advance payments for supplies and/or contractually agreed down payments for construction works).

To analyse average payment times, a selection of invoices paid in 2024 and settled via direct bank transfer (excluding advance payments or SDD) was conducted for the two banks. Specifically, it was found that, based on the sample of invoices paid in 2024, the average time taken to pay an invoice from the date on which the payment term calculation commences (assumed to coincide with the invoice issuance date) was 44 days, calculated across the total number of invoices.

Under the terms of the agreements in place, most invoices typically have a due date of 30/60 days from the issuance date. The percentage of invoices paid within 60 days stands at 80.9%.

No legal proceedings arising from payment delays have been recorded.

It should be noted that the analysis was only carried out for Group banks (Sparkasse and CiviBank). For the other Group companies, which represent a minor portion, the same analysis could not be performed due to difficulties in retrieving the required data (lack of automated local IT infrastructure).

Deloitte.

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INDEPENDENT AUDITOR'S REPORT
ON THE CONSOLIDATED SUSTAINABILITY STATEMENT
PURSUANT TO ARTICLE 14-BIS OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Shareholders of
Cassa di Risparmio di Bolzano S.p.A.

Conclusion

Pursuant to artt. 8 and 18, paragraph 1 of Legislative Decree no. 125 of September 6, 2024 (hereinafter also the "Decree"), we have carried out a limited assurance engagement on the consolidated sustainability statement of the Cassa di Risparmio di Bolzano S.p.A. and its subsidiaries (hereinafter also "Cassa di Risparmio di Bolzano Group" or "Group") for the year ended on December 31, 2024, prepared pursuant to Art. 4 of the Decree, included in the specific section of the Board of Directors' Report on Group operation.

Based on the work performed, nothing has come to our attention that causes us to believe that:

- the consolidated sustainability statement of Cassa di Risparmio di Bolzano Group for the year ended on December 31, 2024 is not prepared, in all material respects, in accordance with the reporting principles adopted by the European Commission pursuant to the Directive (EU) 2013/34/EU (European Sustainability Reporting Standards, hereinafter also "ESRS");

- the information included in paragraph "Environmental Disclosure - Disclosure pursuant to Article 8 of the Taxonomy"of the consolidated sustainability statement is not prepared, in all material respects, in accordance with art. 8 of Regulation (EU) No. 852 of June 18, 2020 (hereinafter also the "Taxonomy Regulation").

Basis for conclusion

We conducted the limited assurance engagement in accordance with the assurance standard of the sustainability report - "*Principio di Attestazione della Rendicontazione di Sostenibilità - SSAE (Italia)*". The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the level of assurance that would have been obtained had we performed a reasonable assurance engagement.

Our responsibilities pursuant to that standard are further described in the paragraph *Auditor's responsibilities for the limited assurance of the consolidated sustainability statement* of this report.

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We are independent in accordance with the independence and other ethical requirements applicable under Italian law to the limited assurance engagement of the consolidated sustainability statement.

Our firm applies International Standard on Quality Management (ISQM Italia) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matter

The consolidated sustainability statement for the year ended on December 31, 2024, contains in the paragraph "Disclosure pursuant to Article 8 of the Taxonomy", the comparative information related to the year ended on December 31, 2023, which has not been subjected to any assurance procedures.

Responsibility of the Directors and the Board of Statutory Auditors of Cassa di Risparmio di Bolzano S.p.A. for the consolidated sustainability statement

The Directors are responsible for developing and implementing the procedures performed to identify the information reported in the consolidated sustainability statement in accordance with the ESRS (hereinafter the "double materiality assessment process") and for disclosing this process in the paragraph "General disclosures - IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities".

The Directors are also responsible for the preparation of the consolidated sustainability statement, which includes the information identified as part of the double materiality assessment process, in accordance with the requirements of Art. 4 of the Decree, including:

- compliance with ESRS;
- compliance of the information included in the paragraph "Disclosure pursuant to Article 8 of the Taxonomy" with art. 8 of the Taxonomy Regulation.

Such responsibility involves designing, implementing and maintaining, within the terms established by the law, such internal control that the Directors determine necessary to enable the preparation of the consolidated sustainability statement in accordance with the requirements of the art. 4 of the Decree that is free from material misstatements, whether due to fraud or error. Furthermore, the abovementioned responsibility involves the selection and application of appropriate methods in elaborating information and making assumptions and estimates about specific sustainability information that are reasonable in the circumstances.

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The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the compliance with the provisions set out in the Decree.

Inherent limitations in the preparation of the consolidated sustainability statement

In reporting forward-looking information in accordance with ESRS, the Directors are required to prepare the forward-looking information on the basis of assumptions, as described in the consolidated sustainability statement, regarding events that may occur in the future and possible future actions of the Group. Due to the inherent uncertainty regarding any future event, including whether these events will take place and their extent and timing, the variances between actual outcomes and forward-looking information could be significant.

The information provided by the Group regarding Scope 3 emissions is subject to greater inherent limitations compared to those related to Scope 1 and 2 emissions. This is due to the lower availability and relative accuracy of the data used to define the information on Scope 3 emissions, both quantitative and qualitative, in relation to the value chain.

Auditor's responsibilities for the limited assurance of the consolidated sustainability statement

Our objectives are to plan and perform procedures to obtain limited assurance about whether the consolidated sustainability statement is free from material misstatements, whether due to fraud or error, and to issue an assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, could influence the decisions of users taken on the basis of consolidated sustainability statement.

As part of the limited assurance engagement in accordance with the *Principio di Attestazione della Rendicontazione di Sostenibilità - SSAE (Italia)*, we exercise professional judgment and maintain professional skepticism throughout the engagement.

Our responsibilities include:

- considering risks to identify and assess the disclosure where a material misstatement is likely to arise, either due to fraud or error;
- designing and performing procedures to verify disclosures in the sustainability statement where material misstatements are likely to arise. The risk of not detecting a material misstatement due to fraud is higher than the risk of not identifying a material misstatement due to error, as fraud may involve collusion, falsifications, intentional omissions, misrepresentations, or the override of internal control;
- the direction, supervision and performance of the limited assurance engagement of the consolidated sustainability statement. We remain solely responsible for the conclusion on the consolidated sustainability statement.

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Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence as the basis for expressing our conclusion.

The procedures performed on the consolidated sustainability statement are based on our professional judgement and included inquiries, primarily with the personnel of the Group responsible for the preparation of information included in the consolidated sustainability statement, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically, we performed the following main procedures partly in a preliminary phase before year end and then in a final phase up to the the date of issuance of this report:

- understanding the business model, the Group's strategies and the context in which the Group operates with reference to sustainability matters;
- understanding the processes underlying the generation, collection, and management of qualitative and quantitative information included in the consolidated sustainability statement, including an analysis of the reporting perimeter;
- understanding the process carried out by the Group for the identification and evaluation of material impacts, risks and opportunities, based on the principle of double materiality, with reference to sustainability matters;
- identification of the information where a risk of material misstatement is likely to arise, taking into considerations, among others, risk factors related to the generation and collection of the information, to the existence of estimates and to the complexity of the relevant calculation methods, as well as qualitative and quantitative factors related to the nature of such information;
- design and performance of procedures, based on the professional judgment of the auditor of the consolidated sustainability report, to respond to identified risks of material misstatement, also with the support of Deloitte network specialists, in particular with reference to specific environmental information;
- understanding of the process set up by the Group to identify eligible economic activities and determine their aligned nature according to the requirements of the Taxonomy Regulation, and verifying the related information included in the consolidated sustainability statement;
- comparison of the information reported in the consolidated sustainability statement with the information included in the consolidated financial statements pursuant to the applicable financial reporting framework, or with the accounting data used for the preparation of the financial statements, or with the management data having an accounting nature;

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- verification of the structure and presentation of the information included in the consolidated sustainability statement in accordance with ESRS, including the information related to the materiality assessment process;
- obtaining the representation letter.

DELOITTE & TOUCHE S.p.A.

Signed by
Enrico Gazzaniga
Partner

Milan, Italy
March 31, 2025

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.

Statement of Reconciliation of Consolidated Shareholders' Equity

Statement of Reconciliation of Consolidated Shareholders' Equity

Statement of reconciliation between:

- the shareholders' equity and profit for the year of the Parent Bank and
- the consolidated shareholders' equity and profit for the year.

(figures in thousands of Euro)

	Shareholders' Equity	Profit for the year
Shareholders' equity and profit for the year of the Parent Bank	967,255	100,391
Difference between carrying amount and pro-rata value:		
- of the carrying amount of equity investments	195,152	(4,559)
- of companies consolidated at equity	1,880	0
Gains from disposal of equity investments	0	0
Change in consolidated deferred taxes	398	0
Pro-rata result achieved by the subsidiaries	32,653	32,653
Pro-rata result achieved by the companies consolidated at equity	99	99
Elimination of the effects of transactions between Group companies:		
- Dividends of the subsidiaries collected during the year	(12,585)	(12,585)
- Dividends of companies subject to significant influence, collected during the year	0	0
- Reversal of value adjustments to consolidated equity investments	(72)	670
- Effect of the application of IFRS 16 to Group companies	536	(125)
- Consolidation adjustments	(302)	(138)
Adjustment to Group accounting standards:		
- Measurement at cost and revaluation model of the capital properties (in the subsidiary at FV)	(5,638)	(3,293)
Consolidated shareholders' equity and profit for the year	1,179,376	113,112
Shareholders' equity and profit/(loss) of minority interests	67,370	(4,559)

Consolidated Financial Statements

Consolidated Financial Statements

CONSOLIDATED BALANCE SHEET

	Asset items	31/12/2024	31/12/2023
10.	Cash and cash equivalents	717,255	961,392
20.	Financial assets measured at fair value through profit or loss	197,618	192,485
	a) financial assets held for trading	42,029	48,612
	b) financial assets designated at fair value	-	-
	c) other financial assets mandatorily measured at fair value	155,588	143,872
30.	Financial assets measured at fair value through other comprehensive income	194,194	316,410
40.	Financial assets measured at amortised cost	13,243,255	14,474,512
	a) loans to banks	435,838	300,861
	b) loans to customers	12,807,416	14,173,651
50.	Hedging derivatives	31,218	37,825
60.	Value adjustment of financial assets subject to macro-hedging (+/-)	3,377	(14,909)
70.	Equity investments	10,266	10,167
90.	Property, plant and equipment	414,801	414,605
100.	Intangible assets	35,174	30,057
	of which:		
	- goodwill	214	214
110.	Tax assets	138,033	176,034
	a) current	46,217	45,166
	b) deferred	91,817	130,868
120.	Non-current assets and groups of assets classified as held for sale	7,098	1,088
130.	Other assets	530,600	592,165
	Total Assets	15,522,889	17,191,829

continued: CONSOLIDATED BALANCE SHEET

	Liabilities and shareholders' equity items	31/12/2024	31/12/2023
10.	Financial liabilities measured at amortised cost	13,789,129	15,511,428
	a) due to banks	1,394,574	3,309,407
	b) due to customers	11,704,091	11,773,212
	c) securities issued	690,465	428,809
20.	Financial liabilities held for trading	551	431
30.	Financial liabilities designated at fair value	-	-
40.	Hedging derivatives	30,576	24,566
50.	Value adjustment of financial liabilities subject to macro-hedging (+/-)	-	-
60.	Tax liabilities	22,190	19,080
	a) current	9,533	6,280
	b) deferred	12,657	12,800
70.	Liabilities associated with assets classified as held for sale	527	503
80.	Other liabilities	360,330	380,262
90.	Employee severance indemnity	1,861	2,474
100.	Provisions for risks and charges	70,980	95,068
	a) commitments and guarantees issued	14,692	20,220
	b) post-employment benefit and similar obligations	36,203	39,552
	c) other provisions for risks and charges	20,084	35,297
120.	Valuation reserves	21,265	21,457
130.	Redeemable shares	-	-
140.	Equity instruments	45,200	45,200
150.	Reserves	398,483	337,821
155	Interim dividends	(6,027)	-
160.	Share premiums	141,390	151,259
170.	Capital	469,331	469,331
180.	Treasury shares (-)	(3,378)	(11,172)
190.	Equity attributable to minority interests (+/-)	67,370	65,952
200.	Profit (loss) for the year (+/-)	113,112	78,169
	Total liabilities and shareholders' equity	15,522,889	17,191,829

CONSOLIDATED INCOME STATEMENT

	Items	31/12/2024	31/12/2023
10.	Interest income and similar revenues	610,141	558,530
	of which: interest income calculated using the effective interest method	545,091	435,467
20.	Interest expense and similar charges	(314,092)	(257,030)
30.	**Net interest income**	**296,049**	**301,500**
40.	Fee and commission income	146,763	144,709
50.	Fee and commission expense	(27,743)	(13,460)
60.	**Net fee and commission income**	**119,020**	**131,248**
70.	Dividends and similar income	4,043	2,303
80.	Net profit (loss) from trading	2,575	1,568
90.	Net profit (loss) from hedging	5,651	(2,875)
100.	Gains (losses) on disposal or repurchase of:	780	(2,354)
	a) financial assets measured at amortised cost	780	(2,355)
	b) financial assets measured at fair value through other comprehensive income	1	2
	c) financial liabilities	(1)	(1)
110.	Net income from other financial assets and liabilities measured at fair value through profit or loss	1,367	74
	a) financial assets and liabilities designated at fair value	-	-
	b) other financial assets mandatorily measured at fair value	1,367	74
120.	**Net interest and other banking income**	**429,486**	**431,465**
130.	Net value adjustments/write-backs for credit risk relating to:	(28,942)	(43,619)
	a) financial assets measured at amortised cost	(29,054)	(43,642)
	b) financial assets measured at fair value through other comprehensive income	111	23
140.	Gains/losses from contractual amendments without cancellations	71	921
150.	**Net income from financial management**	**400,615**	**388,767**
180.	**Net income from financial and insurance management**	**400,615**	**388,767**
190.	Administrative expenses:	(277,841)	(263,011)
	a) staff expenses	(160,445)	(146,483)
	b) other administrative expenses	(117,396)	(116,528)
200.	Net allocations to provisions for risks and charges	6,051	(6,587)
	a) commitments and guarantees issued	5,528	(4,975)
	b) other net allocations	524	(1,612)
210.	Net value adjustments/write-backs to property, plant and equipment	(18,772)	(18,336)
220.	Net value adjustments/write-backs to intangible assets	(8,727)	(6,926)
230.	Other operating income/expenses	58,035	20,458
240.	**Operating costs**	**(241,254)**	**(274,403)**
250.	Gains (losses) on equity investments	108	663
260.	Net result from fair value measurement of property, plant and equipment and intangible assets	200	5,844
270.	Value adjustments to goodwill	-	-
280.	Gains (losses) from disposal of investments	1,031	360
290.	**Profit (loss) from current operations before tax**	**160,700**	**121,231**
300.	Income taxes for the year on current operations	(42,778)	(38,844)
310.	**Profit (loss) from current operations after tax**	**117,922**	**82,387**
320.	Profit (loss) from discontinued operations after tax	(251)	(175)
330.	**Profit (loss) for the year**	**117,671**	**82,213**
340.	Profit (loss) for the year attributable to minority interests	(4,559)	(4,044)
350.	**Profit (loss) for the year attributable to the Parent Bank**	**113,112**	**78,169**

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

	Items	31/12/2024	31/12/2023
10.	Profit (loss) for the year	117,671	82,213
	Other income components net of taxes without reversal to the income statement	(872)	11,721
20.	Equity securities designated at fair value through other comprehensive income	(1,907)	(6,580)
30.	Financial liabilities designated at fair value through profit or loss (changes in own creditworthiness)	-	-
40.	Hedging of equity securities designated at fair value through other comprehensive income	-	-
50.	Property, plant and equipment	-	16,983
60.	Intangible assets	-	-
70.	Defined benefit plans	1,035	1,318
80.	Non-current assets and groups of assets held for sale	-	-
90.	Portion of valuation reserves of equity-accounted investments	-	-
100.	Revenues or costs of a financial nature relating to insurance contracts issued	-	-
	Other income components net of taxes with reversal to the income statement	381	5,892
110.	Foreign investment hedges	-	-
120.	Exchange rate differences	-	-
130.	Cash flow hedges	-	-
140.	Hedging instruments (non-designated elements)	-	-
150.	Financial assets (other than equity securities) measured at fair value through other comprehensive income	381	5,892
160.	Non-current assets and groups of assets held for sale	-	-
170.	Portion of valuation reserves of equity-accounted investments	-	-
180.	Revenues or costs of a financial nature to insurance contracts issued	-	-
190.	Revenues or costs of a financial nature relating to transfers under reinsurance	-	-
200.	Total other income components net of taxes	(491)	17,614
210.	Comprehensive income (Item 10+200)	117,180	99,826
220.	Consolidated comprehensive income attributable to minority interests	(4,336)	(4,784)
230.	Consolidated comprehensive income attributable to the Parent Bank	112,844	95,042

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY AS AT 31.12. 2024

	Balance as at 31.12.2023	Change in opening balances	Balance as at 01.01.2024	Allocation of previous year result		Changes in the year									Comprehensive income for the year at 31.12.2024	Group Shareholders' Equity as at 31.12.2024	Shareholders' Equity of Minority Interests as at 31.12.2024
							Transactions on shareholders' equity										
				Reserves	Dividends and other allocations	Changes in reserves	Issue of new shares	Purchase of treasury shares	Interim dividends	Extraordinary dividend distribution	Change in equity instruments	Treasury share derivatives	Stock options	Changes in equity interests			
Capital																	
- ordinary shares	485,941	X	485,941	-	X	X	1,531	-	X	X	X	X	X	(1,595)	X	469,331	16,547
- other shares	-	X	-	-	X	X	-	-	X	X	X	X	X	-	X	-	-
Share premiums	183,603	X	183,603	-	X	(9,869)	1,465	X	X	X	X	X	X	(3,110)	X	141,390	30,698
Reserves																	
- of profits	351,367	-	351,367	67,402	X	(1,536)	-	-	X	(6,998)	X	X	X	4,705	X	399,861	15,080
- other	(1,378)	-	(1,378)	-	X	-	-	X	X	-	X	-	-	-	X	(1,378)	-
Valuation reserves	22,242	-	22,242	X	X	-	X	X	X	X	X	X	X	-	(491)	21,265	487
Equity instruments	45,200	X	45,200	X	X	X	X	X	X	X	-	X	X	-	X	45,200	-
Interim dividends	-	X	-	X	X	X	X	X	(6,027)	X	X	X	X	X	X	(6,027)	-
Treasury shares	(11,172)	X	(11,172)	X	X	X	7,794	-	X	X	X	X	X	X	X	(3,378)	-
Profit (loss) for the year	82,212	-	82,212	(67,402)	(14,810)	X	X	X	X	X	X	X	X	X	117,671	113,112	4,559
Group shareholders' equity	1,092,065	-	1,092,065	-	(14,168)	(12,401)	7,794	-	(6,027)	(6,998)	-	-	-	6,266	112,844	1,179,376	X
Shareholders' equity of minority interests	65,952	-	65,952	-	(642)	996	2,995	-	-	-	-	-	-	(6,266)	4,336	X	67,370

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS’ EQUITY AS AT 31.12.2023

				Allocation of previous year result		Changes in the year											
							Transactions on shareholders' equity										
	Balance as at 31.12.2022	Change in opening balances	Balance at 01.01.2023	Reserves	Dividends and other allocations	Changes in reserves	Issue of new shares	Purchase of treasury shares	Interim dividends	Extraordinary dividend distribution	Change in equity instruments	Treasury share derivatives	Stock options	Changes in equity interests	Comprehensive income for the year at 31.12.2023	Group Shareholders' Equity as at 31.12.2023	Shareholders' Equity of Minority Interests as at 31.12.2023
Capital																	
- ordinary shares	485,931	X	485,931	-	X	X	-	-	X	X	X	X	X	10	X	469,331	16,611
- other shares	-	X	-	-	X	X	-	-	X	X	X	X	X	-	X	-	-
Share premiums	190,660	X	190,660	-	X	(7,067)	8	X	X	X	X	X	X	2	X	151,259	32,344
Reserves																	
- of profits	192,056	-	192,056	151,155	X	13,126	-	-	X	(4,970)	X	X	X	-	X	339,199	12,168
- other	(1,378)	-	(1,378)	-	X	-	-	X	X	-	X	-	-	-	X	(1,378)	-
Valuation reserves	4,629	-	4,629	X	X	-	X	X	X	X	X	X	X	-	17,614	21,457	785
Equity instruments	45,228	X	45,228	X	X	X	X	X	X	X	(28)	X	X	-	X	45,200	-
Interim dividends	X	X	X	X	X	X	X	X	-	X	X	X	X	X	X	-	-
Treasury shares	(9,586)	X	(9,586)	X	X	X	-	(1,585)	X	X	X	X	X	X	X	(11,172)	-
Profit (loss) for the year	172,141	-	172,141	(151,155)	(20,986)	X	X	X	X	X	X	X	X	X	82,212	78,169	4,044
Group shareholders' equity	1,018,525	-	1,018,525	-	(20,986)	6,059	8	(1,585)	-	(4,970)	(28)	-	-	-	95,042	1,092,065	X
Shareholders' equity of minority interests	61,156	-	61,156	-	-	-	-	-	-	-	-	-	-	12	4,784	X	65,952

CASSA DI RISPARMIO DI BOLZANO GROUP 31.12.2024

Statement of reconciliation between profit for the year and the profit contributing to the calculation of primary tier 1 capital

amounts in €

Profit for Own funds purposes

Cassa di Risparmio	Sparim	Raetia	Banca di Cividale (including PPA reversal)	SPK OBG S.r.l.	Sparkasse Energy	intercompany eliminations and consolidated adjustments	Cr Bz profit earmarked for dividends	CiviBank profit earmarked for dividends (minorities)	**Profit for Own funds purposes**
100,390,574	9,275,348	(355,129)	24,132,364	0	(134,958)	(20,403,618)	(36,140,607)	(1,395,699)	**75,368,275**

Consolidated profit for the year

Cassa di Risparmio	Sparim	Raetia	Banca di Cividale (including PPA reversal)	SPK OBG S.r.l.	Sparkasse Energy	Sparkasse Haus	Fanes + Civitas + Dolomit	intercompany eliminations and consolidated adjustments	**Consolidated profit for the year**
100,390,574	9,275,348	(355,129)	24,132,364	0	(134,958)	(264,269)	0	(19,931,921)	**113,112,008**

Reconciliation of profit for the year and profit for Own funds purposes

Consolidated profit for the year	Sparkasse Haus reversal	Fanes + Civitas + Dolomit reversal	Sparkasse Energy (in the Group from 12-2024) reversal	reversal of intragroup eliminations and consolidated adjustments	Cr Bz profit earmarked for dividends	CiviBank profit earmarked for dividends (minorities)	**Profit for Own funds purposes**
113,112,008	264,269	0		(471,697)	(36,140,607)	(1,395,699)	**75,368,275**

Detail of intra-group eliminations and consolidated adjustments	
297,520	Reversal of income components of Raetia SGR SpA
-12,585,455	Reversal of the CiviBank and Sparim dividend
-3,418,589	IFRS 16 reversal and properties effect (delta depreciation + profit on disposal)
372,885	Reversal of depreciation Sparkasse Haus
98,812	Share of profit of consolidated companies using the equity method
-4,558,604	Profit/(Loss) attributable to minority interests
-138,490	Consolidation adjustments
-19,931,921	**Total intercompany eliminations and consolidated adjustments**

SPARKASSE
CASSA DI RISPARMIO

CONSOLIDATED CASH FLOW STATEMENT (Indirect method)

A. OPERATING ACTIVITIES	Amount	
	31/12/2024	31/12/2023
1. Management	138,573	176,206
- profit (loss) for the year (+/-)	113,112	78,169
- capital gains/losses on financial assets held for trading and on other assets/liabilities measured at fair value through profit or loss (-/+)	(1,962)	(2,537)
- capital gains/losses on hedging activities (-/+)	(5,651)	3,000
- net value adjustments/write-backs for credit risk (+/-)	28,942	41,323
- net value adjustments/write-backs to property, plant and equipment and intangible assets (+/-)	27,499	24,931
- net allocations to provisions for risks and charges and other costs/revenues (+/-)	(6,051)	9,078
- net revenues collected and costs paid for insurance contracts issued and reinsurance transfers (- / +)	-	-
- unpaid taxes, duties and tax credits (+/-)	37,611	(27,295)
- net value adjustments/write-backs to discontinued operations net of the tax effect (-/+)	251	175
- other adjustments (+/-)	(55,177)	49,362
2. Cash flow generated from/used in financial assets	1,399,229	7,138
- financial assets held for trading	7,158	542
- financial assets designated at fair value	-	-
- other financial assets mandatorily measured at fair value	(10,359)	(8,037)
- financial assets measured at fair value through other comprehensive income	120,655	60,392
- financial assets measured at amortised cost	1,193,882	174,348
- other assets	87,883	(220,108)
3. Cash flow generated from/used in financial liabilities	(1,722,935)	(333,471)
- financial liabilities measured at amortised cost	(1,644,315)	(418,128)
- financial liabilities held for trading	(2)	(502)
- financial liabilities designated at fair value	120	3,875
- other liabilities	(78,738)	81,284
4. Liquidity generated from/used in insurance contracts issued and reinsurance transfers	-	-
- insurance contracts issued that constitute liabilities/assets (+/-)	-	-
- transfers under reinsurance that constitute liabilities/assets (+/-)	-	-
Net cash flow generated from/used in operating activities	(185,133)	(150,126)
B. INVESTMENT ACTIVITIES		
1. Cash flow generated from	5,605	29,693
- sales of equity investments	-	-
- dividends collected on equity investments	5.459	1,237
- sales of property, plant and equipment	149	28,420
- sales of intangible assets	-	36
- sales of subsidiaries and business units	-	-
2. Cash flow used in	(36,158)	(57,151)
- purchases of equity investments	-	-
- purchases of property, plant and equipment	(21,993)	(45,538)
- purchases of intangible assets	(14,165)	(11,613)
- purchases of subsidiaries and business units	-	-
Net cash flow generated from/used in investment activities	(30,553)	(27,458)
C. FUNDING ACTIVITIES		
- issues/purchases of treasury shares	(2,075)	(1,857)
- issues/purchases of equity instruments	2,991	724
- distribution of dividends and other purposes	(29,367)	(27,487)
- sale/purchase of controlling interests of third parties		-
Net cash flow generated from/used in funding activities	(28,451)	(28,620)
NET CASH FLOW GENERATED FROM/USED DURING THE YEAR	(244,137)	(206,204)

CASH FLOW STATEMENT - Reconciliation

Financial statement items	Amount	
	31/12/2024	31/12/2023
Cash and cash equivalents at the beginning of the year	961,392	1,167,596
Total net cash flow generated from/used during the year	(244,137)	(206,204)
Cash and cash equivalents: effect of changes in exchange rates	-	-
Cash and cash equivalents at the end of the year	717,255	961,392

Notes to the consolidated financial statements

Part A
Accounting Policies

Part A – Accounting policies

A.1 - General part

Section 1 - Declaration of compliance with international accounting standards

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS, formerly IAS), issued by the International Accounting Standards Board and adopted by the European Union, and the related interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). The application of international accounting standards is also carried out with reference to the "Framework for the preparation and presentation of financial statements".

Below is a list of the IAS/IFRS in force, as endorsed by the European Commission, which have been adopted for the preparation of these financial statements:

IFRS 3 Business Combinations
IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations
IFRS 7 Financial Instruments: Disclosures
IFRS 8 Operating Segments
IFRS 9 Financial Instruments
IFRS 10 Consolidated Financial Statements
IFRS 11 Joint Arrangements
IFRS 12 Disclosure of equity investments in Other Entities
IFRS 13 Fair Value Measurement
IFRS 15 Revenue
IFRS 16 Leases
IAS 1 Presentation of Financial Statements
IAS 7 Statement of Cash Flows
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
IAS 10 Events After the Reporting Period
IAS 12 Income Taxes
IAS 16 Property, Plant and Equipment
IAS 19 Employee Benefits
IAS 21 Effects of Changes in Foreign Exchange Rates
IAS 23 Borrowing Costs
IAS 24 Related Party Disclosures
IAS 26 Accounting and Reporting by Retirement Benefit Plans
IAS 27 Separate Financial Statements
IAS 28 Investments in Associates and Joint Ventures
IAS 32 Financial Instruments: Presentation
IAS 36 Impairment of Assets
IAS 37 Provisions, Contingent Liabilities and Contingent Assets
IAS 38 Intangible Assets
IAS 39 Financial Instruments: Recognition and Measurement
IAS 40 Investment Property

IFRS accounting standards, amendments and interpretations applied from 1 January 2024

The following IFRS Accounting Standards, amendments and interpretations were applied for the first time by the Group starting from 1 January 2024:

- On 23 January 2020, the IASB published an amendment named "Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current" and on 31 October 2022 published an amendment named "Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants". These changes aim to clarify how to classify payables and other short or long-term liabilities. In addition, the amendments also improve the information that an entity must provide when its right to defer the settlement of a liability for at least twelve months is subject to compliance with certain parameters (i.e. covenants). The adoption of these amendments had no impact on the Group's consolidated financial statements;

- On 22 September 2022, the IASB published an amendment called "Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback". The document requires the seller-lessee to assess the lease liability deriving from a sale & leaseback transaction so as not to recognise an income or a loss that refers to the retained rights of use. The adoption of this amendment had no impact on the Group's consolidated financial statements;

- On 25 May 2023, the IASB published an amendment named "Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements". The document requires an entity to provide additional disclosures about reverse factoring arrangements that enable users of financial statements to assess how financial agreements with suppliers may affect the entity's liabilities and cash flows and to understand the effect of those agreements on the entity's exposure to liquidity risk. The adoption of these amendments had no impact on the Group's consolidated financial statements;

IFRS and IFRIC accounting standards, amendments and interpretations endorsed by the European Union, not yet mandatorily applicable and not adopted early by the Group at 31 December 2024

At the date of this document, the competent bodies of the European Union have completed the endorsement process necessary for the adoption of the amendments and standards described below. However, these standards are not yet mandatorily applicable and have not been adopted early by the Group as at 31 December 2024.

- On 15 August 2023, the IASB published an amendment named "Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability". The document requires an entity to apply a consistent methodology for verifying whether one currency can be converted into another and, when this is not possible, how to determine the exchange rate to be used and the disclosures to be made in the Notes to the financial statements. The amendment shall apply from 1 January 2025, but early application is permitted. The directors do not expect the adoption of this amendment to have a significant impact on the Group's consolidated financial statements.

IFRS accounting standards, amendments and interpretations not yet endorsed by the European Union

At the date of this document, the competent bodies of the European Union have not yet completed the endorsement process necessary for the adoption of the amendments and standards described below.

- On 30 May 2024, the IASB published the document "Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7.". The document clarifies certain problematic aspects identified during the post-implementation review of IFRS 9, including the accounting treatment of financial instruments whose returns vary upon achievement of ESG objectives (*e.g.*, green bonds). Specifically, the amendments aim to:

  - clarify the classification of financial instruments with variable returns linked to environmental, social and corporate governance (ESG) targets and the criteria to be used for the SPPI test assessment;

o determine that the settlement date of liabilities settled through electronic payment systems is the date on which the liability is extinguished. However, entities are allowed to adopt an accounting policy permitting derecognition of a financial liability before delivering cash on the settlement date under certain specific conditions.

Additionally, the IASB has introduced further disclosure requirements, particularly regarding investments in equity instruments designated at FVOCI.

The amendments will apply to financial statements for periods beginning on or after 1 January 2026. The directors do not expect the adoption of this amendment to have a significant impact on the Group's consolidated financial statements.

- On 18 July 2024, the IASB published a document entitled "Annual Improvements Volume 11". The document includes clarifications, simplifications, corrections and changes aimed at improving consistency across various IFRS Accounting Standards. The amended standards are:

o IFRS 1 First-time Adoption of International Financial Reporting Standards;

o IFRS 7 Financial Instruments: Disclosures and related guidance on the implementation of IFRS 7;

o IFRS 9 Financial Instruments;

o IFRS 10 Consolidated Financial Statements; and

o IAS 7 Statement of Cash Flows.

The amendments will apply from 1 January 2026, although early application is permitted. The directors do not expect the adoption of these amendments to have a significant impact on the Group's consolidated financial statements.

- On 18 December 2024, the IASB published an amendment entitled "Contracts Referencing Nature-dependent Electricity – Amendment to IFRS 9 and IFRS 7". The amendment aims to support entities in reporting the financial effects of electricity purchase agreements based on renewable energy (often structured as Power Purchase Agreements). On the basis of these agreements, the amount of electricity generated and purchased can vary depending on uncontrollable factors such as weather conditions. The IASB has introduced targeted amendments to IFRS 9 and IFRS 7. The amendments include:

o a clarification regarding the application of "own use" requirements to this type of agreement;

o of the criteria for allowing such agreements to be accounted for as hedging instruments; and

o new disclosure requirements to enable users of financial statements to understand the effect of these agreements on an entity's financial performance and cash flows.

The amendment will apply from 1 January 2026, but early application is permitted. The directors do not expect the adoption of this amendment to have a significant impact on the Group's consolidated financial statements.

- On 9 April 2024, the IASB published a new standard IFRS 18 Presentation and Disclosure in Financial Statements that will replace IAS 1 Presentation of Financial Statements. The new standard aims to improve the presentation of the financial statements, with particular reference to the income statement. In particular, the new standard requires:

o classification of revenues and expenses into three new categories (operating section, investment section and financial section), in addition to the tax and discontinued operations categories already present in the income statement;

o presentation of two new sub-totals, operating profit and earnings before interest and taxes (*i.e.*, EBIT).

Furthermore, the new standard:

o requires greater information on the performance indicators defined by management;

o introduces new criteria for the aggregation and disaggregation of information; and o introduces a number of changes to the format of the cash flow statement, including the requirement to use the operating profit as the starting point for the presentation of the cash flow statement prepared under the indirect method and the elimination of certain classification options for some items that currently exist (such as interest paid, interest received, dividends paid and dividends received).

The new standard will enter into force on 1 January 2027, but earlier application is permitted. The directors are currently evaluating the possible effects of the introduction of this new standard on the Group's consolidated financial statements.

- On 9 May 2024, the IASB published a new standard IFRS 19 Subsidiaries without Public Accountability: Disclosures. The new standard introduces some simplifications with regard to the disclosure required by the IFRS Accounting Standard in the financial statements of a subsidiary that meets the following requirements:

o it has not issued equity or debt instruments listed on a regulated market and is not in the process of issuing them;

o its parent company prepares consolidated financial statements in accordance with IFRS standards.

The new standard will enter into force on 1 January 2027, but earlier application is permitted. The directors do not expect the adoption of this amendment to have a significant impact on the Group's consolidated financial statements.

- On 30 January 2014, the IASB published IFRS 14 - Regulatory Deferral Accounts, which allows only first-time adopters of IFRSs to continue to recognise the amounts relating to Rate Regulation Activities in accordance with the previous accounting standards adopted. As the Group is not a first-time adopter, this standard is not applicable.

Section 2 - General preparation principles

The Consolidated Financial Statements consist of the Consolidated Balance Sheet, the Consolidated Income Statement, the Statement of Consolidated Comprehensive Income, the Statement of Changes in Consolidated Shareholders' Equity, the Consolidated Cash Flows Statement and the Notes to the Consolidated Financial Statements, which includes relevant information on the accounting standards applied and is accompanied by the Directors' Report on Operations and the Group's Situation in Compliance with the rules for preparation.

The financial statements and the content of the notes to the financial statements have been prepared in keeping with Circular no. 262 of 22 December 2005 "Bank financial statements: formats and rules for preparation" and subsequent updates, most recently the 8th update published on 17 November 2022. Specifically, this is the Circular issued by the Bank of Italy in the exercise of the powers established by the aforementioned Legislative Decree 38/2005 (hereinafter also referred to as "Circular no. 262").

The financial statements are prepared on a going concern basis, on an accrual basis, in accordance with the principle of relevance and materiality of information and substance over form.

Assets and liabilities, costs and revenues have not been offset, except in cases where this is expressly required or permitted by the accounting standards.

Pursuant to IAS 10, adjustments were made to reflect events subsequent to the reference date, if required by the international standard.

The Consolidated Balance Sheet, the Consolidated Income Statement, the Statement of Consolidated Comprehensive Income and the Consolidated Cash Flow Statement show, in addition to the amounts for the current year, the corresponding comparative figures at the end of the previous year.

The values are expressed, unless otherwise indicated, in thousands of euro.

The consolidated Balance Sheet and the consolidated Income Statement do not include items that do not present amounts for either the current or the previous year; similarly, tables that do not present amounts or changes in the same years are not shown in the Notes to the consolidated financial statements.

Any differences in the figures expressed in the Notes to the financial statements are due to rounding.

The joint coordination committee between the Bank of Italy, Consob and Isvap on the application of IAS/IFRS, with document no. 2 of 6 February 2009 "Information to be provided in financial reports on the going concern, financial risks, impairment testing of assets and uncertainties in the use of estimates", as well as with subsequent document no. 4 of 4 March 2010, requested the Directors to make particularly accurate assessments on the existence of the going concern assumption.

In this regard, paragraphs 25-26 of IAS 1 state that: "*When preparing financial statements, management shall make an assessment of an entity's ability to continue as a going concern. An entity shall prepare financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. When management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, those uncertainties shall be disclosed. If the financial statements are not prepared on a going concern basis, that fact shall be disclosed, together with the criteria applied to the preparation of the financial statements and the reason why the entity is not regarded as a going concern*".

The conditions of the financial markets and of the real economy and the forecasts formulated with reference to the short/medium term require particularly accurate assessments on the existence of the going concern assumption, as the Group's history of profitability and easy access to financial resources may no longer be sufficient in the current context.

The greatest concerns for the near future continue to centre around the persisting scenario of uncertainty conditioned by the continuation of the Russian-Ukrainian conflict and the difficult geopolitical situation between Israel and Palestine. The situation has not yet been resolved although it is currently in a stalemate phase linked to a "ceasefire", the actual modalities and timing of which, however, are not clear. These situations could still have distorting effects on commodity prices and consequently on inflation, which had seen exponential growth in 2022, only to begin a slow descent starting in the second half of 2023, which gradually came back down in the course of 2024. This is also thanks to the ECB's monetary policy choices, with a gradual lowering of interest rates. Adding to this scenario of uncertainties are the upcoming decisions of the new Trump administration in the United States, *e.g.*, with regard to the introduction of tariffs on foreign trade and a reduced focus on the green transition. These developments could have currently unpredictable effects on the financial markets and the trade balances of the various countries.

In this regard, it is specified that the Management and Control Bodies consider very carefully the prospect of the continuation of the company's activity.

To this end, after examining the risks and uncertainties associated with the current macroeconomic context, it is deemed reasonable, also in consideration of the improvement in the equity, economic and financial indicators, which have reached levels considered satisfactory, to expect that the Group will continue to operate in the foreseeable future and, consequently, the financial statements have been prepared on a going concern basis.

Section 3 - Scope and methods of consolidation

1. Equity investments in wholly-owned subsidiaries

The scope of consolidation includes the following companies:

Business name	Operational office	Registered office	Type of relationship (*)	Shareholding relationship		Availability of votes %
				Investing company	Stake %	
1. Banca di Cividale SB S.p.A.	Cividale del Friuli (UD)	Cividale del Friuli (UD)	1	CR Bolzano S.p.A.	81.11	81.11
2. Sparim S.p.A.	Bolzano	Bolzano	1	CR Bolzano S.p.A.	100.00	100.00
3. Raetia SGR S.p.A. in liquidation	Bolzano	Bolzano	1	CR Bolzano S.p.A.	100.00	100.00
4. Sparkasse Haus S.r.l.	Bolzano	Bolzano	1	CR Bolzano S.p.A.	100.00	100.00
5. Dolomit Real Estate Fund in liquidation	Milan	Milan	4	CR Bolzano S.p.A.	96.82	
6. SPK OBG S.r.l.	Conegliano Veneto (TV)	Conegliano Veneto (TV)	4	CR Bolzano S.p.A.	60.00	60.00
7. Fanes SPV S.r.l.	Conegliano Veneto (TV)	Conegliano Veneto (TV)	4	CR Bolzano S.p.A.	0.00	0.00
8. Civitas Spv S.r.l.	Conegliano Veneto (TV)	Conegliano Veneto (TV)	4	Banca di Cividale SB S.p.A.	0.00	0.00
9. Sparkasse Energy S.r.l. (formerly Albae S.r.l.)	Bolzano	Bolzano	1	Sparim S.p.A.	100.00	100.00

(*) Key:
1 = majority of voting rights in the ordinary shareholders' meeting;
2 = dominant influence in the ordinary shareholders' meeting;
3 = agreements with other shareholders
4 = other forms of control
5 = single management pursuant to Article 26, paragraph 1, of "Legislative Decree 87/92"
6 = single management pursuant to Article 26, paragraph 2, of "Legislative Decree 87/92"

The carrying amount of the equity investments in companies consolidated on a line-by-line basis is offset, against the assumption of the assets and liabilities of the investee, with the corresponding portion of the shareholders' equity of the companies.

The following operations are also carried out:

- derecognition of payables and receivables and intra-group costs and revenues, as well as dividends collected;
- derecognition of intra-group profits not realised with third parties.

It should be noted that the Group owns 96.82% of the shares of the Dolomit Real Estate Fund, without however holding effective voting right.

The accounting standard IFRS 10 requires the consolidation of a company even if there is no shareholding in the vote, but if control is exercised over the relevant activities of the same and if an entity has the power to affect its economic results. Given this assumption, the vehicle companies of the securitisation transactions Fanes S.r.l. and Civitas S.r.l. are fully consolidated.

Also included in the scope of consolidation is the investment over which the Parent Bank exercises a significant influence, i.e. holds a stake of between 20% and 50%. This company is consolidated using the equity method.

Business name	Operational office	Registered office	Shareholding relationship	
			Investing company	Stake %
Autosystem società di servizi S.p.A.	Pordenone	Trento	CR Bolzano S.p.A.	25.00

2. Significant valuations and assumptions to determine the scope of consolidation

The scope of consolidation, as provided for by the IFRS 10, consists of the Parent Bank and the companies, even if they carry out dissimilar activities, which are in any case controlled by the Parent Bank.

As in the previous year's financial statements, it should be noted, with regard to the investment in Raetia SGR S.p.A., in liquidation (100%), that, although this is included in the scope of consolidation, following its liquidation on 27 April 2012, total assets and liabilities as well as the result of the income statement have been classified respectively under the items "Non-current assets and groups of assets held for sale", "Liabilities associated with assets held for sale" and "Gains (losses) from groups of assets held for sale" for their carrying amount after the cancellation and consolidation entries.

As of 15 November 2013, the closed-end real estate fund Dolomit in liquidation, in which the Group held 96.82% at 31 December 2023, is also included in the scope of consolidation, and for which the balance sheet and income statement have been fully consolidated on the basis of the Fund's Final Liquidation Report at 29 November 2018 (the last Report approved by the Board of Directors of the company Castello sgr). In January 2019, the asset management company proceeded with the partial redemption of the units to the subscribers of the Fund in accordance with the provisions of the distribution plan. The residual cash will be made available to investors, once the terms for the possible emergence of further liabilities have elapsed, according to the prudent and reasonable assessment of the SGR. Therefore, at 31 December 2024, the Fund is still consolidated, but the residual values are negligible.

As already specified at the end of the previous table, the special purpose entities Fanes Srl and Civitas Srl are also included in the scope of consolidation based on the provisions of IFRS 10.

3. Equity investments in wholly-owned subsidiaries with significant minority interests

With the entry as from 30 June 2022 of the subsidiary Banca di Cividale, whose minority interests represent 18.89% of the capital, the separate financial statements of the same subsidiary are reported in this section.

Banca di Cividale S.p.A.
Financial statements as at 31 December 2024
Euro

Asset items		12/31/2024		12/31/2023	
10	Cash and cash equivalents		215,512,817		129,377,050
20	Financial assets measured at fair value through profit or loss		44,839,575		36,295,858
	a) financial assets held for trading	360,671		535,745	
	b) financial assets designated at fair value	-		-	
	c) other financial assets mandatorily measured at fair value	44,478,904		35,760,113	
30	Financial assets measured at fair value through other comprehensive income		59,964,749		132,796,177
40	Financial assets measured at amortised cost		4,086,889,709		4,425,770,730
	a) loans to banks	256,298,391		252,647,183	
	b) loans to customers	3,830,591,318		4,173,123,547	
50	Hedging derivatives		174,922		127,890
60	Value adjustment of financial assets subject to macro-hedging (+/-)		421,484		-
70	Equity investments		2,287,700		2,287,700
80	Property, plant and equipment		22,953,232		65,405,481
90	Intangible assets		6,943,299		5,545,373
	of which:				
	- goodwill	-		-	
100	Tax assets		45,513,750		59,257,668
	a) current	12,526,205		9,653,341	
	b) deferred	32,987,545		49,604,327	
110	Non-current assets and groups of assets held for sale		2,108,935		12,373
120	Other assets		146,990,307		189,508,900
	Total Assets		**4,634,600,477**		**5,046,385,200**

Liabilities and shareholders' equity items		12/31/2024		12/31/2023	
10	Financial liabilities measured at amortised cost		4,159,263,075		4,583,038,143
	a) due to banks	967,253,097		1,296,302,937	
	b) due to customers	3,183,349,296		3,377,734,315	
	c) securities issued	8,660,682		9,000,891	
20	Financial liabilities held for trading		3,760		30,802
30	Financial liabilities designated at fair value		-		-
40	Hedging derivatives		463,530		-
50	Value adjustment of financial liabilities subject to macro-hedging (+/-)		-		-
60	Tax liabilities		1,199,640		1,944,865
	a) current	688,124		992,445	
	b) deferred	511,517		952,420	
70	Liabilities associated with groups of assets held for sale		-		12,373
80	Other liabilities		109,032,320		124,553,551
90	Employee severance indemnity		1,701,725		2,298,454
100	Provisions for risks and charges:		7,306,148		13,731,369
	a) commitments and guarantees issued	1,995,416		3,716,557	
	b) pension and similar obligations	-		-	
	c) other provisions for risks and charges	5,310,732		10,014,812	
110	Valuation reserves		1,773,296		770,021
120	Redeemable shares		-		-
130	Equity instruments		-		-
140	Reserves		83,868,734		75,174,210
150	Share premiums		162,488,313		154,735,482
160	Share capital		87,466,935		79,362,930
170	Treasury shares (-)		-		-
180	Profit (loss) for the year (+/-)		20,033,000		10,733,000
	Total liabilities and shareholders' equity		**4,634,600,477**		**5,046,385,200**

Items	12/31/2024		12/31/2023	
10 Interest income and similar revenues		165,726,950		171,775,878
of which: interest income calculated using the effective interest method	158,783,839		171,735,138	
20 Interest expense and similar charges		(92,646,163)		(81,240,517)
30 Net interest income		**73,080,787**		**90,635,361**
40 Fee and commission income		41,772,640		42,624,192
50 Fee and commission expense		(6,080,520)		(6,690,291)
60 Net fee and commission income		**35,692,120**		**35,933,901**
70 Dividends and similar income		2,059,243		1,237,339
80 Net profit (loss) from trading		801,048		724,044
90 Net profit (loss) from hedging		8,229		124,647
100 Gains (losses) on disposal or repurchase of:		(1,106,660)		(2,108,771)
a) financial assets measured at amortised cost	(1,106,800)		(2,121,537)	
b) financial assets measured at fair value through other comprehensive income	(220)		2,271	
c) financial liabilities	360		495	
110 Net income from other financial assets and liabilities measured at fair value through profit or loss		(1,051,676)		(920,362)
a) financial assets and liabilities designated at fair value	-		-	
b) other financial assets mandatorily measured at fair value	(1,051,676)		(920,362)	
120 Net interest and other banking income		**109,483,091**		**125,626,159**
130 Net value adjustments for credit risk relating to:		(10,119,320)		(27,737,631)
a) financial assets measured at amortised cost	(10,196,952)		(27,775,765)	
b) financial assets measured at fair value through other comprehensive income	77,632		38,134	
140 Gains/losses from contractual amendments without cancellations		(21,424)		(148,574)
150 Net income from financial management		**99,342,346**		**97,739,954**
160 Administrative expenses:		(82,116,091)		(77,353,894)
a) personnel expenses	(37,274,725)		(38,465,019)	
b) other administrative expenses	(44,841,366)		(38,888,875)	
170 Net allocations to provisions for risks and charges		362,344		(2,367,770)
a) commitments and guarantees issued	1,721,142		225,880	
b) other net allocations	(1,358,798)		(2,593,650)	
180 Net value adjustments/write-backs to property, plant and equipment		(3,876,802)		(3,965,970)
190 Net value adjustments/write-backs to intangible assets		(1,523,102)		(478,607)
200 Other operating income/expenses		14,358,123		4,215,392
210 Operating costs		**(72,795,527)**		**(79,950,849)**
220 Gains (losses) on equity investments		8,795		-
230 Net result from fair value measurement of property, plant and equipment and intangible assets		(704,272)		(784,190)
240 Value adjustments to goodwill		-		-
250 Gains (losses) from disposal of investments		34,044		698
260 Profit (loss) from current operations before tax		**25,885,387**		**17,005,613**
270 Income taxes for the year on current operations		(5,852,387)		(6,272,613)
280 Profit (loss) from current operations after tax		**20,033,000**		**10,733,000**
290 Profit (loss) from discontinued operations after tax		-		
300 Profit (loss) for the year (+/-)		**20,033,000**		**10,733,000**

4. Significant restrictions

As part of the Banks and Companies that form the scope of consolidation of the Sparkasse Group, there are no significant restrictions as required by IFRS 12 § 13.

5. Other information

The financial statements of the subsidiaries used for the preparation of these Financial Statements refer to 31 December 2024 with the exception of the Dolomit Fund in liquidation, for which the Final Liquidation Report at 29 November 2018 was used.

Section 4 - Events after the reporting date

In relation to the provisions of IAS 10, we inform you that in the period between 31 December 2024, the reference date of these financial statements, and the date of approval of the financial statements, no events occurred that would lead to a change in the figures approved at that time. The accounting estimates as at 31 December 2024 were made on the basis of the information available at that date.

For a description of events after the reporting date, please refer to the "Board of Directors' Report on Group operations".

Section 5 - Other aspects

Risks and uncertainties associated with the use of estimates

The estimation processes to support the carrying amount of the most significant valuation items recorded in the financial statements were completed, as required by the applicable accounting standards and reference regulations. These processes are based to a large extent on estimates of the future recoverability of the values recorded in the financial statements according to the rules set forth in the applicable regulations and were carried out on a going concern basis, i.e. regardless of the hypothesis of forced liquidation of the items subject to valuation.

The survey carried out confirms the carrying amounts of the items mentioned at 31 December 2024. However, it should be noted that the valuation process described is made particularly complex in consideration of the current macroeconomic and market context, characterised by levels of volatility that can be found on all the financial figures determining the valuation, and the consequent difficulty in formulating performance forecast, including in the short term, relating to the aforementioned financial parameters that significantly affect the values being estimated. The use of estimates and valuations that may have a significant impact on the values recorded in the balance sheet and in the income statement relate in particular to loans, valuation of financial assets and quantification of personnel provisions and provisions for risks and charges, use of valuation models for the recognition of the fair value of financial instruments not listed on active markets, equity investments and goodwill and the estimated recoverability of deferred tax assets.

Restatement of comparative data

With reference to the provisions of IFRS 3 par. 61, 62 and 63, as regards business combinations, it should be noted that there were no changes in the values reported in the previous year.

Change in measurement criteria

It should be noted that in 2024 the Group maintained the same measurement criteria as in the previous year.

Statutory audit

Starting from the 2019 consolidated and separate financial statements, the audit activity is carried out by the independent auditors Deloitte & Touche S.p.A., as resolved by the Shareholders' Meeting of the Parent Bank on 10 April 2018, which assigned to it the task of auditing, for the period 2019 - 2027, pursuant to Article 17, paragraph 1 of Legislative Decree No. 39 of 27 January 2010.

A.2 – Part related to the main financial statement items

The criteria for recognising, classifying, measuring, derecognising and recognising income components are illustrated below for each item in the balance sheet and, to the extent compatible, in the income statement.

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

1.1 Financial assets held for trading

Recognition criteria

Financial assets held for trading are initially recognised on the settlement date at their fair value, which normally corresponds to the amount paid, with the exception of transaction costs and revenues, which are immediately recognised in the income statement even if directly attributable to said financial assets. Trading derivatives are recognised by trade date.

Classification criteria

A financial asset is classified as held for trading if it:

- is acquired mainly with a view to being sold in the short-term;
- is part of a portfolio of financial instruments that is managed jointly and for which there is a strategy aimed at achieving profits in the short term;
- is a derivative contract not designated as part of hedging transactions, including derivatives with positive fair value embedded in financial liabilities other than those measured at fair value with recognition of the income effects in the income statement.

A financial instrument or other contract that has the following three characteristics is considered a derivative:

- its value changes in relation to the change in an interest rate, the price of a financial instrument, the price of a commodity, the exchange rate in foreign currency, a price or rate index, creditworthiness (rating) or credit ratios or other pre-established variable (generally referred to as the "underlying") provided that, in the case of a non-financial variable, this is not specific to one of the contractual parties;
- does not require an initial net investment or requires a smaller initial net investment than would be required for other types of contracts from which one would expect a similar fluctuation in value in response to changes in market factors;
- is settled at a future date.

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract, with the effect that some of the cash flows of the instrument as a whole vary in a similar way to those of the stand-alone derivative.

An embedded derivative is separated from financial assets and/or liabilities other than those measured at fair value through profit or loss and from non-financial instruments, and is accounted for as a derivative, if:

- the economic characteristics and risks of the embedded derivative are not strictly related to those of the host contract;
- a separate instrument with the same conditions as the embedded derivative would meet the definition of a derivative; and

- the hybrid instrument is not measured in its entirety at fair value through profit or loss.

In cases where the embedded derivatives are separate, the primary contracts are accounted for according to the category to which they belong.

Measurement and recognition criteria for income components

After the initial recognition, the assets are measured at fair value.

To determine the fair value of debt and equity securities listed (contributed) in an active market (level 1), the market prices of the last day of the reference year are used. In the absence of an active market (level 2), estimation and valuation methods based on market data and usually accepted in financial practice are used. These include: calculations of discounted cash flows, values recognised in recent transactions, valuations of listed instruments with similar characteristics. If data is not available to carry out the valuations according to the aforementioned methods, a fair value (level 3) measurement is carried out using non-observable data (*e.g.*, adjusted shareholders' equity; costs, if they represent the best expression of fair value).

To determine the fair value of derivative contracts, estimation methods and valuation models (level 2) are used, such as the discounting of expected cash flows, through an internal valuation method carried out by the Risk Management Service.

Gains and losses realised both from sale or redemption, and from the change in fair value of financial assets held for trading, are recognised in the income statement item "Net profit (loss) from trading".

Commissions and interest are recognised on an accruals basis under interest.

Derecognition criteria

Financial assets are derecognised when the contractual rights on the cash flows deriving from the assets themselves expire or when the asset is sold by transferring all the risks and benefits related to it.

1.2 Financial assets designated at fair value

Classification criteria

A non-derivative financial asset can be designated at fair value if this designation makes it possible to avoid accounting mismatches deriving from the measurement of assets and associated liabilities according to different measurement criteria.

Measurement and recognition criteria for income components

The accounting treatment of these transactions is similar to that of "Financial assets held for trading". The income statement components are recognised in the item "Net income from other financial assets and liabilities measured at fair value".

Derecognition criteria

Financial assets are derecognised when the contractual rights on the cash flows deriving from the assets themselves expire or when the asset is sold by transferring all the risks and benefits related to it.

1.3 Other financial assets mandatorily measured at fair value

Classification criteria

A financial asset is classified as a financial asset mandatorily measured at fair value if it does not meet the conditions, in terms of business model or cash flow characteristics, for measurement at amortised cost or at fair value through other comprehensive income.

In particular, the following are classified in this portfolio:

- debt instruments, securities and loans whose business model is neither held to collect nor held to collect and sell, but which do not belong to the trading book;
- debt instruments, securities and loans, whose cash flows do not represent only the payment of capital and interest;
- UCITS units;
- equity instruments for which the Group does not apply the option granted by the standard to measure these instruments at fair value through other comprehensive income.

Measurement and recognition criteria for income components

The accounting treatment of these transactions is similar to that of "Financial assets held for trading". The income statement components are recognised in the item "Net income from other financial assets and liabilities measured at fair value".

Derecognition criteria

Financial assets are derecognised when the contractual rights on the cash flows deriving from the assets themselves expire or when the asset is sold by transferring all the risks and benefits related to it.

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

Recognition criteria

Financial assets measured at fair value through other comprehensive income are initially recognised on the settlement date at fair value, which normally corresponds to the transaction price including transaction costs and revenues directly attributable to the instrument itself.

Classification criteria

A financial asset is classified as a financial asset measured at fair value through other comprehensive income if:

- the objective of its business model is pursued through both the collection of contractual cash flows and the sale of financial assets ("held-to-collect and sell");
- the related cash flows represent only the payment of principal and interest.

Equity instruments for which the Group applies the option granted by the standard to measure these instruments at fair value through other comprehensive income are also classified in this category.

Measurement and recognition criteria for income components

After initial recognition, interest accrued on interest-bearing instruments is recognised in the income statement according to the amortised cost method.

Gains and losses deriving from changes in fair value are recognised in the Statement of comprehensive income and posted under item 120. "Valuation reserves".

These instruments, both in the form of debt securities and of loans and receivables, are subject to calculation of expected credit losses, or the assessment of the issuer's creditworthiness, as illustrated in the specific section "Impairment".

These impairments are recorded in the income statement with a contra-entry in the statement of comprehensive income and are also posted under item 120. Valuation reserves, as an adjustment of the fair value delta recorded therein.

In the event of disposal, the accumulated gains and losses are recognised in the income statement.

With regard to equity instruments, gains and losses deriving from changes in fair value are recognised in the Statement of comprehensive income and posted under item 120. Valuation reserves.

In the event of disposal, the accumulated gains and losses are recorded under item 150. Other equity reserves.

Equity instruments are not recognised in the income statement for expected credit losses, intended as impairment in compliance with the provisions of IFRS 9.

Derecognition criteria

Financial assets measured at fair value through other comprehensive income are derecognised when the contractual rights on the cash flows deriving from the assets themselves expire or when the asset is sold by transferring all the risks and benefits related to it.

Equity OCI Option

With regard to non-trading equity instruments (basically, equity investments held, excluding majority interests), IFRS 9 envisages the possibility of classifying them at fair value through other comprehensive income (so-called FVTOCI); this is an irrevocable choice (defined as the OCI option) and in this case there is no recycling in the income statement, even in the case of sale of the instrument. Only dividends are recorded in the income statement. However, dividends are recognised as a contra-entry when they represent a repayment of the investment, rather than a return on the investment. This occurs in the event of the collection of dividends where the value of the instrument is significantly lower than the purchase cost thereof. The option can be exercised at the level of the individual financial instrument and individual purchase tranche, and can be exercised upon initial recognition of the instrument.

For Cassa di Risparmio di Bolzano, this is an option that affects minority equity investments which, pursuant to the previous accounting standard IAS 39, were classified in the AFS portfolio. The Group has moved towards adopting the option (OCI option) for all interests held with the exception of the equity investment in Satispay S.p.A. and Banca popolare di Cividale S.p.A.

3 - Financial assets measured at amortised cost:

Recognition criteria

The initial recognition of the financial asset takes place, on the settlement date, at fair value, normally coinciding with the cost, including transaction costs or income.

Classification criteria

A financial asset is classified as a financial asset measured at amortised cost if:

- the objective of its business is the possession of assets aimed at the collection of contractual cash flows ("held-to-collect");
- the related cash flows represent only the payment of principal and interest.

These items also include the net values referring to finance lease transactions of assets under construction and assets pending finance lease, whose contracts have the characteristics of "contracts with transfer of risks".

Measurement and recognition criteria for income components

After initial recognition at fair value, these assets are measured at amortised cost, which determines the recognition of interest on the basis of the effective interest rate criterion pro rata temporis over the duration of the receivable.

The carrying amount of financial assets at amortised cost is adjusted to take into account the reductions/write-backs resulting from the valuation process in accordance with paragraph 8 below "Impairment".

Derecognition criteria

Financial assets measured at amortised cost are derecognised when the contractual rights on the cash flows deriving from the assets themselves expire or when the asset is sold by transferring all the risks and benefits related to it.

With specific reference to receivables, they are derecognised when they are extinguished, sold or become impaired with the simultaneous transfer of all related risks and benefits.

4 - Financial liabilities measured at amortised cost

Recognition criteria

Initial recognition of these financial liabilities takes place when the amounts are received or the securities are issued. The recognition is made on the basis of the fair value of these liabilities, equal to the amounts collected or the issue price modified by any additional costs/income directly attributable to the individual issue.

Classification criteria

Payables and securities issued include amounts due to banks and due to customers in the various forms of funding (current accounts, loans, deposits, savings deposits, third party funds under administration, repurchase agreements in securities) and securities (certificates of deposit and bonds) issued and outstanding, net of any repurchases, not subject to operational risk hedging through the signing of derivative contracts.

Measurement and recognition criteria for income components

After initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method. Bonds, certificates of deposit and time deposits with customers classified in hedge accounting are measured at fair value with recognition of the related change in the income statement (fair value hedge). An exception is made for short-term liabilities, which are stated at the amount received. Interest is recognised on an accruals basis.

Derecognition criteria

Derecognition occurs when the liabilities are extinguished or expired, as well as when securities previously issued are repurchased; in this case, the differential between the recognition price and the repurchase price is recognised in the income statement.

Any subsequent placement on the market is considered as a new issue and is recognised at the new placement price without any effect on the income statement.

5 - Financial liabilities held for trading

Recognition criteria

Initial recognition takes place on the settlement date for debt and equity securities and on the subscription date for derivative contracts. At the time of initial recognition, liabilities are recognised at fair value, normally coinciding with the cost, without considering transaction costs or income, which are directly charged to the income statement.

Classification criteria

This item includes:

- derivative contracts, with a negative current value, held for trading purposes. This item includes derivative contracts entered into to hedge interest rate risks on assets that do not meet the requirements set for hedge accounting and have therefore been reclassified as trading derivatives;
- derivative contracts, with a negative current value, related to the application of the fair value option;
- any other financial liabilities held for trading.

Measurement and recognition criteria for income components

For financial liabilities held for trading, the same criteria apply as for "Financial assets held for trading".

Derecognition criteria

Financial liabilities are derecognised when the contractual rights on the cash flows deriving from the liabilities themselves expire or when the liability is sold by transferring all the risks and benefits related to it.

6 - Financial liabilities designated at fair value

Recognition criteria

At the time of initial recognition, liabilities are recognised at fair value, normally coinciding with the cost, without considering transaction costs or income.

Classification criteria

This category includes financial liabilities that, similarly to financial assets, may be designated as financial liabilities measured at fair value upon initial recognition, in accordance with IFRS 9, provided that:

- this designation eliminates or considerably reduces a mismatch that would otherwise result from the measurement on different bases of assets or liabilities and the relative profits and losses;

or,

- a group of financial assets, financial liabilities or both is managed and measured at fair value according to a risk management or an investment strategy documented internally by the Company's Management Bodies.

This category may also include financial liabilities represented by hybrid (combined) instruments containing embedded derivatives that would otherwise have had to be separated.

In application of the above, this item includes bonds issued, net of repurchases, whose market risk is hedged on a management basis through derivative contracts. The current value of the latter is reclassified under assets/liabilities held for trading.

The remaining bonds issued are classified under "Securities issued".

Financial liabilities belonging to this category are measured at fair value initially and over the life of the transaction.

Measurement and recognition criteria for income components

Changes in fair value are recognised in the income statement with the exception of any changes in fair value deriving from changes in own creditworthiness, which are stated in item 120. "Valuation reserves" unless such recognition results in a mismatch arising from the measurement on different bases of assets or liabilities and the relative profits and losses, in which case changes in fair value arising from changes in own creditworthiness are also recognised in the income statement.

Derecognition criteria

Liabilities are derecognised when they are extinguished or when the obligation specified in the contract is fulfilled or cancelled or expired.

7. - Other issues - Purchased or originated impaired financial assets

If, upon initial recognition, a credit exposure is recorded under item 30. Financial assets measured at fair value through other comprehensive income or 40. Financial assets measured at amortised cost, is impaired, it is classified as "Purchased or Originated Credit Impaired - POCI.

The amortised cost and, consequently, the interest income generated by these assets are calculated considering, in the estimate of future cash flows, the credit losses expected over the entire residual life of the asset.

"Purchased or originated impaired financial assets" are conventionally presented at initial recognition as part of Stage 3.

If, following an improvement in the creditworthiness of the counterparty, the assets are "performing", they are classified as part of Stage 2.

These assets are never classified under Stage 1 since the expected credit loss must always be calculated considering a time horizon equal to the residual maturity.

In addition to purchased impaired assets, the Group identifies as "Purchased or originated impaired financial assets" the credit exposures originated as a result of restructuring transactions of impaired exposures that resulted in the origination of new loans that are significant, in absolute or relative terms, proportionally to the amount of the original exposure. In this regard, in order to be considered significant, the origination of new loans must amount to more than 10% of the value of the previously outstanding restructured positions. The disbursements of new loans of less than 10% of the restructured positions, but in an amount exceeding Euro 500 thousand, will also be considered as "POCI".

8 - Value adjustments ("Impairment")

General aspects

Loans and debt securities classified under financial assets at amortised cost, financial assets measured at fair value through other comprehensive income and the relevant off-balance sheet exposures are subject to the calculation of value adjustments in accordance with IFRS 9.

In this regard, these instruments are classified in stage 1, stage 2 or stage 3 depending on their absolute or relative credit quality with respect to the initial disbursement.

In particular:

Stage 1: includes (i) newly originated or acquired credit exposures, (ii) exposures that have not suffered a significant deterioration in credit risk with respect to the initial recognition date and (iii) exposures with low credit risk exemption.

Stage 2: includes credit exposures that, although not impaired, have undergone a significant deterioration in credit risk compared to the initial recognition date.

Stage 3: includes impaired credit exposures.

For exposures belonging to stage 1, total value adjustments are equal to the expected loss calculated over a time horizon of up to one year.

For exposures belonging to stages 2 or 3, total value adjustments are equal to the expected loss calculated over a time horizon equal to the entire duration of the related exposure.

In order to meet the requirements of the standard, the Group uses specific models for calculating the expected loss, which use the parameters of probability of default ("PD"), loss given default ("LGD") and exposure at the date of default ("EAD") to ensure consistency with accounting standards. Forward-looking information was also included through the development of specific scenarios.

A key aspect deriving from the accounting model introduced by IFRS 9 and required for the calculation of the expected credit loss is represented by the stage allocation model aimed at transferring the (performing) exposures between Stage 1 and Stage 2 (Stage 3 being equivalent to that of non-performing exposures).

In the Group, the Stage Allocation assessment model was based on a combination of internal and absolute elements. The main elements were:

- the comparison at the transaction level between the PD measure at the time of disbursement and the PD measure at the reporting date, both of which are quantified using internal models, using thresholds that are set to consider all key variables in each transaction that may affect the bank's expectation of changes in PD over time;
- absolute elements required by the regulations (*e.g.*, 30 days past due) and additional internal evidence such as, for example, new classification among the forborne exposures, other elements and presence of particular anomalies (of the class "strong alerts") in the CQM (Credit Quality Management) procedure.

The criteria for determining the write-downs to be made to receivables (Stage 2) are based on the discounting of expected cash flows for principal and interest, in line with the portfolio management model, and the key elements are represented by the identification of estimated collections, the related collection dates and the discount rate to be applied.

With reference to debt securities, the Group opted for the application of the "low credit risk exemption" on investment grade securities, in full compliance with the provisions of the accounting standard.

The area of non-performing loans (Stage 3) includes the following types of problem loans:

- bad loans;
- unlikely to pay;
- past due or overrun loans.

Impairment losses on individual non-performing loans are equal to the negative difference between their recoverable amount and the corresponding amortised cost.

The recoverable amount is equal to the present value of expected cash flows for principal and interest calculated on the basis of:

1. the expected recovery value of loans, i.e., the value of contractual cash flows in terms of principal and interest net of expected losses;
2. the expected recovery time;
3. the discount rate, which is equal to the original internal rate of return.

Therefore, with reference to the different types of problem loans, the method used to determine the expected recovery value and the expected recovery time is as follows:

- <u>bad loans:</u>

  Bad loans represent exposures to insolvent (or substantially similar) parties that the Parent Bank has placed in default and for which the contractual payment terms have therefore expired and forced recovery has been initiated.

  As a general rule, therefore, the expected recovery value of bad loans must be calculated analytically, also taking into account the recovery rates that have historically occurred on similar risk positions.

  The determination of the expected recovery value of bad loans is differentiated according to whether the exposure is secured or unsecured, in which case it is necessary to consider whether it is "collateral" or "personal".

  When the customer is classified under "bad loans", the expected recovery value takes into account the value previously identified among the positions "unlikely to pay".

As part of the semi-annual review of the adequacy of analytical provisioning for positions classified as bad loans and taking into account:

- the actual collections, including partial;
- the presence of credit preservation acts after the opening of the bad loan (*e.g.*, registration of a judicial mortgage on a large property);
- indications of a further reduction in the value of the collateral based on updated estimates and more generally the overall picture of the position (initiation of procedures, unsuccessful auctions, etc.).

Any upward adjustments or write-backs will be recorded, in particular for those positions that have benefited from significant collections. Significant collections are generally defined at least 10% of the outstanding debt with a minimum amount of Euro 150,000 on positions with residual pre-redemption exposures exceeding Euro 500,000

If the full recovery of the capital portion recognised as bad loan is doubtful, the positions are usually rendered non-interest bearing.

If there is evidence, also on the basis of legal assessments, of the current and future non-recoverability of all or part of the principal of the position (e.g. non-liability in the event of proceedings, evidence of non-recoverable impairment of the guarantees supporting the position, closure of bankruptcy proceedings, ascertained inability to act further on other sources of recovery, etc.), it will be possible to evaluate the transfer to a loss, even partial, of the position by adequately justifying the request.

Even in the case of resolutions accepting "balance and write-off" offers of the positions according to the provisions of the Credit Process, the residual principal part not satisfied will be classified as a loss.

- unlikely to pay:

  unlikely to pay loans represent those credit relationships which, despite the temporary payment difficulties of their debtors, are still in full operation and for which the original contractual terms (or those possibly renegotiated with the counterparties) remain in force. For these exposures, therefore, the estimate of the expected recovery value can only be made taking into account the contractual cash flows net of the related expected loss and the changed recovery time forecasts, therefore assuming a return to normality of these exposures once the payment difficulties by debtors are overcome. As for bad loans, the expected recovery value of unlikely to pay loans must be calculated analytically, also taking into account the recovery rates that have historically occurred on similar risk positions. The determination of the expected recovery value of unlikely to pay loans is differentiated according to whether the exposure is secured or unsecured, in which case it is necessary to consider whether it is "collateral" or "personal".

- past due or overrun loans:

  this category includes loans past due or overrun by more than 90 days calculated according to the current rules established by the Bank of Italy. The estimate of the expected recovery value of past due and/or overdue non-performing loans takes place in the "forfeit" form. The loss forecast is determined by applying a percentage of the average write-down of bad and unlikely to pay loans to the corresponding portion of loans which, on the basis of historical analysis, will be transformed into bad and unlikely to pay loans. The loss forecast is reviewed annually. In the 2023 financial year, the loss forecast was determined on a flat-rate basis at 20%, in line with the previous financial year.

Impairment losses are recorded in the specific income statement item "Net value adjustments/write-backs for credit impairment". The original value of the loans is reinstated in subsequent years to the extent that the reasons that determined the adjustment no longer apply, and the write-back is also recorded in the income statement.

The increases in the present value of non-performing loans deriving from the passage of time (i.e. the expected moment for recovery draws near) are also recognised, albeit separately, under interest income.

Referring to the considerations made above with reference to the model used to determine the expected loss on performing positions, the following is some detailed information on the variables used to estimate the probability of default of the entrusted counterparties and the recovery rates in the event of their default.

For the measurement of expected losses on performing positions, the following information must be acquired:

- the probability of default (PD), i.e., the probability that the counterparty is classified as a "non-performing" loan (in Supervisory terminology) in the time horizon of 1 year and is therefore not potentially able to fulfil, in whole or in part, its contractual obligations;
- the PD is determined by rating class and by counterparty segment/model;
- the exposure of the position (EAD - Exposure at Default), which is either the amount of the residual loan to the counterparty or the potential amount of the loan to the counterparty which the Parent Bank could risk losing in the event of the counterparty's default;
- the Loss Given Default (LGD), i.e., the expected loss rate on a given credit exposure in the event of default by the counterparty.

LGD is determined by technical form and by counterparty segment/model.

The measure of expected loss can be defined as the product of the probability of default by the counterparty, the loss rate in the event of default by the counterparty and the exposure to the counterparty.

Impairment losses determined on performing loans are also recorded in the specific income statement item "Net value adjustments/write-backs for credit impairment".

With reference to the portfolio of performing endorsement loans, divided in turn between Stage 1 and 2, the write-down is determined by applying to the existing positions the average Parent Bank LGD calculated quarterly and, where applicable, the counterparty's PD, otherwise the average Bank PD calculated quarterly.

9 - Hedging transactions

The Group avails itself of the option provided by IFRS 9 to continue to apply the accounting estimates relating to hedging transactions contained in IAS 39.

Recognition criteria

Hedging derivatives are initially recognised at the date of stipulation at fair value, normally corresponding to the consideration paid, excluding transaction costs or revenues directly attributable to the instrument, which are charged directly to the income statement.

Classification criteria

Risk hedging transactions are aimed at neutralising potential losses on a certain element or a group of elements (hedged item), attributable to a certain risk, through the profits recorded on a different element or a different group of elements (hedging instrument) in the event that particular risk should actually occur.

The types of hedges envisaged by IAS 39 are:

- fair value hedge: has the objective of reducing exposure to adverse changes in the fair value of financial assets and financial liabilities, due to a particular risk;

- cash flow hedge: aimed at reducing exposure to adverse changes in expected cash flows against financial assets, financial liabilities or highly probable future transactions;
- hedge of a net investment in a foreign undertaking: with the aim of reducing exposure to adverse changes in expected cash flows for a transaction in foreign currency.

It is possible to apply the criteria envisaged for hedging transactions only if all the following conditions are met:

- the hedging relationship is formally designated and documented at the beginning of the relationship, with an indication of the risk management objectives and the strategies to achieve hedging, the hedged item and hedging instrument, the type of risk hedged and the criteria to measure the effectiveness of the hedge;
- the hedge must be "highly effective", i.e., changes in the fair value or cash flows of the hedged item must be almost completely offset by the corresponding changes in the hedging instrument. This offsetting effect must be realised in line with the risk management strategies, as originally documented (for hedging purposes). Furthermore, the effectiveness of the hedge (and therefore the related fair values) must be reliably measurable;
- the effectiveness of the hedge must be tested at the beginning and regularly throughout the life of the hedge. The hedge is considered highly effective when, at the beginning and during the relationship, there is an expectation that the changes, in terms of fair value and cash flows attributable to the hedged risk, will be almost entirely offset by corresponding changes in the hedging instruments, as well as the circumstance that, in the final balance, it made it possible to offset changes in the fair value or cash flows of the hedged item in a range from 80% to 125%;
- the effectiveness must be tested at each financial reporting date;
- in the case of hedging of a future transaction, the conclusion of the transaction must be highly probable;
- only those involving an external counterparty may be designated as hedging instruments.

Using only financial derivative contracts as hedging instruments, the Group exclusively envisages fair value hedges to hedge interest rate risk.

Measurement and recognition criteria for income components

Subsequent to initial recognition, hedging derivatives are measured at fair value.

The criteria for determining the fair value of financial instruments are described in section "A.4 - Information on fair value" of the Notes to the Financial Statements.

For fair value hedges, both changes in fair value relating to derivative contracts and changes in fair value relating to risks hedged relating to hedged items are recognised in the item "Net profit (loss) from hedging".

For cash flow hedges, accounting entries concern only derivative contracts: if the hedging relationship is fully effective, the change in the fair value of the derivative contract is recognised as a balancing entry to the changes in the "cash flow hedge" valuation reserve while, in the event of total or partial ineffectiveness, the portion of fair value referring to the ineffective component is charged to the income statement under the item" Net profit (loss) from trading".

Derecognition criteria

For fair value hedges, hedge accounting ceases prospectively in the following cases:

a) the hedging instrument expires, is sold, discontinued or exercised;

b) the hedge no longer meets the criteria envisaged for the accounting of the hedging transactions described above;

c) the undertaking revokes the designation.

For cash flow hedges, hedge accounting ceases prospectively in the following cases:

a) the hedging instrument expires, is sold, discontinued or exercised. In this case, the overall gain or loss of the hedging instrument, recognised directly in equity from the period in which the hedge was effective, must remain separately recognised in equity until the planned transaction occurs;

b) the hedge no longer meets the criteria envisaged for the accounting of the hedging transactions described above. In this case, the overall gain or loss of the hedging instrument, recognised directly in equity from the period in which the hedge was effective, must remain separately recognised in equity until the planned transaction occurs;

c) it is expected that the planned transaction will no longer occur, in which case any related overall profit or loss on the hedging instrument that remains recognised directly in equity from the period in which the hedge was effective must be recognised in the income statement under the item "Net profit (loss) from trading";

d) the designation is revoked. For hedges of a forecast transaction, the overall gain or loss of the hedging instrument, recognised directly in equity from the period in which the hedge was effective remains separately recognised in equity until the planned transaction occurs or when it is no longer expected it will take place. If it is expected that the transaction will no longer occur, the overall profit or loss that had been recognised directly in equity must be recognised in the income statement under the item "Net profit (loss) from trading".

10 - Equity investments

Recognition criteria

The initial recognition of equity investments takes place on the settlement date. Upon initial recognition, the assets are recognised at cost.

Classification criteria

The item includes equity investments held in associates or companies subject to joint control. Associates are companies in which the Group holds at least 20% of the voting rights or companies in which specific legal ties lead to their being subject to significant influence; companies subject to joint control are companies for which contractual, shareholder or other agreements determine joint management and the appointment of directors.

Measurement and recognition criteria for income components

Subsequent to their initial recognition, equity investments are measured using the equity method.

If there is evidence that the value of an equity investment may have been impaired, the recoverable amount of the equity investment is estimated, taking into account the present value of the future cash flows that the equity investment may generate, including the final disposal value of the investment and/or other measurement elements (for example the pro-rata equity ratio).

The amount of any impairment, determined on the basis of the difference between the carrying amount of the equity investment and its recoverable amount, is recognised in the income statement under the item "gains (losses) on equity investments".

If the reasons for the impairment cease to apply as a result of an event occurring after the recognition of the impairment, a reversal of the impairment loss is recognised in the same item of the income statement, up to the amount of the previous adjustment.

The pro-rata results for the year of associates and companies subject to joint control are recognised in the income statement under item 250. "Gains (losses) on equity investments".

Derecognition criteria

Equity investments are derecognised when the contractual rights on the cash flows deriving from the same assets expire or when the asset is sold transferring all the risks and benefits related to it.

11 - Property, plant and equipment

Recognition criteria

Property, plant and equipment are initially recognised at cost, which is equal to the purchase price increased by any charges attributable to the purchase and to the commissioning of the asset. Extraordinary maintenance costs that involve an increase in future economic benefits are recognised as an increase in the value of the assets, while ordinary maintenance costs are recognised in the income statement.

Classification criteria

Property, plant and equipment include land, operating properties, investment property, plant, furniture, furnishings, equipment of any type and, starting from 1 January 2019, rights of use on assets acquired under leases pursuant to the provisions of IFRS 16.

In particular, this item includes both property, plant and equipment used for the Group's operations, i.e., acquired for the provision of services or for administrative purposes, and those (buildings) held for investment purposes, i.e., acquired to earn rentals and/or held for capital appreciation.

This item also includes the costs incurred for the renovation of third-party assets, as for the duration of the lease contract the user company has control over the assets and draws from them future economic benefits.

Measurement and recognition criteria for income components

After initial recognition, property, plant and equipment are measured:

- at cost, less any amortisation and depreciation and impairment losses, as regards property, plant and equipment used for the Group's operations other than properties. Fixed assets are depreciated over their useful life, using the straight-line method, with the exception of works of art which, as they have an indefinite useful life, cannot be depreciated.
- at fair value, with adjustment at the end of each reporting period and recognition of the differential in the income statement, as regards properties under property, plant and equipment held for investment purposes. The fair value is determined on the basis of appraisals prepared at least annually by a qualified third party, chosen from among the leading companies in the sector.
- at fair value, starting from 2014, as regards the properties used for the Group's operations, adopting the Revaluation Model system provided for by IAS 16 instead of the Cost Model previously adopted. The application of this method involves the recognition of the properties at a value equal to their fair value, netted in subsequent years of the effects

of the depreciation of said value, with the exclusion of that relating to land separated from the value of the building, presenting indefinite useful life. The unbundling of these values takes place only for buildings "free-standing". IAS 16 requires that the frequency of revaluations depends on fluctuations in the fair value of the revalued property, plant and equipment. When the fair value of the revalued asset differs materially from its carrying amount, a further revaluation is required. Frequent revaluations are not required for property, plant and equipment that have only insignificant fluctuations in their fair value. It may then only be necessary to reassess the asset every three to five years.

With regard to property, plant and equipment measured at cost, at each balance sheet or interim report date, if there is evidence of impairment, the recoverable amount is estimated, being the higher of the asset's fair value less costs to sell and its value in use, i.e. discounting the future cash flows that can be generated by the asset. If the recoverable amount is lower than the carrying amount, the difference is recognised in the income statement.

If the reasons for the impairment cease to apply as a result of subsequent events, reversals are made and charged to the income statement, up to the value of the net asset if no adjustments are made.

Derecognition criteria

A tangible asset is derecognised at the time of its disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal.

12 - Intangible assets

Recognition criteria

The intangible asset is recorded at cost, adjusted for any accessory charges, only if there is a likelihood that future economic benefits attributable to the asset will be realised and if the cost of the asset can be reliably determined.

Classification criteria

Intangible assets are represented by application software for long-term use and goodwill represented by the positive difference between the purchase cost and the fair value of the assets and liabilities acquired as part of Business Combinations.

Measurement and recognition criteria for income components

The cost of intangible assets with a finite useful life, after initial recognition, is amortised on a straight-line basis over their useful life, which is subject to measurement at the end of each year to verify the adequacy of the estimate.

At each balance sheet or interim report date, if there is evidence of impairment of an intangible asset, its recoverable amount is estimated by discounting the future cash flows that can be generated by the asset. If the recoverable amount is lower than the carrying amount, the difference is recognised in the income statement.

Intangible assets with an indefinite useful life include goodwill, which is the positive difference between the consideration paid for a business combination and the fair value of the identifiable net assets acquired, as more fully described in paragraph "18 – Other information – Business combinations, goodwill and changes in equity interests".

Goodwill is not subject to amortisation, but to periodic verification of the adequacy of the carrying amount.

In particular, every time there is evidence of impairment and in any case at least once a year, an impairment test is performed. To this end, the cash-generating unit to which the goodwill is allocated is identified. The amount of any impairment loss is determined on the basis of the difference between the carrying amount of the goodwill and its recoverable amount, if lower. The recoverable amount is the higher of the fair value of the cash-generating unit, net of any costs to sell, and its value in use. The value in use is the present value of the future cash flows expected from the generating units to which the goodwill has been allocated. The resulting impairment losses are recognised in the income statement. No subsequent reversals of impairment losses may be recognised.

Derecognition criteria

An intangible asset is derecognised at the time of its disposal and if no future economic benefits are expected.

13 – Non-current assets and groups of assets held for sale and liabilities associated to assets held for sale

Recognition criteria

The individual assets and groups of assets held for sale pursuant to IFRS 5 and the related associated liabilities are classified under "Non-current assets and groups of assets held for sale" and "Liabilities associated with assets held for sale" if their carrying amount will be recovered mainly through a sale transaction, rather than through their continuous use.

Classification under these items concerns situations where a process of disposal of individual assets or groups of assets in their current conditions has been initiated and if their sale is considered highly probable as the Management is committed to the sale, whose completion should be expected within one year from the date of classification.

Measurement and recognition criteria for income components

Immediately before the classification of the individual assets or groups of assets and liabilities held for sale under the items "Non-current assets and groups of assets held for sale" and "Liabilities associated with assets held for sale", the carrying amount of assets and liabilities is remeasured by applying the reference accounting standards.

These assets and liabilities are measured at the lower of the carrying amount and the fair value net of costs to sell.

For the purposes of the subsequent measurement of a group of assets and liabilities held for sale, the carrying amount of each asset and liability included in the group that does not fall within the scope of application of IFRS 5 must be measured by applying the reference accounting standard before the group is measured at the lower of the carrying amount and the fair value net of costs to sell.

Property, plant and equipment and intangible assets held for sale are no longer subject to depreciation/amortisation.

The subsequent measurement of non-current assets and groups of assets held for sale is carried out according to the following criteria:

- any excess of the carrying amount with respect to the fair value net of costs to sell is charged to the income statement (impairment loss);
- each subsequent increase in the fair value net of costs to sell is charged to the income statement up to the amount of the accumulated impairment recorded previously.

The separate disclosure in the item "Profit (loss) from discontinued operations after tax" of the income statement is envisaged only for income and charges (net of the related taxes) relating to discontinued operations.

Derecognition criteria

The individual assets and groups of assets held for sale and the related associated liabilities are derecognised following their disposal.

14 - Current and deferred taxation

The effects relating to current and deferred taxes are recognised by applying the tax rates in force, respectively, in the current and subsequent tax periods.

Income taxes are recognised in the income statement with the exception of those relating to items charged or credited directly to equity.

The allocation for income taxes is determined on the basis of a prudential forecast of the current tax charge, the advance tax charge and the deferred tax charge. In particular, deferred tax assets and liabilities are determined on the basis of temporary differences, without time limits, between the value attributed to an asset or liability according to statutory criteria and the corresponding values assumed for tax purposes.

Deferred tax assets are recognised to the extent that their recovery is probable, based on the ability to generate positive taxable income on an ongoing basis.

Deferred tax liabilities are in turn recognised in the financial statements. It should be noted that with regard to untaxed reserves and revaluation surpluses, no provision is made for the related deferred taxes, in accordance with the provisions of IAS 12, paragraph 52b, which makes the allocation of deferred tax liabilities on untaxed reserves subject to the decision to distribute them (with the exception of the "Merger surplus reserve" set up when Credito Fondiario di Bolzano S.p.A. was merged). In this regard, it should be noted that the Group neither assumes nor does it deem it likely that in the short/medium term it will assume behaviours that could integrate the prerequisites for the payment of taxes in relation to distributions of reserves as per the previous paragraph.

Deferred tax assets and deferred tax liabilities are accounted for on an open balance sheet basis and without offsetting, with the former included under "Tax assets" and the latter under "Tax liabilities".

Tax liabilities are also adjusted to meet charges that could result from notified assessments or on-going disputes with the tax authorities.

15 - Provisions for risks and charges

Following the 5th update of Circular no. 262 of 22 December 2005 of the Bank of Italy, in consideration of the provisions of IFRS 9, the sub-item relating to commitments and guarantees issued, which in the previous version was allocated to Other liabilities, was also included in the item "Provisions for risks and charges".

Commitments and guarantees issued

This provision consists of write-downs on endorsement loans. Provisions on these forms of financing are calculated as from
1 January 2018 on the basis of the provisions of IFRS 9, therefore applying the same staging criteria as for cash loans and related PDs and LGDs.

Pension fund and similar obligations

The fund consists of a defined benefit section (Section A/A1) which provides a supplementary benefit to retired staff in addition to the gross benefits paid by INPS; the economic benefits due to members of this fund are assessed on the basis of an independent actuarial valuation in order to determine the technical reserves to be set aside to cover future pension benefits.

On a half-yearly basis, the actuarial study provides an estimate of the interest cost of the liability, the expected return on investments and, if necessary, the value of the allocation to the provision for staff still in service (service cost), the costs and revenues of which are recognised in the income statement. The difference between the expected return on the portfolio and the actual return is recorded directly in the Shareholders' Equity as a reduction or increase in retained earnings. The actuarial study also provides the values relating to changes in actuarial gains and losses used to determine future pension benefits. These changes are recorded directly in the Shareholders' Equity under retained earnings.

As provided for in IAS 1, the effects of the adjustment recorded under equity reserves are reported in a separate statement of changes in Shareholders' Equity (statement of comprehensive income), or in a format that summarises those income components which, in application of a particular international accounting standard, are recognised directly under equity reserves.

Other provisions

Other provisions for risks and charges are allocations against liabilities:

- arising from existing obligations (legal or implicit) of the company;
- the settlement of which will involve the use of economic resources by the company;
- whose value can be reliably measured;
- the amount or timing of which is uncertain.

"Other provisions" also include other long-term benefits and long-term employee redundancy incentives recognised to employees.

Provisions relating to other long-term employee benefits are the benefits paid during the employment relationship that are not due in full within the twelve months following the end of the year in which the employees worked and are determined with the same actuarial criteria envisaged for pension funds, immediately recognising also actuarial gains and losses in the income statement.

Employment redundancy incentives are recognised when the company is unable to withdraw the offer of benefits; the liability is recognised before that date if the charges are classified as costs for restructuring transactions falling within the scope of application of IAS 37.

For the initial and subsequent recognition of redundancy incentives, provisions are applied relating to:

- "post-employment benefits", if the benefits due on termination of the employment relationship are an improvement in post-employment benefits;
- "short-term benefits", to be recognised on an accrual basis in the period the working activity is carried out, if it is expected that the benefits will be fully recognised within the twelve months following the end of the year in which these benefits are recorded;
- "other long-term benefits", if it is expected that the benefits will not be fully recognised within the twelve months following the end of the year in which these benefits are recorded.

The value of the loss of economic resources must be discounted, if the time element of the financial settlement is significant; interest expense arising from the discounting process is recognised in the income statement.

Allocations to provisions are recognised under "Net allocations to provisions for risks and charges" in the income statement; an exception is made for the economic components relating to employee benefits which, to better reflect their nature, are shown under the item "Administrative expenses - Personnel expenses".

16 - Foreign currency transactions

Recognition criteria

Foreign currency transactions are recorded on initial recognition by applying the exchange rate prevailing on the date of the transaction to the foreign currency amount.

Measurement and recognition criteria for income components

At the end of each year, items in foreign currency are valued as follows:

- monetary items are converted at the exchange rate on the closing date;
- non-monetary items measured at historical cost are converted at the exchange rate in force on the date of the transaction;
- non-monetary items measured at fair value are converted using the exchange rates in force at the closing date.

17 - Insurance assets and liabilities

The Group does not manage insurance assets and liabilities.

18 - Other information

Treasury shares

Any treasury shares held or for which there is a purchase commitment are deducted from shareholders' equity.

No gain or loss is recognised in profit or loss on the purchase/sale/issue or derecognition of equity instruments.

The consideration paid or received is recognised in the shareholders' equity.

Employee severance indemnity

The employee severance indemnity and the length of service bonus are recognised on the basis of their actuarial value determined annually.

Recognition of revenues and costs

Revenues are recognised when received or when it is considered probable that the benefits will be received and said benefits can be reliably quantified.

In particular:

- interest on late payments is recognised in the income statement when it is collected;
- dividends are recognised in the income statement in the year in which their distribution is approved;
- commissions are recognised on an accrual basis, except for those considered in amortised cost for the purpose of determining the "effective interest rate", which are recognised under interest;
- administrative costs and expenses are recognised on an accrual basis.

Interest on TLTRO III transactions

The characteristics of the TLTRO-III transactions are such that they cannot be immediately traced back to cases specifically dealt with by the IAS/IFRS standards; to identify the accounting treatment, in particular, of the following situations:

- change in target achievement estimates;
- recording of economic effects, "special interest" in particular,
- early repayments management,
- in fact, it is deemed possible to refer by analogy to "IAS 20 - Accounting for Government Grants and Disclosure of Government Assistance" or "IFRS 9 - Financial Instruments".

The choice adopted by the Cassa di Risparmio di Bolzano Group for the purposes of accounting for the transactions in question is to refer to the indications of IFRS 9. The financial liability is therefore recognised at amortised cost, with economic accruals recognised at a variable rate, on the basis of which the restatement of future interest payments normally has no significant effect on the carrying amount of the asset or liability. The liability variable rate is a rate that varies in each year of the transaction, resulting in the recognition of the interest on a year-by-year basis, taking into account that in the event of a prepayment, the interest on the fees already accrued would be paid.

Methods for determining the fair value of assets and liabilities

Fair value is defined by IFRS 13 as the price that would be received for the sale of an asset or that would be paid for the transfer of a liability in a regular course of business in the principal (or most advantageous) market at the measurement date, under current market conditions (i.e. a closing price), irrespective of whether that price is observable directly or estimated using a valuation technique.

1. Assets and liabilities measured at fair value through profit or loss:

   - financial assets held for trading: to determine the fair value of debt and equity securities listed (contributed) in an active market (level 1), the market prices of the last day of the reference year are used. In the absence of an active market (level 2), estimation and valuation methods based on market data and usually accepted in financial practice are used. These include: calculations of discounted cash flows, values recognised in recent transactions, valuations of listed instruments with similar characteristics and NAV of the fund. To determine the fair value of derivative contracts, estimation methods and valuation models are used, such as the discounting of expected cash flows, through an internal valuation method carried out by the Risk Management Service;
   - other financial assets measured at fair value: the assets are measured at fair value, determined on the basis of the same criteria illustrated for financial assets held for trading;
   - other financial assets mandatorily measured at fair value: the assets are measured at fair value, determined on the basis of the same criteria illustrated for financial assets held for trading.

2. hedging derivatives: contracts are valued using the same criteria used to value contracts recorded among assets held for trading.
3. financial liabilities measured at fair value: measurement at fair value is performed using valuation methods based on market data and usually accepted in financial practice, such as: discounted cash flow calculations, values recorded in recent transactions, valuations of listed instruments with similar characteristics.
4. property, plant and equipment held for investment purposes: the fair value measurement is carried out on the basis of appraisals prepared at least once a year by a qualified third party chosen from among the leading companies in the sector, as detailed in the following Part B, section 9.4 of Assets.
5. property, plant and equipment held for business use: the fair value measurement is carried out on the basis of appraisals prepared by a qualified third party chosen from among the leading companies in the sector as described in more detail in the following Part B, sections 9.1 and 9.3 of Assets; the valuation is carried out with sufficient regularity to ensure that the carrying amount does not differ significantly from the value that would be determined using the fair value at the reporting date.
6. Assets and liabilities measured at fair value through other comprehensive income: assets are measured at fair value, determined on the basis of the same criteria described for financial assets held for trading. For equity securities where it is not possible to determine the fair value reliably, the cost is maintained (level 3).
7. Assets and liabilities recognised at cost or amortised cost for which fair value is disclosed in the Notes to the financial statements:
    - asset and liability relations with customers and banks on demand, or with short-term or indefinite maturity: the fair value is equal to the carrying amount net of the analytical or collective write-down;
    - medium/long-term asset and liability relations with customers and banks: the fair value is determined by discounting future cash flows;
    - securities issued: for listed/contributed liabilities, the fair value is determined using the market prices of the last day of the reference year. For the remaining liabilities, the same methodology as described for financial liabilities measured at fair value is used.

Business combinations, goodwill and changes in equity interests

A business combination may involve the purchase of the net assets of another entity, including any goodwill, or the purchase of the equity of another entity (mergers, contributions, and acquisitions of business units). Such a combination does not result in an ownership relationship similar to that between a parent and a subsidiary and, therefore, IFRS 3 applies in such cases even in the separate financial statements of the acquirer.

Business combinations are accounted for using the purchase method, whereby the identifiable assets acquired and liabilities assumed, including contingent assets/liabilities, are recognised at their fair values at the acquisition date.

Any excess of the consideration transferred with respect to the fair value of the identifiable net assets is recognised as goodwill and is allocated, at the acquisition date, to the individual cash-generating units, or to groups of cash-generating units that should benefit from the synergies of the business combination, regardless of whether other assets or liabilities of the acquiree are assigned to these units or groups of units.

If the transfer consideration is lower than the fair value of the identifiable net assets, the difference is recognised immediately in the income statement as revenue under the item "Other operating income", after a new measurement to ensure that all assets acquired and liabilities assumed are correctly identified.

Changes to the consideration transferred are possible if they derive from additional information on facts and circumstances that existed at the acquisition date and are recognisable within the measurement period of the business combination (i.e. within twelve months of the acquisition date). Any other change that derives from events or circumstances subsequent to the acquisition, such as those recognised in the seller's favour linked to the achievement of some income performances, shall be recognised in the income statement.

The identification of the fair value of assets and liabilities must be finalised within a maximum period of twelve months from the acquisition date (measurement period).

A.3 - Information on transfers between portfolios of financial assets

This section shows the financial assets that have been reclassified. Specifically, the table represents the information relating to the reclassification of financial assets carried out by the Parent Bank in 2008, the year in which, following the crisis that occurred on the international financial markets, the International Accounting Standards Board (IASB) published an amendment to the international accounting standards IAS 39 and IFRS 7 allowing the reclassification of some financial instruments from the trading book to other portfolios. This reclassification is permitted only in "rare" circumstances that correspond, for example, to the situation of the financial markets that emerged during the third quarter of 2008.

In light of the extraordinary market situation, the fact that the quantified impairment losses were mainly related to market tensions and not to the evident and permanent deterioration of the creditworthiness of the counterparties, and the general orientation of the banking system towards the adoption of this amendment, the Parent Bank has adopted it and reclassified portions of its financial instruments from the "financial assets held for trading" portfolio to the "financial assets available for sale" portfolio as of 29 October 2008.

In the course of 2024, all financial instruments that were subject to a change in the business model resolved by the Parent Bank with effect from 1 January 2019, with which financial assets were reclassified from a "held to collect and sell" to a "held to collect" business model, expired and are therefore no longer represented.

A.3.2 Reclassified financial assets: change in business model, fair value and effects on comprehensive income

Type of financial instrument (1)	Origin portfolio (2)	Target portfolio (3)	Fair value at 31/12/2024 (4)	Capital gains/losses in the absence of transfer to the income statement (pre-tax)		Gains/losses in the absence of the transfer in equity (pre-tax)	
				31/12/2024 (5)	31/12/2023 (6)	31/12/2024 (7)	31/12/2023 (8)
Government bonds	Fair value through Other comprehensive income (HTCS)	Amortised cost (HTC)	-	-	-	-	1,862
Other debt securities	Fair value through Other comprehensive income (HTCS)	Amortised cost (HTC)	-	-	-	-	(197)
Total			-	-	-	-	1,666

Quantitative information from the 2008 reclassification is provided below.

Type of financial instrument (1)	Origin portfolio (2)	Target portfolio (3)	Fair value at 31/12/2024 (4)	Capital gains/losses in the absence of transfer to the income statement (pre-tax)		Gains/losses in the absence of the transfer in equity (pre-tax)	
				31/12/2024 (5)	31/12/2023 (6)	31/12/2024 (7)	31/12/2023 (8)
UCITS units	Fair value through profit or loss	Available for sale	190	(91)	(58)	-	-

A.3.3 Reclassified financial assets: change of business model and effective interest rate

With reference to the change of business model made by the Parent Bank effective 01.01.2019, the *fair value* of the reclassified securities was zero as at 31 December 2024: all financial instruments that were the subject matter of the change of model have in fact matured.

By contrast, with reference to the reclassification of financial assets carried out in 2008, at 31 December 2024, the fair value of the reclassified securities was equal to Euro 190 thousand before taxes. At that date, the average internal rate of return, in the absence of debt securities with coupon flows, was not determined, and the expected cash flows are zero.

A.4 – Information on fair value

Qualitative information

A.4.1 Fair value levels 2 and 3: valuation techniques and inputs used

The Group assigns the highest priority to prices recorded on active regulated markets (Fair value level 1).

If prices directly observable on active markets are not available, valuation techniques are used that maximise the use of information available on the market and are affected as little as possible by subjective valuations or internal assumptions. The valuation techniques and *inputs* used for the various types of financial instruments measured/not measured at *fair value* on a recurring basis are described below.

For the determination of the *fair value* of debt securities not listed in an active market or that are not available on info providers in the context of electronic trading circuits and are visible as operating quotations of individual contributors to which one has immediate access, the Group makes use, where available, of prices observed on non-active markets and/or recent transactions carried out on similar instruments in active markets (so-called *comparable approach*). By way of example, price indications obtainable from *info providers* such as Bloomberg and Reuters are taken into consideration, or failing that, by using valuations provided by Issuers, contributors or institutional counterparties specialised in dealing in the financial instruments being valued. The *fair value* thus determined is assigned to level 2 of the *Fair Value Hierarchy.*

If no information source as described above is available or if it is believed that the available sources do not reflect the true fair value of the financial instrument, a model valuation approach is used, which mainly uses inputs observable on the market to estimate the possible factors that affect the *fair value* of a financial instrument. The fair value thus determined is also assumed to be level 2 of the *Fair Value Hierarchy.* If for one or more risk factors it is not possible to refer to market inputs, internally determined parameters are used on a historical-statistical basis which, where significant, entail the assignment of a level 3 of the *Fair Value Hierarchy.*

To determine the *fair value* of an equity security not listed in an active market, the Bank uses:

- an approach based on financial and/or income methodology depending on the company analysed and the data available. For the banking companies, an income/balance sheet scenario is reconstructed with a contextual comparison between forecast CET1 values and target CET1 values. This approach allows for the quantification of dividend distribution in order to obtain a *Dividend Discount Model.* For non-bank companies, a financial approach is used with both asset side and *equity side* valuations. Finally, particular cases or situations with contingent market variables are valued based on stock market multipliers or on a "Gordon-model" basis, assuming a normalised and constant income scenario over the long term;
- the value corresponding to the portion of shareholders' equity held, as shown in the company's latest approved financial statements.
- the prices of direct transactions in the same or similar securities observed over a reasonable period of time from the valuation date;

- the value resulting from independent appraisals if available.

The *fair value* thus determined is assigned to level 3 of the *Fair Value Hierarchy.*

In the presence of a fair value that cannot be reliably determined, the cost is maintained as the carrying amount; this case occurs if the results of the valuation differ significantly.

To determine the *fair value* of UCITS units not listed in an active market, the Group uses the NAV communicated by the Management Company without making any adjustments. Exceptions to this criterion are the valuations of two closed-end real estate funds, namely i) Augusto, now close to maturity, on which the Bank has applied a liquidity discount of 20% on the NAV value of the last available management report and ii) Fenice on which the Group applied a liquidity discount of 5% at the end of 2024.

Investments in UCITS, whose NAV is updated and published periodically (at least every six months) and is representative of the amount at which the position can be partially or fully liquidated at the initiative of the holder, are classified in level 2 of the Fair Value Hierarchy. A similar classification is also used for capitalisation certificates held and valued on the basis of the redemption value communicated by the issuer, coinciding with the amount of the "mathematical reserve" certified year by year.

For the valuation of the bonds issued by the Bank, specific valuation models of the Discounting Cash Flow type are used, which envisage the discounting of expected cash flows through the use of a discount curve.

In application of the provisions of IFRS 13, financial liabilities at fair value are measured considering their own credit risk, through the income statement. This accounting treatment remains valid even after the entry into force of IFRS 9, according to which the changes in fair value attributable to credit risk are generally recognised in a special valuation reserve (other comprehensive income). This is because the same standard identifies an exception to this accounting criterion, where this involves the creation or expansion of an accounting asymmetry in the recognition of the fair value delta of the liability and those of the relative derivative.

This valuation technique (*fair value level 2*) is consistent with the quantification of the initial fair value of the obligation, which is always recognised in the financial statements at the amount received for the transfer of the liability.

To determine the *fair value* of *over the counter* (OTC) derivative contracts, valuation techniques are used that predominantly use significant inputs, based on observable market parameters (*Interest rate curves, Volatilities, Credit curves, Spot price*, etc.) which are aseptically obtained from the *Reuters info-provider.*

For short-term "Loans to banks" and "Due to banks" (maturing within 12 months), the carrying amount is conventionally assumed as *fair value*, while medium/long-term amounts are measured according to the methodology of discounting the cash flows provided for in the contract, through the use of risk-free curves, if necessary, corrected to take into account the credit risk of the counterparty or own. The fair value thus determined is assigned to level 3 of the *Fair Value Hierarchy.*

For short-term "Loans to customers" (falling due within 12 months), the fair value is conventionally assumed to be the carrying amount. The measurement of medium/long-term loans corresponds to the amount of the contractually expected future cash flows, including interest, discounted on the basis of the risk-free rate curve. The expected nominal future cash flows are adjusted for expected losses using the probability of default (PD) and loss given default (LGD) parameters attributed to the specific risk class and determined in accordance with IFRS 9 - Impairment, *i.e.*, with a forward-looking perspective, therefore modified in substance compared to the previous historical-statistical analysis. The *fair value* thus determined is assigned to level 3 of the *Fair Value Hierarchy.*

For short-term "Due to customers" (falling due within 12 months), the *fair value* is conventionally assumed to be the carrying amount. Medium- and long-term liabilities other than bonds issued as described above are valued on the basis of the discounted cash flow method of the contractually expected cash flows, adjusted if necessary to take into account their credit risk. The *fair value* thus determined is assigned to level 3 of the *Fair Value Hierarchy.*

A.4.2 Evaluation processes and sensitivity

On the basis of the above, the financial instruments measured at fair value on a recurring basis and classified in level 3 of the hierarchy provided for in IFRS 13 refer exclusively to some interests of an insignificant amount. Sensitivity analyses are carried out on those financial assets and liabilities measured at level 3 fair value for which, based on the measurement model used to determine the fair value, execution is possible.

A.4.3 Fair value hierarchy

The methods for determining the fair value for the various types of financial instruments are the same as those used in previous years and did not give rise to any transfers between the different levels of the fair value hierarchy provided for in IFRS 13.

A.4.4 Other information

There is no other information worthy of mention.

Quantitative disclosure

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 level

Below is the breakdown of financial instruments measured at fair value, classified according to the hierarchy levels defined by IFRS 13.

A.4.5.1 Assets and liabilities measured at fair value on a recurring basis: breakdown by fair value level

	31/12/2024			31/12/2023		
Financial assets/liabilities measured at fair value	L1	L2	L3	L1	L2	L3
1. Financial assets measured at fair value through profit or loss	104,366	89,445	3,807	107,990	80,794	3,701
a) financial assets held for trading	41,017	1,005	7	47,451	1,162	-
b) financial assets designated at fair value	-	-	-	-	-	-
c) other financial assets mandatorily measured at fair value	63,348	88,440	3,800	60,539	79,632	3,701
2. Financial assets measured at fair value through other comprehensive income	154,653	10,007	29,533	274,413	10,669	31,328
3. Hedging derivatives	-	31,218	-	-	37,825	-
4. Property, plant and equipment	-	-	-	-	-	-
5. Intangible assets	-	-	-	-	-	-
Total	259,019	130,670	240,363	382,403	129,287	35,030
1. Financial liabilities held for trading	-	551	-	-	431	-
2. Financial liabilities designated at fair value	-	-	-	-	-	-
3. Hedging derivatives	-	30,576	-	-	24,566	-
Total	-	31,126	-	-	24,997	-

A.4.5.2 Annual changes in assets measured at fair value on a recurring basis (level 3)

	Financial assets measured at fair value through profit or loss				Financial assets measured at fair value through other comprehensive income	Hedging derivatives	Property, plant and equipment	Intangible assets
	Total	of which: a) financial assets held for trading	of which: b) financial assets designated at fair value	of which: c) other financial assets mandatorily measured at fair value				
1. Opening balance	3,701	-	-	3,701	31,328	-	-	-
2. Increases	8,294	7	-	8,287	1,923	-	-	-
2.1. Purchases	8,176	2	-	8,174	977	-	-	-
2.2. Profits attributed to:	-	-	-	-	-	-	-	-
2.2.1. Income Statement	-	-	-	-	-	-	-	-
- of which capital gains	-	-	-	-	-	-	-	-
2.2.2. Shareholders' equity	-	X	X	X	-	-	-	-
2.3. Transfers from other levels	1	1	-	-	-	-	-	-
2.4. Other increases	117	4	-	114	946	-	-	-
3. Decreases	(8,188)	-	-	(8,188)	(3,719)	-	-	-
3.1. Sales	(8,177)	-	-	(8,177)	(3,554)	-	-	-
3.2. Refunds	-	-	-	-	-	-	-	-
3.3. Losses attributed to:	-	-	-	-	-	-	-	-
3.3.1. Income Statement	-	-	-	-	-	-	-	-
- of which capital losses	-	-	-	-	-	-	-	-
3.3.2. Shareholders' Equity	-	-	-	-	-	-	-	-
3.4. Transfers to other levels	-	-	-	-	-	-	-	-
3.5. Other decreases	(12)	-	-	(12)	(165)	-	-	-
4. Closing balance	3,807	7	-	3,800	29,533	-	-	-

This table shows the changes that took place in the financial year 2024 on financial assets classified at level 3 of the fair value hierarchy; it also includes some minority interests in unlisted companies.

The main annual changes include:

- financial assets with an impact on comprehensive income

The item "Other increases" is mainly determined by the gain on the sale of the investee company SOCIETA' PER AZIONI AUTOVIE VENETE (S.A.V.), while other decreases are represented by the loss on the sale of DEZELNA BANKA SLOVENIJE D.D.

A.4.5.4 Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis: breakdown by fair value levels

Assets/Liabilities not measured at fair value or measured at fair value on a non-recurring basis	31/12/2024				31/12/2023			
	CA	L1	L2	L3	CA	L1	L2	L3
1. Financial assets measured at amortised cost	13,243,255	3,473,442	71,957	9,647,649	14,474,512	4,575,307	114,869	9,922,360
2. Property, plant and equipment held for investment purposes	140,770	-	-	140,990	-	-	-	
3. Non-current assets and groups of assets held for sale	7,098	-	-	6,732	1,088	-	-	130
Total	13,391,123	3,473,442	71,957	9,795,371	14,475,600	4,575,307	114,869	9,922,491
1. Financial liabilities measured at amortised cost	13,789,129	-	711,051	13,179,358	15,511,428	-	420,619	15,126,307
2. Liabilities associated with assets held for sale	527	-	-	-	503	-	-	
Total	13,789,656	-	711,051	13,179,358	15,511,931	-	420,619	15,126,307

A.5 – Information on "Day one profit/loss"

According to IFRS 7, paragraph 28, evidence must be provided of the amount of the "Day One Profit or Loss" to be recognised in the income statement at 31 December 2024, as well as a reconciliation to the opening balance. "Day One Profit or Loss" is the difference between the fair value of a financial instrument acquired or issued at initial recognition (transaction price) and the amount determined at that date using a valuation technique. In this regard, it should be noted that there are no cases that should be disclosed in this section.

– 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 31/12/2024	Total 31/12/2023
a) Cash	70,483	64,011
b) Current accounts and demand deposits with central banks	623,500	835,000
c) Current accounts and demand deposits with banks	23,272	62,381
Total	717,255	961,392

The item "Cash" includes the amounts of cash in euro and in other currencies held by Cassa Centrale, the cash of the dependencies and the ATMs at the reference dates.

Effective from 31 December 2021, following the seventh update of Bank of Italy Circular no. 262 "The bank financial statements: formats and rules for preparation", the Item "Cash and cash equivalents" also includes demand deposits with banks. This update has brought the presentation of the financial statements more in line with FINREP reporting.

The value shown in point "b) Current accounts and demand deposits with Central Banks" refers to the deposit facility account opened at the Bank of Italy, which essentially includes overnight transactions. The amount pertaining to Sparkasse amounts to Euro 429.0 million, the remainder corresponds to the same type of deposit of the subsidiary CiviBank.

Section 2 - Financial assets measured at fair value through profit or loss - Item 20

2.1 Financial assets held for trading: breakdown by type

Items/Values	Total 31/12/2024			Total 31/12/2023		
	L1	L2	L3	L1	L2	L3
A. On-balance sheet assets						
1. Debt securities	33,391	-	5	40,679	-	1
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	33,391	-	5	40,679	-	1
2. Equity securities	23	-	-	18	-	-
3. UCITS units	7,604	-	2	6,753	-	-
4. Loans	-	-	-	-	-	-
4.1 Repurchase agreements	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
Total (A)	41,017	-	7	47,451	-	1
B. Derivative instruments	-	-	-	-	-	-
1. Financial derivatives	-	1,005	-	-	1,160	-
1.1 trading	-	1,005	-	-	1,160	-
1.2 related to the fair value option	-	-	-	-	-	-
1.3 other	-	-	-	-	-	-
2. Credit derivatives	-	-	-	-	-	-
2.1 trading	-	-	-	-	-	-
2.2 related to the fair value option	-	-	-	-	-	-
2.3 other	-	-	-	-	-	-
Total (B)	-	1,005	-	-	1,160	-
Total (A+B)	41,017	1,005	7	47,451	1,160	1

The total of "Financial assets held for trading" records a reduction of Euro 6.6 million compared to the previous year's figures.

The investments of the Retired Staff Pension Fund A-A1 included under the same on-balance sheet assets amounted to Euro 37.6 million (of which Euro 7.6 million in units of UCITS).

The amount shown in line B1.1 "Financial derivatives - held for trading" represents the positive fair value of the part no longer effective of previous derivatives designated as hedges on a cap option on variable rate mortgages with a maximum ceiling (totalling Euro 436 thousand), ii) the positive valuation of derivatives for currency commitments (totalling Euro 569 thousand).

2.2 Financial assets held for trading: breakdown by debtor/issuer/counterparty

Items/Values	Total 31/12/2024	Total 31/12/2023
A. On-balance sheet assets		
1. Debt securities	33,396	40,680
a) Central Banks	-	-
b) Public administrations	31,603	38,694
c) Banks	416	201
d) Other financial companies	207	395
of which: insurance undertakings	-	100
e) Non-financial companies	1,169	1,390
2. Equity securities	23	18
a) Banks	5	-
b) Other financial companies	15	18
of which: insurance undertakings	-	-
c) Non-financial companies	3	-
d) Other issuers	-	-
3. UCITS units	7,605	6,753
4. Loans	-	-
a) Central Banks	-	-
b) Public administrations	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance undertakings	-	-
e) Non-financial companies	-	-
f) Households	-	-
Total (A)	41,024	47,452
B. Derivative instruments		
a) Central Counterparties	-	-
b) Other	1,005	1,160
Total (B)	1,005	1,160
Total (A+B)	42,029	48,612

The categories of funds included in the item "UCITS units" are as follows and for the following values:

- Balanced	7,598
- Equity	7
Total	7,605

2.5 Other financial assets mandatorily measured at fair value: breakdown by type

Items/Values	Total 31/12/2024			Total 31/12/2023		
	L1	L2	L3	L1	L2	L3
1. Debt securities	3,643	1,393	55	3,675	1,780	67
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	3,643	1,393	55	3,675	1,780	67
2. Equity securities	-	-	1,850	-	-	1,850
3. UCITS units	59,706	87,046	-	56,864	77,785	-
4. Loans	-	-	1,895	-	-	1,851
4.1 Repurchase agreements	-	-	-	-	-	-
4.2 Other	-	-	1,895	-	-	1,851
Total	63,348	88,440	3,800	60,539	79,565	3,768

Financial assets mandatorily measured at fair value due to the failure to pass the SPPI test required by IFRS 9, recorded an increase of Euro 11.7 million, attributable to the inclusion in the portfolio of UCITS units from the sale of non-performing loans and, to a lesser extent, from capital gains recorded on mutual fund units.

2.6 Other financial assets mandatorily measured at fair value: breakdown by debtor/issuer

	Total 31/12/2024	Total 31/12/2023
1. Equity securities	1,850	1,850
of which: banks	-	-
of which: other financial companies	-	-
of which: non-financial companies	1,850	1,850
2. Debt securities	5,091	5,522
a) Central Banks	-	-
b) Public administrations	-	-
c) Banks	1,743	1,641
d) Other financial companies	3,348	3,881
of which: insurance undertakings	1,030	1,015
e) Non-financial companies	-	-
3. UCITS units	146,752	134,649
4. Loans	1,895	1,851
a) Central Banks	-	-
b) Public administrations	-	-
c) Banks	-	-
d) Other financial companies	1,895	1,851
of which: insurance undertakings	1,895	1,851
e) Non-financial companies	-	-
f) Households	-	-
Total	155,588	143,872

The categories of funds included in the item "UCITS units" are as follows and for the following values:

- Bonds	80,541
- Equity	9,871
- Closed real estate	47,080
- Non-performing loans	9,260
Total	146,752

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 type

Items/Values	Total 31/12/2024			Total 31/12/2023		
	L1	L2	L3	L1	L2	L3
1. Debt securities	151,971	10,007	-	272,461	9,681	-
1.1 Structured securities	290	-	-	-	-	-
1.2 Other debt securities	151,681	10,007	-	272,461	9,681	-
2. Equity securities	2,682	-	29,533	1,953	987	31,329
3. Loans	-	-	-	-	-	-
Total	154,653	10,007	29,533	274,414	10,669	31,329

With reference to the grouping referred to in point 2. "Equity securities" in the table above, details of the individual minority equity investments classified under the "equity fair value option" are provided below. The equity securities classified in level one of the fair value hierarchy also include shares listed on regulated markets for which the equity OCI option was chosen, but which do not represent equity interests; at the end of 2024, they amounted to Euro 93,000 and are held by the subsidiary CiviBank.

Figures in Euro

	Nominal amount	Percentage of capital	Carrying amount
Equity securities - Banks			**9,535,400**
Banca d'Italia - Roma	9,425,000	0.126	9,425,000
Banca Popolare di Puglia e Basilicata S.p.A. - Altamura (BA)	335,096	0.219	110,400
Equity securities - Other issuers: insurance companies			**2,500,000**
ITAS MUTUA Assicurazioni (TN)	2,500,000	0.948	2,500,000
Equity securities - Other issuers: non-financial companies			**4,450,735**
NEXI S.p.A. - Milano (ex SIA - SSB S.p.A.)	222,359	0.187	1,191,844
Bancomat SpA	4,370	0.021	-
CBI S.p.c.A.	6,016	0.654	-
VALIA SPA	30,000	5.000	30,000
SWIFT - Bruxelles	875	0.006	13,917
BZS Holding Gmbh - Innsbruck (A)	6,000	4.000	6,000
Funivie Madonna di Campiglio S.p.A. - Pinzolo (TN)	156,821	2.845	2,186,174
Funivie Folgarida e Marilleva S.p.A. az. Ord. - Dimaro (TN)	793,557	2.309	995,001
Teleriscaldamento Termo elettrico Dobbiaco/San Candido Scarl	20,141	0.410	25,513
Azienda Energetica Prato Scarl - Prato allo Stelvio	630	0.198	630
Cooperativa Acqua Potabile San Michele - Appiano	20	0.094	5
WuEgA - Wärme und Energie Genossenshaft Ahrntal	1,650	-	1,650
Total			**16,486,134**

With regard to the subsidiary CiviBank, the relative details are provided below:

Figures in Euro

	Nominal amount	Percentage of capital	Carrying amount
Equity securities - Banks			**2,113,066**
Banca Valsabbina	316,071	0.304	1,158,357
Bank For Business	519,556	4.620	954,709
Equity securities - Other issuers: insurance companies			**5,000,000**
ITAS MUTUA Assicurazioni (TN)	5,000,000	1.897	5,000,000
Equity securities - Other issuers: non-financial companies			**8,522,699**
Friulia SpA	1,744,622	0.661	6,414,874
Unione Fiduciaria Spa	5,940	0.100	7,034
Catas S.P.A.	90,310	9.176	937,462
KB 1909 SPA	127,007	0.013	3,516
KB 1909 SPA PRIV B	125,645	-	3,478
Centro Formazione Professionale Scarl	20,910	9.085	598,472
Torre Natisone Gal	1,250	9.360	863
Consulting Spa	1,975	1.317	3,150
Agenzia Sviluppo Distretto Industriale Della Sedia Spa (Asdi)	20,067	8.027	2,500
S.W.I.F.T.	1,000	0.009	5,861
Luigi Luzzatti Spa	58,158	8.947	232,630
NEXI SPA	239	0.002	128,228
BANCOMAT SPA ADR	25,925	0.001	25,879
CBI AOR	-	0.337	3,100
FRIULIA AZ CORR ALFA	137,520	-	135,653
FOND AGRIFOOD & BIOE	20,000	8.000	20,000
Total			**15,635,765**

3.2 Financial assets measured at fair value through other comprehensive income: breakdown by debtor/issuer

Items/Values	Total 31/12/2024	Total 31/12/2023
1. Debt securities	161,978	282,141
a) Central Banks	-	-
b) Public administrations	129,820	219,111
c) Banks	25,311	56,333
d) Other financial companies	1,311	1,277
of which: insurance undertakings	-	-
e) Non-financial companies	5,536	5,420
2. Equity securities	32,215	34,269
a) Banks	11,648	14,261
d) Other issuers:	20,567	20,008
- other financial companies	9,116	9,620
of which: insurance undertakings	7,500	7,500
- non-financial companies	11,403	10,368
- other	48	20
3. Loans	-	-
a) Central Banks	-	-
b) Public administrations	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance undertakings	-	-
e) Non-financial companies	-	-
f) Households	-	-
Total	194,194	316,410

3.3 Financial assets measured at fair value through other comprehensive income: gross amount and total value adjustments

	Gross amount					Total value adjustments				
	First stage	of which: Instruments with low credit risk	Second stage	Third stage	Purchased or originated impaired	First stage	Second stage	Third stage	Purchased or originated impaired	Total partial write-offs
Debt securities	162,008	162,008	142	-	-	(61)	(110)	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-
Total 31/12/2024	162,008	162,008	142	-	-	(61)	(110)	-	-	-
Total 31/12/2023	282,249	282,249	175	-	-	(160)	(123)	-	-	-

The table shows the total value adjustments on financial assets measured at fair value through other comprehensive income. The gross amount corresponds to the carrying amount of the financial assets, gross of total value adjustments and net of total write-offs.

Section 4 - Financial assets measured at amortised cost - item 40

4.1 Financial assets measured at amortised cost: breakdown by type of loans to banks

Type of transactions/Values	Total 31/12/2024						Total 31/12/2023					
	Carrying amount			Fair value			Carrying amount			Fair value		
	First and second stage	Third stage	Purchased or originated impaired	L1	L2	L3	First and second stage	Third stage	Purchased or originated impaired	L1	L2	L3
A. Loans to Central Banks	95,640	-	-	25,658	-	-	99,255	-	-	-	-	99,255
1. Term deposits	-	-	-	X	X	X	-	-	-	X	X	X
2. Compulsory reserve	95,640	-	-	X	X	X	99,255	-	-	X	X	X
3. Repurchase agreements	-	-	-	X	X	X	-	-	-	X	X	X
4. Other	-	-	-	X	X	X	-	-	-	X	X	X
B. Loans to banks	340,199	-	-	310,668	-	32,995	201,605	-	-	182,237	-	17,646
1. Loans	31,562	-	-	-	-	32,995	17,915	-	-	-	-	17,646
1.1 Current accounts	213	-	-	X	X	X	2,168	-	-	X	X	X
1.2. Term deposits	30,477	-	-	X	X	X	15,141	-	-	X	X	X
1.3. Other loans:	872	-	-	X	X	X	606	-	-	X	X	X
- Reverse repurchase agreements	-	-	-	X	X	X	-	-	-	X	X	X
- Lease financing	-	-	-	X	X	X	-	-	-	X	X	X
- Other	872	-	-	X	X	X	606	-	-	X	X	X
2. Debt securities	308,637	-	-	310,668	-	-	183,690	-	-	182,237	-	-
2.1 Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Other debt securities	308,637	-	-	310,668	-	-	183,690	-	-	182,237	-	-
Total	435,839	-	-	336,326	-	32,995	300,860	-	-	182,237	-	116,901

4.2 Financial assets measured at amortised cost: breakdown by type of loans to customers

Type of transactions/Values	Total 31/12/2024						Total 31/12/2023					
	Carrying amount			Fair value			Carrying amount			Fair value		
	First and second stage	Third stage	Purchased or originated impaired	L1	L2	L3	First and second stage	Third stage	Purchased or originated impaired	L1	L2	L3
1. Loans	9,438,042	173,957	15,647	-	-	9,587,480	9,479,988	158,975	30,376	-	-	9,804,819
1. Current accounts	593,242	9,186	1,705	X	X	X	690,460	10,403	3,367	X	X	X
2. Reverse repurchase agreements	-	-	-	X	X	X	-	-	-	X	X	X
3. Mortgages	7,058,592	134,177	11,613	X	X	X	6,984,918	116,874	23,203	X	X	X
4. Credit cards, personal loans and salary-backed loans	72,438	668	106	X	X	X	87,263	881	191	X	X	X
5. Lease financing	265,594	3,529	1,152	X	X	X	291,763	2,620	2,388	X	X	X
6. Factoring	-	-	-	X	X	X	-	-	-	X	X	X
7. Other loans	1,448,176	26,396	1,072	X	X	X	1,425,584	28,197	1,227	X	X	X
2. Debt securities	3,179,770	-	-	3,137,115	71,957	27,174	4,504,310	-	-	4,393,070	114,869	641
1. Structured securities	3,866	-	-	3,320	-	570	4,334	-	-	3,609	846	-
2. Other debt securities	3,175,904	-	-	3,133,795	71,957	26,604	4,499,976	-	-	4,389,461	114,023	641
Total	12,617,812	173,957	15,647	3,137,115	71,957	9,614,654	13,984,298	158,975	30,376	4,393,070	114,869	9,805,460

4.3 Financial assets measured at amortised cost: breakdown by debtor/issuer of loans to customers

Type of transactions/Values	Total 31/12/2024			Total 31/12/2023		
	First and second stage	Third stage	Purchased or originated impaired assets	First and second stage	Third stage	Purchased or originated impaired assets
1. Debt securities	3,179,770	-	-	4,504,309	-	-
a) Public administrations	3,055,558	-	-	4,350,193	-	-
b) Other financial companies	77,172	-	-	117,819	-	-
of which: insurance undertakings	-	-	-	-	-	-
c) Non-financial companies	47,040	-	-	36,297	-	-
2. Loans to:	9,438,042	173,957	15,647	9,479,994	158,976	30,376
a) Public administrations	35,363	-	-	44,249	-	-
b) Other financial companies	434,285	8,042	-	356,200	7,754	1,736
of which: insurance undertakings	245,049	-	-	126,665	-	-
c) Non-financial companies	5,068,110	125,310	7,094	5,142,683	113,230	17,798
d) Households	3,900,285	40,605	8,553	3,936,862	37,992	10,842
Total	12,617,812	173,957	15,647	13,984,303	158,976	30,376

4.4 Financial assets measured at amortised cost: gross amount and total value adjustments

		Gross amount					Total value adjustments				Total partial write-offs
		First stage	of which: Instruments with low credit risk	Second stage	Third stage	Purchased or originated impaired	First stage	Second stage	Third stage	Purchased or originated impaired	
Debt securities		3,472,160	3,538,021	18,183	-	-	(1,286)	(650)	-	-	-
Loans		8,527,609	-	1,094,293	347,084	17,857	(13,317)	(43,340)	(173,128)	(2,210)	(30,236)
Total	31/12/2024	11,999,768	3,538,021	1,112,476	347,084	17,857	(14,603)	(43,990)	(173,128)	(2,210)	(30,236)
Total	31/12/2023	12,740,660	4,750,810	1,599,748	350,269	32,416	(15,752)	(39,496)	(191,293)	(2,041)	(33,061)

The table shows the total value adjustments on financial assets measured at amortised cost. The gross amount corresponds to the carrying amount of the financial assets, gross of total value adjustments and net of total write-offs.

With the Communication of 14 March 2023, the Bank of Italy updated the provisions of Circular No. 262 "The Banking Balance Sheet" in the face of the changed scenario linked to the Covid-19 pandemic, and repealed the temporary provisions that had been introduced to provide information to the market on the effects of Covid-19 and the economic support measures on intermediaries. Therefore, balance sheet information on loans with a moratorium is derecognised, while information on loans with a government guarantee is provided below in free format.

The total amount of government guaranteed loans granted as a result of the Covid-19 pandemic, outstanding as at 31 December 2024, amounted to Euro 406.7 million (of which Euro 241.6 million from the Parent Bank and Euro 165.1 million from Banca di Cividale) on which total value adjustments of Euro 5.7 million were recorded.

SPARKASSE CASSA DI RISPARMIO

Section 5 - Hedging derivatives - item 50

5.1 Hedging derivatives: breakdown by type of hedge and by level

	Fair value 31/12/2024			NV 31/12/2024	Fair value 31/12/2023			NV 31/12/2023
	L1	L2	L3		L1	L2	L3	
A. Financial derivatives								
1) Fair value	-	31,218	-	504,150	-	37,825	-	472,454
2) Cash flows	-	-	-	-	-	-	-	-
3) Foreign investments	-	-	-	-	-	-	-	-
B. Credit derivatives								
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	-	31,218	-	504,150	-	37,825	-	472,454

For a description of these transactions, see table 5.2 below.

5.2 Hedging derivatives: breakdown by hedged portfolio and type of hedge

Transactions/Type of hedge	Fair value							Cash flows		Foreign investments
	Micro						Macro	Micro	Macro	
	debt securities and interest rates	equity securities and equity indices	currencies and gold	credit	goods	other				
1. Financial assets measured at fair value through other comprehensive income	-	-	-	-	X	X	X	-	X	X
2. Financial assets measured at amortised cost	-	X	-	-	X	X	X	-	X	X
3. Portfolio	X	X	X	X	X	X	31,218	X	-	X
4. Other transactions	-	-	-	-	-	-	X	-	X	-
Total Assets	-	-	-	-	-	-	31,218	-	-	-
1. Financial liabilities	-	X	-	-	-	-	X	-	X	X
2. Portfolio	X	X	X	X	X	X	-	X	-	X
Total Liabilities	-	-	-	-	-	-	-	-	-	
1. Expected transactions	X	X	X	X	X	X	X	-	X	X
2. Portfolio of financial assets and liabilities	X	X	X	X	X	X	-	X	-	-

The carrying amount of the derivatives shown in this table refers to the positive fair value of hedging derivatives of a fixed-rate mortgage portfolio for which the Bank has hedged the interest rate risk through Interest Rate Swaps, converting it to a floating rate.

It should be noted that the fair values of derivatives designated to hedge loans with caps (interest rate caps) amounted to approximately Euro 102 thousand at 31 December 2024. These hedges are configured as *Fair Value* Hedging transactions as required by IAS 39.

In this regard, the required prospective and retrospective tests were carried out; on the basis of their partial ineffectiveness resulting from valuations at 31 December 2024 of the hedges relating to loans with caps, a partial *unwinding* operation was necessary on some contracts, with the realignment of the notional amount to the residual debt covered; as a result of this operation, the test was passed. The value relating to the ineffective portion of the derivative is therefore stated under financial assets held for trading (Item 20.a) of Assets) rather than under hedging derivatives with fair value deltas through profit or loss.

Section 6 - Value adjustment of financial assets subject to macro-hedging - item 60

6.1 Value adjustment of hedged assets: breakdown by hedged portfolios

Value adjustment of hedged assets/Values	Total 31/12/2024	Total 31/12/2023
1. Positive adjustment	3,678	-
1.1 of specific portfolios:	3,678	-
a) financial assets measured at amortised cost	3,678	-
b) financial assets measured at fair value through other comprehensive income	-	-
1.2 comprehensive	-	-
2. Negative adjustment	(301)	(14,909)
2.1 of specific portfolios:	(301)	(14,909)
a) financial assets measured at amortised cost	(301)	(14,909)
b) financial assets measured at fair value through other comprehensive income	-	-
2.2 comprehensive	-	-
Total	3,377	(14,909)

The value adjustment of financial assets subject to macro fair value hedging relates to some separate portfolios of fixed-rate mortgages for which the interest rate risk has been hedged. This item also includes a portfolio of floating-rate loans with a maximum ceiling (Cap) that was subject to macro fair value hedging with derivative contracts (*interest rate option*). Since the hedge is macro, the profit/loss on the hedged item attributable to the hedged risk does not directly change the value of the hedged item (as in the case of micro hedging), but must be stated in this separate asset item. The amount of receivables subject to macro hedging is shown in table 6.2 below.

Valuation income and expenses relating to hedging derivatives and the hedged portfolio are recognised in item 90 of the income statement "Net profit (loss) from hedging".

The fair value of the aforementioned hedging derivatives is shown, based on the sign, in tables 5.2 of Assets or 4.2 of Liabilities, both referred to as "Hedging derivatives: breakdown by hedged portfolio and type of hedge", in the column "Macro Hedging".

6.2 Assets subject to macro hedging of interest rate risk

	31/12/2024	31/12/2023
1. Financial assets measured at amortised cost	1,247,978	1,018,103
2. Financial assets measured at fair value through other comprehensive income		
3. Portfolio		
Total	1,247,978	1,018,103

The table shows the value at amortised cost of both the fixed-rate mortgages on which the Group has hedged its rate risk and the floating-rate mortgages for which, upon payment of an increase on the spread, the customer is guaranteed that the rate of the loan will never exceed the contractually established rate (Cap) included in the item "Financial assets measured at amortised cost - Loans to customers".

The sum of this value and that shown in table 5.2 shows the carrying amount of these receivables, adjusted for the profit or loss attributable to the hedged risk.

Section 7 - Equity investments - item 70

7.1 Equity investments: information on equity investments

Company names	Registered office	Operational office	Type of relationship	Shareholding relationship		Availability of votes %
				Investing company	Stake %	
A. Undertakings controlled jointly						
B. Undertakings subject to significant influence						
1. Autosystem S.p.A.	Trento	Pordenone	8	CR Bolzano S.p.A.	25.00%	25.00%
2. Acirent S.r.l.	Udine	Udine	8	Civibank S.p.A.	30.00%	30.00%
3. Helpline S.p.A.	Cividale del Friuli (UD)	Cividale del Friuli (UD)	8	Civibank S.p.A.	30.00%	30.00%
4. Civiesco S.r.l.	Udine	Udine	8	Civibank S.p.A.	20.00%	20.00%

Key:
7 = joint control
8 = associate

7.2 Significant equity investments: carrying amount, fair value and dividends received

Company names	Carrying amount	Fair value	Dividends received
A. Undertakings controlled jointly			
B. Undertakings subject to significant influence			
1. Autosystem S.p.A.	7,978		
2. Acirent S.r.l.	548		
3. Helpline S.p.A.	1,722		
4. Civiesco S.r.l.	18		
Total	10,266	-	-

7.3 Significant equity investments: accounting information

	Company names	Cash and cash equivalents	Financial assets	Non-financial assets	Financial liabilities	Non-financial liabilities	Total revenues	Net interest income	Net value adjustments/write-backs to property, plant and equipment and intangible assets	Profit (loss) from current operations before tax	Profit (loss) from current operations after tax	Profit (loss) from discontinued operations after tax	Profit (loss) for the year (1)	Other income components net of taxes (2)	Comprehensive income (3) = (1) +(2)
A. Undertakings controlled jointly															
B. Undertakings subject to significant influence															
1.	Autosystem S.p.A.	X	13,187	1,258	66,441	1,961	53,052	X	X	805	395	-	395	-	395
2.	Civiesco	X	2,275	680	4,082	(1,127)	985	X	X	57	(940)	-	(940)	-	(940)
3.	Help Line	X	1,324	12,199	411	13,112	27,680	X	X	1,358	979	-	979	-	979
4.	Acirent S.p.A.	X	1,533	5,994	4,680	2,847	4,217	X	X	386	367	-	367	-	367

The data in this table refers to the last available economic and equity position of the investee company, *i.e.*, at 31 December 2024 for Autosystem società di servizi S.p.A. and at 31 December 2023 for the others.

7.5 Equity investments: annual changes

	Total 31/12/2024	Total 31/12/2023
A. Opening balance	10,167	9,505
B. Increases	99	663
B.1 Purchases	-	-
- of which business combinations	-	-
B.2 Write-backs	-	-
B.3 Revaluations	-	-
B.4 Other changes	99	663
C. Decreases	-	-
C.1 Sales	-	-
- of which business combinations	-	-
C.2 Value adjustments	-	-
C.3 Write-downs	-	-
C.4 Other changes	-	-
D. Closing balance	10,266	10,167
E. Total revaluations	-	-
F. Total adjustments	-	-

The amount shown in point B.4 of this table is attributable to the portion of the net profit realised by the company Autosystem società di servizi S.p.A. at 31 December 2024 which is included in the carrying amount as this, on the other hand, has been consolidated according to the equity method.

7.7 Commitments referring to equity investments in subsidiaries subject to joint control

At the reporting date, there are no commitments of the Group relating to equity investments in subsidiaries.

7.8 Commitments referring to equity investments in companies subject to significant influence

At the reporting date, there are no commitments of the Group relating to equity investments in companies subject to significant influence.

Section 9 - Property, plant and equipment - Item 90

9.1 Property, plant and equipment for business use: breakdown of assets measured at cost

Assets/Values	Total 31/12/2024	Total 31/12/2023
1. Owned assets	42,070	78,246
a) land	287	6,267
b) buildings	7,747	41,107
c) furniture	24,099	22,605
d) electronic systems	9,937	8,267
e) other	-	-
2. Rights of use acquired through leases	24,938	28,696
a) land	-	-
b) buildings	23,045	26,770
c) furniture	-	-
d) electronic systems	-	-
e) other	1,893	1,926
Total	67,008	106,942
of which: obtained through the enforcement of guarantees received	-	-

This table includes the information relating to the Rights of use acquired through leases, in accordance with the provisions of IFRS 16, which entered into force as from 01/01/2019, according to which property, plant and equipment include rights of use relating to buildings and/or other assets for which there is a lease agreement.

It should also be noted that, starting from 2014, the Group revalued the properties used for business use previously measured at cost.

Assets recorded under property, plant and equipment held for business use are depreciated over the useful life of the asset determined as follows:

Property for business use measured at cost	33 years and 4 months
Buildings - costs for leasehold improvements:	duration of the lease
Furniture - office equipment and machinery:	3 years
Furniture - hardware:	5 years
Furniture - ATMs	8 years
Furniture - cars/means of transport:	3 years
Furniture - furnishings:	6 years and 8 months
Furniture - office furniture:	8 years and 4 months
Plants - cabling:	4 years
Plants - telephone:	5 years
Plants - equipment:	6 years and 8 months
Plants - active safety:	3 years and 4 months
Plants - other:	13 years and 4 months

9.3 Property, plant and equipment for business use: breakdown of revalued assets

Assets/Values	Total 31/12/2024			Total 31/12/2023		
	L1	L2	L3	L1	L2	L3
1. Owned assets	-	-	207,022	-	-	163,992
a) land	-	-	50,780	-	-	47,895
b) buildings	-	-	156,242	-	-	116,097
c) furniture	-	-	-	-	-	-
d) electronic systems	-	-	-	-	-	-
e) other	-	-	-	-	-	-
2. Rights of use acquired through leases	-	-	-	-	-	-
a) land	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-
c) furniture	-	-	-	-	-	-
d) electronic systems	-	-	-	-	-	-
e) other	-	-	-	-	-	-
Total	-	-	207,022	-	-	163,992
of which: obtained through the enforcement of guarantees received	-	-	-	-	-	-

As indicated at the bottom of the previous table, as from the recognition at 31 December 2014, the properties used by the Group, previously measured at cost (Cost Model), are measured using the Revaluation Model system provided for by IAS 16.

The application of this method involves the recognition of the properties at a value equal to their fair value, netted in subsequent years of the effects of the depreciation of said value. IAS 16 requires that the frequency of revaluations depends on fluctuations in the fair value of the revalued property, plant and equipment. When the fair value of the revalued asset differs materially from its carrying amount, a further revaluation is required. Frequent revaluations are not required for property, plant and equipment that have only insignificant fluctuations in their fair value. It may then only be necessary to reassess the asset every three to five years.

At the time of the valuation of the assets at 31 December 2023, the fair value of the properties for business use owned by the Group was restated by an external independent appraiser.

In the absence of further significant deviations in the fair value of the property, plant and equipment classified herein, no restatement was made as at 31 December 2024.

9.4 Property, plant and equipment held for investment purposes: breakdown of assets measured at fair value

Assets/Values	Total 31/12/2024			Total 31/12/2023		
	L1	L2	L3	L1	L2	L3
1. Owned assets	-	-	140,770	-	-	143,671
a) land	-	-	-	-	-	2,430
b) buildings	-	-	140,770	-	-	141,241
2. Rights of use acquired through leases	-	-	-	-	-	-
a) land	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-
Total	-	-	140,770	-	-	143,671
of which: obtained through the enforcement of guarantees received	-	-	-	-	-	-

The deviation of the fair value amounts shown in the table is reconstructed in table 9.7 below.

ASSESSMENT PROCESS OF THE PROPERTY ASSETS OWNED BY THE GROUP

The fair value of investment property is calculated by independent external appraisers (ref. company Punto RE), with recognised professional expertise and who have built recent experience in the type of property, by location and category, subject to valuation.

Owned assets assessment process

The Independent Appraiser, as part of the process for the appraisal of owned assets, has mainly used the valuation criterion based on the Comparative Approach (Market Approach), the Income Approach and the Transformation Approach.

The main elements identifying the valuation methods used are described below:

- Comparative Approach (or Market Approach): is based on the comparison between the property and other comparable assets with it, recently bought/sold or currently offered on the same market or on competing markets;
- Income Approach (Direct Capitalisation): is based on the determination of the market value of the unit by converting into a hypothetical value the annual income, deriving from existing leases or by default from estimated market rents (ERV) by means of a time correction factor better known as the capitalisation rate or Cap Rate representing the average ordinary yield required by operators in the real estate market of reference.
- Financial Approach (DCFA - Discount Cash Flow Analysis): is based on the determination of the market value of the unit by converting the net cash flows expected over a well-defined time horizon into a hypothesis of present value through a Discount Rate that represents, in percentage terms, the risk linked to the fact that the aforementioned cash flows are generated by the asset in question.

- Transformation Approach: is based on the discounting, at the valuation date, of the cash flows generated by the real estate transaction over the period of time corresponding to its duration. This method can be associated with a financial valuation model (discounting of cash flows) based on a development project defined in terms of building quantities, intended use, transformation costs and sustainable revenues. In other words, a cost/revenue analysis is used to identify the Market Value of the property under investigation;
- Cost Approach: is based on the cost that would be incurred to replace the property in question with a new asset with the same characteristics and usefulness as the property itself. This cost must be decreased in consideration of the various depreciation factors deriving from the conditions observed: utility, state of use, functional obsolescence, useful life, residual life, etc. compared to new assets of the same type.

Properties in the process of being developed have been valued on the basis of the actual progress of the building works (construction sites at an advanced stage of completion) by means of a specific analysis of the value potential expressed by them at the end of the works in progress (ref. "Transformation Approach").

It should be noted that with regard to properties undergoing transformation for which a preliminary contract has been entered into, the Company evaluates the property using the sale price agreed between the parties less the transaction costs and, if the property is in a state of transformation and the sale takes place when the interventions are completed, also reducing the final costs.

Valuation technique and main unobservable inputs

The valuation technique used to measure the fair value of investment property and the main non-observable input data used in the valuation models is illustrated below.

Transformation Approach

With regard to properties subject to transformation/enhancement, the market value of the property complex was obtained using the Transformation Method and therefore considering the projection of both the revenues from the sale of the property units and all the cost items involved in the transformation of the asset.

With reference to the category of the costs, by way of example and not limited to, construction costs, urban planning expenses, design / technical expenses, property taxation, insurance, sales fees, etc. are included.

The projections were made in current currency and in particular, the revenues and costs reported relating to real estate development were considered.

All cash flows generated are discounted at the current time with an appropriate discount rate.

The construction of the discount rate was obtained analytically or through the Build-up Approach, which allows the breakdown of the rate according to the individual components of the real estate risk or through WACC (Weighted Average Cost of Capital) considering the component deriving from Own Funds (40%) and by Third Parties (60%).

The interest rate component relating to Own Equity was obtained by considering percentage shares relating to Government Bonds (10-year Btp), Inflation, Illiquidity Risk, Initiative Risk and Urban Planning Risk.

The interest rate component relating to Third Party Equity was obtained by considering percentage shares relating to 6-month Euribor, Inflation, Spread.

The level of the discount rate is inferred from the current average conditions of the economic and financial context of the capital market (rates applied for real estate transactions), considering the real yield of low-risk, medium-long term financial assets, to which an upward or downward adjustment component was applied to take into account the characteristics of the asset.

The adjustment components used concern the risks linked to illiquidity, the characteristics of the initiative (size, type, intended use) and the urban planning situation. The adjustment components used, due to the way the discount rate is structured (with the promoter's profit being separated out as a cost item) can generally range from 0% to 5%; the value chosen depends on the risks inherent in the specific real estate transaction, where 0% represents the zero risk, while 5% represents the maximum risk. The choice of the value linked to the individual risk also depends on the current situation of the local real estate market and the presence (and therefore also on the consequent performance) of comparable real estate initiatives.

9.6 Property, plant and equipment for business use: annual changes

	Land	Buildings	Furniture	Electronic systems	Other	Total
A. Opening gross balance	54,163	245,520	94,126	42,901	3,645	440,354
A.1 Total net impairment losses	-	(61,547)	(71,521)	(34,634)	(1,718)	(169,420)
A.2 Net opening balance	54,163	183,973	22,605	8,267	1,926	270,934
B. Increases:	-	38,120	6,940	3,911	997	49,968
B.1 Purchases	-	5,673	5,318	3,911	-	14,902
- of which business combinations	-	-	-	-	-	-
B.2 Capitalised improvement expenses	-	5,035	-	-	-	5,035
B.3 Write-backs	-	-	-	-	-	-
B.4 Positive changes in fair value charged to	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
B.5 Exchange gains	-	-	-	-	-	-
B.6 Transfers from properties held for investment purposes	-	-	X	X	X	-
B.7 Other changes	-	27,412	1,622	-	997	30,031
C. Decreases:	3,096	35,059	5,443	2,243	1,031	46,872
C.1 Sales	-	-	146	-	-	146
- of which business combinations	-	-	-	-	-	-
C.2 Amortisation and depreciation	-	11,149	5,292	1,447	884	18,772
C.3 Impairment losses recognised to	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.4 Negative changes in fair value charged to	21	564	-	-	-	585
a) shareholders' equity	-	-	-	-	-	-
b) income statement	21	564	-	-	-	585
C.5 Exchange losses	-	-	-	-	-	-
C.6 Transfers to:	-	-	-	-	-	-
a) property, plant and equipment held for investment purposes	-	-	X	X	X	-
b) non-current assets and groups of assets held for sale	-	-	-	-	-	-
C.7 Other changes	3,075	23,347	5	796	147	27,370
D. Net closing balance	51,067	187,034	24,102	9,934	1,893	274,030
D.1 Total net impairment losses	-	(43,176)	(76,327)	(35,988)	(2,030)	(157,521)
D.2 Gross closing balance	51,067	230,211	100,429	45,923	3,923	431,551
E. Measurement at cost	-	-	-	-	-	-

For the asset classes "Land" and "Buildings", both cost and revalued value are used as measurement criteria; see tables 9.1 and 9.3 above for the relevant opening and closing balances.

Since 2014, the Group has revalued the properties for business use by applying the Revaluation Model provided for in IAS 16. "Gross closing balance" includes advances paid by the Parent Bank and the subsidiary Banca di Cividale, for an overall amount of Euro 5,325 thousand, referring to the acquisition of various assets, for which the depreciation process has not yet begun.

The gross closing balance and the related impairment losses recognised in items D.1 and D.2 are not reflected in the changes for the period of the various asset classes due to the presentation of the derecognition of the value of discontinued assets at net values.

The amount in line B.2 is attributable to the capitalisation of costs for the year for the renovation of leased properties used as branches.

The "other changes" in lines B.7 and C.7 show any advances on restructuring paid in previous years and allocated to the correct asset category on completion of the works in the year ended 31 December 2024, as well as the gains/losses on disposal as per table 20.1 of the income statement.

9.7 Property, plant and equipment held for investment purposes: annual changes

	Total	
	Land	Buildings
A. Opening balance	2,430	141,241
B. Increases	-	9,325
B.1 Purchases	-	85
- of which business combinations	-	-
B.2 Capitalised improvement expenses	-	1,256
B.3 Positive changes in fair value	-	222
B.4 Write-backs	-	-
B.5 Exchange gains	-	-
B.6 Transfers from properties for business use	-	-
B.7 Other changes	-	7,761
C. Decreases	2,430	9,795
C.1 Sales	-	280
- of which business combinations	-	-
C.2 Amortisation and depreciation	-	-
C.3 Negative changes in fair value	15	125
C.4 Impairment losses	-	-
C.5 Exchange losses	-	-
C.6 Transfers to:	-	-
a) properties for business use	-	-
b) non-current assets and groups of assets held for sale	-	-
C.7 Other changes	2,415	9,390
D. Closing balance	-	140,770
E. Fair value measurement	-	-

9.9 Commitments for the purchase of property, plant and equipment

At the reporting date, there are no significant commitments of the Group for the purchase of property, plant and equipment, with the exception of the costs already expected in the plan for the restructuring of existing branches.

Section 10 - Intangible assets - Item 100

10.1 Intangible assets: breakdown by type of asset

Assets/Values	Total 31/12/2024		Total 31/12/2023	
	Definite life	Indefinite life	Definite life	Indefinite life
A.1 Goodwill	X	214	X	214
A.1.1 attributable to the group	X	214	X	214
A.1.2 attributable to minority interests	X	-	X	-
A.2 Other intangible assets	34,110	850	28,992	850
of which: software	29,411	-	23,871	-
A.2.1 Assets measured at cost:	34,110	850	28,992	850
a) Intangible assets generated internally	-	-	-	-
b) Other assets	34,110	850	28,992	850
A.2.2 Assets measured at fair value:	-	-	-	-
a) Intangible assets generated internally	-	-	-	-
b) Other assets	-	-	-	-
Total	34,110	1,064	28,992	1,064

Assets generated internally are not recorded.

The amount of intangible assets with a definite life is broken down as follows:

- costs for software for Euro 29,476 thousand with a definite useful life of 4 years. This residual carrying amount will be amortised in the amount of Euro 7,510, 5,827, 3,744 and 864 thousand in the years 2025, 2026, 2027 e 2028; the item also includes advances of Euro 11,531 thousand paid for the acquisition of assets that have not yet been amortised.

The amount of Assets with "indefinite life" under item A.2.1 b) is attributable to the capitalisation of construction rights (building rights) associated with the sale of a portion of property held as investment by the Group.

The amount of Euro 214 thousand recorded under item A.1 Goodwill, as an intangible asset with an indefinite useful life, refers to the acquisition by the subsidiary Sparim, of the controlling interest in Sparkasse Energy Srl, and determined as the difference between the acquisition price and the net equity of the acquired company, after the "Purchase price allocation" activities required by IFRS 3.

10.2 Intangible assets: annual changes

	Goodwill	Other intangible assets: generated internally		Other intangible assets: other		Total
		DEF	INDEF	DEF	INDEF	
A. Opening balance	214	-	-	72,009	850	73,073
A.1 Total net impairment losses	-	-	-	(43,016)	-	(43,016)
A.2 Net opening balance	214	-	-	28,993	850	30,057
B. Increases	-	-	-	14,165	-	14,165
B.1 Purchases	-	-	-	14,165	-	14,165
- of which business combinations	-	-	-	-	-	-
B.2 Increases in internal intangible assets	X	-	-	-	-	-
B.3 Write-backs	X	-	-	-	-	-
B.4 Positive changes in fair value	-	-	-	-	-	-
- to shareholders' equity	X	-	-	-	-	-
- to the income statement	X	-	-	-	-	-
B.5 Exchange gains	-	-	-	-	-	-
B.6 Other changes	-	-	-	-	-	-
C. Decreases	-	-	-	9,048	-	9,048
C.1 Sales	-	-	-	-	-	-
- of which business combinations	-	-	-	-	-	-
C.2 Value adjustments	-	-	-	8,727	-	8,727
- Amortisation and depreciation	X	-	-	8,727	-	8,727
- Write-downs	-	-	-	-	-	-
+ shareholders' equity	X	-	-	-	-	-
+ income statement	-	-	-	-	-	-
C.3 Negative changes in fair value:	-	-	-	-	-	-
- to shareholders' equity	X	-	-	-	-	-
- to the income statement	X	-	-	-	-	-
C.4 Transfers to non-current assets held for sale	-	-	-	-	-	-
C.5 Exchange losses	-	-	-	-	-	-
C.6 Other changes	-	-	-	321	-	321
D. Net closing balance	214	-	-	34,110	850	35,174
D.1 Total net value adjustments	-	-	-	(51,744)	-	(51,744)
E. Gross closing balance	214	-	-	85,854	850	86,918
F. Measurement at cost	-	-	-	-	-	-

All intangible assets recognised in the financial statements are measured at cost.

Section 11 - Tax assets and liabilities - Item 110 of assets and Item 60 of liabilities

Current tax assets

There are current tax assets of Euro 46,217 thousand, mainly for IRES and IRAP receivables and receivables from the conversion of taxable DTAs.

With reference to tax credits, it should be noted that their recognition is justified by the forecast of the realisation by the Banks and the Group of future taxable income against which they can be used.

Current taxes are determined by applying the IRES rate of 27.5% and the IRAP rate of 4.64% and 4.65% (respectively for Cassa di Risparmio di Bolzano and for CiviBank) to the respective taxable amounts as a result of the weighting between the IRAP rates applicable not only in the province of Bolzano but also in the province of Trento and in the regions of Veneto, Lombardy and Friuli Venezia Giulia where the two Banks' branches operate, based on the market shares of customer deposits. With reference to the Group company Sparim, the IRES and IRAP rates applied are 24.0% and 3.3%, respectively.

Deferred taxes are also determined by applying the IRES rate of 27.5% and the IRAP rate of 4.64% and 4.65% to the respective taxable amount. With reference to Sparim, it should be noted that the Provincial Council of Bolzano, also in the 2024 Budget Law, reduced the IRAP rate from 3.90% to 3.30% for the 2024 tax period. Deferred taxation was determined by applying the IRES rate of 24% and maintaining the IRAP rate of 3.90%.

In this regard, it should be noted that the 2016 Stability Law provided for the reduction of the IRES rate to 24%, with effect from the tax periods subsequent to the one in progress at 31 December 2016. However, this provision does not apply to credit institutions, which are required to increase the tax at a reduced rate of 3.5 percentage points. The surcharge, which negatively affects the tax burden of banks, was in any case also envisaged with the aim of not excessively penalising the banking system, effectively neutralizing the negative effect that the reduction in rate would have had on the large stocks of DTAs resulting from the deferred deductibility of write-downs and losses on receivables.

Please note that the ACE relief, governed by Article 1 of Decree-Law No. 201/2011 and Ministerial Decree of 3.8.2017, was repealed by Article 5 of Legislative Decree No. 216 of 30.12.2023 with effect from the tax period following the one in progress as at 31 December 2023; the law does not affect the possibility of using the surpluses recognised at the end of the financial year in progress as at 31 December 2023, with no time limit.

Current tax liabilities

At the reporting date, "Current tax liabilities" amounted to Euro 9,533 thousand and refer to the IRES tax payable from consolidation and IRAP 2024 of the various companies included in the statutory consolidation.

Details on the breakdown and change in the year of "Deferred tax assets" and "Deferred tax liabilities" are shown in the following tables.

11.1 Deferred tax assets: breakdown

	Taxable amount	Taxes
Value adjustments to loans to customers, deductible on a straight-line basis in the ten years following their recognition in the income statement	131,323	28,528
IRES tax loss	42,139	13,548
Allocation to the provision for risks on endorsement loans	12,697	3,492
Allocations not deducted from the Pension Fund	614	75
Other allocations to the provisions for risks and charges (revocation actions, lawsuits, deferred charges for staff not defined contractually, solidarity fund and sundry risks)	14,537	4,471
Redemption of goodwill of Millennium SIM S.p.A.	1,512	243
Goodwill from acquisition of the Banca Sella business unit	4,608	1,481
Other expenses with deferred deductibility	10,695	3,444
Measurement of financial assets and derivative instruments	7,272	978
Adjustments to property, plant and equipment and intangible assets	61,389	16,945
Write-down of IAS/IFRS receivables	42,176	12,561
Other IAS/IFRS adjustments	19,036	6,051
Total	347,998	91,817

The amount of taxes indicated in the table refers to IRES for Euro 82,387 thousand and to IRAP for Euro 9,430 thousand.

"Convertible" Deferred Tax Assets

The balance of deferred tax assets at 31 December 2024 includes Euro 28,770 thousand of convertible DTAs, already net of the reversal portion set for 2024.

Article 2, paragraphs 55 to 58, of Decree Law no. 225 of 29 December 2010, converted, with amendments, by Law no. 10, of 26 February 2011, introduced the regulation of the tax credit deriving from the transformation of deferred tax assets ("DTA") recognised in the financial statements, relating to the write-downs and losses on deductible receivables pursuant to Article 106, paragraph 3, of the Italian Consolidated Law on Income Tax (TUIR) and relating to the value of goodwill and other intangible assets whose negative components are deductible for income tax purposes in several tax periods.

Subsequently, Article 9 of Decree Law no. 201 of 6 December 2011 ("Monti decree"), converted with amendments by Law no. 214 of 22 December 2011, made changes to the rules on the transformation of DTAs into tax credits, extending their scope and modifying the way in which the tax credit can be used compared to the original wording of the rule.

On 3 May 2016, the new decree law on banks was published in the Official Gazette (Decree Law no. 59/2016), converted by Law no. 119 of 30.06.2016, which introduced, among other things, changes to the regime for converting deferred tax assets into tax credits by the stakeholders (mainly credit institutions). In order to keep the conversion mechanism in place, the banks were required to pay an annual fee of 1.5% on the difference between the amount of the convertible deferred tax assets (increased by the taxes already converted) at 31.12.2015 and the taxes paid (IRES, IRAP) in the period between 2008 and 2015 (possibly increased for payments in subsequent periods). If the taxes paid exceeded the DTAs recorded in the financial statements (and those already converted), nothing was due. Vice versa, in order to continue to benefit from the tax relief pursuant to Article 2, paragraphs 55 to 57, of Decree Law no. 225/2010, the parties were required to exercise a special option by paying the new annual fee on the differences until 31 December 2029. If the option had not been exercised, for the purpose of regulatory provisions, the deferred tax assets under Law no. 214/2011 should have been treated as the other DTAs and therefore, among other things, deducted from own funds. The payment of the fee was an indispensable condition for the European Commission not to consider the DTA scheme as "State aid". The Parent Bank decided to maintain the transformation method.

Finally, it should be noted that in sequence, first the 2019 Budget Law and then the 2020 Budget Law, by amending Article 16, paragraphs 3 - 4 and 8 - 9 of Decree Law no. 83 of 27 June 2015, provided that the deduction of the portions of taxable DTAs on the amount of losses and write-downs on loans, for IRES and IRAP purposes, for credit and financial institutions and insurance undertakings in relation to previous tax periods, would be deferred and reformulated with reference to the reversal mechanism, providing for the first portion of deductibility for the 2020 tax period.

Subsequently, during the first part of 2022, the Government presented an amendment to the draft conversion law of Italian Decree Law no. 17/2022, which provided for the deferral of the deductibility envisaged for 2022 of the 12% share of negative components (write-downs and losses on receivables) pursuant to paragraphs 4 and 9 of Article 16 of Italian Decree Law no. 83 of 27 June 2015. This deferral replaces, without impact on public accounts, the one envisaged in Article 42, paragraph 1, of Italian Decree Law no. 17/2022, which referred to the deductibility of a 12% share in relation to 2021. In this way, the regulatory amendment avoided retroactive effects on the financial statements for the year 2021 and on other documents with external validity referring to 2021, already prepared or in the process of being drafted by the parties concerned by the deferral.

The deferral of the deductibility of a 12% share is recovered, on a straight-line basis, over the following 4 years.

In order to ensure the financial neutrality of the amendment, it is envisaged that the deductibility of 10% of the negative components envisaged for 2026 is brought forward to 2022 for a portion equal to 5.3%.

Finally, grafting on the complex regulatory framework outlined above, Article 1, paragraphs 14 - 15 of Law No. 207/2024 (Budget Law 2025) provides for the deferral, in constant instalments:

- to the tax period in progress on 31.12.2026 and the three following tax periods (from 2026 and to 2029 for taxpayers with a calendar tax year), of the 11% deduction provided for the tax period in progress on 31.12.2025;
- to the tax period in progress until 31.12.2027 and the two following tax periods (from 2027 and to 2029 for taxpayers with a calendar tax year), of the deduction of the 4.7% portion provided for the tax period in progress until 31.12.2026.

The obligation to recalculate the IRES and IRAP advances relating to the tax periods affected by the amendments remains unaffected.

Recognition of DTAs and tax credits – probability test

It should be noted that with respect to both the DTAs recognised and the tax credits present as at 31 December 2024, the recognition is justified by the forecast of the realisation by the Banks and the Group of future taxable income against which they may be offset. In this regard, it should be noted that a probability test was performed with specific reference to the recovery of past losses realised by the subsidiary CiviBank.

Cassa di Risparmio di Bolzano S.p.A. tax audit

During 2023, the Parent Bank was subject to a tax audit by the Revenue Agency of the Provincial Directorate of Bolzano (AdE) in relation to Direct taxes, VAT and other taxes for the tax years from 2018 to 2021.

At the end of the audit, on 13 December 2023, a Report on Findings was notified containing remarks relating to the years 2020 and 2021.

The remarks contained in the Report on Finding refer to the following cases:

1. approach adopted by the Parent Bank in the financial years 2020 and 2021 for the purposes of sterilising decreases in value adjustments on loans the Deferred Tax Assets of which were converted into tax credits in previous years;
2. taxation of some income components deriving from UCITS units, for IRAP purposes in 2020.

With reference to the case referred to in point 2. above, it should be noted that in numerical terms the amount subject to dispute is not significant.

With regard to point 1., the Parent Bank considers that the approach proposed by the Revenue Agency, in contrast to what the latter has done, is unprecedented and not in line with the albeit limited interpretative notions available on the subject, and has therefore taken action in the context of the contradictory procedure with the Agency itself in order to achieve the total cancellation of the finding.

On 19 November 2024, Cassa di Risparmio di Bolzano filed an application for assessment with the Provincial Directorate of Bolzano. As a result of this request, on 5 December 2024, the Parent Bank received five notices to appear (of which, three for the tax year 2020 and two for the tax year 2021).

Lastly, we inform you that on 8 January 2025, the first meeting was held before the Provincial Directorate of Bolzano, where the points contained in the aforementioned Reports on Findings (PVCs) were discussed.

11.2 Deferred tax liabilities: breakdown

	Taxable amount	Taxes
Capital gains from disposal of property, plant and equipment	-	-
Capital gains from disposal of financial fixed assets	-	-
Deferred taxation on deferred tax reserves	-	-
Membership fees	-	-
Deferred taxation on reversal of IFRS 16 intra-group effects	-	-
Deferred taxation on FITD intervention Voluntary securitisation scheme	-	-
IAS adjustments to property, plant and equipment and intangible assets	25,554	8,081
Measurement of financial assets and derivative instruments	13,748	886
Capital gains on equity investments		-
PPA goodwill, former Banca Sella business unit	11,160	3,588
Other	373	102
Total	50,835	12,657

The amount of taxes indicated in the table refers to IRES for Euro 10,565 thousand and to IRAP for Euro 2,092 thousand.

11.3 Changes in deferred tax assets (with balancing entry in the income statement)

	Total 31/12/2024	Total 31/12/2023
1. Opening amount	121,813	163,135
2. Increases	16,070	10,939
2.1 Deferred tax assets recognised during the year	15,749	10,939
a) relating to previous years	-	-
b) due to changes in accounting policies	-	-
c) write-backs	-	-
d) other	15,749	10,939
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	321	-
3. Decreases	(52,304)	(52,261)
3.1 Deferred tax assets derecognised during the year	(47,330)	(44,435)
a) reversals	(47,330)	(44,435)
b) write-downs due to non-recoverability	-	-
c) change in accounting policies	-	-
d) other	-	-
3.2 Reductions in tax rates	-	-
3.3 Other decreases:	(4,974)	(7,827)
a) transformation into tax credits pursuant to Law 214/2011	(2,066)	(7,493)
b) other	(2,908)	(334)
4. Closing amount	85,578	121,813

11.4 Changes in deferred tax assets pursuant to Law 214/2011

	Total 31/12/2024	Total 31/12/2023
1. Opening amount	58,554	93,138
2. Increases	-	-
3. Decreases	20,561	34,584
3.1 Reversals	20,561	22,131
3.2 Transformation into tax credits	-	4,533
a) deriving from losses for the year	-	2,990
b) deriving from tax losses	-	1,543
3.3 Other decreases	-	7,920
4. Closing amount	37,993	58,554

11.5 Changes in deferred tax liabilities (with balancing entry in the income statement)

	Total 31/12/2024	Total 31/12/2023
1. Opening amount	4,856	4,996
2. Increases	2,770	96
2.1 Deferred tax liabilities recognised during the year	2,770	39
a) relating to previous years	-	-
b) due to changes in accounting policies	-	-
c) other	2,770	39
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	56
3. Decreases	(2,909)	(236)
3.1 Deferred tax liabilities derecognised during the year	(252)	(236)
a) reversals	(252)	(236)
b) due to changes in accounting policies	-	-
c) other	-	-
3.2 Reductions in tax rates	-	-
3.3 Other decreases	(2,656)	-
4. Closing amount	4,717	4,856

11.6 Changes in deferred tax assets (with balancing entry to shareholders' equity)

	Total 31/12/2024	Total 31/12/2023
1. Opening amount	9,041	12,332
2. Increases	812	2,094
2.1 Deferred tax assets recognised during the year	812	2,094
a) relating to previous years	-	-
b) due to changes in accounting policies	-	-
c) other	812	2,094
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	(3,614)	(5,385)
3.1 Deferred tax assets derecognised during the year	(1,535)	(5,372)
a) reversals	(1,535)	(5,372)
b) write-downs due to non-recoverability	-	-
c) due to changes in accounting policies	-	-
d) other	-	-
3.2 Reductions in tax rates	-	-
3.3 Other decreases	(2,078)	(14)
4. Closing amount	6,239	9,041

11.7 Changes in deferred tax liabilities (with balancing entry to shareholders' equity)

	Total 31/12/2024	Total 31/12/2023
1. Opening amount	7,944	1,855
2. Increases	309	7,532
2.1 Deferred tax liabilities recognised during the year	309	7,520
a) relating to previous years	-	-
b) due to changes in accounting policies	-	-
c) other	309	7,520
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	11
3. Decreases	(314)	(1,443)
3.1 Deferred tax liabilities derecognised during the year	(314)	(1,443)
a) reversals	(314)	(1,443)
b) due to changes in accounting policies	-	-
c) other	-	-
3.2 Reductions in tax rates	-	-
3.3 Other decreases	-	-
4. Closing amount	7,940	7,944

11.8 Other information

Tax situation

Please note that as of FY 2023, a VAT Group has been established pursuant to Articles 70-bis to 70-duodecies of Presidential Decree No. 633 of 26 October 1972 and the related implementing Ministerial Decree of 06 April 2018, with validity for the three-year period 2023-2025 and possibility of subsequent extension.

It should be noted that the Parent Bank Cassa di Risparmio di Bolzano acts as the VAT Group Representative, while the following companies are members: Banca di Cividale S.p.A., Sparim S.p.a., Sparkasse Haus S.r.l. and SPK OBG S.r.l..

In this regard, we would like to inform you that, following the acquisition of the 100% equity interest in Sparkasse Energy S.r.l. by Sparim S.p.a. on 03 July 2023 and the liquidation of the company Sparkasse Haus S.r.l. on 01 January 2025, the following changes will take place in the corporate scope of the Cassa di Risparmio di Bolzano VAT Group:

- compulsory inclusion in the VAT Group of the company Sparkasse Energy S.r.l. following the recurrence of the regulatory constraints provided for by Article 70-ter of Presidential Decree 633/72 as of 01 January 2025;

- compulsory exclusion from the VAT Group of the company Sparkasse Haus S.r.l. following the ordinary liquidation scheduled for 01 January 2025, which will result in immediate exclusion ex lege from the scope of the VAT Group.

Furthermore, the Parent Bank participates, together with the subsidiaries Banca di Cividale S.p.A., Sparim S.p.A. and Sparkasse Haus S.r.l., in the "National tax consolidation", which will automatically renew at the end of the three-year period. Please be informed that from FY 2025 the company Sparkasse Haus S.r.l. will be compulsorily excluded from the National Consolidation Act as a result of its going into ordinary liquidation as of 01 January 2025.

With reference to the terms set forth for the assessment, it is specified that paragraphs 130, 131 and 132 of the 2016 Stability Law (Law 208/2015) have reformed the two parallel reference regulations: Article 57 of Presidential Decree 633/1972 and Article 43 of Presidential Decree 600/1973. The ordinary deadline for the notification of adjustment notices and assessment notices becomes 31 December of the fifth year following the year in which the declaration was submitted, and no longer the fourth. The extension of the deadline was also provided for in cases of omitted declaration and null declaration, moving from 31 December of the fifth year following the year in which the declaration should have been submitted to 31 December of the seventh year following the year in which the declaration should have been submitted.

The new provisions apply to assessment and adjustment notices relating to the 2016 tax period and subsequent ones. For the above-mentioned documents valid until 2015, on the other hand, the notification must be made, under penalty of forfeiture, in accordance with the previous regime, i.e. "*by 31 December of the fourth year following the year in which the declaration was submitted or, in cases of omitted declaration or of null declaration, by 31 December of the fifth year following the year in which the declaration should have been submitted*".

The aforementioned Articles 43 and 57, in the version prior to Law No. 208/2015, provide that, in the case of violations involving tax offences (i.e., those covered by Legislative Decree No. 74/2000), the deadlines of the fourth and fifth year following the submitted or omitted declaration are doubled with respect to the tax period in which the violation was committed; however, this doubling does not apply if the report by the tax authorities, including the Guardia di Finanza, is submitted or transmitted after the ordinary expiry of the above-mentioned deadlines. As of the year 2016 (statement to be submitted in 2017), the doubling of time limits for criminal violations was repealed.

The ordinary rules for the forfeiture of taxation power was changed during the Covid-19 emergency period: the "Cura Italia" Decree-Law (No. 18 of 17 March 2020) gave more time to tax authorities to carry out the assessment activities. In particular, the suspension of the terms was established for 85 days, in the period from 8 March 2020 to 31 May 2020. This led to the postponement of the forfeiture terms, for a corresponding period. The result is that the forfeiture term for the deeds expiring on 31 December 2020 was postponed to 26 March 2021, while, for the years from 2016 onwards, the same deferral of the forfeiture terms applies: the extension to 26 March (or on the 25th, for leap years) applies for all the years when the control activity was in progress or could be carried out in the period 8 March-31 May 2020. Therefore, the notification of assessment notices for the 2018 tax period, which must be served by 31 December 2024, must take into account the aforementioned extension set during the pandemic period.

Section 12 - Non-current assets and groups of assets held for sale and associated liabilities - Item 120 of assets and item 70 of liabilities

12.1 Non-current assets and groups of assets held for sale: breakdown by type of asset

	Total 31/12/2024	Total 31/12/2023
A. Assets held for sale		
A.1 Financial assets	6,687	-
A.2 Equity investments	-	-
A.3 Property, plant and equipment	-	5
of which: obtained through the enforcement of guarantees received	-	-
A.4 Intangible assets	-	-
A.5 Other non-current assets	-	17
Total (A)	6,687	22
of which measured 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	6,687	22
B. Discontinued operations		
B.1 Financial assets measured at fair value through profit or loss	-	-
- financial assets held for trading	-	-
- financial assets designated 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 amortised cost	46	108
B.4 Equity investments	-	-
B.5 Property, plant and equipment	-	-
of which: obtained through the enforcement of guarantees received	-	-
B.6 Intangible assets	-	-
B.7 Other assets	366	958
Total (B)	411	1,066
of which measured at cost	366	958
of which measured at fair value level 1	-	-
of which measured at fair value level 2	-	-
of which measured at fair value level 3	46	108
C. Liabilities associated with assets held for sale		
C.1 Payables	-	-
C.2 Securities	-	-
C.3 Other liabilities	-	(22)
Total (C)	-	(22)
of which measured at cost	-	(22)
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 amortised cost	-	-
D.2 Financial liabilities held for trading	-	-
D.3 Financial liabilities designated at fair value	-	-
D.4 Provisions	(455)	(388)
D.5 Other liabilities	(72)	(92)
Total (D)	(527)	(480)
of which measured at cost	(527)	(480)
of which measured at fair value level 1	-	-
of which measured at fair value level 2	-	-
of which measured at fair value level 3	-	-

The values recorded under item A.1 Financial Assets, refer to certain non-performing loan exposures of both Group banks, for which a binding offer of sale has already been signed, and the value shown coincides with the presumed realisable value, adjusted for any cash flows arising between the cut-off date of the transaction and the settlement date of the transaction.

The figures shown in Table 12.1 refer to the reclassification of the assets and liabilities of Raetia SGR S.p.A. in liquidation.

12.2 Other information

With reference to the equity investment in Raetia SGR S.p.A. in liquidation, it should be noted that although it falls within the scope of consolidation, the total Assets and Liabilities as well as the income statement results were respectively classified under the items "Non-current assets and groups of assets held for sale", "Liabilities associated with assets held for sale" and "Gains (losses) from groups of assets held for sale" for their carrying amount after the entries of elimination and consolidation as a company in liquidation.

Section 13 - Other assets - item 130

13.1 Other assets: breakdown

	31/12/2024	31/12/2023
Tax credits	208,365	241,342
- Tax credits for purchased "eco-bonus" and "seismic bonus"	208,119	230,316
- Interest portion	-	49
- Principal portion	246	10,977
Receivables from tax authorities for advances paid	21,217	6,278
Withholding taxes incurred	2,232	1,233
Items in progress	97,698	161,999
- utilities to be charged to customers	58,520	67,631
- current account cheques	4,981	8,975
- other	34,197	85,393
Pensions fund investment management account, Sec. A/A1	74	58
Receivables from special purpose vehicles, Italian Law 130	104,519	91,194
Sundry assets and receivables	96,496	88,430
Total	530,600	592,165

Total Other Assets decreased by Euro 61.6 million. The main changes are represented by i) the reduction of tax credits from ecobonus (energy efficiency improvement bonus) and sismabonus (seismic renovation bonus) purchased by the Group's two Banks by virtue of the provisions of the "Relaunch Decree" of July 2020, which has introduced this tax relief for taxpayers, who are given, among other things, the possibility of assigning their tax credit accrued on building renovation works for the purpose of both energy efficiency and seismic protection for an amount of (Euro -21.2 million); these credits are stated at their amortised cost; ii) the increase in credits due from the tax authorities for advances paid (Euro +14.9 million), partly offset by the reduction in the principal portion of tax credits (Euro -10.7 million); iii) by the items in progress, which decreased by a total of Euro 64.3 million iv) by the increase in credits from securitisation special purpose vehicles in accordance with Law No. 130 in the amount of Euro 13.3 million, an item that includes cash flows to and from SPV Fanes, SPK OBG SPV and Civitas SPV, the latter being a vehicle of the subsidiary Banca di Cividale.

The item "Pensions fund investment management account, Sec. A/A1" includes the liquidity of the fund and the actuarial adjustments of the mathematical reserve recalculated from year to year against the valuation of the residual payable to members, determined by actuarial estimates.

Liabilities

Section 1 - Financial liabilities measured at amortised cost - item 10

1.1 Financial liabilities measured at amortised cost: breakdown by type of due to banks

Type of transactions/Values	Total 31/12/2024				Total 31/12/2023			
	CA	Fair value			CA	Fair value		
		L1	L2	L3		L1	L2	L3
1. Due to central banks	702,762	X	X	X	2,754,935	X	X	X
2. Due to banks	691,812	X	X	X	554,469	X	X	X
2.1 Current accounts and demand deposits	24,259	X	X	X	15,883	X	X	X
2.2 Term deposits	35,470	X	X	X	72,454	X	X	X
2.3 Loans	630,541	X	X	X	464,144	X	X	X
2.3.1 Repurchase agreements	338,001	X	X	X	206,559	X	X	X
2.3.2 Other	292,540	X	X	X	257,585	X	X	X
2.4 Payables for commitments to repurchase own equity instruments	-	X	X	X	-	X	X	X
2.5 Lease payables	1,542	X	X	X	1,988	X	X	X
2.6 Other payables	-	X	X	X	-	X	X	X
Total	1,394,574	-	-	1,403,127	3,309,404	-	-	3,353,095

The item "Due to central banks" refers to Open Market Operations (OMA), offered by the European Central Bank against the provision of related guarantees. During the year 2024, the Parent Bank repaid, as planned, the loans at their natural maturity totalling Euro 2,150 million and all of the TLTRO-III type, *i.e.*, Euro 480 million in March, Euro 200 million in June, Euro 700 million in September and Euro 770 million in December, with the consequent return to the Bank of the deposited guarantees. Since then, the Parent Bank has not resorted to the various types of loans offered by the European Central Bank.

The subsidiary CiviBank also repaid the outstanding TLTRO-III loans in the year 2024, amounting to Euro 474 million, at their natural maturity, more specifically, Euro 99 million in March and Euro 375 million in September. At year-end, outstanding refinancing operations included an LTRO maturing on 26 March 2025 for an amount of Euro 650 million, and an MRO maturing on 8 January 2025 for an amount of Euro 50 million.

The item "Loans" refers entirely to the amount of funding obtained by the European Investment Bank for the refinancing of specific SME projects.

In consideration of the prevailing short-term duration of due to banks, the related fair value is conventionally taken to be equal to the carrying amount.

1.2 Financial liabilities measured at amortised cost: breakdown by type of due to customers

Type of transactions/Values	Total 31/12/2024				Total 31/12/2023			
	CA	Fair value			CA	Fair value		
		L1	L2	L3		L1	L2	L3
1. Current accounts and demand deposits	8,701,350	X	X	X	8,305,769	X	X	X
2. Term deposits	2,004,356	X	X	X	2,257,149	X	X	X
3. Loans	460,248	X	X	X	621,078	X	X	X
3.1 Repurchase agreements	429,094	X	X	X	592,818	X	X	X
3.2 Other	31,153	X	X	X	28,259	X	X	X
4. Payables for commitments to repurchase own equity instruments	-	X	X	X	-	X	X	X
5. Lease payables	24,856	X	X	X	28,147	X	X	X
6. Other payables	513,281	X	X	X	561,069	X	X	X
Total	11,704,091	-	-	11,776,231	11,773,212	-	-	11,835,416

The overall comparison figure between the amounts at the end of the period and the figures at the end of the previous year shows a slight decrease of Euro 69.1 million (-0.6%).

Item 3.1 includes the amounts of loans payable (Classic Repo) made on the MTS Repo platform both by the Parent Bank in the amount of Euro 255.4 million and by the subsidiary CiviBank in the amount of a further Euro 173.7 million. At the end of the 2023 financial year, this type of funding amounted to Euro 592.8 million, and thus recorded a decrease of Euro 163.7 million, replaced by repurchase transactions with underlying guaranteed bonds of own issuance, which are therefore shown under "Securities issued" in Table 1.3 below.

The item "Loans - Other" mainly refers to the amount of funding obtained in several tranches from Cassa Depositi e Prestiti to be used for the subsequent subsidised financing to SMEs.

Point 5. Lease payables, effective 01.01.2019, include amounts arising from leases subject to IFRS 16, according to which, when a right to use an asset is recognised as an asset, the discounted amount of the lease payments contractually agreed must be recognised as a liability.

The item "Other payables" refers to the funding from "third-party funds under administration" related to the subsequent disbursement of loans to customers by virtue of agreements entered into with Public Administration entities (Regions, Provinces and Municipalities) for an amount of Euro 52.4 million managed by the Parent Bank and a further Euro 397.1 million managed by the subsidiary CiviBank.

This item also includes the payable to the special purpose entity of the self-securitisation called "Fanes 4" against the sale on the market of the senior notes of the same securitisation, carried out by the Parent Bank in 2019, for a residual amount, at 31 December 2024, of Euro 2.9 million. Finally, it includes the debt to investors of a synthetic securitisation transaction set up by the Parent Bank at the end of 2023, in the amount of Euro 59.7 million.

In consideration of the prevailing short-term duration of due to customers, the related fair value is conventionally taken to be equal to the carrying amount.

1.3 Financial liabilities measured at amortised cost: breakdown by type of securities issued

Type of securities/Values	Total 31/12/2024				Total 31/12/2023			
	CA	Fair value			CA	Fair value		
		L1	L2	L3		L1	L2	L3
A. Securities								
1. bonds	690,465	-	711,051	-	428,809	-	429,620	-
1.1 structured	-	-	-	-	-	-	-	-
1.2 other	690,465	-	711,051	-	428,809	-	429,620	-
2. other securities	-	-	-	-	-	-	-	-
2.1 structured	-	-	-	-	-	-	-	-
2.2 other	-	-	-	-	-	-	-	-
Total	690,465	-	711,051	-	428,809	-	429,620	-

The item "Bonds" recorded an increase of Euro 261.7 million, attributable to certain "long term repo" transactions with underlying bonds issued by the Parent Bank, which, based on the provisions of Circular No. 272 of the Bank of Italy, must be reported and accounted for not as repurchase agreements, but as a new placement on the market of own securities previously repurchased, with a commitment to repay at the transaction's maturity. This technical form of funding amounted to Euro 627.2 million as at 31 December 2024, compared to Euro 350.2 million at the end of 2023.

Net of these repo transactions, the bonds issued decreased by Euro 5 million due to the natural maturity at the end of the loan of a lower Tier II subordinated bond.

Included in the above table is the issue of an additional subordinated bond with a nominal value of Euro 37 million.

It should be noted that the bonds used as underlying assets for the above-mentioned long term repo transactions refer to three Covered Bond issues from Sparkasse and fully withheld, amounting to Euro 300 million, Euro 250 million and another Euro 250 million, respectively.

There were no repurchases of the remaining bonds issued.

1.3.1 Due to customers subject to micro hedging

This table is not shown since neither in the year ended 31 December 2024 nor in the previous year were there any due to customers that were micro hedged.

1.4 Details of payables/subordinated securities

The class 2 subordinated bonds issued by the Parent Bank consist of Lower Tier II subordinated liabilities issued on 3 October 2022 with a nominal amount of Euro 37 million.

It should be noted that on 29 December 2024, a EUR 5 million subordinated LT2 loan was repaid.

Details of subordinated liabilities outstanding at 31 December 2024 are provided below (amounts in euro):

ISIN	Nom. amount in euro	Carrying amount	Date of issue	Expiry date	Interest rate
IT0005509960	37,000,000	37,574,812	03/10/2022	03/10/2032	Fixed rate at 6.50% until 03.10.2027; for the next 5 years, the 5-year Eur mid-swap rate increased by the initial margin of 399.3 bps.

There are no repurchases in ownership of these subordinated bond issues.

Securities issued subject to micro hedging

At 31 December 2024 and at the end of the previous year, there were no outstanding bond issues and/or certificates of deposit whose interest rate risk was hedged with specific derivative instruments and accounted for in accordance with the fair value hedging rules set out in IAS 39.

Section 2 - Financial liabilities held for trading - item 20

2.1 Financial liabilities held for trading: breakdown by type

Type of transactions/Values	Total 31/12/2024					Total 31/12/2023				
	NV	Fair value			Fair value *	NV	Fair value			Fair value *
		L1	L2	L3			L1	L2	L3	
A. On-balance sheet liabilities										
1. Due to banks	-	-	-	-	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-	-	-	-	-
3. Debt securities	-	-	-	-	-	-	-	-	-	-
3.1 Bonds	-	-	-	-	-	-	-	-	-	-
3.1.1 Structured	-	-	-	-	X	-	-	-	-	X
3.1.2 Other bonds	-	-	-	-	X	-	-	-	-	X
3.2 Other securities	-	-	-	-	-	-	-	-	-	-
3.2.1 Structured	-	-	-	-	X	-	-	-	-	X
3.2.2 Other	-	-	-	-	X	-	-	-	-	X
Total (A)	-	-	-	-	-	-	-	-	-	-
B. Derivative instruments										
1. Financial derivatives	-	-	551	-	-	-	-	431	-	-
1.1 Trading	X	-	551	-	X	X	-	431	-	X
1.2 Related to the fair value option	X	-	-	-	X	X	-	-	-	X
1.3 Other	X	-	-	-	X	X	-	-	-	X
2. Credit derivatives	-	-	-	-	-	-	-	-	-	-
2.1 Trading	X	-	-	-	X	X	-	-	-	X
2.2 Related to the fair value option	X	-	-	-	X	X	-	-	-	X
2.3 Other	X	-	-	-	X	X	-	-	-	X
Total (B)	X	-	551	-	X	X	-	431	-	X
Total (A+B)	X	-	551	-	X	X	-	431	-	X

Key:
NV = nominal or notional value
L1 = Level 1
L2 = Level 2
L3 = Level 3
Fair value* = fair value calculated by excluding the changes in value due to the change in the creditworthiness of the issuer with respect to the issue date

The trading financial derivatives in this table refer to the fair value of foreign currency commitments held by the two Banks of the Group at the end of the period.

Section 3 - Financial liabilities designated at fair value - Item 30

This table is not reported as at 31 December 2024 and 31 December 2023, the Group had no financial liabilities designated at fair value, as a result of the application of the fair value option exercisable on bonds issued and whose interest rate risk is hedged by derivative contracts.

Section 4 - Hedging derivatives - item 40

4.1 Hedging derivatives: breakdown by type of hedge and by level

	Fair value 31/12/2024			NV	Fair value 31/12/2023			NV
	L1	L2	L3	31/12/2024	L1	L2	L3	31/12/2023
A. Financial derivatives	-	30,576	-	764,713	-	24,566	-	499,702
1) Fair value	-	30,576	-	764,713	-	24,566	-	499,702
2) Cash flows	-	-	-	-	-	-	-	-
3) Foreign investments	-	-	-	-	-	-	-	-
B. Credit derivatives	-	-	-	-	-	-	-	-
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	-	30,576	-	764,713	-	24,566	-	499,702

This table shows the negative fair values of hedging derivatives.

4.2 Hedging derivatives: breakdown by hedged portfolio and type of hedge

Transactions/Type of hedge	Fair value							Cash flows		Foreign investments
	Micro						Macro	Micro	Macro	
	debt securities and interest rates	equity securities and equity indices	currencies and gold	credit	goods	other				
1. Financial assets measured at fair value through other comprehensive income	-	-	-	-	X	X	X	-	X	X
2. Financial assets measured at amortised cost	2,092	X	-	-	X	X	X	-	X	X
3. Portfolio	X	X	X	X	X	X	28,484	X	-	X
4. Other transactions	-	-	-	-	-	-	X	-	X	-
Total Assets	2,092	-	-	-	-	-	28,484	-	-	-
1. Financial liabilities	-	X	-	-	-	-	X	-	X	X
2. Portfolio	X	X	X	X	X	X	-	X	-	X
Total Liabilities	-	-	-	-	-	-	-	-	-	-
1. Expected transactions	X	X	X	X	X	X	X	-	X	X
2. Portfolio of financial assets and liabilities	X	X	X	X	X	X	-	X	-	-

Section 6 - Tax liabilities — Item 60

Information on "Tax liabilities" is provided in section 11 of Assets together with "Tax assets".

Section 7 - Liabilities associated with assets held for sale - Item 70

The information on the data regarding "Liabilities associated with assets held for sale" is provided in section 12 of the Assets together with that of "Non-current assets and groups of assets held for sale and associated liabilities".

Section 8 - Other liabilities - Item 80

8.1 Other liabilities: breakdown

	31/12/2024	31/12/2023
Payables to tax authorities	17,750	25,793
Social security contributions to be paid	4,664	5,041
Amounts to be paid to tax authorities on behalf of third parties	26,261	18,387
Amounts due to third parties	6,066	4,529
Suppliers - invoices to be paid/received	40,914	39,425
Items in progress	54,088	83,062
- Bank transfers	37,174	62,855
- Other	16,914	20,207
Currency spreads on portfolio transactions	129,851	145,334
Employee deferred charges, withholdings to be paid	14,247	3,208
Sundry liabilities and payables	66,490	55,483
Total	360,330	380,262

The item "Other liabilities" decreased by Euro 19.9 million (-5.2%) compared to the previous financial year.

The most significant changes are recorded in the item "Payables to Tax Authorities" with a decrease related to indirect tax payments totalling Euro -8.0 million, partly offset by the increase in amounts due to the tax authorities on behalf of third parties, which corresponds to Euro +7.9 million.

There was a sharp reduction in the item "Items in progress", mainly due to the reclassification of transitional accounts relating to bank transfers and interbank clearing accounts back to their original items, thanks to careful management of transit items. The item "Currency spreads on portfolio transactions" also recorded a decrease of about Euro 15.4 million. This item mainly includes "assignor" accounts as well as bills, documents, and similar items credited subject to collection in current accounts.

Section 9 - Employee severance indemnity - Item 90

9.1 Employee severance indemnity: annual changes

	Total 31/12/2024	Total 31/12/2023
A. Opening balance	2,474	3,339
B. Increases	7,255	6,553
B.1 Allocations for the year	7,210	6,367
B.2 Other changes	44	186
- of which business combinations	-	-
C. Decreases	(7,868)	(7,419)
C.1 Payments made	(632)	(673)
C.2 Other changes	(7,236)	(6,746)
- of which business combinations	-	-
D. Closing balance	1,861	2,474
Total	1,861	2,474

The balance of the item is attributable to the portions of the employee severance indemnity relating to:

- staff acquired with the Kärntner Sparkasse Italia business unit for Euro 42 thousand;
- staff acquired with the former Banca Sella business unit, for Euro 112 thousand;
- to the employees of the consolidated Sparim, in the amount of EUR 38 thousand;
- to employees of the consolidated CiviBank in the amount of Euro 1,702 thousand.

These shares are intended for the moment to remain within Cassa di Risparmio di Bolzano for the first three points outlined above and within CiviBank for the part pertaining to them.

The regulations of the Pension Fund "Section B" for current staff, on the other hand, allow members, including those with fixed-term contracts, to allocate the portions of employee severance indemnity accrued to said Pension Fund. At 31.12.2024, this treatment is still reserved only to employees of the Cassa di Risparmio di Bolzano Group in its configuration prior to the entry of CiviBank.

The allocation for the year to employee severance indemnity (line B.1) is therefore recorded in the income statement (see table 10.1 below of the income statement "Personnel expenses") net of transfers to the defined contribution pension fund (Section B) included in line C.2.

Section 10 - Provisions for risks and charges - item 100

10.1 Provisions for risks and charges: breakdown

Items/Components	Total 31/12/2024	Total 31/12/2023
1. Provisions for credit risk relating to commitments and financial guarantees issued	14,692	17,724
2. Provisions for other commitments and other guarantees issued	-	2,496
3. Company pension funds	36,203	39,552
4. Other provisions for risks and charges	20,084	35,296
4.1 legal and tax disputes	6,404	5,784
4.2 staff expenses	11,365	22,378
4.3 other	2,316	7,134
Total	70,979	95,068

The balance of the item "Company pension funds" refers to the amounts of the internal supplementary pension fund to the Parent Bank, as regards the defined benefit portion. In this respect, see paragraph 10.5 below.

The "Provision for legal disputes" includes the allocations for any possible lawsuits against the companies of the Group.

To this end, it should be noted that, with reference to the claims for compensation for damages made by third parties against Raetia SGR S.p.A. in liquidation, and in the alternative to the Parent Bank as the claimant responsible for the management and coordination activities exercised against the same SGR, allocations were made in the presence of events deemed possible, but with an amount that cannot be reliably estimated, based on legal opinions obtained from the subsidiary.

The "Provision for staff expenses" includes the allocation for the seniority bonus to staff, a lump-sum allocation for the productivity bonus under the national labour agreement and, to a residual extent, deferred charges to be paid to staff. In addition to these items, following the agreement signed with the trade unions relating to the solidarity fund on 27 December 2022, the "slip" manoeuvre, an amount equal to Euro 18.5 million was allocated, consisting of Euro 12.2 million for Parent Bank's employees who will accrue the right to a pension in the 2023-2028 period and who will leave their jobs earlier than the retirement age and Euro 6.3 million for the employees of Banca di Cividale. This amount was adjusted in the course of 2023 on the basis of new estimates and the number of claimants, and became final in 2024, the year in which it was therefore reclassified under “Other liabilities” as it had become a certain liability. As at 31 December 2024, this amounted to Euro 7.2 million for the Parent Bank and Euro 3.6 million for CiviBank, while at the end of 2023 it amounted to Euro 9.3 million and Euro 4.7 million, respectively, and was represented in the table above.

Among other provisions, the allocation to the provision for "Risks related to the operations carried out by the Bank and the Group" amounted to Euro 1,954 thousand, and refers to operational risks associated with the two Banks’ financial brokerage activities as well as the real estate development and brokerage activities of the Sparim Group company.

This amount includes:

- a residual amount equal to Euro 7 thousand, against possible future legal expenses deriving from proceedings connected with financial intermediation activities;
- a residual amount of Euro 49 thousand, against possible grievances and/or lawsuits related to the "Lexitor ruling", estimated on the basis of the early repayments of consumer loans in the period 2013-2022, for which the expenses relating to the period when they no longer used the loan could have been repaid to subscribers; during 2024, the fund was used for an amount of Euro 41 thousand against refunds made by the bank;

- a residual amount of Euro 8 thousand, linked to the completed transparency inspection; the amount of reimbursements to be paid to customers has already been defined in the last few months of 2022 and credited in the first quarter of 2023;
- a residual amount of Euro 160 thousand for possible settlements against grievances and summons filed by the shareholders who had subscribed to the capital increases of the Parent Bank in 2008 and 2012. However, to date, there are no elements or information that would allow additional provisions to be made or justified;
- an amount of Euro 250 thousand as a provision for a variable price component linked to the sale of a property located in Corvara in Badia by the real estate company Sparim;
- an amount equal to Euro 1,026 thousand related to the risks of higher charges that could occur in relation to the significant real estate development activities that the Sparim company is carrying out on some real estate complexes purchased for development and subsequent sale purposes.

An additional amount of Euro 349 thousand was recognised for potential CiviBank lawsuits noted by the Parent Bank as part of the Purchase Price Allocation (PPA) process.

With regard to the allocations made by the subsidiary Banca di Cividale, the provisions for risks and charges include, among others:

- "legal disputes" which mainly refers to risks related to the Bank's financial intermediation activities. The main items relate to (i) investment services in the amount of Euro 298 thousand, (ii) banking services and bankruptcy revocation actions in the amount of Euro 811 thousand, and (iii) grievances and summonses in the amount of EUR 372 thousand;
- "other provisions for risks and charges" which includes a provision of Euro 77.8 thousand, against possible grievances and/or lawsuits related to the "Lexitor ruling", estimated on the basis of the early repayments of consumer loans in the period 2013-2022, for which the expenses relating to the period when they no longer used the loan could have been repaid to subscribers.

10.2 Provisions for risks and charges: annual changes

	Provisions for other commitments and other guarantees issued	Pension funds	Other provisions for risks and charges	Total
A. Opening balance	-	39,552	35,297	74,848
B. Increases	-	2,246	12,261	14,507
B.1 Allocation for the year	-	-	12,223	12,223
B.2 Changes due to the passage of time	-	-	-	-
B.3 Changes due to changes in the discount rate	-	-	-	-
B.4 Other changes	-	2,246	37	2,283
- of which business combinations	-	-	-	-
C. Decreases	-	5,595	27,473	33,068
C.1 Use during the year	-	5,595	20,306	25,900
C.2 Changes due to changes in the discount rate	-	-	-	-
C.3 Other changes	-	-	7,168	7,168
- of which business combinations	-	-	-	-
D. Closing balance	-	36,203	20,084	56,287

With the introduction of the IFRS 9 accounting standard, effective 01.01.2018, the guarantee margins and endorsement loans were also subject to allocation.

10.3 Provisions for credit risk related to commitments and financial guarantees issued

	Provisions for credit risk relating to commitments and financial guarantees issued				
	First stage	Second stage	Third stage	Purchased or originated impaired	Total
Commitments to disburse funds	662	1,193	-	-	1,855
Financial guarantees issued	345	999	11,493	-	12,837
Total	1,007	2,192	11,493	-	14,692

10.5 Company's defined benefit pension funds

10.5.1 Explanation of the characteristics of the funds and related risks

The defined benefit pension fund consists of two sections (Sections A and A1), both in the disbursement phase, which guarantee to retired members a supplementary treatment of the gross benefits provided by INPS.

As from 1 April 2003, a separate asset was set up in debt securities and UCITS for the investment of the liquidity generated by the fund. The positions of the members are managed in individual accounts in the name of the single members.

In relation to the incorporation, in 1999, of Credito Fondiario Bolzano S.p.A., an additional defined benefit fund was added to the internal fund regarding the retired employees of the former Credito Fondiario Trentino-Alto Adige S.p.A., which guarantees to the same, for the portion pertaining to Cassa di Risparmio di Bolzano (50%), a supplementary treatment of the mandatory pension.

For both funds, the liability deriving from the benefits due to the members of the funds is measured on the basis of an independent actuarial appraisal in order to determine the technical reserves to be allocated to cover future pension benefits.

10.5.2 Changes during the year in net defined benefit liabilities (assets) and reimbursement rights

	Pension Fund Sec. A/A1	Pension Fund Former Credito Fondiario Bolzano	Total
Balance at 31/12/2023	39,127	425	39,552
Revenues			
Allocation of gross return on investment	2,190	-	2,190
Adjustment of expected/actual return difference	-	-	-
Adjustment of actuarial estimates	-	56	56
Acquisition from other funds	-	-	-
Other revenues	-	-	-
Total revenues	2,190	56	2,246
Expenses			
Pensions paid	(3,908)	(79)	(3,987)
Allocation of gross investment loss	-	-	-
Adjustment of expected/actual return difference	-	-	-
Adjustment of actuarial estimates	(1,607)	-	(1,607)
Other expenses	-	-	-
Total expenses	(5,515)	(79)	(5,595)
Balance at 31/12/2024	35,802	401	36,203

10.5.3. Information on the fair value of plan assets

The table below shows the changes in the exercise of the plan assets; the financial assets constituting "plan assets" present in the portfolio of the Pension Fund (Sections A and A1) are all included in levels 1 and 2 of the fair value hierarchy, since these are securities contributed for IAS purposes.

	Debt securities	UCITS units	Total
Opening balance	34,262	6,754	41,016
B. Increases	23,392	845	24,237
B.1 Purchases	22,181	-	22,181
B.2 Positive changes in fair value	851	845	1,695
B.3 Other changes	361	-	361
C. Decreases	(27,605)	-	(27,605)
C.1 Sales	(26,423)	-	(26,423)
C.2 Refunds	(807)	-	(807)
C.3 Negative changes in fair value	(8)	-	(8)
C.4 Other changes	(367)	-	(367)
D. Closing balance	30,049	7,598	37,647

The financial statements include assets and liabilities referring to the defined benefit pension fund (Sections A and A1), which can be summarised as follows:

	31/12/2024
Assets	
Investments in securities	(37,647)
Investments in liquidity	(74)
Adjustment for actuarial estimates	-
Tax credit	(77)
Total Assets	(37,797)
Liabilities	
Pension Fund	35,802
Payables to tax authorities for substitute tax	388
Other liabilities of financial management	1,607
Total Liabilities	37,797

10.5.4 Description of the main actuarial assumptions

The actuarial valuation of the Mathematical Reserve of the Pension Fund (Sections A and A1) was carried out by adopting the following demographic and economic-financial assumptions:

a) Demographic assumptions: for the probabilities of death, those relating to the Italian population as measured by ISTAT, broken down by gender;

b) Economic and financial assumptions: the valuations are made on the basis of the following assumptions:

- annual discount rate of 1.50% and
- annual inflation rate, for the indexation of the benefits of the FUND and INPS, for which reference was made to the "Economic and Financial Document 2023 - Update Note" approved by the Council of Ministers on 27 September 2023, which provides for an annual rate of 2% for 2025 and 2.1% for 2026. Because of this update, it was assumed that a flat rate of 2.1%, also on an annual basis, would be adopted from 2027.

10.6 Provisions for risks and charges - other provisions

	31/12/2024	31/12/2023
Legal disputes		
Foreseeable liabilities, determined analytically and with the support of the Group's lawyers, in respect of pending judicial and out-of-court actions in which the Group is a taxable person	5,939	7,251
Indemnity in lieu of notice	139	-
Hedging of risks deriving from revocation actions	326	429
Total Provisions for legal disputes	6,404	7,680
Staff expenses		
"Deferred charges" to be paid to Staff in the next year	10,092	7,203
Charges relating to staff seniority bonus	1,273	1,160
Charges related to the "slip manoeuvre"	-	14,015
Total Provisions for staff expenses	11,365	22,379
Other		
Operational risks related to financial brokerage activities carried out by the Bank	1,955	4,688
Coverage of the risk of death/disability of members of the Pension Fund Section B	300	300
Commitments to Equitalia S.p.A. (Article 11 Sale agreement)	61	250
Total "Sundry" provisions	2,316	5,238
Total Other Provisions	20,084	35,297

The amounts allocated were not discounted as the time element of the financial regulation is either not significant or the date of commitment of the resources cannot be reliably estimated.

Section 13 - Shareholders' equity - Items 120, 130, 140, 150, 160, 170 and 180

For information on the qualitative nature and composition of the Group's equity, please refer to the following "Information on consolidated shareholders' equity".

13.1 "Capital" and "Treasury shares": breakdown

The item "Capital" consists of 59,940,038 ordinary shares with a par value of Euro 7.70 each, broken down as follows:

no.	30,000,000	shares pertaining to the contribution made in 1992 (Law 218/90);
no.	2,500,000	shares relating to the capital increase carried out in 1994;
no.	3,500,000	shares deriving from the conversion of the bond issued in 1994, fully subscribed in 1997 by the Bayerische Landesbank of Munich;
no.	4,500,000	shares relating to the capital increase carried out on 21 December 2012;
no.	20,452,013	shares relating to the capital increase carried out on 18 December 2015.
no.	(1,011,975)	shares cancelled following an application sent to the Bank of Italy on 22 December 2023 and subsequently supplemented in substance by communications dated 7 and 11 March 2024, concerning the request for the cancellation of treasury shares held in the portfolio.

It should be noted that starting from 7 August 2015, in execution of the resolution passed by the Extraordinary Shareholders' Meeting of 28 April 2015, the split of the shares of Cassa di Risparmio S.p.A. was launched in a ratio of 1:10 (ten new shares for an old share). The allotment date for the new securities was set for 26 August 2015.

In connection with this split transaction, the number of shares of the first four transactions described above is multiplied by ten.

The nominal amount of Euro 7.70 derives from the Share Capital increase of Euro 79,200,000, resolved by the Shareholders' Meeting on 27 April 2012, through the use of reserves already established.

The item "Treasury shares", recorded as a reduction of Shareholders' Equity at 31 December 2024, consists of 293,565 ordinary shares of Cassa di Risparmio di Bolzano S.p.A. (held at an average price of Euro 10.362 per share).

By letter dated 4 December 2023 and subsequent additions dated 12.01.2024, 02.02.2024, 12.02.2024 and 07.03.2024, Sparkasse sent, in accordance with Articles 77 and 78 of Regulation (EU) No. 575/2013 (CRR) and Article 29 of Regulation (EU) No. 241/2014, a request to repurchase Common Equity Tier 1 equity instruments (treasury shares) for a maximum amount of Euro 15 million, with the aim of supporting the liquidity of its shares on the market.

In a communication dated 4 April 2024, the Bank of Italy announced that it had authorised the modification of the ceiling. Specifically, the Bank was authorised to partially repurchase treasury shares from the previously authorised amount of Euro 11.15 million (by order dated 11 September 2023) to Euro 15.0 million.

This ceiling is consistently reduced by an amount of Euro 9,867,090.94 against the authorisation for the cancellation of treasury shares held in portfolio received from the Bank of Italy, thus resulting in a total of Euro 5,132,909.06.

On the basis of these authorisations, the Bank repurchased during the financial year 2024 260,931 shares at an average price of Euro 10.548 each and resold 72,930 shares at an average unit price of Euro 10.065. Please note that at the time of the dividend payment in April 2024, Sparkasse offered shareholders the opportunity to receive the dividend in the form of shares at the rate of 1 share for every 43 shares held. In return for this option, the Bank has distributed 55,411 shares.

13.2 Capital - Number of shares of the Parent Bank: annual changes

Items/Types	Ordinary	Other
A. Shares existing at the beginning of the year	59,834,474	-
- fully paid	60,952,013	-
- not fully paid	-	-
A.1 Treasury shares (-)	(1,117,539)	-
A.2 Shares outstanding: opening balance	59,834,474	-
B. Increases	260,931	-
B.1 New issues	-	-
- for a fee:	-	-
- conversion of bonds	-	-
- exercise of warrants	-	-
- other	-	-
- free of charge:	-	-
- in favour of employees	-	-
- in favour of the directors	-	-
- other	-	-
B.2 Sale of treasury shares	-	-
B.3 Other changes	260,931	-
C. Decreases	-	-
C.1 Cancellation	(1,084,905)	-
C.2 Purchase of treasury shares	(1,011,975)	-
C.3 Business units sales	(72,930)	-
C.4 Other changes	-	-
D. Shares outstanding: closing balance	-	-
D.1 Treasury shares (+)	59,646,473	-
D.2 Shares existing at the end of the year	(293,565)	-
- fully paid	59,940,038	-
- not fully paid	-	-

13.4 Profit reserves: other information

	31/12/2024	31/12/2023
1. Legal reserve	73,165	76,142
2. Extraordinary reserve	46,454	38,209
3. Reserve from contribution pursuant to Law 218/90	-	-
4. Reserve pursuant to Article 22 of Legislative Decree 153/99	-	-
5. Merger surplus reserve	13,917	13,917
6. Reserve for the purchase of treasury shares - committed portion	3,055	246
7. Reserve for the purchase of treasury shares - available portion	2,078	10,904
8. Reserves - other	259,814	198,403
Total	398,483	337,821

The item "Reserves - other" refers to the positive and negative reserves related to the effects of the transition to the IAS/IFRS International Accounting Standards. The change compared to the previous period is mainly due to the distribution of the profit for the previous year, not otherwise allocated.

The reserves referred to in points 6 and 7 are established and used in accordance with the resolution of the Ordinary Shareholders' Meeting of 4 April 2024.

Section 14 - Shareholders' equity pertaining to minority interests - Item 190

14.1 Breakdown of item 190 "Shareholders' equity pertaining to minority interests"

	Total 31/12/2024	Total 31/12/2023
Equity investments in consolidated companies with significant minority interests		
1. Banca di Cividale S.p.A.	67,342	65,924
2. Fanes S.r.l.	12	12
3. CIVITAS SPV SRL	12	12
Other equity investments	4	4
Total	67,370	65,952

As at 31 December 2024, minority interests amounted to Euro 67,370 thousand.

The item "Other equity investments" represents the value of the SPK OBG S.r.l. vehicle in which third parties hold a 40% share for a value of Euro 4 thousand.

Other information

1. Commitments and financial guarantees issued other than those designated at fair value

	Nominal amount on commitments and financial guarantees issued				Total 31/12/2024	Total 31/12/2023
	First stage	Second stage	Third stage	Purchased or originated impaired		
1. Commitments to disburse funds	3,133,675	82,627	34,256	-	3,250,558	3,361,340
a) Central Banks	-	-	-	-	-	-
b) Public administrations	289,724	-	-	-	289,724	284,533
c) Banks	6,050	-	-	-	6,050	7,130
d) Other financial companies	169,450	10,323	-	-	179,773	365,321
e) Non-financial companies	2,427,249	63,757	28,854	-	2,519,860	2,488,340
f) Households	241,202	8,547	5,402	-	255,151	216,015
2. Financial guarantees issued	602,116	22,173	14,726	-	639,015	619,228
a) Central Banks	-	-	-	-	-	-
b) Public administrations	3,058	-	-	-	3,058	2,833
c) Banks	2,522	-	-	-	2,522	653
d) Other financial companies	4,758	1,932	-	-	6,690	7,507
e) Non-financial companies	562,149	18,987	14,607	-	595,743	575,453
f) Households	29,630	1,254	119	-	31,004	32,781

Guarantees issued and commitments to disburse funds, shown here net of value adjustments (Euro 14,692 thousand), include net impaired exposures amounting to Euro 37,489 thousand (see table A.1.5 in Section 1 of Part E "Information on risks and related hedging policies).

2. Other commitments and other guarantees issued

	Nominal amount Total 31,122,024	Nominal amount Total 31,122,023
1. Other guarantees issued		
of which: impaired credit exposures	-	-
a) Central Banks	-	-
b) Public administrations	-	-
c) Banks	271	271
d) Other financial companies	-	-
e) Non-financial companies	-	-
f) Households	-	-
2. Other commitments		
of which: impaired credit exposures	-	-
a) Central Banks	-	-
b) Public administrations	-	-
c) Banks	-	-
d) Other financial companies	-	-
e) Non-financial companies	-	-
f) Households	-	-

3. Assets pledged as collateral for own liabilities and commitments

Portfolios	Amount 31/12/2024	Amount 31/12/2023
1. Financial assets measured at fair value through profit or loss	37,647	41,191
2. Financial assets measured at fair value through other comprehensive income	140,728	254,358
3. Financial assets measured at amortised cost	3,505,527	5,898,215
4. Property, plant and equipment	-	-
of which: property, plant and equipment constituting inventories	-	-

The financial assets referred to in point 1. are recognised at their carrying amount and refer to the commitments related to the management of the separate assets in debt securities and UCITS units for the investment of the liquidity generated by the Pension Fund - Sections A-A1.

The financial assets referred to in points 2. and 3. are recorded at their carrying amount and committed as follows:

- for "pooling" transactions at the Bank of Italy for Euro 1,742.5 million;
- by way of additional guarantee against loans taken out with EIB for Euro 365.6 million;
- for classic repo transactions for Euro 493.6 million.

The following amounts are also included in point 3. "Financial assets measured at amortised cost":

- Euro 24,163 thousand relating to the residual debt of the loans to customers, granted on the basis of the agreement entered into with the European Investment Bank (EIB), assigned with recourse to the EIB to guarantee the borrowings contracted by the Bank with the latter;

- Euro 7,062 thousand relating to the residual debt of the loans to customers, disbursed on the basis of the agreement stipulated with Cassa Depositi e Prestiti (CDP), assigned with recourse to the CDP to guarantee the borrowings contracted by the Bank with the latter;

- Euro 953.4 million related to Abaco receivables.

Note also the presence of other assets, which are not recorded in the balance sheet assets, used as collateral to guarantee loans received from the European Central Bank, represented by ABS (*Asset Backed Security*) securities for a nominal amount of Euro 132.0 million deriving from two self-securitisation transactions carried out respectively in 2018 and 2020.

5. Management and brokerage on behalf of third parties

Type of services	Amount
1. Fulfilment of orders on behalf of customers	-
a) purchases	-
1. settled	-
2. unsettled	-
b) sales	-
1. settled	-
2. unsettled	-
2. Portfolio management	171,920
a) individual	171,920
b) collective	-
3. Custody and administration of securities	11,761,048
a) third-party securities on deposit: related to the performance of custodian bank (excluding portfolio management)	-
1. securities issued by the companies included in the scope of consolidation	-
2. other securities	-
b) third-party securities on deposit (excluding portfolio management): others	3,376,696
1. securities issued by the companies included in the scope of consolidation	535,645
2. other securities	2,841,052
c) third-party securities deposited with third parties	3,352,232
d) own securities deposited with third parties	7,200,447
4. Other transactions	2,818,045

The Group's two banks do not perform brokerage services on behalf of third parties.

The amounts in point 3. refer to the nominal amount of the securities.

The other operations referred to in point 4. include:

Type of services	Amount
1. Reception and transmission of orders:	1,253,398
a) purchases	865,616
b) sales	387,782
2. Placing and offering third-party services:	1,564,647
a) purchases	927,562
b) sales	637,085

With reference to the data included in the table, the following is specified:

- The amounts in point 1. above refer to flows in the year relating to order collection and transmission transactions on behalf of customers;
- The amounts in point 2. refer instead to the flows for the financial year in respect of the products placed under asset management.

– Part C

Information on the Consolidated Income Statement

Part C - Information on the Consolidated Income Statement

Section 1 - Interest - Items 10 and 20

1.1 Interest income and similar revenues: breakdown

Items/Technical forms	Debt securities	Loans	Other transactions	Total 31/12/2024	Total 31/12/2023
1. Financial assets measured at fair value through profit or loss:	429	-	195	624	744
1.1 Financial assets held for trading	99	-	195	294	290
1.2 Financial assets designated at fair value	-	-	-	-	-
1.3 Other financial assets mandatorily measured at fair value	330	-	-	330	454
2. Financial assets measured at fair value through other comprehensive income	4,491	-	X	4,491	3,438
3. Financial assets measured at amortised cost:	110,510	430,089	-	540,599	512,386
3.1 Loans to banks	7,317	3,821	X	11,138	12,007
3.2 Loans to customers	103,192	426,269	X	529,461	500,379
4. Hedging derivatives	X	X	15,070	15,070	9,529
5. Other assets	X	X	49,357	49,357	32,294
6. Financial liabilities	X	X	X	-	140
Total	115,430	430,089	64,622	610,141	558,530
of which: interest income on impaired financial assets	-	22,409	-	22,409	7,256
of which: interest income on financial leases	X	19,670	X	19,670	16,848

The amount of Euro 195 thousand in item 1.1 under "Other transactions" refers to the difference between asset and liability differentials generated by the financial derivatives described in Table 2.1 of Assets and 2.1 of Liabilities.

The amount shown in point "4. Hedging derivatives" represent the credit balance between receivables and payables on derivative contracts entered into to hedge against interest rate risk.

Point 5. "Other assets" includes, inter alia, the interest income accrued on demand deposits with the Bank of Italy ("deposit facility") for an amount of Euro 30,191 thousand on deposits opened by Cassa di Risparmio di Bolzano and of Euro 6,076 thousand on the deposits opened by CiviBank, as well as the interest accrued according to the amortised cost method applied to the eco- and earthquake-bonus tax receivables purchased (for an amount of Euro 8,448 thousand for the receivables purchased by Cassa di Risparmio di Bolzano and an additional Euro 2,716 thousand for those purchased by CiviBank).

In general, the trend in interest rates recorded during 2024 brought with it, compared to the values in 2023, a considerable increase in interest income and interest expense.

1.2 Interest income and similar revenues: other information

1.2.1 Interest income on financial assets in foreign currency

	Total 31/12/2024	Total 31/12/2023
Interest income on financial assets in foreign currency	1,468	1,251

The figure of interest income on assets in foreign currency is due in full to interest on current accounts in foreign currency and advances in foreign currency.

1.3 Interest expense and similar charges: breakdown

Items/Technical forms	Payables	Securities	Other transactions	Total 31/12/2024	Total 31/12/2023
1. Financial liabilities measured at amortised cost	(307,992)	(5,843)	X	(313,834)	(256,654)
1.1 Due to central banks	(73,680)	X	X	(73,680)	(98,763)
1.2 Due to banks	(44,729)	X	X	(44,729)	(14,142)
1.3 Due to customers	(189,583)	X	X	(189,583)	(135,077)
1.4 Securities issued	X	(5,843)	X	(5,843)	(8,672)
2. Financial liabilities held for trading	-	-	-	-	(1)
3. Financial liabilities designated at fair value	-	-	-	-	-
4. Other liabilities and provisions	X	X	(258)	(258)	(373)
5. Hedging derivatives	X	X	-	-	-
6. Financial assets	X	X	X	-	-
Total	(307,992)	(5,843)	(258)	(314,092)	(257,030)
of which: interest expense on lease payables	(712)	X	X	(712)	(1,152)

This table shows the reduction in interest paid by the Group on TLTRO III transactions, whose tranches matured in 2024 and are shown under the item "Due to central banks"; the significant increase in the item "Due to banks" is instead attributable to the "long term repo" transactions entered into with banks to partially replace refinancing with the ECB.

There was a significant increase in the cost of direct funding, represented under “Due to customers”, which was affected by the rise in interest rates during 2024, which only saw a slowdown and then a reversal in the second half of the year. Interest expenses of “Securities issued” are largely attributable to other repurchase transactions in which the underlying is represented by own-issued bonds.

With effect from 1 January 2019 following the adoption of the IFRS 16 accounting standard relating to leases, this table shows separately the interest expense relating to the payables recorded in the liabilities as a counter-entry to the rights of use acquired with the lease.

1.4. Interest expense and similar charges: other information

1.4.1 Interest expense on liabilities in foreign currency

	Total 31/12/2024	Total 31/12/2023
Interest expense on liabilities in foreign currency	(628)	(288)

The figure for interest expense on liabilities in foreign currency is attributable to interest paid on customer accounts and relations with banks.

1.5 Spreads relating to hedging transactions

Items	Total 31/12/2024	Total 31/12/2023
A. Positive spreads relating to hedging transactions	41,058	20,231
B. Negative spreads relating to hedging transactions	(25,988)	(10,702)
C. Balance (A-B)	15,070	9,529

This table shows the spreads related to IRS contracts entered into to hedge the interest rate risk of portfolios of fixed-rate mortgages.

Section 2 - Commissions - Items 40 and 50

2.1 Fee and commission income: breakdown

Type of services/Values	Total 31/12/2024	Total 31/12/2023
a) Financial instruments	31,275	28,276
1. Placement of securities	82	-
1.1 With underwriting commitment and/or on the basis of an irrevocable commitment	-	-
1.2 Without irrevocable commitment	82	-
2. Reception and transmission of orders and execution of orders on behalf of clients	2,386	2,090
2.1 Reception and transmission of orders for one or more financial instruments	2,386	2,090
2.2 Fulfilment of orders on behalf of customers	-	-
3. Other commissions referring to activities related to financial instruments	28,806	26,186
of which: trading on own account	27,130	24,139
of which: individual portfolio management	1,676	2,047
b) Corporate Finance	-	-
1. Advisory services on Mergers and Acquisitions	-	-
2. Treasury services	-	-
3. Other commissions associated with corporate finance services	-	-
c) Investment advisory activities	2,979	2,853
d) Clearing and settlement	-	-
e) Collective portfolio management	-	-
f) Custody and administration	490	444
1. Custodian bank	-	-
2. Other fees related to custody and administration activities	490	444
g) Central administrative services for collective portfolio management	-	-
h) Fiduciary activity	-	-
i) Payment services	18,128	20,517
1. Current accounts	921	657
2. Credit cards	3,982	5,737
3. Debit and other payment cards	5,025	5,764
4. Wire transfers and other payment orders	4,760	4,788
5. Other fees related to payment services	3,440	3,571
j) Distribution of third-party services	24,912	25,522
1. Collective portfolio management	-	-
2. Insurance products	18,800	18,097
3. Other products	6,112	7,424
of which: individual portfolio management	38	27
k) Structured finance	5,838	5,389
l) Servicing activities for securitisation transactions	-	-
m) Commitments to disburse funds	14,477	15,316
n) Financial guarantees issued	5,973	5,921
of which: credit derivatives	-	-
o) Financing operations	1,674	1,633
of which: for factoring transactions	-	-
p) Trading in foreign currencies	1,545	1,341
q) Goods	-	-
r) Other fee and commission income	39,472	37,497
of which: for the management of multilateral trading systems	-	-
of which: for the management of organised trading systems	-	-
Total	146,763	144,709

The item fee and commission income recorded an overall increase of Euro 2.1 million, equal to +1.4%. With fee and commission values substantially in line with those of the previous year, there were significant increases in fees and commissions on transactions in financial instruments (Euro +3.0 million) and in other fee and commission income, which included the costs of maintaining and managing current accounts (Euro +2.0 million); there was a slight decrease in fees and commissions collected for the distribution of third-party services (Euro -0.6 million).

With reference to the disclosure pursuant to IFRS 7, paragraph 20, letter c (i), there is no income arising from financial assets or liabilities not designated at fair value through profit or loss.

2.2 Fee and commission expense: breakdown

Type of services/Values	Total 31/12/2024	Total 31/12/2023
a) Financial instruments	(386)	(413)
of which: trading in financial instruments	(330)	(380)
of which: placement of financial instruments	-	-
of which: individual portfolio management	(56)	(32)
- Own	-	-
- Delegated to third parties	(56)	(32)
b) Clearing and settlement	-	-
c) Collective portfolio management	-	-
1. Own	-	-
2. Delegated to third parties	-	-
d) Custody and administration	(722)	(459)
e) Collection and payment services	(6,274)	(7,430)
of which: credit cards, debit cards and other payment cards	(3,388)	(4,460)
f) Servicing activities for securitisation transactions	-	-
g) Commitments to receive funds	-	-
h) Financial guarantees received	(14,381)	(2,514)
of which: credit derivatives	-	-
i) Off-site selling of financial instruments, products and services	-	-
j) Trading in foreign currencies	-	-
k) Fee and commission expense	(5,979)	(2,644)
Total	(27,743)	(13,460)

"Fee and commission expense" increased compared to the previous year's figures by Euro 14,283 thousand; the increase was mainly due to fee and commission expense paid by the Parent Bank against financial guarantees received as part of the synthetic securitisation transaction launched by it in November 2023, which amounted to Euro 10,143 thousand, and to the fees and commissions paid by the two banks as part of the Cronos Vita (formerly Eurovita) transaction by way of servicing fees for Euro 2,016 thousand (represented herein by "Other fee and commission expense", and by way of commission for non-utilisation of the credit line granted by a pool of banks for a further Euro 3,091 thousand.

With reference to the disclosure pursuant to IFRS 7, paragraph 20, letter c (i), there are no expenses arising from financial assets or liabilities not designated at fair value through profit or loss.

Section 3 - Dividends and similar income - Item 70

3.1 Dividends and similar income: breakdown

Items/Income	Total 31/12/2024		Total 31/12/2023	
	Dividends	Similar income	Dividends	Similar income
A. Financial assets held for trading	3	-	21	-
B. Other financial assets mandatorily measured at fair value	-	1,935	-	1,118
C. Financial assets measured at fair value through other comprehensive income	2,105	-	1,163	-
D. Equity investments	-	-	-	-
Total	2,108	1,935	1,184	1,118

Among the financial assets mandatorily measured at fair value, the item "similar income" includes income paid from UCITS units in the portfolio of the Group's two banks.

The item "Financial assets measured at fair value through other comprehensive income" includes dividends received on minority equity investments managed under the "Equity fair value option". Included under this item are the dividends paid to the Parent Bank by the Bank of Italy amounting to Euro 427 thousand, as well as dividends received from equity investments in Funivie Folgarida e Marilleva and Funivie Madonna di Campiglio, amounting to Euro 48 thousand and Euro 224 thousand, respectively. Added to these are dividends received from Banca di Cividale, for a total of Euro 2,059 thousand, including the dividend of Euro 973 thousand paid by the investee Friulia.

This item also includes dividends collected on equity securities, other than minority equity investments, for which the Group has exercised the equity OCI option; in 2024, these dividends amounted to Euro 1 thousand for the sole portion relative to Cassa di Risparmio di Bolzano.

Section 4 - Net profit (loss) from trading - Item 80

4.1 Net profit (loss) from trading: breakdown

Transactions/Income components	Capital gains (A)	Trading profits (B)	Capital losses (C)	Trading losses (D)	Net result [(A+B) - (C+D)]
1. Financial assets held for trading	102	122	(4)	(21)	199
1.1 Debt securities	89	122	(1)	(21)	189
1.2 Equity securities	8	-	(3)	-	4
1.3 UCITS units	5	-	-	-	5
1.4 Loans	-	-	-	-	-
1.5 Other	-	-	-	-	-
2. Financial liabilities held for trading	-	-	-	-	-
2.1 Debt securities	-	-	-	-	-
2.2 Payables	-	-	-	-	-
2.3 Other	-	-	-	-	-
3. Financial assets and liabilities: exchange rate differences	X	X	X	X	2,622
4. Derivative instruments	312	481	(530)	(538)	(246)
4.1 Financial derivatives:	312	481	(530)	(538)	(246)
- On debt securities and interest rates	312	481	(530)	(538)	(275)
- On equity securities and equity indices	-	-	-	-	-
- On currencies and gold	X	X	X	X	29
- Other	-	-	-	-	-
4.2 Credit derivatives	-	-	-	-	-
of which: natural hedges related to the fair value option	X	X	X	X	-
Total	414	603	(534)	(559)	2,575

The item "Financial derivatives" includes the economic results of derivatives listed on regulated markets and included in the trading activities of the Group.

The contribution of the exchange rate differences component, *i.e.*, the gains from currency revaluation, recorded a significant figure of Euro 2,622 thousand.

Section 5 - Net profit (loss) from hedging - Item 90

5.1 Net profit (loss) from hedging: breakdown

Income components/Values	Total 31/12/2024	Total 31/12/2023
A. Income relating to:		
A.1 Fair value hedging derivatives	25,993	14,878
A.2 Hedged financial assets (fair value)	42,664	60,386
A.3 Hedged financial liabilities (fair value)	-	-
A.4 Cash flow hedging derivatives	-	-
A.5 Assets and liabilities in foreign currency	-	-
Total income from hedging (A)	68,657	75,264
B. Charges relating to:		
B.1 Fair value hedging derivatives	(38,032)	(62,199)
B.2 Hedged financial assets (fair value)	(24,974)	(15,940)
B.3 Hedged financial liabilities (fair value)	-	-
B.4 Cash flow hedging derivatives	-	-
B.5 Assets and liabilities in foreign currency	-	-
Total hedging charges (B)	(63,006)	(78,139)
C. Net profit (loss) from hedging (A - B)	5,651	(2,875)
of which: result of hedges on net positions	-	-

This table shows the changes in fair value deriving from the hedging of interest rate risk as part of fair value hedging transactions on portfolios of fixed-rate mortgages that the two banks concluded with external counterparties.

As required by international accounting standards (IAS 39), this item reports changes in the fair value of hedging instruments and hedged items that are within the effectiveness corridor set out by IAS 39 (80-125%).

For the results of the effectiveness tests, please refer to table 5.2 of Part B (Information on the Balance Sheet - Assets).

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Section 6 - Profits (losses) on disposal/repurchase - Item 100

6.1 Profits (losses) on disposal/repurchase: breakdown

Items/Income components	Total 31/12/2024			Total 31/12/2023		
	Profits	Losses	Net result	Profits	Losses	Net result
Financial assets						
1. Financial assets measured at amortised cost	7,534	(6,754)	780	2,474	(4,828)	(2,355)
1.1 Loans to banks	-	-	-	-	-	-
1.2 Loans to customers	7,534	(6,754)	780	2,474	(4,828)	(2,355)
2. Financial assets measured at fair value through other comprehensive income	1,320	(1,319)	1	3,471	(3,469)	2
2.1 Debt securities	1,320	(1,319)	1	3,471	(3,469)	2
2.2 Loans	-	-	-	-	-	-
Total assets (A)	8,854	(8,073)	781	5,945	(8,297)	(2,352)
Financial liabilities measured at amortised cost	-	-	-	-	-	-
1. Due to banks	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-
3. Securities issued	-	(1)	(1)	-	(1)	(1)
Total Liabilities (B)	-	(1)	(1)	-	(1)	(1)

The net result recorded under the item "Financial assets measured at amortised cost" is attributable to some individual transactions for the sale of non-performing loans and the maturity of some debt securities of the "held to collect" portfolio. The net result of "Financial assets measured at fair value through other comprehensive income" is generated by some fixed-rate government bonds maturing in 2024, for which, in the absence of interim purchases and sales, the redemption gain was offset by the reversal of valuation reserves to the income statement.

Section 7 - Net income of financial assets and liabilities measured at fair value through profit or loss - Item 110

In the absence of net changes in the value of financial assets and liabilities measured at fair value through profit or loss, this table is not valued.

7.2 Net change in value of other financial assets and liabilities measured at fair value through profit or loss: breakdown of other financial assets mandatorily measured at fair value

Transactions/Income components	Capital gains (A)	Gains on disposal (B)	Capital losses (C)	Losses on disposal (D)	Net result [(A+B) - (C+D)]
1. Financial assets	4,592	68	(3,266)	(27)	1,367
1.1 Debt securities	155	52	(5)	-	202
1.2 Equity securities	-	17	-	-	17
1.3 UCITS units	4,437	-	(3,261)	(27)	1,149
1.4 Loans	-	-	-	-	-
2. Financial assets: exchange rate differences	X	X	X	X	-
Total	4,592	68	(3,266)	(27)	1,367

This table shows the impacts on the income statement of financial assets mandatorily measured at fair value, i.e. those assets that, on the basis of the rules set forth in IFRS 9, do not pass the SPPI test as from 1 January 2018, i.e. they cannot be included in a business model at amortised cost or measured at fair value through other comprehensive income.

Significant capital gains on mutual funds in the Parent Bank's portfolio amounted to Euro 3.2 million and a further Euro 1.2 million on funds in CiviBank's portfolio, partly offset by capital losses recognised on other types of mutual fund units in the two banks' portfolios, totalling Euro 2.5 million.

It should also be noted that, in line with best market practices and with a view to containing risks, the Group has applied a liquidity discount to the NAV of the units of closed-end real estate mutual funds (by their nature not easily liquidated) to which it is most exposed. The application of this discount to 31 December 2024 resulted in the recognition of an additional Euro 0.7 million in capital losses.

Section 8 - Net value adjustments/write-backs for credit risk - Item 130

8.1 Net value adjustments for credit risk relating to financial assets measured at amortised cost: breakdown

Transactions/Income components	Value adjustments (1)						Write-backs (2)				Total	Total
	First stage	Second stage	Third stage		Purchased or originated impaired		First stage	Second stage	Third stage	Purchased or originated impaired	31/12/2024	31/12/2023
			Write-offs	Other	Write-offs	Other						
A. Loans to banks	(28)	-	-	-	-	-	70	-	-	-	42	(63)
- Loans	(11)	-	-	-	-	-	29	-	-	-	18	(25)
- Debt securities	(17)	-	-	-	-	-	41	-	-	-	24	(38)
B. Loans to customers	(63)	(5,475)	(2,364)	(59,303)	-	(214)	1,210	412	36,618	84	(29,096)	(43,579)
- Loans	(93)	(5,376)	(2,364)	(59,303)	-	(214)	368	105	36,618	84	(30,177)	(43,158)
- Debt securities	30	(99)	-	-	-	-	843	307	-	-	1,081	(421)
Total	(91)	(5,475)	(2,364)	(59,303)	-	(214)	1,280	412	36,618	84	(29,054)	(43,642)

The allocations on loans of the period, together with the precise credit risk hedging policy that the Parent Bank has been pursuing for several years now, made it possible to ensure constant monitoring of non-performing loans, and the maintenance of a level of all coverage ratios in line with the excellent ones achieved in the previous year. This credit risk hedging policy has also been extended to the subsidiary Banca di Cividale, where the results have been reflected in the improved levels of hedging of non-performing loans.

Following the entry into the Group of the subsidiary CiviBank, the coverage rates values of non-performing loans are impacted by the effects linked to the "Purchase price allocation", i.e. the fact that the financial assets acquired with control of the bank were recognised at their fair value at the acquisition date. Therefore, in the calculation of the ratios, the non-performing loans of CiviBank no longer reports the component of the adjustment provisions separated with respect to the gross exposure, but a "net present value" at the reporting date.

Given the above, the coverage rate on the overall problem loans stood at 49.2% (compared to 50.9% at the end of 2023); the coverage on loans classified as “unlikely to pay” was 45.0% (47.1% as at 31 December 2023) and that on bad loans was 68.4% (68.8% as at 31 December 2023). The coverage rate on the performing loan portfolio is 0.60%.

To be noted is also that, following the adoption of the IFRS 9 accounting standard and related adjustments to the financial statements included in the 5th update of Bank of Italy Circular no. 262, this item no longer includes the write-downs of interest on non-performing loans, interest that is calculated and recognised on the net value of the loan. From 1 January 2018, the interest from the release of the discounting component on the non-performing portfolio is also recognised under Item 10 "Interest income and similar revenues".

The valuation of loans is in line with the valuation method (policy) approved by the Board of Directors. The timely monitoring allowed an in-depth analysis of the existing portfolio, which made it possible to continue the process of careful evaluation and classification of the positions with initial symptoms of deterioration.

Portfolio value adjustments or write-backs are shown for imbalance with reference to the entire portfolio of performing loans.

Please note that, with reference to the calculation of expected losses on performing cash loans, as from 31 December 2019, the Parent Bank has adopted the AIRB bank specific parameters, pending the validation of the model by the Supervisory Authority.

8.2 Net value adjustments for credit risk relating to financial assets measured at fair value through other comprehensive income: breakdown

Transactions/Income components	Value adjustments (1)						Write-backs (2)				Total	Total
	First stage	Second stage	Third stage		Purchased or originated impaired		First stage	Second stage	Third stage	Purchased or originated impaired	31/12/2024	31/12/2023
			Write-offs	Other	Write-offs	Other						
A. Debt securities	-	-	-	-	-	-	98	13	-	-	111	23
B. Loans	-	-	-	-	-	-	-	-	-	-	-	-
- To customers	-	-	-	-	-	-	-	-	-	-	-	-
- To banks	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	98	13	-	-	111	23

The table shows the value adjustments/write-backs for credit risk, or impairment as defined by IFRS 9, on financial assets classified in the fair value portfolio through other comprehensive income.

All debt securities in the portfolio of the Group at 31 December 2024 are included in the first and second stage.

Section 9 - Gains (Losses) from contractual amendments without cancellations - Item 140

9.1 Gains (losses) from contractual amendments: breakdown

The renegotiations of financial instruments that result in a change in the contractual conditions are accounted for based on the significance of the contractual amendment itself.

In particular, in the case of renegotiations considered insignificant, the gross amount is determined again by calculating the current value of the cash flows resulting from the renegotiation, at the original rate of the exposure. The difference between the gross amount of the financial instrument before and after the renegotiation of the contractual conditions, adjusted to consider the associated changes to the cumulative value adjustments, is recorded in the income statement as gain or loss from contractual amendments without cancellations.

With reference to the 2024 financial year, the contractual amendments without cancellations generated the following impacts:

gains: Euro 354 thousand;

losses: Euro 283 thousand;

overall difference: Euro +71 thousand.

In this regard, it should be noted that renegotiations are considered significant, formalised both through a change to the existing contract and through the execution of a new contract, which determine the extinction of the right to receive the cash flows in accordance with the original contract.

In particular, the rights to receive cash flows are deemed to be extinguished in the event of renegotiations that determine the introduction of contractual clauses such as to change the classification of the financial instrument itself, that determine a change in the currency of denomination or that are carried out at market conditions, therefore, do not constitute a credit concession.

Section 12 - Administrative expenses - item 190

12.1 Personnel expenses: breakdown

Type of expenses/Values	Total 31/12/2024	Total 31/12/2023
1) Employees	(158,160)	(144,240)
a) wages and salaries	(115,913)	(105,973)
b) social security contributions	(26,877)	(26,840)
c) severance pay	-	-
d) social security expenses	-	-
e) allocation to the provision for employee severance indemnity	(303)	(249)
f) allocation to the provision for pensions and similar obligations:	(10,959)	(7,392)
- with defined contribution	(10,959)	(7,392)
- with defined benefits	-	-
g) payments to external supplementary pension funds:	-	(3,016)
- with defined contribution	-	(3,016)
- with defined benefits	-	-
h) costs deriving from payment agreements based on own equity instruments	-	-
i) other employee benefits	(4,108)	(771)
2) Other active staff	(24)	-
3) Directors and statutory auditors	(2,261)	(2,242)
4) Retired staff	-	-
Total	(160,445)	(146,483)

The cost for Directors and Statutory Auditors includes both the fixed remuneration and the attendance fees and expense reimbursements.

The increase compared to the previous financial year, amounting to approximately Euro 14.0 million, is largely attributable to the salary increases provided for by the renewal of the National Collective Labour Agreement (CCNL). It is also affected by the recognition in the previous year of a positive contingency under the item "other employee benefits", amounting to Euro 4.1 million, linked to the recalculation finalised in 2023 of the provision to the solidarity fund allocated in 2022, based on the actual participation of employees.

12.2 Average number of employees by category

	Punctual 31/12/2024	Punctual 31/12/2023	Average 31/12/2024	Average 31/12/2023
Employees	1,830.00	1,739.50	1,785.25	1,730.75
a) Executives	36.50	29.00	32.75	30.50
b) Middle managers	808.00	768.00	788.50	649.25
c) Remaining employees	985.50	942.50	964.00	1,051.00
Other staff	-	-	-	-
Total	1,830.00	1,739.50	1,785.25	1,730.75

The highest and average number of employees is expressed by conventionally considering the number of employees with part-time contracts at 50%, as set forth in the rules for drawing up the Financial Statements issued by the Bank of Italy.

12.3 Company's defined benefit pension funds: costs and revenues

The defined benefit pension funds include only retired employees.

The representation in the financial statements of the expenses related to this type of provision provides for the following:

- to record the adjustment of the actuarial estimates with a balancing entry in Shareholders' Equity without passing through the income statement;
- to continue to represent in the income statement the costs deriving from the discounting of the liability (interest cost), the expected return on investments, and, if applicable, the allocation made for staff in service (service cost).

This accounting treatment allows for a more correct representation in the income statement of the typical banking activity, avoiding "interference" linked to insurance risks unrelated to the banking business. Actuarial estimates of the Pension Fund, in fact, depend on elements that cannot be influenced and are not related to the performance of banking activities, and in addition, the Fund represents an obligation to former employees whose related benefits, i.e. the provision of services, were rendered in previous periods.

12.4 Other employee benefits

	Total 31/12/2024	Total 31/12/2023
Education and training expenses	(717)	(335)
Reimbursement of medical expenses	(1,979)	(1,790)
Clothing	-	-
Other	(1,412)	1,354
Total	(4,108)	(771)

The table provides details of item 1.i) of the previous table 12.1 "Personnel expenses".

It should be noted that the figure at the end of the previous financial year was affected by the non existence of the updated value allocated to the solidarity fund in the amount of Euro 4.1 million.

12.5 Other administrative expenses: breakdown

	31/12/2024	31/12/2023
Indirect taxes and duties	(23,099)	(22,104)
Property rents	(735)	(517)
Movable assets rents	-	-
Machine rents	(221)	(85)
Maintenance costs for buildings and furniture used by the Group	(4,758)	(2,841)
Expenses for electricity, heating and water	(3,569)	(2,466)
Cleaning costs	(1,679)	(1,606)
Telephone expenses	(645)	(575)
Postal charges	(655)	(743)
IT system outsourcing service fee	(18,267)	(19,193)
Software maintenance and fees	(14,208)	(8,227)
Expenses for data transmission lines	(2,197)	(1,758)
Expenses for data processing performed by third parties	(2,093)	(3,715)
Expenses for services provided by Group companies	-	(16)
Expenses for other outsourcing services	(2,088)	(3,979)
Expenses and fees for services rendered by third parties	(1,271)	(1,654)
Expenses for the transport of valuables and security	(1,051)	(913)
Expenses for searches, information and debt collection	(3,646)	(2,960)
Expenses for fees to professionals	(15,186)	(14,522)
Expenses for printed matter and stationery	(328)	(420)
Advertising and promotions expenses	(4,331)	(4,042)
Expenses for insurance premiums	(1,646)	(1,563)
Expenses for membership fees	(11,752)	(18,511)
- of which contributions to resolution funds and deposit guarantee schemes	(10,575)	(17,253)
Other expenses	(3,970)	(4,116)
Total	(117,396)	(116,528)

The item "Other administrative expenses" was in line with the previous year-end figure, with a slight increase of Euro 868 thousand. The only relevant change, on the positive side, is the discontinuation in the year 2024 of the contribution required from the banks by the National Crisis Resolution Fund, which reached the target level of coverage of the protected funds with ex-ante funding, set in the articles of association. Also in 2024, the ex-ante collection period for contributions to be paid to the Interbank Deposit Protection Fund (FITD) also expired. This contribution was brought forward to the beginning of July 2024 compared to the previous collection period, which lasted until 2023 at the end of the year, and amounted to Euro 7.7 million for the Parent Bank and a further Euro 2.8 million for the subsidiary Banca di Cividale.

Other notable increases are maintenance expenses for properties used by the Group, which rose by Euro 1.9 million, electricity, heating and water, which increased by Euro 1.1 million, and expenses for software maintenance and fees, which rose by Euro 5.6 million. On the other hand, expenses for data processing performed by third parties decreased by Euro 1.6 million and expenses for other outsourcing services by Euro 1.9 million.

The remaining items do not show any significant deviations from the previous financial year's values.

Section 13 - Net allocations to provisions for risks and charges - item 200

13.1 Net allocations for credit risk relating to commitments to disburse funds and financial guarantees issued: breakdown

	31/12/2024	31/12/2023
Commitments to disburse funds	-	-
Financial guarantees issued	5,528	(4,975)
Total	5,528	(4,975)

13.2 Net allocations relating to other commitments and other guarantees issued: breakdown

This section is not completed; in fact, there are no allocations relating to other commitments and guarantees issued that are not already included in the previous section.

13.3 Net allocations to other provisions for risks and charges: breakdown

	31/12/2024	31/12/2023
1. Other provisions for risks and charges:		
1.1 legal disputes	703	(3,352)
1.2 staff expenses	-	(99)
1.3 other	(179)	1,839
Total	524	(1,612)

Section 14 - Net value adjustments/write-backs to property, plant and equipment - item 210

14.1. Net value adjustments to property, plant and equipment: breakdown

Assets/Income component	Depreciation (a)	Impairment losses (b)	Write-backs (c)	Net result (a + b - c)
A. Property, plant and equipment				
1. For business use	(18,772)	-	-	(18,772)
- Owned	(11,861)	-	-	(11,861)
- Rights of use acquired through leases	(6,910)	-	-	(6,910)
2. Held for investment purposes	-	-	-	-
- Owned	-	-	-	-
- Rights of use acquired through leases	-	-	-	-
3. Inventories	X	-	-	-
B. Assets held for sale	X	-	-	-
Total	(18,772)	-	-	(18,772)

For information on the "useful life" of property, plant and equipment for the calculation of depreciation, please refer to Section 9 of Assets.

Effective from 01.01.2019, the accounting standard IFRS 16 Leases was applied, which led to the recognition in the assets of the lessor of the right of use of the property, plant and equipment acquired through the lease; these assets must be depreciated over the contractual life of the asset and the relative depreciation charge is shown in this table.

Section 15 - Net value adjustments/write-backs to intangible assets - item 220

15.1 Net value adjustments to intangible assets: breakdown

Assets/Income component	Depreciation (a)	Impairment losses (b)	Write-backs (c)	Net result (a + b - c)
A. Intangible assets	(8,727)	-	-	(8,727)
of which: software	(6,762)	-	-	(6,762)
A.1 Owned	(8,727)	-	-	(8,727)
- Generated internally by the company	-	-	-	-
- Other	(8,727)	-	-	(8,727)
A.2 Rights of use acquired through leases	-	-	-	-
Total	-	-	-	(8,727)

For information on the "useful life" of intangible assets for the calculation of amortisation, please refer to Section 10 of Assets.

Section 16 - Other operating expenses and income - item 230

16.1 Other operating expenses: breakdown

	31/12/2024	31/12/2023
1. Other operating expenses		
Pension Fund (Section A/A1) - Allocation to the Provision of net revenues generated by invested assets	(2,190)	(3,419)
Pension Fund (Section A/A1) - Net losses generated by invested assets	-	-
Pension Fund (Section A/A1) - Impact of the discounting cost of liabilities (interest cost)	(587)	(626)
Maintenance costs - properties held for investment purposes	(162)	(173)
Costs from securitisation of receivables	(886)	(844)
Other charges	(2,468)	(4,724)
Total	(6,293)	(9,786)

The table shows, among the other items, the impact of the provision of income generated by the assets invested in the Section A/A1 pension fund, which is offset in Table 16.2 of other operating income below, under the heading of net income generated from invested assets.

In line with the previous year were the costs related to the loan securitisation transactions set up by the two banks and maintenance costs on properties held for investment purposes.

16.2 Other operating income: breakdown

	31/12/2024	31/12/2023
1. Other operating income		
Rental income on properties held for investment purposes	1,959	1,754
Stamp duty recast	17,802	16,766
Recovery of substitute tax on medium/long-term loans	2,421	1,841
Pension Fund (Section A/A1) - Net revenues generated by invested assets	2,190	3,419
Pension Fund (Section A/A1) - Allocation to the provision of net losses generated by invested assets	-	-
Pension Fund (Section A/A1) - Impact of the expected return of the invested portfolio	587	626
Other income	39,369	5,840
Total	64,328	30,246

Included in "Other income" is the capital gain realised by the two banks from the sale of the "acquiring" business unit, which totalled Euro 30,850 thousand.

Section 17 - Gains (losses) on equity investments - item 250

17.1 Gains (losses) on equity investments: breakdown

Income components/Sectors	Total 31/12/2024	Total 31/12/2023
1) Jointly controlled undertakings		
A. Income	9	-
1. Revaluations	-	-
2. Gains on disposal	9	-
3. Write-backs	-	-
4. Other income	-	-
B. Charges	-	-
1. Write-downs	-	-
2. Impairment losses	-	-
3. Losses on disposal	-	-
4. Other charges	-	-
Net result	9	-
2) Undertakings subject to significant influence		
A. Income	99	663
1. Revaluations	99	663
2. Gains on disposal	-	-
3. Write-backs	-	-
4. Other income	-	-
B. Charges	-	-
1. Write-downs	-	-
2. Impairment losses	-	-
3. Losses on disposal	-	-
4. Other charges	-	-
Net result	99	663
Total	108	663

In this table, table, under the item "Revaluations", the portion of the profit for the year recorded by the investee Autosystem Società di Servizi S.p.A., attributable to the Parent Bank, is reported. The Parent Bank holds a 25% stake in the investee, which is consolidated using the equity method.

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Section 18 - Net result from fair value measurement of property, plant and equipment and intangible assets - Item 260

18.1 Net result from measuring property, plant and equipment and intangible assets at fair value (or revalued amount) or estimated realisable value: breakdown

Assets/Income component	Revaluations (a)	Write-downs (b)	Exchange rate differences Positive (c)	Exchange rate differences Negative (d)	Net result (a-b+c-d)
A. Property, plant and equipment	200	-	-	-	200
A.1 For business use:	-	-	-	-	-
- Owned	-	-	-	-	-
- Rights of use acquired through leases	-	-	-	-	-
A.2 Held for investment purposes:	200	-	-	-	200
- Owned	200	-	-	-	200
- Rights of use acquired through leases	-	-	-	-	-
A.3 Inventories	-	-	-	-	-
B. Intangible assets	-	-	-	-	-
B.1 Owned:	-	-	-	-	-
B.1.1 Generated internally by the company	-	-	-	-	-
B.1.2 Other	-	-	-	-	-
B.2 Rights of use acquired through leases	-	-	-	-	-
Total	200	-	-	-	200

The fair value measurement, determined on the basis of appraisals performed at least annually, was carried out for each property by a qualified third party, chosen from among the leading companies in the sector, on property, plant and equipment held for investment.

Section 19 - Value adjustments to goodwill - Item 270

19.1 Value adjustments to goodwill: breakdown

This section is not completed as neither in the year 2024 nor in 2023 were any impairment losses recognised on goodwill.

Section 20 - Gains (losses) on disposal of investments - Item 280

20.1 Gains (losses) on disposal of investments: breakdown

Income component/Sectors	Total 31/12/2024	Total 31/12/2023
A. Properties	1,040	339
- Gains on disposal	1,040	339
- Losses on disposal	-	-
B. Other assets	(8)	21
- Gains on disposal	7	24
- Losses on disposal	(15)	(2)
Net result	1,031	360

Section 21 - Income taxes for the year on current operations: breakdown - item 300

21.1 Income taxes for the year on current operations: breakdown

Income components/Sectors	Total 31/12/2024	Total 31/12/2023
1. Current taxes (-)	(8,716)	(5,549)
2. Changes in current taxes from previous years (+/-)	670	3
3. Reduction in current taxes for the year (+)	-	-
3.bis Reduction in current taxes for the year for tax credits pursuant to Law no. 214/2011 (+)	-	-
4. Change in deferred taxes (+/-)	(32,215)	(33,495)
5. Change in deferred taxes (-/+)	(2,517)	(197)
6. Taxes for the year (-) (-1+/-2+3+3bis+/-4+/-5)	(42,778)	(38,844)

Current taxes refer to the IRES payable from the tax consolidation and IRAP of the Parent Bank and other companies within the Group's scope. Significantly affecting the decrease in deferred taxes are the taxes on the reversal portions of taxable DTAs, as well as the tax effects on the reversal portions of components recognised in PPAs.

It should be noted that, following the transfer of the property assets by CiviBank to Sparim, EUR 7,215 thousand was transferred as deferred tax assets against the previous write-downs recorded by CiviBank in the various financial years up to the time of the transfer.

21.2 Reconciliation between theoretical tax expense and actual tax expense in the financial statements

	IRES	IRAP
Profit from current operations before tax	171,972	171,972
Non-deductible costs for IRAP purposes	0	10,562
Non-taxable revenues for IRAP purposes	0	(58,139)
Total	171,972	124,395
Theoretical tax charge (IRES 27.5% - IRAP 4.64%)	46,850	5,619
Permanent increases	1,923	1,424
Permanent decreases	(12,980)	(401)
Other increases/decreases	45	298
Value of taxes for the year	35,838	6,940

The difference between the theoretical tax charge and the actual tax charge described in this table is mainly attributable to:

- the exemption/non-deductibility of capital gains/losses on securities falling within the scope of application of the so-called participation exemption;
- the substantial exemption of dividends received; and
- other non-taxable/non-deductible components of a lesser amount.

Section 22 - Profit (loss) from discontinued operations after tax - item 320

22.1 Profit (loss) from discontinued operations after tax: breakdown

Income components/Sectors	Total 31/12/2024	Total 31/12/2023
1. Income	-	-
2. Charges	(251)	(175)
3. Result of the valuation of the group of assets and associated liabilities	-	-
4. Gains (losses) on disposal	-	-
5. Taxes and duties	-	-
Profit (loss)	(251)	(175)

The values included in this table are attributable to the reclassification of the charges and income relating to the company Raetia SGR S.p.A. in liquidation, which is fully consolidated and allocated under "Assets held for sale", "Liabilities associated with assets held for sale" in the financial statements of the Parent Bank.

22.2 Details of income taxes relating to discontinued operations

This item is not recognised as the adjustment of the value of assets held for sale relating to participations under the PEX (participation exemption) regime does not represent a deductible component of the undertaking's income.

Section 23 - Profit (loss) for the year attributable to minority interests - Item 340

23.1 Details of item 340 "Profit (loss) for the year attributable to minority interests"

Business names	Total 31/12/2024	Total 31/12/2023
Equity investments in consolidated companies with significant minority interests		
1. Banca di Cividale S.p.A.	(4,559)	(4,044)
2. CR Bolzano S.p.A.	-	-
3. Sparim S.p.A.	-	-
Other equity investments	-	-
Total	(4,559)	(4,044)

The figure represents the portion attributable to minority interests, equal to 18.89%, of the result of the subsidiary Banca di Cividale.

Section 24 - Other information

There is no further relevant information.

Section 25 - Earnings per share

Earnings/losses per share are calculated by dividing net profit/loss by the weighted average number of ordinary shares outstanding.

25.1 Average number of ordinary shares with diluted capital

Earnings per share are calculated on a number of 59,646,473 shares, with 293,565 shares repurchased.

25.2 Other information

Earnings per share for the year amounted to Euro 1.90 (Euro 1.31 at 31 December 2023).

– Part D

Consolidated Comprehensive Income

Part D - Consolidated Comprehensive Income

ANALYTICAL STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

	Items	31/12/2024	31/12/2023
10.	Profit (loss) for the year	117,671	82,212
	Other income components without reversal to the income statement	(872)	11,721
20.	Equity securities designated at fair value through other comprehensive income:	(2,001)	(7,105)
	a) change in fair value	(2,001)	302
	b) transfers to other components of shareholders' equity	-	(7,408)
30.	Financial liabilities designated at fair value through profit or loss (changes in own	-	-
	a) change in fair value	-	-
	b) transfers to other components of shareholders' equity	-	-
40.	Hedging of equity securities designated at fair value through other comprehensive income:	-	-
	a) change in fair value (hedged item)	-	-
	b) change in fair value (hedging instrument)	-	-
50.	Property, plant and equipment	-	23,555
60.	Intangible assets	-	-
70.	Defined benefit plans	1,551	1,923
80	Non-current assets and groups of assets held for sale	-	-
90.	Portion of valuation reserves of equity-accounted investments	-	-
100.	Revenues or costs of a financial nature relating to insurance contracts issued	-	-
110.	Income taxes relating to other income components without reversal to the income statement	(422)	(6,651)
	Other income components with reversal to the income statement	381	5,892
120.	Foreign investment hedges:	-	-
	a) changes in fair value	-	-
	b) reversal to income statement	-	-
	c) other changes	-	-
130.	Exchange rate differences:	-	-
	a) changes in value	-	-
	b) reversal to income statement	-	-
	c) other changes	-	-
140.	Cash flow hedges:	-	-
	a) changes in fair value	-	-
	b) reversal to income statement	-	-
	c) other changes	-	-
	of which: result of net positions	-	-
150.	Hedging instruments (non-designated elements):	-	-
	a) changes in value	-	-
	b) reversal to income statement	-	-
	c) other changes	-	-
160.	Financial assets (other than equity securities) measured at fair value through other	568	8,684
	a) changes in fair value	407	45
	b) reversal to income statement	38	3,441
	- adjustments for credit risk	(111)	(23)
	- gains/losses on disposal	149	3,464
	c) other changes	123	5,198
170.	Non-current assets and groups of assets held for sale:	-	-
	a) changes in fair value	-	-
	b) reversal to income statement	-	-
	c) other changes	-	-
180.	Portion of valuation reserves of equity-accounted investments:	-	-
	a) changes in fair value	-	-
	b) reversal to income statement	-	-
	- impairment losses	-	-
	- gains/losses on disposal	-	-
	c) other changes	-	-
190.	Revenues or costs of a financial nature relating to insurance contracts issued:	-	-
	a) changes in fair value	-	-
	b) reversal to income statement	-	-
	c) other changes	-	-
200.	Revenues or costs of a financial nature relating to transfers under reinsurance:	-	-
	a) changes in fair value	-	-
	b) reversal to income statement	-	-
	c) other changes	-	-
210.	Income taxes relating to other income components with transfer to the income statement	(188)	(2,791)
220.	Total other income components	(491)	17,614
230.	Comprehensive income (Item 10+220)	117,180	99,826
240.	Consolidated comprehensive income attributable to minority interests	4,336	4,784
250.	Consolidated comprehensive income attributable to the Parent Bank	112,844	95,042

– Part E

Information on risks and related hedging policies

Part E - Information on risks and related hedging policies

Introduction

<u>Role of Corporate Bodies</u>

The Parent Bank Cassa di Risparmio di Bolzano S.p.A., since its transformation into a joint-stock company in 1992, has adopted the administration and control system characterised by the presence of a Board of Directors and a Board of Statutory Auditors, both appointed by the Shareholders' Meeting, and decided to maintain this so-called "traditional" system also following the entry into force of the 2003 corporate law reform. Indeed, although Cassa di Risparmio di Bolzano S.p.A. is a company with a single majority shareholder (therefore the presence of a stable majority) and with the remaining shareholding structure characterised by small shareholders, the Shareholders' Meeting has always considered it to be of primary importance the existence of a clear separation between management and control activities.

Moreover, since May 2015, the management system of Cassa di Risparmio di Bolzano S.p.A. is characterised by the presence of the Chief Executive Officer; a figure that, due to the provisions of the Articles of Association in force, must correspond with that of the General Manager.

The role and duties of the Parent Bank's Corporate Bodies are governed by specific Regulations (of the Board of Directors, of the Board of Statutory Auditors, of the Chief Executive Officer and General Manager and in the Articles of Association). In addition, within the Board of Directors, the Risk Committee (intra-board committee) has been established and is entrusted with the tasks set forth in the Supervisory provisions, as well as, since January 2016, with the functions previously assigned to the Associated Parties Committee, a committee that was repealed in January 2016.

In summary:

- the Board of Directors is assigned **strategic supervision and management functions**;
- the Chairman of the Board of Directors is responsible for the legal representation of the Parent Bank and the use of the free corporate signature; the Chairman monitors the performance of the company, supervises the execution of the resolutions of the administrative bodies and chairs the Shareholders' Meeting and the Board of Directors;
- the Chief Executive Officer and General Manager is assigned the task of collaborating with the Board of Directors in carrying out **management functions**, *i.e.*, in implementing the guidelines resolved on by the Board of Directors in exercising its strategic supervision function;
- the Board of Statutory Auditors is assigned the **task of control**, *i.e.*, verifying the adequacy and compliance of the organisational system, the risk management system, the capital self-assessment system and the internal control system with the requirements set forth by the law and supervisory regulations.

Periodically, the Board of Directors carries out its own self-assessment to verify the correct and effective functioning of the Board and its adequate composition. In particular, the Board assesses the adequacy:

- of the procedures adopted to define the composition of the Board of Directors with respect to those set forth in the Law and Supervisory provisions as well as in the Articles of Association;
- the activities actually carried out by the Board of Directors with respect to those indicated by the Law, Supervisory and Articles of Association provisions that govern the role of the Board in various matters.

The Board of Statutory Auditors also carries out a self-assessment on its composition and functioning.

The Parent Bank decided in 2009 to adopt a **Supervisory Body (SB)**, established pursuant to Legislative Decree no. 231/2001. Since May 2015, the Supervisory Body has been assigned to the Board of Statutory Auditors of the Parent Bank.

The legal and supervisory provisions, in particular on corporate governance, establish that the internal control system (set of rules, functions, structures, resources, processes and procedures) is a fundamental element of the overall system of governance of banks, which must guarantee, in particular, the achievement of strategic objectives and corporate policies, the containment of risks, the effectiveness and efficiency of business processes, the reliability and security of company information and IT procedures, compliance of transactions with the law and supervisory regulations, as well as with internal policies, regulations and procedures, in addition to the prevention of the risk of the Bank being involved in any unlawful activities.

Taking into account the aforementioned objectives, Cassa di Risparmio di Bolzano, also in its capacity as Parent Bank of the "Cassa di Risparmio di Bolzano" Banking Group, has defined a **corporate organisational model** for the Group as a whole and for the individual components of the Group, aimed at enabling the continuous implementation of the applicable legal and supervisory provisions. The Bank has set up a **system of internal controls and risk management** aimed at identifying, measuring, managing and monitoring the risks of the Parent Bank and the Group on a continuous basis, which involves the Corporate Bodies, the company's internal control functions as well as the Supervisory Body pursuant to Legislative Decree no. 231/2001, whose functions have been assigned to the Board of Statutory Auditors; the company appointed to perform the statutory audit of the accounts also participates in the control system.

In this logic, the overall activities that the Group and its members are required to carry out to achieve their business objectives in compliance with legal and supervisory provisions and, therefore, with a view to sound and prudent management, are broken down into "Areas", which group together sets of "processes".

- Governance and Risk Management;
- Business;
- Support.

An additional "Area" relating to the regulations pertaining to "Corporate Governance" is added to these Areas.

The taxonomy of processes was also updated in 2024 to take into account organisational needs and the evolution of the external regulatory context.

Each process is divided into "phases" and each phase into "sub-phases/activities" to be put in place for carrying out the phase itself. For each sub-phase/activity, the steps to be taken for the concrete application of the criteria are then regulated. This makes it possible to identify, for each legal and supervisory provision in force or issued from time to time, the specific activities applicable to the Group and its members, as well as to refer these activities to the relevant processes.

The corporate organisational system governs the processes that define the organisational model adopted, the role of the Corporate Bodies, the delegated powers structure, the information flows and the role of the Group's members, the operational/management and risk governance and management processes, as well as the control processes set forth in the supervisory provisions.

In summary, according to the organisational model adopted:

- the criteria to be followed and the activities to be carried out are proposed by the organisational units responsible for the processes, supported by the organisation function as regards organisational aspects, validated by the compliance function for observance of external provisions (so-called regulatory compliance) and implemented in internal first-level regulatory sources (process regulations/Policies) with the approval of the body with strategic supervisory functions or by the Chief Executive Officer and General Manager (according to the delegation of powers);

- the operating procedures to be adopted, together with any IT procedures to be used for carrying out so-called complex activities, are governed and regulated in second-level internal regulatory sources (operating rules) by the relevant Organisational units, on the basis of the information provided by the Process Managers, after verification by the Compliance function of alignment with external provisions.

According to the organisational model, the execution of processes is assigned to one or more organisational units included in the organisation chart.

The role and responsibilities of the aforementioned units are governed by the regulations of the organisational structure (General Company Regulation); the duties of the control functions are also regulated in the respective process rules.

The definition of the corporate organisational model governing processes ensures compliance with the general organisation principles, as set forth in the Supervisory Provisions and in particular allows:

- operating and support units to be distinguished from control units;
- the professional skills needed to carry out the process phases to be identified;
- specific powers to be assigned, which are consistent with the management requirements of the process phases;
- the information that must be exchanged between the functions responsible for carrying out the phases of the process to be defined;
- the information to be transmitted by the units to the Corporate Bodies to be defined.

The individual organisational units periodically provide information, for the processes under their responsibility, on the activities carried out with respect to those governed by the law and supervisory provisions using a specific IT procedure indicating the company's processes and the units responsible for carrying them out. With reference to the deviations identified, adequate measures are then adopted for the purpose of their elimination, with a periodic monitoring of the state of implementation by the control functions.

Organisation of the risk management function

The Risk Management function reports directly to the body with strategic supervision, both hierarchically and functionally, collaborating with the management body and in particular with the Chief Executive Officer - General Manager with regard to administrative/management and information issues.

In compliance with the principle of independence, the Risk Management Department has the possibility to:

- access, with no restrictions, company and external data necessary for the performance of assigned tasks,
- access directly the corporate governance and control bodies,
- access financial resources, which can be activated independently, for the consultancy services necessary to carry out the assigned tasks.

The Risk Management Department is divided into the following structures:

- Credit Risk Service;
- Rating Desk Service;
- Financial Risks Service;
- Validation Service;
- Operational risks and cybersecurity;
- Integration of risks & ESG.

The responsibilities of the Risk Management Department can be summarised as follows:

- overseeing the processes for managing the risks (credit, market, interest rate on the banking book, structural and operational liquidity, operational, reputational, strategic, ICT and security, properties and model) to which the Subsidiary is exposed;
- ensuring the identification, measurement and monitoring, both timely and prospectively, of the material risks that the Company incurs;
- collaborating in defining and implementing the Risk Appetite Framework and the related risk measurement and monitoring procedures;
- measuring and assessing risks, capital and liquidity (ICAAP and ILAAP processes) from a current, forward-looking perspective and in the event of stress, as well as formulating an opinion:
  - on the adequacy of the Tier 1 capital and the Group's total internal capital (ICAAP Process);
  - - on the adequacy of the liquidity risk governance and management system of the Group (ILAAP Process);
- collaborating in defining the procedures for the identification and management of the most significant transactions, as well as verifying their consistency with the RAF;
- assessing the sustainability of the sizing of the equity and economic figures on the basis of the effects on the risk profile and capital adequacy;
- contributing to the definition of the risk framework from an ESG perspective, in particular by favouring the integration of climate and environmental risk profiles into risk measurement metrics and the identification of specific key risk indicators;
- analysing the risks of new products and services and those deriving from the entry into new operating and market segments, as well as assessing the potential risks associated with the outsourcing of certain business processes/activities;
- verifying the correct performance of monitoring credit exposures (second level controls);
- developing, validating and maintaining risk measurement, management and control systems in compliance with regulations and in line with best practice, interacting for this purpose with the functions responsible for the business processes concerned;
- carrying out the validation of internal risk measurement models (both for management and regulatory purposes);
- continuously assessing the adequacy of the risk management system;
- carrying out Rating Desk activities;
- supervising the quality of data for the information area where Risk Management is the Data Owner (AIRB parameters) by providing guidelines to ensure a certain qualitative level of the data under analysis, monitoring the resolution of the problems identified and preparing dedicated reporting to the corporate bodies.
- assuming the role of Specialist Compliance Officer, overseeing the regulatory areas as defined in the Policy "Compliance Model and Non-Compliance Risk Assessment" (19B012);
- carrying out the activities of competence, outsourced by the Subsidiaries in favour of the Parent Bank, in compliance with the provisions of the intra-group outsourcing contracts in force from time to time, respecting the service levels contractually defined.

Risk Appetite Framework

In compliance with supervisory provisions, the Group has defined the Risk Appetite Framework (RAF), i.e. the reference framework that defines, in line with the maximum assumable risk, the business model and the strategic plan,

- risk appetite, tolerance thresholds, risk limits;
- risk governance policies, reference processes necessary to define and implement them.

Therefore, the formalisation of the RAF must be considered in terms of integration of the overall internal control system and contributes to compliance with the principles of sound and prudent management.

The Risk Appetite Framework defines the Group's Risk Appetite, and is divided into "Equity", "Liquidity", "Business Risk" and "Profitability" categories in order to include all the relevant risk profiles to which the Group is exposed based on its operations. The RAF outlines the risk perimeter within which the company strategy is developed, defined at the time of planning, which in turn is outlined in the management policies of the main business areas (credit, commercial, investments, funding policy, etc.).

A further aspect that characterises the RAF is given by the definition of the internal control system, consisting of a set of rules, functions, structures, resources, processes and procedures, which ensures, in compliance with of sound and prudent management, the following purposes:

- containment and prevention of risk within the limits indicated in the reference framework for determining the Group's risk appetite;
- effectiveness and efficiency of processes, as well as the reliability and security of company information and IT procedures;
- compliance of transactions with the law and supervisory regulations, as well as with internal policies, regulations and procedures.

The implementation of such approach is ensured through the interaction between the Risk Management Department and the Planning and Control Function which, following the performance of the processes pertaining thereto, prepare respectively the Risk Appetite Statement (RAS) and the Strategic Plan/Budget in a coordinated and consistent manner.

In compliance with the above, the RAF makes it possible to define (ex ante) an effective corporate risk management strategy and is a prerequisite for an efficient risk management process. Therefore, the process of defining the RAF cannot be misaligned with respect to the company's strategic choices and the related budgets, the particular business model adopted, as well as the overall risk level that derives from it.

The definition of the risk appetite is also a useful management tool that, in addition to allowing a concrete application of prudential provisions, allows:

- the ability to govern and manage company risks to be strengthened;
- the strategic process to be supported;
- the development and dissemination of an integrated risk culture to be facilitated;
- a rapid and effective system for monitoring and communicating the risk profile assumed to be developed.

The RAF, taking into account the strategic plan and the significant risks identified and having defined the maximum risk that can be assumed, indicates the types of risk that the Group intends to assume and sets the risk objectives and the tolerance thresholds. For each identified parameter, the following are defined:

- the level of risk appetite, *i.e.*, the level of risk (overall or by type) that the Group intends to assume in order to pursue its strategic objectives;
- the level of risk tolerance, *i.e.*, the maximum deviation from the risk appetite allowed; it must ensure sufficient margins to operate even under stress conditions within the maximum assumable risk;
- the level of risk capacity, *i.e.*, the maximum level of risk that the Group is technically able to assume without violating the regulatory requirements or other restrictions imposed by the Supervisory Authority or by the shareholders.

In compliance with the above, the Parent Bank has defined the "risk appetite definition and control process", dividing it into the following steps:

- the first step contemplates the methods by which the Group's governing bodies define ex ante, in relation to the Group's risk-taking capacity, the level of risk within which to develop the business. The definition of the risk appetite is the result of a process that, starting from the identification and analysis of risks, identifies, qualifies and quantifies the risk objectives and the tolerance thresholds; these elements express, at the highest level, the guidelines of the governing bodies on the subject of risk assumption in the implementation of corporate strategies. The risk appetite is formalised in a specific document submitted to the Board of Directors for approval;

- the second step provides for the definition of the risk appetite in terms of operating limits and risk indicators. In particular:
    - operating limits represent a risk mitigation and management tool as they guide and define the choices in the different segments (credit, financial, etc.). The operating limits are commensurate with the business model, strategic lines and operational complexity;
    - the risk indicators, though depending on risk management, are not directly or sufficiently governed by the operating units responsible for carrying out the individual processes, and therefore provide reference signals for verifying whether the quality of processes, exposures and related costs (in terms of both expected loss and unexpected loss) are consistent with the risk objectives.

  The selection of operating limits and risk indicators and their calibration, in compliance with the risk objectives and tolerance thresholds approved by the Board of Directors, is delegated by the Board of Directors to the Risk Monitoring Committee;

- the third and last phase of the process defines the methods for controlling the risk objectives, the operating limits and the risk indicators, as well as for representing the results of the aforementioned controls with respect to the competent Corporate Bodies and functions. In this regard, it is specified that control means both the methods for qualifying the measurements of the phenomena subject to control with respect to what is defined in terms of risk objectives, tolerance thresholds, operating limits and risk indicators, and the procedures to be adopted in the event of violations ("Escalation procedures"). In particular, these procedures define the operating actions to be carried out in the specific situations identified with a clear evidence of the roles and responsibilities of the Bodies and functions involved and the related timelines.

The internal reporting system is aimed at ensuring full knowledge and governance of the risks as well as the verification of compliance with the RAF to the Corporate Bodies, Control Functions and individual functions involved in their management. The preparation and dissemination of reports at the various levels of the company is aimed at enabling effective controls over exposure to risks, highlighting the presence of anomalies in the risk evolution, verifying compliance with the risk appetite, operating limits and the risk indicators, raising awareness of the risks assumed and assumable, as well as providing the information necessary to monitor the effectiveness of risk mitigation tools. The reporting system also provides an overview of the mitigation initiatives undertaken and their progress.

Risk culture and vision

For the Group, the existence of a solid risk culture is a pre-requisite that certainly acts as a "facilitator" for the development and implementation of an effective RAF. At the same time, the adoption of the RAF generates a process of strengthening the corporate culture on risks and the understanding of risks, at all levels, capable of effectively guiding and directing the behaviour of staff (also on risks that are difficult to quantify) as this represents the foundation for effective risk management.

Together with the adequate definition of the RAF and a strong risk culture, the RAS (Risk Appetite Statement), which provides the strategic guidelines on the risk and the behaviour expected by the structure, contributes to spreading the risk culture of the Group among its staff, especially if used in connection with a staff performance evaluation system.

The nature of the Group and the principles set out in the Code of Ethics and in the internal regulations constitute the value framework that gives the company management consciously prudent directions, aimed on the one hand at strengthening the capital and on the other at guaranteeing adequate profitability as a basis for perpetuating the promotion and well-being of customers, shareholders and the reference area over time. The operating model is characterised by a strong focus on traditional brokerage, favouring the financial inclusion and access to credit by households and small and medium-sized undertakings. In the reference area it is focused not only on operations but also on decision-making powers, balancing the risks of concentration and conflict of interest with the adoption of specific regulations and governance controls.

The Group's risk appetite is therefore strongly conditioned by its institutional purpose and precisely in consideration of its "mission", the Group pursues a general management strategy based on a limited risk appetite and a conscious assumption thereof, which is expressed:

- in rejecting transactions that may compromise the profitability and soundness of the Group;
- in the non-admissibility of technical forms that involve the assumption of risks that are not consistent with the Group's risk objectives;
- in the diversification of exposures, in order to contain their concentration;
- in acquiring the guarantees necessary for risk mitigation;
- in the Group's focus on traditional brokerage activities;
- in simplifying business processes and the organisational structure.

Section 1 - Risks of the banking group

1.1 Credit risk

QUALITATIVE INFORMATION

1. General aspects

The development lines of credit activities are defined in the credit policy approved by the Board of Directors, and consequently incorporated in the annual budgets. For the granting of new loans, selective and specific criteria were defined, while for the classification of the existing loan, and the related allocations, criteria based on greater prudence were adopted in evaluating the prospects for recovery and, more generally, the prospective solvency of customers.

In order to guarantee an effective control of the credit risk, a monitoring system has been set up, based on a strict focus on anomalous phenomena and a timely evaluation of the data, in order to undertake, as quickly as possible, the appropriate actions to mitigate the risk.

The monitoring of the loan portfolio also includes the identification of exposure to climate/environmental risk and in particular to physical and transition risk.

The potential impacts of physical and transition risk exposure are taken into account in the balance sheet collectives through management overlays.

2. Credit risk management policies

2.1 Organisational aspects

The risk management process is defined as the set of rules, procedures, resources (human, technological and organisational) and control activities aimed at identifying, measuring or assessing, monitoring, preventing or mitigating and communicating to the appropriate hierarchical levels all risks assumed or assumable in the different segments and at the level of the Group's portfolio, taking advantage, in an integrated logic, of the reciprocal interrelationships and the evolution of the external context.

The credit risk management process is divided into the following phases:

- Credit risk identification;
- Credit risk measurement;
- Credit risk monitoring;
- Credit risk prevention/mitigation;
- Credit risk reporting and communication.

2.2 Management, measurement and control systems

Further details on the credit risk management process are provided below:

2.2.1 Credit risk identification

The first phase of the risk management process consists in framing the credit risk, defined as the "risk that a reduction in the value of a credit exposure is generated in correspondence with an unexpected worsening of the creditworthiness of the borrowing counterparties, including the manifest inability to fulfil all or part of their contractual obligations", and in the subsequent identification of the sources that generate it.

The transactions potentially exposed to credit risk can therefore be identified in all exposures, including financial instruments, present in the banking book and off-balance sheet, with the sole exception of positions allocated in the trading book.

The identification of the sources of credit risk is carried out by the Risk Management Function with the involvement of the operating functions that participate in the business processes of Credit and Finance, on which this risk is based. In particular, in order to identify the factors that generate credit risk, the Risk Management Function constantly monitors:

1. all loans (on-balance sheet exposures and off-balance sheet transactions);
2. transactions in financial instruments classified in the banking book;
3. cash and cash equivalents;
4. investments in property, plant and equipment and intangible assets.

The above elements referred to in points 2., 3. and 4., in compliance with supervisory provisions, fall within the scope of exposures subject to the regulation of the standardised methodology for the measurement of the capital requirement against credit risk.

2.2.2 Credit risk measurement

The measurement of credit risk must be assessed by distinguishing between measurement for regulatory purposes, identified in the measurement of the capital requirement against credit risk, and measurement for management purposes, which identifies synthetic risk measures and more detailed indicators functional to risk assessment and the subsequent monitoring phase.

The measurement of the capital requirement, carried out by the Financial Statements, Accounting and Reporting Division, is performed on a quarterly basis in compliance with the reporting obligations by applying the standardised methodology as defined in the Supervisory provisions.

The measurement of credit risk for operating purposes involves specific quantitative calculations on the evolution of loans to customers, credit quality, performance of impaired positions, the relative degree of coverage, as well as the composition of loans by rating class and the trend of risk parameters PD, LGD and EAD.

Exposure to credit risk is also subjected, at least annually as part of the ICAAP process, to stress tests aimed at assessing the impacts on internal capital (and on equity) of extreme but plausible values of the risk factors.

2.2.3 Credit risk monitoring

The monitoring of credit risk refers to the activity of gathering and organising in a structured manner the results obtained from the measurement and assessment activities, as well as further quantitative and qualitative findings that support the analysis of exposure to the risks in question and the verification of compliance with the RAF indicators. It is divided into:

a) analysis of credit risk exposure, which considers:
    - the capital requirement;
    - the nature and composition of the portfolio;
    - the quality of the portfolio;
    - the degree of coverage of loans;
    - the risk mitigation techniques.

Through the internal rating system, the Risk Management Function carries out specific analyses on the credit quality of both the overall credit portfolio and specific counterparties. In particular, these controls concern:

- an analysis of distribution by customer segment;
- an analysis of distribution by rating class of the overall portfolio and of each segment;
- an analysis of the composition of the loan portfolio and HTC securities divided by staging (Stage 1, Stage 2, Stage 3);
- an analysis of the transitions by staging (Stage 1, Stage 2, Stage 3);
- an analysis of the rating transitions (so-called "Transition matrices");
- an analysis of the evolution of the Probability of Default (PD), of the Loss Given Default (LGD) and of the Exposure at Default (EAD), as well as of the Expected Credit Loss (ECL);
- the accuracy/performance analysis of the models adopted;
- the analysis and monitoring of any borrower-based measures and related limits.
- the analysis of concentration towards specific sectors and in particular to the exposure to physical and transition risk;
- the analysis of concentration by exposure classes and types of guarantees with evidence of those that are eligible or otherwise
- monitoring of the portfolio that is securitised or included in a covered bond programme.

b) the controls on Rating Attribution activities

The Rating Desk structure was established to oversee the Rating Attribution process.

The main responsibilities assigned to the Rating Desk structure include:

- the assessment of Override requests;
- controls on Quality Questionnaires;
- second level controls on the adequacy of the Rating Attributions carried out by the Managers.

c) second-level control over the monitoring of credit exposures, both massive and sample-based.

The controls of the Risk Management function in this area are defined in order to ensure, on a periodic basis, that the monitoring of credit exposures, the classification of exposures, the allocations and the recovery process are carried out in compliance with internal procedures and that the same procedures are effective and reliable, with reference to the ability to promptly report the emergence of anomalies as well as to ensure the adequacy of value adjustments and related losses.

2.2.4 Credit risk prevention/mitigation

In general, the management strategy aims to contain the degree of exposure to credit risk within the values indicated in the risk appetite.

The main mitigation measures implemented to prevent credit risk, whose objective is to achieve a conscious assumption of the risk, are identified by:

a) Prior opinions on the consistency with the RAF in the presence of most significant transactions;

b) Prior opinions on the adequacy of allocations and/or classification as part of the second-level monitoring of credit exposures;

c) Prior risk assessments with regard to new products and services, activities and markets;

d) Contribution to the definition and implementation of the credit policy and of the NPL plan in compliance with the risk objectives;

e) Appropriate decision-making procedures with reference to transactions with associated parties;

f) Definition and updating of the operating limits, *i.e.*, the set of threshold values to be referred to in order to limit the exposure to the risk in question and guide the choices concerning the management of credit risk. The criteria to be followed and the activities to be carried out for their identification are governed, in general for all risks, as part of the internal regulations on the Risk Appetite Framework.

With regard to credit risk mitigation (CRM) techniques, reference is mainly made to guarantees and any securitisation transactions, the management of which is primarily the responsibility of the Lending Department and is governed in the Policy on the Governance of Credit Risk Mitigation and in the Credit Process Regulation.

2.2.5Credit risk reporting and communication

The reporting and communication of credit risk refers to the preparation of appropriate information to be provided to the Corporate Bodies and other functions regarding the risks assumed or assumable in the various segments, with the understanding, in an integrated logic, of the mutual interrelationships and the evolution of the external context.

2.3 Methods for measuring expected losses

Assessment of significant increase in credit risk (SICR)

During 2024, the Parent Bank continued with the careful monitoring of the loan portfolio in order to identify and carefully assess potential impacts on specific customer segments and sectors exposed to climate and environmental risk

In order to take into account the international macro-economic and geo-political context, the Group updated the satellite model to include the latest macroeconomic forecasts and, on a prudential basis, specific management overlays were carried out on the balance sheet collectives on customer segments particularly exposed to credit risk and on sectors exposed to physical and transition risk.

Measurement of expected losses

During 2024, the models for measuring expected losses were constantly monitored and updated by the Parent Bank based on the macroeconomic and geo-sectoral forecasts.

On a prudential basis, in addition to the updates made to the satellite model, management overlays were also carried out as reported above.

2.4 Credit risk mitigation techniques

In order to mitigate credit risk, the Parent Bank acquires typical bank guarantees, such as collateral on properties and financial instruments and personal guarantees.

The Parent Bank is carefully monitoring the use of these techniques in order to ensure their correct application also for the purposes of potential capital savings.

The management of real estate collateral reflects the provisions of current regulations; the property subject to mortgage collateral is appraised by an independent appraiser and the monitoring measures provided for by the regulations are activated on the property itself, and in particular:

- the value of residential properties is verified with the aid of statistical methods at least every three years or more frequently, also by making new estimates, in the event that market conditions are subject to significant changes;
- the value of non-residential properties is verified with the aid of statistical methods every year or more frequently, also by making new estimates, in the event that market conditions are subject to significant changes;
- every 3 years, a new estimate is made by an independent expert for all exposures exceeding Euro 3 million or more than 5% of the Bank's Own Funds.

The values of real estate collateral for positions classified as unlikely to pay or bad loans, regardless of the amount, are updated with a new appraisal by an independent appraiser at a maximum frequency of 12 months or sooner if deemed necessary.

The standard contracts adopted by the Parent Bank comply with the general requirements aimed at ensuring legal certainty and the effectiveness of the guarantees themselves.

The Group does not activate offsetting agreements relating to on- and off-balance sheet transactions; there are also no credit derivatives.

3. Impaired credit exposures

The criteria adopted by the Group regarding the classification of receivables are consistent with the International Accounting Standards and with the instructions of the Bank of Italy and EBA (European Banking Authority).

The classification in the "Bad loans" category refers to on- and off-balance sheet exposures to a party in a state of insolvency (even if not legally ascertained) or in substantially comparable situations, regardless of any loss forecasts made by the Parent Bank.

Beyond the situations ascertained by official acts (bankruptcy procedures, recurrent protests, injunctions, etc.), the difficulty shown by the customer in overcoming persistent economic-financial imbalances, such as to confirm - albeit with a variable degree of probability - its inability to meet the commitments undertaken, is of relevance.

The classification into the category Unlikely to pay is the result of the Parent Bank's opinion on the improbability that, without recourse to actions such as enforcement of guarantees, the debtor will fully meet its credit obligations (in terms of principal and/or interest).

The Guidelines on the new definition of default (EBA/GL/2016/07) have also introduced specific rules to evaluate the propagation of the default on the basis of existing links with positions (co-obligations, group links, etc.) classified as default.

The classification in the risk category of impaired past due and/or overrun exposures concerns on-balance sheet exposures, other than those classified as bad loans or unlikely to pay, which, at the reporting reference date, are past due or overrun.

The past due or overrun must be continuous, or must persist for 90 consecutive days.

In the case of exposures repayable by instalments, the rules set out in Article 1193 of the Civil Code apply to the allocation of payments to the individual instalments past due, unless otherwise specifically agreed in the contract.

In the case of "revocable" overrun facilities in which the credit limit granted has been exceeded (even if as a result of the capitalisation of interest), the default occurs - whichever occurs first - from the date of the first non-payment of interest resulting in the overrun or from the date of the first demand for repayment of principal.

For the purpose of verifying the thresholds, all exposures of the reporting bank to the same debtor are taken into consideration. Equity instrument exposures are excluded.

For the purpose of determining the amount of past due and/or overrun exposure, there is no provision for offsetting past due amounts against open and unused credit lines (available margins).

The overall exposure to a debtor must be recognised as impaired past due and/or overrun, if, on the reference date of the report, the amount of the principal, interest or commissions not paid on the date in which it was due exceeds both of the following thresholds:

a) absolute limit equal to Euro 100 for retail exposures and equal to Euro 500 for exposures other than retail ones.

b) 1% relative limit given by the ratio of the past due and/or overrun total amount to the total amount of all credit exposures regarding the same debtor (including the exposures sold and not derecognised for financial statements purposes).

In accordance with the provisions of the Guidelines on the new definition of default (EBA/GL/2016/07), it is necessary to consider the following credit obligations among the past due and/or overrun exposures due to the propagation of default:

c) all joint credit obligations to a pool of debtors (co-obligations) and all individual exposures to such debtors where a joint credit obligation of two or more debtors is classified as past due, unless there is justification for inappropriately recognising the default of individual exposures;

d) the credit obligations of a person fully responsible for the obligations of a company, if the latter is classified under past due (e.g. surety shareholder of a partnership).

The technical-organisational procedures used in the management and control of non-performing loans are structured in relation to the degree of anomaly of the position.

With regard to unlikely to pay and impaired past due and overrun exposures, performance monitoring is carried out with periodic reviews in order to assess:

- the reversibility or otherwise of the economic-financial difficulties of the counterparties;
- the regularity of the repayment plans presented by debtors;
- in the case of positions subject to forbearance, it is necessary to examine the outcome of the initiatives taken to normalise/restructure the loans (repayment plans, revisions of the technical form of use, etc.)
- determination on a regular basis according to the policy in force of the forecasts of losses for loans classified as "unlikely to pay" and for exposures past due and overrun.

With reference to bad loans, recovery and monitoring activities are carried out by essentially performing the following activities, which also include periodic reviews of the positions:

- revocation, for the new positions, of credit lines and solicitation of debtors to settle their exposures;
- initiation and completion of acts of penalty through the assistance of internal and/or external lawyers towards debtors who have neither responded to solicitations nor submitted debt repayment plans;
- assessment, for positions already in recovery, of compliance with the expected repayment plans;
- determination on a regular basis according to the policy in force of the loss forecasts for loans classified as bad loans.

As far as the return of impaired exposures to performing status is concerned, with therefore also their reallocation among live loans (to default) if non-performing, this is carried out in compliance with current legislation and with the debtor's recovery of full solvency conditions and the regularisation of the risk position and evidence of the restoration of the debtor's economic and financial capacity.

3.1 Management strategies and policies

Non-performing loans include past due and/or overrun loans, unlikely to pay loans (UTP) and bad loans. Its regulatory definition is established by the Bank of Italy "Matrix of Accounts" - Circular no. 272 of 30 July 2008, as updated, in compliance with European legislation. Non-performing loans also include non-performing exposures subject to forbearances that correspond to the "non-performing exposures with forbearance measures" as defined in Annex V of the Executive Regulation of the Commission 680/2014 of 16/04/2014 as amended by the Executive Regulation of the Commission 1627/2018 of 09/10/2018.

The main levers for the management of non-performing loans are as follows:

1. on a preliminary basis, limiting the inflow of new non-performing loans with proactive management at various levels, also combined and/or with escalation (sales network, phone collection, centralised management with ad hoc structure, etc.);
2. have an appropriate and updated set of information relevant for management purposes, with particular relevance of the Loss Given Default, and continue with an adequate historicisation of the information considered strategic and functional to be able to draw up an efficient recovery plan consistent with management strategies of the NPL portfolio in line with the reduction objectives that the Bank has provided for in the NPL Plan approved by the Board of Directors according to the defined time horizon;
3. continuously monitor the performance of the NPL portfolio in terms of effectiveness, efficiency and compliance with the NPL Plan approved by the Board of Directors.

3.2 Write-offs

The Write-off, as defined in Circular No. 262 Credit and Financial Supervision of 22 December 2005 - 5th update, is an event that gives rise to an accounting derecognition when there are no longer reasonable expectations of recovering the financial asset (see IFRS 9, paragraphs 5.4.4, B5.4.9 and B3.2.16 (r)). It may occur before the legal actions taken for the recovery of the financial asset are completed and does not necessarily involve the waiver of the legal right to recover the loan by the bank.

The write-off may concern the entire amount of a financial asset or a portion of it and corresponds to:

- the reversal of total value adjustments, as an offsetting entry to the gross amount of the financial asset, and
- for the part exceeding the total value adjustments, the impairment of the financial asset recognised directly in the income statement.

As part of the analysis of the impaired portfolio, the responsible structure within the Credit Institution evaluates, on a pre-defined basis, the credit positions for which it is considered that the prerequisites for write-off as mentioned above exist and are in accordance with the internally defined criteria, in order to submit a suitably motivated proposal for the partial or total derecognition of the receivable to the competent decision-making body.

3.3 Purchased or originated impaired financial assets

The accounting standard IFRS 9 (B 5.4.7) identifies the "Purchased Originated Credit Impaired" positions, known as "POCI", i.e. exposures that are impaired on the date of purchase or on which they originated.

If, upon initial recognition, a credit exposure is recorded under item 30."Financial assets measured at fair value through other comprehensive income" or 40. "Financial assets measured at amortised cost", is impaired, it is classified as "Purchased or Originated Credit Impaired - POCI".

A financial asset is considered impaired at the time of initial recognition because the credit risk is very high or, in the case of a purchase, it is acquired with large discounts. With reference to financial assets classified as "POCI" at the time of their initial recognition, the effective interest rate must be "adjusted" for impairment losses measured over the expected life of the instrument (Credit-adjusted EIR). The rate thus determined must be applied to the net carrying amount of the financial asset from the moment of its initial recognition. However, this does not mean that an effective interest rate adjusted for the loan should be applied just because the financial asset presents a high credit risk at the time of initial recognition.

At the reporting date, the Bank should recognise only cumulative changes in expected losses over the life of the loan from the time of initial recognition as a provision to cover losses on purchased or originated impaired financial assets.

For purchased or originated impaired financial assets, the expected losses on loans must be discounted using the effective interest rate adjusted for the loan, determined at the time of initial recognition.

Cassa di Risparmio di Bolzano identifies as "Purchased or originated impaired financial assets", "POCI", in compliance with IFRS 9 and on the basis of internal methodologies, the following types of financial assets (loans):

- credit exposures already originated with impaired status (stage 3);
- credit exposures originated as a result of restructuring transactions of impaired exposures that resulted in the origination of new loans, which are significant in absolute or relative terms, proportionally to the amount of the original exposure. In this regard, in order to be considered significant, the origination of new loans must amount to more than 10% of the value of the previously outstanding restructured positions. The disbursements of new loans of less than 10% of the restructured positions, but of an amount exceeding Euro 500 thousand, will also be considered as "POCI";
- credit exposures purchased with impaired status.

It should be noted that in the case of the granting of new credit lines, only the new ones will be considered "POCI". If instead the restructured position replaces previous positions and, on the basis of the criteria defined above, a "POCI" financial asset is configured, the entire restructured position will be considered as such.

4. Financial assets subject to commercial renegotiations and exposures subject to forbearances

In the face of the debtor's credit difficulties, the exposures may be subject to changes in the contractual terms in favour of the debtor in order to make the repayment sustainable. Depending on the subjective characteristics of the exposure and the reasons underlying the debtor's credit difficulties, the changes may take effect in the short term (temporary suspension from payment of the principal amount of a loan or extension of a maturity) or in the long term (extension of the duration of a loan, revision of the interest rate) and lead to the classification of the exposure (both performing and impaired) as "forborne". Forborne exposures are subject to specific provisions in terms of classification, as indicated in the ITS EBA 2013-35; if the forbearance measures are applied to performing exposures, these fall within the category of stage 2 exposures. All exposures classified as "forborne" are included in specific monitoring processes by the relevant corporate functions.

Specifically, these functions, through the support of adequate IT procedures, monitor the effectiveness of the measures granted, identifying any improvements or worsening in the customer's financial position after the forbearance. If, at the end of the monitoring period, the position complies with all the criteria envisaged by the relevant legislation, said position is no longer considered among the "forborne" loans; otherwise it continues to remain among the "forborne" exposures.

The commercial network has the right, should it deem it appropriate, to revise the conditions applied to customer exposures even in the absence of financial difficulties, within the scope of the autonomy in force from time to time.

In this case, the exposure does not fall within the category of "forborne" exposures.

SECTION 1 - RISKS OF THE CONSOLIDATED FINANCIAL STATEMENTS

Quantitative disclosure

A. Credit quality

A.1 Impaired and non-impaired credit exposures: amounts, value adjustments, trends and economic breakdown

A.1.1 Breakdown of financial assets by portfolio and credit quality (carrying amounts)

Portfolios/quality		Bad loans	Unlikely to pay	Impaired past due exposures	Non-impaired past due exposures	Other non-impaired exposures	Total
1. Financial assets measured at amortised cost		21,491	156,601	2,755	22,926	13,039,482	13,243,255
2. Financial assets measured at fair value through other comprehensive income		-	-	-	-	161,978	161,978
3. Financial assets designated at fair value		-	-	-	-	-	-
4. Other financial assets mandatorily measured at fair value		-	-	-	-	6,986	6,986
5. Financial assets held for sale		2,095	4,592	-	-	-	6,687
Total	31/12/2024	23,586	161,193	2,755	22,926	13,208,446	13,418,906
Total	31/12/2023	22,378	160,471	3,616	39,952	14,537,609	14,764,026

Pursuant to the instructions provided by the Bank of Italy for the preparation of the financial statements, for the purposes of the quantitative disclosure on credit quality shown in this and in the following tables, it should be noted that:

- the term "credit exposures" excludes equity securities and UCITS units
- the term "exposures" includes equity securities and UCITS units.

A.1.2 Breakdown of financial assets by portfolio and by credit quality (gross and net amounts)

Portfolios/quality		Impaired				Non-impaired			Total (net exposure)
		Gross exposure	Total value adjustments	Net exposure	Total partial write-offs*	Gross exposure	Total value adjustments	Net exposure	
1. Financial assets measured at amortised cost		356,157	(175,310)	180,847	30,236	13,121,029	(58,622)	13,062,408	13,243,255
2. Financial assets measured at fair value through other comprehensive income		-	-	-	-	162,150	(172)	161,978	161,978
3. Financial assets designated at fair value		-	-	-	-	X	X	-	-
4. Other financial assets mandatorily measured at fair value		-	-	-	-	X	X	6,986	6,986
5. Financial assets held for sale		14,275	(7,588)	6,687	-	-	-	-	6,687
Total	31/12/2024	370,432	(182,898)	187,534	30,236	13,283,180	(58,793)	13,231,372	13,418,906
Total	31/12/2023	379,753	(193,288)	186,465	33,061	14,625,764	(55,577)	14,577,561	14,764,026

A.1.2 Breakdown of financial assets by portfolio and by credit quality (gross and net amounts)

Portfolios/quality	Assets of obvious poor credit quality		Other assets
	Cumulative losses	Net exposure	Net exposure
1. Financial assets held for trading	-	-	34,401
2. Hedging derivatives	-	-	31,218
Total 31/12/2024	-	-	65,619
Total 31/12/2023	-	-	79,666

SECTION 2 - RISKS OF PRUDENTIAL CONSOLIDATION

A.1.1 Prudential consolidation - Breakdown of financial assets by past due brackets (carrying amounts)

Portfolios/risk stages		First stage			Second stage			Third stage			Purchased or originated impaired		
		Up to 30 days	For over 30 days up to 90 days	Over 90 days	Up to 30 days	For over 30 days up to 90 days	Over 90 days	Up to 30 days	For over 30 days up to 90 days	Over 90 days	Up to 30 days	For over 30 days up to 90 days	Over 90 days
1. Financial assets measured at amortised cost		5,227	-	-	2,906	13,213	1,568	565	6,077	68,932	-	749	3,229
2. Financial assets measured at fair value through other comprehensive income		-	-	-	-	-	-	-	-	-	-	-	-
3. Financial assets held for sale		-	-	-	-	-	-	-	10	6,316	-	-	361
Total	31/12/2024	5,227	-	-	2,906	13,213	1,568	565	6,087	75,249	-	749	3,589
Total	31/12/2023	8,731	-	3,342	3,057	22,659	2,111	1,146	14,134	36,168	754	826	16,772

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A.1.2 Prudential consolidation - Financial assets, commitments to disburse funds and financial guarantees issued: trend in total value adjustments and total allocations

Reasons/Stages of risk	Total value adjustments											
	Assets included in the first stage						Assets included in the second stage					
	Loans to banks and Central Banks on demand	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for sale	of which: individual write-downs	of which: collective write-downs	Loans to banks and Central Banks on demand	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for sale	of which: individual write-downs	of which: collective write-downs
Opening total adjustments	138	15,726	160	-	99	15,982	-	39,497	123	-	123	39,498
Increases from purchased or originated financial assets	-	-	-	-	-	-	-	-	-	-	-	-
Derecognitions other than write-offs	(52)	(2,535)	(88)	-	(31)	(2,644)	-	(2,371)	-	-	-	(2,371)
Net value adjustments/write-backs for credit risk (+/-)	12	1,631	(11)	-	(33)	1,665	-	11,578	(13)	-	(13)	11,578
Contractual amendments without cancellations	-	-	-	-	-	-	-	-	-	-	-	-
Changes in the estimation methodology	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs not recognised directly in the income statement	-	(1)	-	-	-	(1)	-	(67)	-	-	-	(67)
Other changes	-	(268)	-	-	-	(268)	-	(4,640)	-	-	-	(4,640)
Total closing adjustments	98	14,552	61	-	34	14,734	-	43,997	110	-	110	43,997
Recoveries from collections on financial assets subject to write-offs	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs recognised directly in the income statement	-	-	-	-	-	-	-	-	-	-	-	-

A.1.2 Prudential consolidation - Financial assets, commitments to disburse funds and financial guarantees issued: trend in total value adjustments and total allocations

Reasons/Stages of risk	Total value adjustments											Total allocations on commitments to disburse funds and financial guarantees issued				Total
	Assets included in the third stage						Purchased or originated impaired financial assets									
	Loans to banks and Central Banks on demand	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for sale	of which: individual write-downs	of which: collective write-downs	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for sale	of which: individual write-downs	of which: collective write-downs	First stage	Second stage	Third stage	Purchased and/or originated impaired commitments to disburse funds and financial guarantees issued	
Opening total adjustments	-	191,293	-	-	191,016	277	2,041	-	-	2,020	21	1,208	3,514	15,498	-	269,197
Increases from purchased or originated financial assets	-	-	-	-	-	-	X	X	X	X	X	-	-	-	-	-
Derecognitions other than write-offs	-	(38,787)	-	-	(44,067)	(42)	-	-	-	-	-	(341)	(114)	(3,462)	-	(47,752)
Net value adjustments/write-backs for credit risk (+/-)	-	42,423	-	-	42,218	205	39	-	-	39	(0)	145	(1,223)	(532)	-	54,050
Contractual amendments without cancellations	-	-	-	-	-	-	131	-	-	122	8	-	-	-	-	131
Changes in the estimation methodology	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs not recognised directly in the income statement	-	(19,121)	-	-	(19,121)	-	-	-	-	-	-	-	-	-	-	(19,190)
Other changes	-	(2,680)	-	7,588	5,237	(329)	-	-	-	0	(0)	(5)	16	(11)	-	-
Total closing adjustments	-	173,128	-	7,588	175,283	111	2,210	-	-	2,182	29	1,007	2,192	11,493	-	256,436
Recoveries from collections on financial assets subject to write-offs	-	354	-	-	354	-	-	-	-	-	-	-	-	-	-	354
Write-offs recognised directly in the income statement	-	(470)	-	-	(470)	-	-	-	-	-	-	-	-	-	-	(470)

A.1.3 Prudential consolidation - Financial assets, commitments to disburse funds and financial guarantees issued: transfers between different stages of credit risk (gross and nominal amounts)

Portfolios/risk stages		Gross amounts/nominal amount					
		Transfers between first stage and second stage		Transfers between second stage and third stage		Transfers between first stage and third stage	
		From first stage to second stage	From second stage to first stage	From second stage to third stage	From third stage to second stage	From first stage to third stage	From third stage to first stage
1. Financial assets measured at amortised cost		559,203	730,070	48,870	27,344	85,518	9,708
2. Financial assets measured at fair value through other comprehensive income		-	-	-	-	-	-
3. Financial assets held for sale		-	-	-	-	-	-
4. Commitments to disburse funds and financial guarantees issued		68,235	61,849	3,486	992	3,112	5,353
Total	31/12/2024	627,438	791,919	52,355	28,336	88,630	15,061
Total	31/12/2023	812,399	458,292	70,306	10,119	45,771	1,377

A.1.4 Prudential consolidation - On- and off-balance sheet credit exposures to banks: gross and net amounts

Types of exposures/values	Gross exposure					Total value adjustments and total allocations					Net exposure	Total partial write-offs*
		First stage	Second stage	Third stage	Purchased or originated impaired		First stage	Second stage	Third stage	Purchased or originated impaired		
A. On-balance sheet credit exposures												
A.1 On demand	646,771	646,771	-	-	-	73	73	-	-	-	646,698	-
a) Impaired	-	X	-	-	-	-	X	-	-	-	-	-
b) Non-impaired	646,771	646,771	-	X	-	73	73	-	X	-	646,698	-
A.2 Other	463,594	461,221	-	-	-	285	285	-	-	-	463,310	-
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) Non-impaired past due exposures	-	-	-	X	-	-	-	-	X	-	-	-
- of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
e) Other non-impaired exposures	463,594	461,221	-	X	-	285	285	-	X	-	463,310	-
- of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
Total (A)	1,110,366	1,107,992	-	-	-	358	358	-	-	-	1,110,008	-
B. Off-balance sheet credit exposures												
a) Impaired	-	X	-	-	-	-	X	-	-	-	-	-
b) Non-impaired	409,520	8,842	-	X	-	-	-	-	X	-	409,520	-
Total (B)	409,520	8,842	-	-	-	-	-	-	-	-	409,520	-
Total (A+B)	1,519,886	1,116,834	-	-	-	358	358	-	-	-	1,519,528	-

* Value to be shown for information purposes

A.1.5 Prudential consolidation - On- and off-balance sheet credit exposures to customers: gross and net amounts

Types of exposures/values	Gross exposure					Total value adjustments and total allocations					Net exposure	Total partial write-offs*
		First stage	Second stage	Third stage	Purchased or originated impaired		First stage	Second stage	Third stage	Purchased or originated impaired		
A. On-balance sheet credit exposures												
a) Bad loans	72,357	X	-	68,240	4,117	48,771	X	-	47,416	1,355	23,586	30,236
- of which: forborne exposures	19,596	X	-	17,235	2,360	14,309	X	-	12,955	1,354	5,287	1,499
b) Unlikely to pay	294,651	X	-	289,364	5,288	133,459	X	-	132,632	826	161,193	-
- of which: forborne exposures	184,950	X	-	180,697	4,253	84,968	X	-	84,142	826	99,982	-
c) Impaired past due exposures	3,423	X	-	3,394	29	668	X	-	667	1	2,755	-
- of which: forborne exposures	104	X	-	96	8	19	X	-	19	-	85	-
d) Non-impaired past due exposures	23,781	5,270	18,500	X	11	855	43	813	X	-	22,926	-
- of which: forborne exposures	968	-	968	X	-	49	-	49	X	-	919	-
e) Other non-impaired exposures	12,836,305	11,695,236	1,094,118	X	8,773	57,653	14,337	43,288	X	28	12,778,651	-
- of which: forborne exposures	145,152	811	138,021	X	6,319	5,528	-	5,508	X	20	139,624	-
Total (A)	13,230,517	11,700,506	1,112,618	360,998	18,218	241,406	14,380	44,101	180,716	2,210	12,989,111	30,236
B. Off-balance sheet credit exposures												
a) Impaired	48,982	X	-	48,982	-	11,493	X	-	11,493	-	37,489	-
b) Non-impaired	4,261,600	3,727,602	104,801	X	-	3,199	1,007	2,192	X	-	4,258,401	-
Total (B)	4,310,582	3,727,602	104,801	48,982	-	14,692	1,007	2,192	11,493	-	4,295,890	-
Total (A+B)	17,541,100	15,428,108	1,217,419	409,980	18,218	256,099	15,387	46,293	192,208	2,210	17,285,001	30,236

* Value to be shown for information purposes

The hedging ratios of on-balance sheet loans to customers are, therefore, as follows:

	31/12/2024	31/12/2023
Loans classified as bad loans	68.4%	68.8%
Loans classified as unlikely to pay	45.0%	47.1%
Non-performing loans	49.2%	50.9%
Performing loans	0.60%	0.55%

A.1.6 Prudential consolidation - On-balance sheet credit exposures to banks: trend in gross impaired exposures

This table is not shown as there are no on-balance sheet credit exposures to banks.

A.1.6 bis Prudential consolidation - On-balance sheet credit exposures to banks: trend in gross forborne exposures broken down by credit quality

This table is not shown as there are no on-balance sheet credit exposures to banks.

A.1.7 Prudential consolidation - On-balance sheet credit exposures to customers: changes in gross impaired exposures

Reasons/Categories	Bad loans	Unlikely to pay	Impaired past due exposures
A. Opening gross exposure	71,686	303,552	4,515
- of which: exposures sold but not derecognised	-	823	18
B. Increases	51,765	137,581	3,259
B.1 inflows from non-impaired exposures	18,403	126,745	3,080
B.2 inflows from purchased or originated impaired financial assets	-	-	-
B.3 transfers from other categories of impaired exposures	21,731	1,121	111
B.4 contractual amendments without cancellations	-	-	-
B.5 other increases	11,632	9,715	68
C. Decreases	51,094	146,481	4,351
C.1 outflows to non-impaired exposures	-	34,361	2,172
C.2 write-offs	24,558	9,367	4
C.3 collections	8,699	59,848	1,103
C.4 gains on disposals	10,180	13,563	-
C.5 losses on disposal	2,270	3,105	1
C.6 transfers to other categories of impaired exposures	739	21,180	1,044
C.7 contractual amendments without cancellations	-	-	-
C.8 other decreases	4,648	5,058	28
D. Closing gross exposure	72,357	294,651	3,423
- of which: exposures sold but not derecognised	-	2,572	59

A.1.7bis Prudential consolidation - On-balance sheet credit exposures to customers: trend in gross forborne exposures broken down by credit quality

Reasons/Quality	Forborne exposures: impaired	Forborne exposures: non-impaired
A. Opening gross exposure	195,962	160,893
- of which: exposures sold but not derecognised	319	592
B. Increases	100,523	73,894
B.1 inflows from non-impaired non-forborne exposures	26,091	30,750
B.2 inflows from non-impaired forborne exposures	14,770	X
B.3 inflows from impaired forborne exposures	X	22,561
B.4 inflows from impaired non-forborne exposures	17,161	2,110
B.5 other increases	42,502	18,473
C. Decreases	91,836	88,668
C.1 outflows to non-impaired non-forborne exposures	X	22,813
C.2 outflows to non-impaired forborne exposures	22,561	X
C.3 outflows to impaired forborne exposures	X	14,770
C.4 write-offs	14,363	67
C.5 collections	23,054	50,697
C.6 gains on disposals	13,160	-
C.7 losses on disposal	406	-
C.8 other decreases	18,291	320
D. Closing gross exposure	204,650	146,120
- of which: exposures sold but not derecognised	843	2,196

A.1.8 Prudential consolidation - Impaired on-balance sheet credit exposures to banks: trend in total value adjustments

This table is not shown as there are no impaired on-balance sheet credit exposures to banks.

A.1.9 Prudential consolidation - Impaired on-balance sheet credit exposures to customers: trend in total value adjustments

Reasons/Categories	Bad loans		Unlikely to pay		Impaired past due exposures	
	Total	of which: forborne exposures	Total	of which: forborne exposures	Total	of which: forborne exposures
A. Opening total adjustments	49,308	13,028	143,081	97,596	899	2
- of which: exposures sold but not derecognised	-	-	432	319	4	-
B. Increases	52,666	13,398	70,853	34,874	691	19
B.1 value adjustments from purchased or originated impaired financial assets	-	X	-	X	-	X
B.2 other value adjustments	39,029	6,452	65,856	32,280	659	19
B.3 losses on disposal	2,270	304	3,105	1,849	1	-
B.4 transfers from other categories of impaired exposures	11,208	6,634	866	264	21	-
B.5 contractual amendments without cancellations	-	-	-	-	-	-
B.6 other increases	158	8	1,026	482	11	-
C. Decreases	53,203	12,117	80,475	47,502	922	2
C.1 write-backs from measurement	846	185	25,018	14,858	450	2
C.2 write-backs from collection	5,551	954	22,409	14,685	181	-
C.3 gains on disposal	5,850	2,607	493	312	-	-
C.4 write-offs	24,558	3,287	9,367	5,499	4	-
C.5 transfers to other categories of impaired exposures	739	264	11,090	6,634	266	-
C.6 contractual amendments without cancellations	-	-	-	-	-	-
C.7 other decreases	15,659	4,820	12,098	5,514	21	-
D. Total closing adjustments	48,771	14,309	133,459	84,968	668	19
- of which: exposures sold but not derecognised	-	-	997	342	12	-

A.3.1 Prudential consolidation - Secured on- and off-balance sheet credit exposures to banks

This table was not completed as there were no secured on- and off-balance sheet credit exposures to banks at 31 December 2024.

A.3.2 Prudential consolidation - Secured on- and off-balance sheet credit exposures to customers

			Collaterals (1)				Personal guarantees (2)									Total (1)+(2)
							Credit derivatives					Endorsement loans				
								Other derivatives								
	Gross exposure	Net exposure	Properties - Mortgages	Properties - Loans for leases	Securities	Other collateral	COLLECTIVE BARGAIN AGREEMENTS	Central counterparties	Banks	Other financial companies	Other parties	Public administrations	Banks	Other financial companies	Other parties	
1. Secured on-balance sheet credit exposures:	8,119,889	7,911,217	4,954,430	130,315	238,569	559,144	-	-	-	-	-	998,434	30,923	79,226	570,991	7,562,032
1.1. fully secured	7,240,929	7,045,638	4,916,700	130,315	236,291	534,777	-	-	-	-	-	617,149	12,881	71,393	517,115	7,036,621
- of which impaired	308,946	160,324	128,902	3,310	217	2,995	-	-	-	-	-	18,024	664	378	5,833	160,323
1.2. partially secured	878,961	865,580	37,730	-	2,278	24,367	-	-	-	-	-	381,285	18,041	7,833	53,876	525,410
- of which impaired	24,421	13,881	1,360	-	444	275	-	-	-	-	-	7,360	144	231	1,057	10,870
2. Secured off-balance sheet credit exposures:	941,848	935,760	40,584	-	4,636	16,294	-	-	-	-	-	18,361	2,255	135,121	637,128	854,379
2.1. fully secured	733,820	729,175	40,531	-	2,585	9,170	-	-	-	-	-	10,818	799	123,455	541,770	729,127
- of which impaired	17,134	13,423	7,176	-	5	172	-	-	-	-	-	83	-	182	5,783	13,400
2.2. partially secured	208,027	206,585	53	-	2,051	7,125	-	-	-	-	-	7,543	1,455	11,666	95,358	125,252
- of which impaired	8,504	7,456	40	-	-	-	-	-	-	-	-	20	-	26	4,053	4,139

A.4 Prudential Consolidation - Financial and non-financial assets obtained through enforcement of guarantees received

This table is not filled in as there are no financial and non-financial assets obtained through the enforcement of guarantees received.

B.1 Prudential consolidation - Breakdown of on- and off-balance sheet credit exposures to customers by sector

Exposures/Counterparties	Public administrations		Financial companies		Financial undertakings (of which: insurance undertakings)		Non-financial companies		Households	
	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments
A. On-balance sheet credit exposures										
A.1 Bad loans	-	-	392	254	-	-	12,764	27,505	10,430	21,012
- of which forborne exposures	-	-	-	-	-	-	4,412	8,477	875	(5,832)
A.2 Unlikely to pay	-	-	7,652	817	-	-	120,897	106,092	32,645	26,550
- of which forborne exposures	-	-	6,935	776	-	-	77,610	69,752	15,437	14,440
A.3 Impaired past due exposures	-	-	-	-	-	-	924	230	1,830	439
- of which forborne exposures	-	-	-	-	-	-	-	-	85	19
A.4 Non-impaired exposures	3,252,345	1,130	518,217	3,011	246,944	25	5,125,242	37,847	3,905,773	16,521
- of which forborne exposures	-	-	1,327	73	-	-	94,909	3,535	44,308	1,969
Total (A)	3,252,345	1,130	526,261	4,082	246,944	25	5,259,827	171,674	3,950,677	64,522
B. Off-balance sheet credit exposures	-	-	-	-	-	-	-	-	-	-
B.1 Impaired exposures	-	-	-	-	-	-	32,051	11,409	5,438	84
B.2 Non-impaired exposures	292,774	8	186,452	11	-	-	3,069,856	2,720	280,173	460
Total (B)	292,774	8	186,452	11	-	-	3,101,907	14,129	285,610	544
Total (A+B) 31/12/2024	3,545,119	1,138	712,713	4,092	246,944	25	8,361,734	185,803	4,236,288	65,065
Total (A+B) 31/12/2023	4,939,605	1,582	863,660	4,927	128,516	14	8,359,002	201,407	4,233,746	60,819

B.2 Prudential consolidation - Geographic breakdown of on- and off-balance sheet credit exposures to customers - Abroad

Exposures/Geographic areas		Italy		Other European countries		America		Asia		Rest of the world	
		Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments
A. On-balance sheet credit exposures											
A.1 Bad loans		23,284	48,350	303	421	-	-	-	-	-	-
A.2 Unlikely to pay		161,148	133,134	45	42	-	-	-	282	-	-
A.3 Impaired past due exposures		2,753	668	1	0	0	0	-	-	0	0
A.4 Non-impaired exposures		12,647,368	58,023	147,182	464	1,561	1	3,227	8	2,239	13
Total (A)		12,834,553	240,175	147,531	927	1,561	1	3,227	290	2,239	13
B. Off-balance sheet credit exposures		-	-	-	-	-	-	-	-	-	-
B.1 Impaired exposures		37,331	11,493	158	-	-	-	-	-	-	-
B.2 Non-impaired exposures		3,803,225	3,194	25,840	5	2	0	69	0	-	-
Total (B)		3,840,556	14,687	25,998	5	2	0	69	0	-	-
Total (A+B)	31/12/2024	16,675,109	254,862	173,528	933	1,563	1	3,296	290	2,239	13
Total (A+B)	31/12/2023	18,249,422	265,796	139,745	2,580	1,047	1	3,471	349	2,329	9

B.2 Prudential consolidation - Geographic breakdown of on- and off-balance sheet credit exposures to customers - Italy

Exposures/Geographic areas		Northwest Italy		Northeast Italy		Central Italy		Southern Italy and islands	
		Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments
A. On-balance sheet credit exposures									
A.1 Bad loans		1,120	3,649	21,688	43,627	459	959	17	115
A.2 Unlikely to pay		47,628	19,985	107,371	107,819	4,653	3,240	1,496	2,091
A.3 Impaired past due exposures		60	15	2,635	639	58	14	1	-
A.4 Non-impaired exposures		1,006,486	6,320	8,378,003	50,468	3,207,709	1,028	55,170	207
Total (A)		1,055,293	29,968	8,509,696	202,553	3,212,880	5,242	56,683	2,413
B. Off-balance sheet credit exposures									
B.1 Impaired exposures		3,907	87	28,506	9,020	4,917	2,386	-	-
B.2 Non-impaired exposures		383,343	213	3,332,660	2,971	80,406	7	6,934	3
Total (B)		387,250	300	3,361,167	11,991	85,324	2,393	6,934	3
Total (A+B)	31/12/2024	1,442,543	30,268	11,870,863	214,544	3,298,203	7,635	63,618	2,416
Total (A+B)	31/12/2023	1,505,435	19,773	11,918,042	225,482	4,734,591	16,317	94,405	4,225

B.3 Prudential consolidation - Geographic breakdown of on- and off-balance sheet credit exposures to banks - Abroad

Exposures/Geographic areas	Italy		Other European countries		America		Asia		Rest of the world	
	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments
A. On-balance sheet credit exposures										
A.1 Bad loans	-	-	-	-	-	-	-	-	-	-
A.2 Unlikely to pay	-	-	-	-	-	-	-	-	-	-
A.3 Impaired past due exposures	-	-	-	-	-	-	-	-	-	-
A.4 Non-impaired exposures	966,548	241	108,308	60	34,629	56	135	-	389	1
Total (A)	966,548	241	108,308	60	34,629	56	135	-	389	1
B. Off-balance sheet credit exposures										
B.1 Impaired exposures	-	-	-	-	-	-	-	-	-	-
B.2 Non-impaired exposures	14,506	-	22,301	-	334	-	1,702	-	2,170	-
Total (B)	14,506	-	22,301	-	334	-	1,702	-	2,170	-
Total (A+B) 31/12/2024	981,054	241	130,608	60	34,962	56	1,837	-	2,559	1
Total (A+B) 31/12/2023	1,164,459	356	105,912	80	24,819	24	2,074	1	5,759	1

B.3 Prudential consolidation - Geographic breakdown of on- and off-balance sheet credit exposures to banks - Italy

Exposures/Geographic areas		Northwest Italy		Northeast Italy		Central Italy		Southern Italy and islands	
		Net exposures	Total value adjustments	Net exposures	Total value adjustments	Net exposures	Total value adjustments	Net exposures	Total value adjustments
A. On-balance sheet credit exposures									
A.1 Bad loans		-	-	-	-	-	-	-	-
A.2 Unlikely to pay		-	-	-	-	-	-	-	-
A.3 Impaired past due exposures		-	-	-	-	-	-	-	-
A.4 Non-impaired exposures		135,872	109	102,595	95	728,081	37	-	-
Total (A)		135,872	109	102,595	95	728,081	37	-	-
B. Off-balance sheet credit exposures									
B.1 Impaired exposures		-	-	-	-	-	-	-	-
B.2 Non-impaired exposures		14,035	-	471	-	-	-	-	-
Total (B)		14,035	-	471	-	-	-	-	-
Total (A+B)	31/12/2024	149,907	109	103,066	95	728,081	37	-	-
Total (A+B)	31/12/2023	164,384	205	51,931	84	948,159	67	-	-

B.4 Large exposures

At the end of the year, there are positions that constitute "Large exposures" according to the regulations in force since 1 January 2014 for:

(in thousands of Euro)

	Number of exposures	31/12/2024	
		Carrying amount	Weighted amount
Large exposures	11	7,089,044	566,691

As indicated in Bank of Italy Circular No. 285 of 17 December 2013 and subsequent updates, the matter "Large exposures" is governed:

- by the CRR, in particular Part Four and Article 493;
- by European Commission regulations on regulatory technical standards;
- by CRD IV;
- by Articles 53 and 67 of the Consolidated Banking Act.

On the basis of the provisions, the table shows the number, the carrying amount and the weighted amount of the positions defined as "Large exposures", *i.e.*, with exposure of an amount equal to or greater than 10% of the "eligible capital" at consolidated level; at 31 December 2024, the amount of eligible capital coincides with that of Own Funds.

The recognition criterion provides that for the definition of "Large exposure" reference must be made to the concept of "unweighted exposure", as opposed to the previous legislation that referred to "weighted exposure".

The positions subject to reporting are all attributable to customers/banks or groups of customers/banks with proven reliability and to the Public Administration entities.

"Large exposures" must in any case comply with the limit of 25% of the eligible capital.

C. SECURITISATION TRANSACTIONS

C.1 Securitisation transactions

QUALITATIVE INFORMATION

Pursuant to the regulations governing the preparation of the Financial Statements, it should be noted that securitisation transactions in which the originator is a bank belonging to the same banking group, and all the liabilities issued by the special purpose entity are subscribed at the time of issue by one or more companies belonging to the same banking group (so-called self-securitisations) are not included in this section.

The securitisations of performing loans carried out by the Bank are attributable to this type of transaction.

For details on these transactions, please refer to Section 3 "Liquidity risk" below.

This section, on the other hand, includes securitisation transactions, *i.e.*, those in which, in exchange for the sale of receivables, the conditions for the transfer of risk and the consequent derecognition of the financial assets from the Group's financial statements are met, with the simultaneous recognition as assets of the Senior and Junior Notes issued by the securitisation special purpose entity.

BUONCONSIGLIO2 SECURITISATION TRANSACTION

These assets include the loans sold in the "Buonconsiglio 2" transaction in which a pool of banks have sold their non-performing loans to a securitisation special purpose entity named "Nepal". This is therefore a multi-originator sale of credit portfolios.

The Parent Bank participated in a multi-originator securitisation transaction called "Buonconsiglio 2" in which 22 banks took part, for a total value of non-performing loans sold of Euro 734 million.

The following parties were involved in the transaction:

- Banca IMI as arranger;
- Cassa Centrale Banca (CCRES), as coordinator;
- Studio Legale Orrick, Herrington & Sutcliffe as legal advisor
- NEPAL SRL as the special purpose entity that purchased the receivables;
- Guber Banca Spa as servicer.

With regard to the Cassa di Risparmio di Bolzano share, the Parent Bank securitised 176 bad loans for a total of 272 positions for a total exposure of Euro 74.6 million, of which around Euro 1.8 million of lines already transferred to loss.

The transaction mainly concerned secured loans, amounting to 86.4% at Group level, and unsecured loans of 13.6%.

The majority of the securitised portfolio, equal to approximately 90.2%, is concentrated outside the province of Bolzano, the remainder is located in Alto Adige (9.8%). With regard to the main sectors of economic activities of the transferred debtors, almost half are active in Services and Construction, 24.4% are in Construction, 6.3% are in the Construction of machines and vehicles and 6.1% are private loans, while 4.8% are retail and commercial intermediaries. Other types of economic activities remain for approximately 8.7% of the portfolio sold.

The credit lines sold are composed of mortgages for 73.6%, current accounts for 25.4% and the remainder consists of other types of credit facilities.

The transaction established that, of the sale price of 27.09%, 70% is used for the subscription of Senior notes and 1.5% of Junior notes (retention rule).

The investors who have acquired the main shares of Junior securities are:

- Värde Partners (64.7%);
- Barclays Bank (23.8%);
- Guber Banca Spa (6.5%).

The extraordinary sale transaction presented itself as an important opportunity for:

- accelerating the process of reducing the stock of non-performing loans, allowing the NPL Ratio to be lowered by around 1.5%;
- reducing bad loans without significantly impacting the average coverage of the non-performing portfolio, thus without having significant effects on income statement costs;
- making the structures dedicated to the recovery of non-performing loans more efficient.

At 31 October 2018, *i.e.*, at the cut-off date, the securitised portfolio had value adjustments of Euro 53.2 million against losses generated by the transaction of Euro 54.4 million, therefore involving a total cost of only Euro 1.2 million.

The securitisation transaction as described above was approved by the Bank's Board of Directors on 29 January 2019.

Please note that on the payment date of 16 October 2023, the vehicle repaid the Senior Notes in full; therefore, only the Junior tranche remains in the financial statements of the Parent Bank for a nominal amount of Euro 275 thousand, which has been fully written down.

LUZZATTI SECURITISATION TRANSACTION

Together with the subsidiary CiviBank, the Parent Bank Cassa di Risparmio di Bolzano participated in a multi-originator securitisation transaction called "POP Luzzatti NPLs 2022" in which 14 other banks took part, for a total value of non-performing loans sold of approximately Euro 545 million.

The following parties were involved in the transaction:

- Global Coordinator and Monitoring Agent: Luigi Luzzatti S.c.p.a.;
- Arranger: IMI – Intesa San Paolo;
- Legal advisors: Orrick Herrington & Sutcliffe LLP (Originator side), Studio Legale Chiomenti (SPV/Arranger side);
- Rating agencies: ARC Rating S.A. and Moody's;
- Master Servicer: Prelios Credit Servicing S.p.A.;
- Special Servicers: Prelios Credit Solutions S.p.A. and Fire S.p.A. (jointly);
- SPV Corporate Servicer and Computation Agent: Securitisation Services (Bank Finint);
- Paying Agent and Account Bank: BNP Paribas Securities Services.

Concluded at the end of December 2022, the transaction saw the sale to a securitisation vehicle, established in accordance with Article 3 of Law 130/1999, called Luzzatti POP NPLs 2022 S.r.l. The structure of the transaction envisaged the suitable characteristics for the derecognition of the loans through the transfer of the portfolio to the SPV and the assignment of a BBB+/Baa1 rating to the Senior Notes, pending the reintroduction of the GACS state guarantee in order to be able to assess the opportunity at banking class level, if the conditions are met, to request this guarantee. The SPV acquired the transferors' Portfolio, financing the purchase through the issue of three classes of ABS securities, Senior, Mezzanine and Junior classes, amounting to Euro 118.25 million, Euro 17.5 million and Euro 3 million, respectively. The Mezzanine and Junior notes were subscribed for 5% on a pro rata basis by the Transferors (pursuant to the European Retention Rule - net economic interest).

As regards the portion of Cassa di Risparmio di Bolzano, the Parent Bank securitised 60 non-performing positions for a total of 101 positions for a total exposure of approximately Euro 6.2 million.

With regard to the CiviBank share, the subsidiary Bank securitised 375 bad loans for a total of 781 positions and an overall exposure of approximately Euro 79 million, of which Euro 5.6 million of lines already transferred to loss.

The transaction mainly concerned secured loans. The Cassa di Risparmio di Bolzano portfolio is composed of 42.3% of unsecured loans and 57.7% of secured loans, while the CiviBank portfolio consists of 71.7% of unsecured loans and 28.3% of secured loans.

With regard to the economic sector, loans to households account for 12.4% of the portfolio securitised by Cassa di Risparmio di Bolzano, and 20.1% of the portfolio securitised by CiviBank. Half of the portfolio sold by Cassa di Risparmio di Bolzano is active in the real estate and construction sector (50.1%), 15.6% is in manufacturing activities, 10.3% is in accommodation and catering, while 8.5% is in the wholesale and retail trade sector. Other types of economic activity remain for a total of 3.0% of the portfolio sold by Cassa di Risparmio di Bolzano. With regard to the portfolio sold by CiviBank, 25.8% are active in the real estate and construction sector, 35.4% are in manufacturing activities, 2.2% in accommodation and catering while 5.2% belong to the wholesale and retail trade sector. Other types of economic activity remain for a total of 11.5% of the portfolio sold by CiviBank, of which 4.6% of grape cultivation and 3.0% of professional activities.

The majority of the securitised portfolio of Cassa di Risparmio di Bolzano, equal to approximately 86.0%, is concentrated outside the province of Bolzano, the remainder is located in Alto Adige (14.0%). Most of the securitised portfolio of Civibank, equal to approximately 72.8%, is concentrated in Friuli-Venezia Giulia, the remainder is located outside the region (27.2%).

With regard to the time horizon, both portfolios sold are characterised by medium/long-term lines. The credit lines transferred with a medium/long-term duration (mortgages, loans) are therefore 61.5% for the portfolio securitised by Cassa di Risparmio di Bolzano and 74.2% for CiviBank.

The extraordinary disposal transaction presented itself as an important opportunity to accelerate the process of reducing the stock of non-performing loans, allowing to lower both the individual and Group NPL Ratio.

OTHER SECURITISATION TRANSACTIONS OF THE SUBSIDIARY BANCA DI CIVIDALE

QUALITATIVE INFORMATION

Securitisation transactions are carried out in order to increase the assets liquidity degree and increase the availability of financial instruments that can be allocated for refinancing transactions with the European Central Bank and/or that can be used as collateral in financing transactions with institutional and market counterparties.

The quantitative information reported in this section only includes the Civitas Spv Srl – RMBS – 2017 as the transaction Civitas Spv Srl – SME – 2019 has the characteristics of the so-called "Self-securitisations", *i.e.*, the Originator Bank subscribed all the liabilities issued by the SPV at the time of issue.

Main Information	
Date of completion of the transaction	july-17
Vehicle company	Civitas Spv Srl
Transaction subject matter	Performing residential mortgages
Banks/originator groups	Banca di Cividale S.p.A.
Original total amount of receivables assigned by	
Banca di Cividale	253 million
RMBS Renovation 2018	112 million
RMBS Renovation 2019	106 million
RMBS Restructuring 2020	147 million
Total amount of BDC's assigned receivables	618 million
Securities issued, subscribed and held by Banca di Cividale	600 million
of which senior securities a	46 million
of which senior securities b	228 million
of which mezzanine securities	51 million
of which junior securities	93 million
Initial rating senior securities	A Standard&poor's - AA DBRS
Closing balance TQ of securities held as at 31/12/2023	251 million
Senior securities rating	AA Standard&poor's - AAA DBRS

In such transactions, the Bank's role, in addition to that of "originator" of the underlying transactions and mortgages, is that of "servicer" in charge of all activities pertaining to the relationship with borrowers, including the periodic collection of instalments.

The credit risk associated with the assets sold in the securitisation transactions remains with the bank; therefore, the internal risk measurement and control systems are applied in a completely homogeneous manner to both securitised and non-securitised assets.

Section 2. Securitisations of bad loans

Loan securitisation transactions were identified by the Bank as a suitable instrument for transferring credit risk to third parties ("derisking").

The Bank has three securitisation transactions in place that involve the transfer of the underlying risks, called "POP NPLS 2019", "POP NPLS 2020" and "POP NPLS 2022". The transactions were structured in a manner suitable for obtaining the GACS guarantee on the senior note issued.

"Pop NPLs 2019" transaction

On 10 December 2019, pursuant to Italian Law No. 130 of 30 April 1999, the Bank completed a securitisation of bad loans with GACS guarantee for a total value of approximately Euro 50.7 million. The Bank participated in the initiative promoted by Luigi Luzzatti Scpa, as part of Assopopolari, which developed a multi-originator securitisation of loans with GACS, the state guarantee that assists the senior notes issued following the completion of these transactions.

The purpose of the transaction is to improve the risk profile and the quality of the assets as well as the income prospects and in particular to reduce the incidence of bad loans on total assets, as well as to reduce the related administrative, legal and judicial costs for the management of bad loans.

The securitised portfolio was of a "mixed" nature, mortgage and unsecured, claimed from non-financial undertakings and other private entities mainly referring to the Friuli Venezia Giulia and Eastern Veneto regions; the Banca di Cividale's participation resulted in the sale of 280 positions for a total receivable of approximately Euro 50.7 million (out of a total transaction GBV of approximately Euro 827 million).

The consideration for the sale of the receivables to the SPV, called "Pop NPLs 2019 S.r.l.", amounted to a total of Euro 177 million (of which Euro 13.6 million referring to the Bank's portfolio).

The SPV financed the purchase of the Receivables through the issue of the following classes of notes pursuant to the combined provisions of Articles 1 and 5 of Law No. 130, for a total value of Euro 203 million, broken down as follows:

- Euro 173 million Senior ABS with floating rate maturing in February 2045;
- Euro 25 million Mezzanine ABS with floating rate maturing in February 2045;
- Euro 5 million Junior ABS with floating rate and variable return maturing in February 2045;

The Senior Notes obtained a rating of BBB from DBRS and BBB from Scope Ratings AG, the Mezzanine notes obtained a rating of CCC from DBRS and CCC from Scope Ratings AG.

The Senior Notes obtained a rating of BBB from DBRS and BBB from Scope Ratings AG, the Mezzanine notes obtained a rating of CCC from DBRS and CCC from Scope Ratings AG. The Senior Notes issued are backed by the State Guarantee.

Below is a summary of the data at 31 December 2023 relating to the securitisation of multi-originator bad loans with GACS called POP NPLs 2019:

Main Information	
Date of completion of the transaction	December-19
Vehicle company	POP NPLs 2019 S.r.l.
Transaction subject matter	Transfer of credit risk to third parties
Banks/originator groups	Pool 12 Banks
Total amount of receivables assigned by	
Banca di Cividale	50 million
Total amount of BDC's assigned receivables	50 million
Securities issued, subscribed and held by Banca di Cividale	13 million
of which senior securities	13 million
of which junior securities	0.1 million
Initial rating senior securities	BBB
Closing balance TQ of securities held as at 31/12/2023	6.9 million
Senior securities rating	BBB

"POP NPLs 2020" transaction

In 2020, pursuant to Italian Law no. 130 of 30 April 1999, the Bank participated to a securitisation of bad loans with GACS guarantee for a total value of approximately Euro 36.6 million. The Bank participated in the initiative promoted by Luigi Luzzatti Scpa, as part of Assopopolari, which developed a multi-originator securitisation of loans with GACS, the state guarantee that assists the senior notes issued following the completion of these transactions.

The purpose of the transaction is to improve the risk profile and the quality of the assets as well as the income prospects and in particular to reduce the incidence of bad loans on total assets, as well as to reduce the related administrative, legal and judicial costs for the management of bad loans.

The securitised portfolio was of a "mixed" nature, mortgage and unsecured, claimed from non-financial undertakings and other private entities mainly referring to the Friuli Venezia Giulia and Eastern Veneto regions; the Banca di Cividale's participation resulted in the sale of 422 positions for a total receivable of approximately Euro 36.6 million (out of a total transaction GBV of approximately Euro 920 million).

The consideration for the sale of the receivables to the SPV, called "Pop NPLs 2020 S.r.l.", amounted to a total of Euro 245.5 million (of which Euro 9.7 million referring to the Bank's portfolio).

The SPV financed the purchase of the Receivables through the issue of the following classes of notes pursuant to the combined provisions of Articles 1 and 5 of Law 130, for a total value of Euro 245.5 million, broken down as follows:

- Euro 241.5 million Senior ABS with 6-month Euribor floating rate +0.30% maturing in November 2045;
- Euro 25 million Mezzanine ABS with 6-month Euribor floating rate +12% maturing in November 2045;

- Euro 10 million Junior ABS with 6-month Euribor floating rate +15% in addition to the variable remuneration linked to the recoveries remaining after the fulfilment of all the other obligations of the vehicle, maturing in November 2045.

The Senior Notes obtained a rating of BBB from DBRS and BBB from Scope Ratings AG, the Mezzanine notes obtained a rating of CCC from DBRS and CC from Scope Ratings AG. The Junior Notes were not rated. The notes were not listed on any regulated market. The Senior Notes issued are backed by the State Guarantee.

With reference to the aspects of guidance, governance and control of the Transaction, it should be noted that the entire process was carried out in compliance with and application of the policy on the disposal and write-off of non-performing loans and the SRT policy. The transaction was part of the multi-year NPL management strategies and the related results, both in terms of asset quality improvement and internal capital allocation, were consistent with the strategic objectives outlined therein.

Below is a summary of the data at 31 December 2023 relating to the securitisation of multi-originator bad loans with GACS called POP NPLs 2020:

Main Information	
Date of completion of the transaction	December-20
Vehicle company	POP NPLs 2020 S.r.l.
Transaction subject matter	Transfer of credit risk to third parties
Banks/originator groups	Pool 15 Banks
Total amount of receivables assigned by Banca di Cividale	36.9 million
Total amount of BDC's assigned receivables	36.9 million
Securities issued, subscribed and held by Banca di Cividale	9.7 million
of which senior securities	9.5 million
of which junior securities	0.1 million
Initial rating senior securities	BBB
Closing balance TQ of securities held as at 31/12/2023	4.5 million
Senior securities rating	BBB

"Luzzatti POP NPLs 2022" transaction

In 2022, pursuant to Italian Law no. 130 of 30 April 1999, the Bank participated to a securitisation of bad loans theoretically suitable for GACS guarantee (but concluded at the time when the GACS law was not applicable) for a nominal amount of approximately Euro 79 million. The Bank participated in the initiative promoted by Luigi Luzzatti Scpa, which developed a multi-originator securitisation of loans with the participation of a further 14 transferring banks.

The purpose of the transaction is to improve the risk profile and the quality of the assets as well as the income prospects and in particular to reduce the incidence of bad loans on total assets, as well as to reduce the related administrative, legal and judicial costs for the management of bad loans.

The securitised portfolio was of a "mixed" nature, mortgage and unsecured, claimed from non-financial undertakings and other private entities mainly referring to the Friuli Venezia Giulia and Eastern Veneto regions; the Banca di Cividale's participation resulted in the sale of 375 positions for a total receivable of approximately Euro 79 million (out of a total transaction GBV of approximately Euro 550 million, corresponding to a gross collectable amount of the loans of about Euro 545 million).

The consideration for the sale of the receivables to the SPV, called "Luzzatti POP NPLs 2022 S.r.l.", amounted to a total of Euro 122.9 million (of which Euro 15.7 million originally referred to the Bank's portfolio).

The SPV financed the purchase of the Receivables through the issue of the following classes of notes pursuant to the combined provisions of Articles 1 and 5 of Law 130, for a total value of Euro 138.75 million, broken down as follows:

- Euro 118.25 million Senior ABS with a fixed rate of 4%, maturing in January 2042;

- Euro 17.5 million Mezzanine ABS with 6-month Euribor floating rate +10% maturing in January 2042;
- Euro 3 million Junior ABS with 6-month Euribor floating rate +15% in addition to the variable remuneration linked to the recoveries remaining after the fulfilment of all the other obligations of the vehicle, maturing in January 2042.

The Senior Notes have a rating issued by the rating agencies ARC Ratings, S.A., equal to BBB + (sf), and Moody's Italia S.r.l., equal to Baa1 (sf), and were subscribed on a pro rata basis by the Transferors, while the Mezzanine Notes and Junior Notes do not have a rating and 95% of them were sold on 29 December 2022 to an independent investor. In particular, no Note was sold to investors who are connected and/or have relations or links with the Transferors ("close link" as defined in Article 4(38) of the CRR). The Notes are not and will not be listed on any regulated market.

In order to fulfill the obligation to maintain the 5% net economic interest in the Transaction, pursuant to Article 6 of Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 (which establishes a general framework for securitisation, sets up a specific framework for simple, transparent and standardised securitisations and amends Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) no. 1060/2009 and (EU) no. 648/2012) (the "Securitisation Regulation"), as amended by Regulation (EU) 557/2021, the Transferors have subscribed - and will undertake to maintain it throughout the duration of the Transaction - a portion of the transaction at least equal to 5% of the nominal amount of each tranche of Notes issued in the context of the Transaction ("vertical segment" mode).

The transaction was structured in such a way as to have suitable characteristics and conditions to proceed with the derecognition of the receivables subject to transfer, in accordance with the applicable IAS/IFRS international accounting standards, as the rights and benefits of the financial assets sold (IFRS 9, paragraphs 3.2.4 (a) and 3.2.6 (a)) are substantially transferred to the special purpose vehicle Luzzatti POP NPLs 2022 S.r.l.

The derecognition of the receivables resulted in the recognition of a loss on disposal (net of the discounting effect) of Euro 16.5 million, recognised under item 100 a) of the income statement "Gains (losses) on disposal or repurchase of assets measured at amortised cost".

The transaction was part of the multi-year NPL management strategies and the related results, both in terms of asset quality improvement and internal capital allocation, were consistent with the strategic objectives outlined therein.

Below is a summary of the data at 31 December 2023 relating to the securitisation of multi-originator bad loans with GACS called POP NPLs 2022:

Main Information	
Date of completion of the transaction	December-22
Vehicle company	Luzzatti POP NPLs 2022 S.r.l.
Transaction subject matter	Transfer of credit risk to third parties
Banks/originator groups	Pool 15 Banks
Total amount of receivables assigned by Banca di Cividale	73.7 million
Total amount of BDC's assigned receivables	73.7 million
Securities issued, subscribed and held by Banca di Cividale	15.1 million
of which senior securities	15.1 million
of which junior securities	<0.1 million
Initial rating senior securities	BBB+
Closing balance TQ of securities held as at 31/12/2023	12.4 million
Senior securities rating	BBB+

C. Parent Bank's securitisation transactions

This table is not shown because both securitisation transactions of non-performing loans, which were disclosed in the previous sections, have balance sheet values that are fully written off.

C. Securitisation transactions of the subsidiary Banca di Cividale

C.1. Exposures deriving from the main "own" securitisation transactions broken down by type of securitised asset and type of exposure

Type of securitised assets/Exposures	On-balance sheet exposures						Guarantees issued						Credit lines					
	Senior		Mezzanine		Junior		Senior		Mezzanine		Junior		Senior		Mezzanine		Junior	
	Carrying amount	Value adjustments/ write-backs	Carrying amount	Value adjustments/ write-backs	Carrying amount	Value adjustments/ write-backs	Net exposure	Value adjustments/ write-backs	Net exposure	Value adjustments/ write-backs	Net exposure	Value adjustments/ write-backs	Net exposure	Value adjustments/ write-backs	Net exposure	Value adjustments/ write-backs	Net exposure	Value adjustments/ write-backs
A. Subject to full derecognition from the financial statements																		
POP NPLS 19 2/45 TV			15															
Type of activity: Non-performing loans			15															
Pop Npls 2020 1902			8															
Type of activity: Non-performing loans			8															
Pop Npls 2022 2250	9,838	10	31															
Type of activity: Non-performing loans	9,838	10	31															
B. Subject to partial derecognition from the financial statements																		
C. Not derecognised from the financial statements																		
C.1 Civitas Spv Srl					225,355	(4,215)	-	-	-	-	-	-	-	-	-	-	-	-
– Type of asset: Receivables					225,355	(4,215)	-	-	-	-	-	-	-	-	-	-	-	-

With regard to the "Civitas Spv Srl – RMBS -2017" securitisation, the Bank holds the entirety of the "Junior" notes while a part of the Senior notes were sold to the Parent Bank.

The amounts indicated in the table refer to the value of the Junior and Senior notes held by the Bank which would have been shown in both assets and liabilities of the balance sheet but which are not included therein as they have been eliminated in application of the accounting standards.

C.2. Exposures deriving from the main "third party" securitisation transactions broken down by type of securitised asset and type of exposure

Type of underlying assets/Exposures	On-balance sheet exposures						Guarantees issued						Credit lines					
	Senior		Mezzanine		Junior		Senior		Mezzanine		Junior		Senior		Mezzanine		Junior	
	Carrying amount	Value adjustments/write-backs	Carrying amount	Value adjustments/write-backs	Carrying amount	Value adjustments/write-backs	Net exposure	Value adjustments/write-backs	Net exposure	Value adjustments/write-backs	Net exposure	Value adjustments/write-backs	Net exposure	Value adjustments/write-backs	Net exposure	Value adjustments/write-backs	Net exposure	Value adjustments/write-backs
Auxilio 1855	**2,206**	**(14)**																
Auxilio CL A 20 TV - Type of asset: Receivables from undertakings	2,206	(14)																
Cloud Spv	**12,393**	**(83)**	**4,090**	**(28)**														
Cloud Spv/Ts Abs 03/37 Sen C - Type of asset: Receivables from undertakings	12,393	(83)																
Cloud Spv/5 Abs 03/37 Mez Cl - Type of asset: Receivables from undertakings			4,090	(28)														
Galadriel Spe S.R.L.	**4,022**	**(26)**	**902**															
Galadriel Spe 06/31 TV class A1 - Type of asset: Receivables from businesses	4,022	(26)																
Galadriel Spe 06/31 7% B1 - Type of asset: Receivables from undertakings			902															
Kripton Spv Spa	**3,302**	**(21)**	**604**															
Kripton Spe 03/36 TV class A - Type of asset: Receivables from undertakings	3,302	(21)																
Kripton Spe 03/36 TV class B - Type of asset: Receivables from undertakings			604															
Lanterna	**4,612**	**(3)**																
Lanterna 28/04/2050 0.4 - Type of asset: Receivables from PA	4,612	(3)																
Vittoria Spe Series II	**2,160**	**(14)**																
Vittoria 07/31 TV - Type of asset: Receivables from PA	2,160	(14)																
EBB 9/5/28 TV CL A	**363**																	
EBB 9/5/28 TV CL A- Type of asset: Receivables from PA	363																	

C.3. Special purpose entity for the securitisation of the subsidiary Banca di Cividale

Name of securitisation Special purpose entity name	Registered office	Consolidation	Assets			Liabilities			
			Receivables	Debt securities	Other	Senior	Mezzanine	Junior	Other
POP NPLS 20 2/45 TV*	Conegliano Veneto (TV)	No.							
POP NPLS 19 2/45 TV	Conegliano Veneto (TV)	No.	53,956	-	14,324	73,769	8,193	1,008	17,193
POP NPLS 22 2/45 TV	Conegliano Veneto (TV)	No.	463,086	-	-	71,252	17,500	3,000	-

*Financial statements as at 31/12/2024

C.4. Unconsolidated securitisation special purpose entities

The Bank holds no interests in unconsolidated structured entities.

C.5. Servicer activities - own securitisations: collections of securitised receivables and redemptions of securities issued by the securitisation special purpose entity

The item is not substantiated.

D. Disposal transactions

A. Financial assets sold and not fully cancelled

Qualitative and quantitative information

D.1 Prudential consolidation - Financial assets sold fully recognised and associated financial liabilities: carrying amounts

	Financial assets sold fully recognised				Associated financial liabilities		
	Carrying amount	of which: subject to securitisation	of which: subject to repurchase agreements	of which impaired	Carrying amount	of which: subject to securitisation	of which: subject to repurchase agreements
A. Financial assets held for trading	-	-	-	X	-	-	-
1. Debt securities	-	-	-	X	-	-	-
2. Equity securities	-	-	-	X	-	-	-
3. Loans	-	-	-	X	-	-	-
4. Derivatives	-	-	-	X	-	-	-
B. Other financial assets mandatorily measured at fair value	-	-	-	-	-	-	-
1. Debt securities	-	-	-	-	-	-	-
2. Equity securities	-	-	-	X	-	-	-
3. Loans	-	-	-	-	-	-	-
C. Financial assets designated at fair value	-	-	-	-	-	-	-
1. Debt securities	-	-	-	-	-	-	-
2. Loans	-	-	-	-	-	-	-
D. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	-
1. Debt securities	-	-	-	-	-	-	-
2. Equity securities	-	-	-	X	-	-	-
3. Loans	-	-	-	-	-	-	-
Financial assets measured at amortised cost	749,182	189,780	559,402	1,621	769,999	2,903	767,095
1. Debt securities	559,402	-	559,402	-	767,095	-	767,095
2. Loans	189,780	189,780	-	1,621	2,903	2,903	-
Total 31/12/2024	749,182	189,780	559,402	1,621	769,999	2,903	767,095
Total 31/12/2023	656,238	52,014	604,224	427	844,751	45,373	799,378

E. Prudential consolidation - Models for the measurement of credit risk

The Group does not use internal portfolio models to measure credit risk exposure.

However, it should be noted that the Parent Bank has introduced the AIRB parameters for the calculation of expected credit losses on performing loans starting from 31 December 2019. From September 2023, the approach was also extended to the Subsidiary CiviBank.

Finally, it should be noted that on 24 May 2023 the Parent Bank, with provision No. 0926043/23 has received from the Supervisory authorities the recognition for prudential purposes of the AIRB internal credit risk measurement system. The authorisation measure will take effect on condition that the "Preliminary remedial measures" are implemented within 18 months.

1.2 Banking Group - Market risks

1.2.1 Interest rate risk and price risk - Regulatory trading book

QUALITATIVE INFORMATION

A. General aspects

A.1 Sources of interest rate risk and price risk

The interest rate risk of the regulatory trading book is the risk of incurring losses caused by adverse changes in the price of financial instruments due to factors related to market interest rates (risk factor concerning the current value of these instruments).

Interest rate risk is generated mainly by debt securities and interest rate derivatives classified in the trading book.

Price risk is the risk of incurring losses caused by adverse changes in market prices. This risk is mainly generated by positions in UCITS units and by equity instruments (such as shares, futures on equity indices and/or shares, options on shares and/or equity indices, warrants, covered warrants, etc.).

Impacts deriving from the Ukrainian-Russian conflict

The Group continuously monitors its securities portfolio in order to identify and carefully assess potential impacts related to the geo-political environment. The exposure of the securities portfolio to asset classes considered potentially sensitive in the context of the Ukrainian-Russian conflict was limited.

A.2 Objectives and strategies underlying trading activities

The "regulatory trading book" consists of financial instruments that are intentionally allocated to subsequent short-term disposals or taken on in order to benefit, in the short term, from differences between purchase and sale prices or other changes in the price or interest rates or held to hedge the risks arising from other financial instruments held for trading.

To this end, the aforementioned financial instruments, which must also be exempt from any clause that limits their negotiability or, alternatively, which must be able to be hedged, are subject to explicit trading strategies that clearly express the intent of trading of the Group.

The Group's trading book mainly includes the following financial instruments:

- Government bonds, bank bonds, corporate bonds intended for trading with customers and only for repurchase agreements;

- managed products, ETFs;
- derivative transactions.

With specific reference to interest rate risk, the investments made by the Group are aimed at containing this risk by favouring short-term instruments.

B. Management processes and measurement methods for interest rate risk and price risk

B.1 Organisational aspects

The market risk management and measurement process in a broad sense, which includes both interest rate and price risks, is shown below. The market risk management process of the trading book is regulated in stages, with the aim of identifying the criteria for the management of risk profiles, the activities to be carried out for the correct application of the criteria, the units responsible for carrying out the performance of the aforementioned activities and the procedures supporting them. The articulation by phases and the attribution of activities to the various organisational structures are carried out having as the objective the functionality of the process, *i.e.*, its suitability to achieve the set objectives (effectiveness) and the ability to achieve them at a reasonable cost (efficiency).

The phases of the process are shown below.

Investment Policy

The objective of the investment policy is the implementation of short and long-term strategic guidelines, in order to quantify the resources to be allocated in the financial investments segment of the trading book. The quantification of the resources to be allocated to the segment is carried out taking into account the overall market risks (interest, share price, exchange rate) and is determined on the basis of the results of the analyses carried out on the forecasts regarding the trend of the main macro-economic variables, the main reference markets, national and international monetary policies, the characteristics of the company's financial structure, the performance adjusted for the risk of the investments made and to be made, the public restrictions and the Supervisory regulations.

Information from internal and external sources is systematically acquired by the Finance and Treasury Department and forwarded to the Risk Management Service and to the Risk Monitoring Committee.

The Risk Monitoring Committee measures market risk and determines the resources to be allocated to investment activities in financial instruments at the level of the overall portfolio owned by the Group and at the level of individual portfolio or segment. The measurement in question takes place on the basis of the calculations and forecasts made by the Risk Monitoring Committee itself with the help of information processed by the Services that make up the Committee. Therefore, the Finance and Treasury Department, through the units or desks that make it up, defines, with reference to the aforementioned information, the forecasts in terms of profitability of the financial instruments (products) handled and in terms of attractiveness of the reference markets, and it determines the attractiveness of the various product/market combinations.

Assumption of market risk

The assumption of market risk is aimed at investing the resources allocated in the financial investments segment and in particular in the securities segment. The assumption of the risk is carried out in compliance with the general criteria of cost-effectiveness and profitability of the investment but above all in compliance with the powers resolved on by the Board of Directors in terms of maximum tolerable loss in the year and cumulative loss for the period (stop-loss).

The activities carried out for the assumption of market risk concern the following aspects:

1. the valuation of the investment to be made with reference to:

- the liquidity of the investment;
- the return offered by a security;
- the degree of risk associated with the investment.

2. the assumption of risk with reference to the operating powers assigned in terms of limits with regard to:
    - the overall generic or position risk of the individual portfolios and of the portfolios as a whole;
    - the generic risk of the individual components of the portfolios;
    - the total cumulative loss for each portfolio segment;
    - the nominal amount of the securities by segment of operation;
    - the specific risk for debt securities of non-qualified parties;
    - the counterparty risk;
    - the settlement risk;
    - the concentration risk.

With reference to the structure of the delegations on market risk, the assumption of the latter is delegated:

- in cases of urgency, to the Chairman of the Board of Directors who may decide without limits on the amount or risk, on the proposal submitted by the Risk Monitoring Committee, which in any case presents to the aforementioned Body the potential risk of the investments to be acquired;
- on an ongoing basis, to the Chief Executive Officer - General Manager, and to the Finance and Treasury Department.

Market risk measurement

For the purposes of quantifying the mandatory capital requirements, the Group measures market risks according to the standardised methodology envisaged by the supervisory provisions.

For operational purposes, the measurement of market risk relates to the construction of a measure, whether overall on the entire trading portfolio and/or on the investment segment (bond, equity, currency, etc.), indicative of the risk deriving from investment activity in financial instruments (so-called "VaR models").

The information supporting the measurement of market risk concerns:

1. the market value (of the prices) of the positions taken by the units responsible for carrying out the investment activity (market value means the official trading price at which a financial instrument is listed);
2. the sensitivity of the market value of the aforementioned positions to changes in the reference risk factor (sensitivity means the percentage change in the market value as the risk factor changes);
3. the volatility of the risk factor relevant to the individual positions (*i.e.*, the change in the risk factor);
4. the protection interval (of confidence) desired by the Group indicative of its risk aversion;
5. the reference time horizon over which the plan is to carry out the estimate of the risk connected with the cited positions, indicative of the holding period of said financial instrument;
6. the correlations between market/risk factors of the same type (interest rates for different maturities or exchange rates for different currencies) and the correlations between risk factors of different types (interest rate risk, exchange rate risk, equity risk).

The measurement and monitoring of market risk, in compliance with the above criteria and with reference to the information listed above, is carried out:

1. on an ongoing basis by the Finance and Treasury Department to verify compliance with the limits assigned to it;

2. by the Risk Management Service on the basis of information supports prepared by the same. In addition, the Risk Management Service, in collaboration with the Finance and Treasury Department, updates the measurement of market risk for new products or for changes in existing ones;
3. periodically, by the Financial Statements, Taxes and Management Control Department that assesses the adequacy of capital allocation in relation to the securities segment as well as the return on said capital and thus the achievement of the set out objectives in both operational and profit terms.

The Risk Management Service, after acquiring and processing the information and data necessary for the measurement of market risk:

1. determines the VaR related to the individual positions that make up the portfolio owned by the Group;
2. determines the VaR related to the individual segments (equity, bond, currency, etc.) in which the Group carries out investment activities;
3. determines the VaR related to the individual portfolios/sub-portfolios into which the owned portfolio is divided;
4. determines the VaR related to the overall portfolio owned by the Group;
5. on the basis of the above, it informs the Finance and Treasury Department, the Financial Statements, Tax and Management Control Department;
6. forwards the information referred to in the previous points to the Corporate Bodies involved in the financial process (General Management, Risk Monitoring Committee, Board of Directors, etc.).

Market risk control

The objective pursued by the market risk control activity concerns:

- monitoring of securities operations in terms of maximum potential loss over a reference time horizon and in terms of cumulative loss (stop-loss) for the period;
- communication and transmission of information relating to the risk that the Group is facing;
- timely communication to the competent Corporate Bodies of the any critical issues.

The task of controlling the market risk in terms of compliance with the limits defined for the owned portfolio and for the portfolios and/or segments (maximum tolerable loss in the period in question - VaR limit, cumulative loss for the period and allocated capital limit) is delegated to:

- the Finance and Treasury Department as regards the overall limits within which the Service may assume market risks, considering the risks assumed by the individual units belonging to the Service;
- the Risk Management Service, which also produces the reports for the Corporate Bodies and functions involved in the market risk control process.

Considering the materiality of climate-environmental, social and governance (ESG) risks in the banking sector, an ESG rating monitoring was established on the proprietary securities portfolio. This monitoring is also extended to the securities portfolio owned by the Subsidiary.

Currently, the portfolio is mainly composed of securities with a good ESG rating.

B.2 Methodological aspects

At management level, the Group uses a VaR model as the main instrument for daily measurement and control of the exposure to market risks of the trading book.

The VaR is a statistical measure that estimates the potential losses caused by the variability of the risk factors to which the trading book is exposed over a predefined time horizon (holding period) and with a specific level of statistical confidence. With regard to the parameters of the model used, the Group measures, following a prudential approach, a

VaR with a confidence interval of 99%, over a holding period of one day. The positions subject to VaR calculation are those in financial instruments that can be classified as assets or liabilities belonging to the trading book.

VaR is measured on a daily basis at the level of the overall portfolio of owned securities. At different intervals, an information report is also produced for the Bodies, Top Management and the functions involved in the financial process.

To calculate VaR, the Group adopts the Montecarlo methodology, using historical series with a depth of one year. The historical series that underlies the simulations are updated on a daily basis by entering the most recent data for each series and excluding the most distant observation. The Group has chosen the Montecarlo method because, due to the composition of the proprietary portfolio and the type of operations carried out, it allows a reliable measurement of exposure to risks.

The aggregation of the risk factors and the diversification effect on the portfolio takes place considering the implicit correlations in the historical series of the data used.

The model currently developed covers generic market risks (interest rate risk, price risk and exchange rate risk).

The limits are resolved annually by the Board of Directors and the Risk Monitoring Committee according to their respective responsibilities.

The Group does not currently use an internal model for the management of market risks to determine the prudential capital requirements of the trading book.

1.2 Market risks

1.2.1 INTEREST RATE RISK AND PRICE RISK - REGULATORY TRADING BOOK

Quantitative information

1. Regulatory trading book: breakdown by residual duration (repricing date) of on-balance sheet financial assets and liabilities and financial derivatives

Currency of denomination: EURO

Type/Residual duration	Demand	Up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year up to 5 years	Over 5 years up to 10 years	Over 10 years	Indefinite duration
1. On-balance sheet assets	2	2,000	-	202	7,203	12,077	11,657	-
1.1 Debt securities	2	2,000	-	202	7,203	12,077	11,657	-
- with early repayment option	-	-	-	-	210	-	-	-
- other	2	2,000	-	202	6,993	12,077	11,657	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance sheet liabilities	-	-	-	-	-	-	-	-
2.1 Repurchase agreements	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial derivatives								
3.1 With underlying security								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other								
+ Long positions	-	733	-	-	-	-	-	-
+ Short positions	-	733	-	-	-	-	-	-
3.2 Without underlying security								
- Options								
+ Long positions	-	-	1	2	7	-	-	-
+ Short positions	-	-	1	2	7	-	-	-
- Other derivatives								
+ Long positions	-	736	-	-	-	-	-	-
+ Short positions	-	466	-	-	-	-	-	-

1. Regulatory trading book: breakdown by residual duration (repricing date) of on-balance sheet financial assets and liabilities and financial derivatives

Currency of denomination: OTHER CURRENCIES

Type/Residual duration	Demand	Up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year up to 5 years	Over 5 years up to 10 years	Over 10 years	Indefinite duration
1. On-balance sheet assets	-	-	-	-	-	-	-	-
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance sheet liabilities	-	-	-	-	-	-	-	-
2.1 Repurchase agreements	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial derivatives								
3.1 With underlying security								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	-	467	-	-	-	-	-	-
+ Short positions	-	736	-	-	-	-	-	-

In consideration of the residual nature of the amounts in currencies other than the euro, they were all aggregated in the above table.

The effect of a change in interest rates of +/- 100 basis points on the net interest income, operating income and shareholders' equity is described below.

Risk exposure due to a change in interest rates of +100 basis points.

a. effect on net interest income in the following twelve months:	Euro 16 thousand
b. effect on profit for the year:	Euro (2,260) thousand
c. effect on shareholders' equity:	Euro 0 thousand

Risk exposure due to a change in interest rates of - 100 basis points:

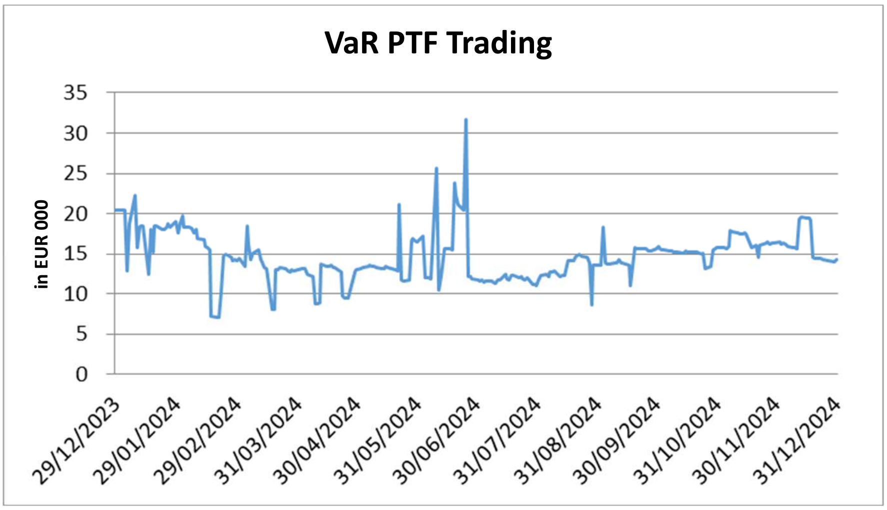
a. effect on net interest income in the following twelve months:	Euro (16) thousand
b. effect on profit for the year:	Euro 2,582 thousand
c. effect on shareholders' equity:	Euro 0 thousand

2. Regulatory trading book: breakdown of exposures in equity securities and equity indices for the main countries of the quotation market

Type of transactions/Quotation index	Listed						Not listed
	ITALY	UNITED STATES OF AMERICA	UNITED KINGDOM	JAPAN	GERMANY	OTHER	
A. Equity securities							
- long positions	5	1	-	-	-	-	-
- short positions	-	-	-	-	-	-	-
B. Purchases and sales of equity securities not yet settled							
- long positions	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-
C. Other derivatives on equity securities							
- long positions	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-
D. Derivatives on equity indices							
- long positions	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-

3. Regulatory trading book: internal models and other methods for sensitivity analysis

The attached table shows the trend in the year of risk in terms of Value at Risk (VaR) (Montecarlo method) on the asset positions in the Regulatory trading book, limited to the exposure in securities. The measurement is based on a 99% confidence interval and a holding period of 1 day.



VaR values in the last 12 months:	Euro 000
Start of period:	20
End of period:	14
Maximum:	32
Minimum:	7
Average:	15

1.2.2 Interest rate risk and price risk - Banking book

QUALITATIVE INFORMATION

General aspects, management processes and measurement methods for interest rate risk and price risk

The structural interest rate risk (so-called "interest rate risk in the banking book" or "IRRBB") is the risk of suffering a reduction in the value of equity or a decrease in the net interest income deriving from the impact of adverse changes in interest rates on asset and liability items other than those allocated to the regulatory trading book. The regulatory banking book is defined as residual with respect to the trading book and therefore includes all positions not included in the supervisory trading book. Therefore, the banking book includes:

a) assets and liabilities generated by treasury operations and therefore interbank deposits given and received, repurchase agreements, etc. (discretionary interest rate risk);
b) assets and liabilities generated by transactions with ordinary customers (retail and corporate); in this case, the risk is strictly related to the commercial policies of funding and lending and therefore to the "structure" of the financial statements (interest rate risk of a structural nature);
c) financial assets other than those held for trading.

The sources from which this risk originates can be identified in the negative events that mainly impact the credit, funding and finance processes.

Interest rate risk mainly takes the form of:

- "rate revision risk", related to the time mismatches in the maturity or revision date of the rate of assets, liabilities and off-balance sheet items;
- risk deriving from changes in the inclination and shape of the interest rate curve (so-called "yield curve risk");
- base risk, deriving from an imperfect correlation in the adjustment of lending and borrowing rates on different instruments but with otherwise similar price revision characteristics;
- "risk arising from option rights" deriving from options, including embedded options which give the counterparties the possibility of early repayment of the amount due to or by the Parent Bank and/or revision of the economic conditions regarding the rates applied.

The price risk of the banking book is mainly represented by equity investments, UCITS units and other securities held for investment purposes.

A.1. Interest rate risk management processes and measurement methods

A.1.1 Organisational aspects

The Group's interest rate risk management process, with reference to the banking book, consists of the following phases:

Risk management policy

The objective of the risk management policy is the implementation of short and long-term strategic guidelines, in order to quantify the resources to be allocated in the financial loans and investments segment in terms of exposure to interest rate and price risks of the overall banking book in terms of the volatility of the net interest income and the economic value of the shareholders' equity. The quantification of the resources to be allocated to the aforementioned segments is carried out, taking into account both the aforementioned market risks (in terms of interest rate risk, share price risk, exchange rate risk) and liquidity risk, on the basis of the results deriving from the analyses carried out on the forecasts regarding the trend of the main macro-economic variables, the main reference markets, national and international monetary policies, the characteristics of the company financial structure, the characteristics of the banking book, public restrictions and supervisory regulations.

Decisions on interest rate risk management are taken by the Risk Monitoring Committee.

Risk measurement

The interest rate risk measurement phase involves the construction of an indicative measure of the risk deriving from the composition, structure and characteristics of the banking book.

Exposure to interest rate risk is expressed in two different perspectives: in the volatility of the economic value of the shareholders' equity and in the volatility of the net interest income or profits. Measurements take place both in the normal course of business and under stress assumptions. The risk of changes in the economic value of the shareholders' equity is determined through the shift sensitivity approach and the change in the present value of the shareholders' equity. The risk that expected and unexpected changes in market interest rates have negative impacts on the net interest income or profits is determined by recalculating the interest or profits deriving from the delta of the market curves used.

The risk measurement is carried out by the Risk Management Department, which also produces the reports for the Corporate Bodies and functions involved in the process of managing the structural rate risk.

Risk control

The risk control phase is carried out by the Risk Management Department. The system of limits on risks for structural interest rate risk provides for the monitoring of limits and indicators relating to the impact of rate shocks.

Risk control is also carried out periodically by Internal Audit and by the units involved in the structural interest rate risk management process to verify:

- the adequacy and functionality of the financial process;
- compliance with the rules and criteria established on risk management;
- the proper performance of the activities and controls set up to monitor risks;
- any critical issues to be removed promptly.

A.1.2 Methodological aspects

The Group's Asset & Liability Management system measures its exposure to structural interest rate risk.

Periodically, the Parent Bank carries out simulations on the net interest income through the ERMAS procedure, applying different forecast scenarios on market rates. The simulations also take into account particularly adverse scenarios, quantifying the impact of a change in interest rates deviating from current forecast expectations in combination with additional stress factors. The management analyses of shift sensitivity at Group level include estimates of the impacts of applying the standard shocks defined by the Basel Committee and measurements under stress assumptions.

For regulatory purposes, the Group also measures exposure to interest rate risk on the basis of the standardised method required by current supervisory regulations.

As regards the measurement of the price risk on the positions belonging to the banking book, the Group adopts the same methods applied to the positions of the regulatory trading book.

B. Fair value hedging

ASSETS HEDGING

Starting from March 2010, the risks deriving from the disbursement of floating rate mortgages with "Cap" (maximum limit on the interest rate applied to customers) are hedged against interest rate risk. In particular, if the cap rate provided for in the derivative contract is exceeded, the counterparty is obliged to pay an interest flow equal to the difference between the observed market rate and the rate itself.

For the purposes of defining the "hedging strategy" and identifying suitable instruments, mortgages with similar characteristics are grouped into "portfolios". A derivative contract is stipulated for each portfolio thus created.

Starting from January 2020, interest rate risk is hedged on a set of fixed-rate assets represented by mortgages. For these forms of fair value hedging, macro hedging was chosen. As of 2024, interest rate risk is also hedged with respect to individual securities in the proprietary securities portfolio. The Bank periodically carries out prospective and retrospective effectiveness tests in order to verify the degree of effectiveness of the hedge created and for the accounting management thereof.

LIABILITIES HEDGING

The interest rate risk on specific bond issues is hedged. In particular, hedging is carried out through the execution of a derivative contract for a single issue. The objective is to "transform" the issue rate into a floating rate linked to the 3 or 6-month Euribor. To this end, an Interest Rate Swap contract is stipulated where the active leg provides for the collection from the counterparty of the coupon to be paid to the bond subscribers, while the passive leg provides for the payment to the same counterparty of the floating rate indexed to Euribor plus or minus a certain spread. Bonds of this type are accounted for by adopting the fair value option and are represented in Item 30 of Liabilities.

As from 1 January 2014, the Bank decided to no longer issue fair value options, but to issue bonds allocated to Item 10.c. of Liabilities or at amortised cost and to hedge the related interest rate risks through OTC derivative contracts, recognising financial instruments in accordance with IAS 39 for the rules of hedge accounting (fair value hedging).

At 31 December 2024, there are no financial liabilities issued by the Bank and managed under hedge accounting.

SPARKASSE CASSA DI RISPARMIO

1.2.2 Interest rate risk and price risk - Banking book

1. Banking book: breakdown by residual duration (by repricing date) of financial assets and liabilities

Currency of denomination: EURO

Type/Residual duration	Demand	Up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year up to 5 years	Over 5 years up to 10 years	Over 10 years	Indefinite duration
1. On-balance sheet assets	1,322,635	3,909,303	2,872,130	633,839	2,439,911	1,696,560	1,167,617	-
1.1 Debt securities	393	552,096	1,831,401	382,746	746,680	122,761	19,400	-
- with early repayment option	-	26,794	11,270	1,260	81,090	1,933	9,313	-
- other	393	525,302	1,820,131	381,486	665,589	120,828	10,087	-
1.2 Loans to banks	624,837	131,074	500	-	-	-	-	-
1.3 Loans to customers	697,406	3,226,133	1,040,230	251,093	1,693,232	1,573,800	1,148,217	-
- current account	600,540	1	-	58	3,549	-	-	-
- other loans	96,865	3,226,132	1,040,230	251,035	1,689,683	1,573,800	1,148,217	-
- with early repayment option	43,419	2,681,944	725,652	224,523	1,554,461	1,451,571	998,870	-
- other	53,446	544,188	314,578	26,512	135,222	122,229	149,347	-
2. On-balance sheet liabilities	8,718,540	2,295,369	484,866	354,581	1,654,035	218,652	114,298	-
2.1 Due to customers	8,697,550	1,539,939	437,569	337,993	524,415	115,016	108,232	-
- current account	8,487,730	556,967	201,226	212,189	114,339	5,570	-	-
- other payables	209,819	982,972	236,343	125,804	410,076	109,446	108,232	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	209,819	982,972	236,343	125,804	410,076	109,446	108,232	-
2.2 Due to banks	20,957	740,536	47,297	16,589	460,599	97,085	6,066	-
- current account	20,822	-	-	-	-	-	-	-
- other payables	135	740,536	47,297	16,589	460,599	97,085	6,066	-
2.3 Debt securities	-	14,893	-	-	669,021	6,551	-	-
- with early repayment option	-	-	-	-	37,575	6,551	-	-
- other	-	14,893	-	-	631,446	-	-	-
2.4 Other liabilities	33	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	33	-	-	-	-	-	-	-
3. Financial derivatives	-	762,748	374,057	(34,345)	(289,586)	(403,284)	(409,569)	-
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	762,748	374,057	(34,345)	(289,586)	(403,284)	(409,569)	-
- Options	-	(72,450)	(7,115)	2,331	21,293	25,397	30,544	-
+ Long positions	-	366	1,134	2,381	648,477	25,398	30,544	-
+ Short positions	-	72,816	8,249	51	627,184	-	-	-
- Other derivatives	-	835,198	381,172	(36,676)	(310,879)	(428,682)	(440,113)	-
+ Long positions	-	860,847	402,977	1,508	-	-	-	-
+ Short positions	-	25,649	21,805	38,184	310,879	428,682	440,113	-
4. Other off-balance sheet transactions	(184,105)	40,104	18,817	-	39	70	-	-
+ Long positions	24,986	40,104	18,817	-	39	70	-	-
+ Short positions	209,091	-	-	-	-	-	-	-

1. Banking book: breakdown by residual duration (by repricing date) of financial assets and liabilities

Currency of denomination: OTHER CURRENCIES

Type/Residual duration	Demand	Up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year up to 5 years	Over 5 years up to 10 years	Over 10 years	Indefinite duration
1. On-balance sheet assets	17,584	11,673	393	14	6,994	-	-	-
1.1 Debt securities	-	-	-	-	6,994	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	6,994	-	-	-
1.2 Loans to banks	17,490	-	-	-	-	-	-	-
1.3 Loans to customers	94	11,673	393	14	-	-	-	-
- current account	94	-	-	-	-	-	-	-
- other loans	-	11,673	393	14	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	11,673	393	14	-	-	-	-
2. On-balance sheet liabilities	27,374	-	-	-	-	-	-	-
2.1 Due to customers	27,374	-	-	-	-	-	-	-
- current account	26,966	-	-	-	-	-	-	-
- other payables	409	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	409	-	-	-	-	-	-	-
2.2 Due to banks	-	-	-	-	-	-	-	-
- current account	-	-	-	-	-	-	-	-
- other payables	-	-	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial derivatives	-	-	-	-	-	-	-	-
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ Long positions	-	8,003	3,771	1,496	-	-	-	-
+ Short positions	-	8,003	3,771	1,496	-	-	-	-
4. Other off-balance sheet transactions	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-

In consideration of the residual nature of the amounts in currencies other than the euro, they were all aggregated in the above table.

The effects of a change in interest rates of +/- 100 basis points are described below.

Risk exposure due to a change in interest rates of + 100 basis points:

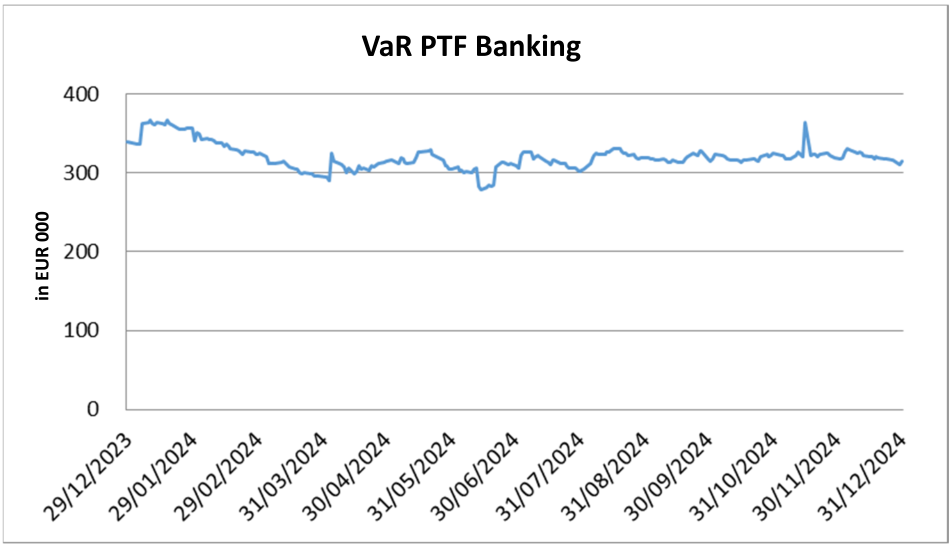
a. effect on net interest and other banking income in the following twelve months:	Euro (4,046) thousand
b. effect on profit for the year:	Euro (56,192) thousand
c. effect on shareholders' equity:	Euro (1,064) thousand

Risk exposure due to a change in interest rates of - 100 basis points:

a. effect on net interest and other banking income in the following twelve months:	Euro (21,507) thousand
b. effect on profit for the year:	Euro 8,917 thousand
c. effect on shareholders' equity:	Euro 1,111 thousand

2. Banking book: internal models and other methods for sensitivity analysis

The attached table shows the trend of risk during the year in terms of Value at Risk (VaR) (Monte Carlo methodology) on the asset positions in the banking book, limited to the exposure in securities. The measurement is based on a 99% confidence interval and a holding period of 1 day.



VaR values in the last 12 months:	Euro 000
Start of period:	339
End of period:	314
Maximum:	366
Minimum:	278
Average:	320

1.2.3 Exchange rate risk

QUALITATIVE INFORMATION

A. General aspects, management processes and measurement methods for exchange rate risk

A.1 Sources of exchange rate risk

Exchange rate risk is the risk of incurring losses caused by adverse changes in exchange rates between foreign currencies and the euro in relation to all positions denominated in a foreign currency, both in the regulatory trading book and in the banking book.

The main sources of exchange rate risk are:

1. foreign currency loans and deposits with customers;
2. purchases of securities and other financial instruments in foreign currency;
3. trading of foreign banknotes;
4. collection and/or payment of interest, commissions, dividends, etc.

A.2 Internal exchange rate risk management and control processes

The management processes and measurement methods for exchange rate risk are similar to those indicated for interest rate and price risks.

For the purposes of quantifying capital requirements, the Group adopts the standardised methodology envisaged by the supervisory provisions.

B. Exchange rate risk hedging

In general, the Group's policy is to minimize exposure to exchange rate risk. To this end, foreign currency positions are normally hedged by carrying out funding and/or lending transactions in the same currency.

Quantitative information

1. Breakdown of assets, liabilities and derivatives by currency

Items	Currencies					
	United States dollar	Pound sterling	Swiss Franc	Canadian dollar	Australian dollar	OTHER CURRENCIES
A. Financial assets	31,076	238	2,842	993	798	629
A.1 Debt securities	6,994	-	-	-	-	-
A.2 Equity securities	1	-	-	-	-	-
A.3 Loans to banks	18,574	238	2,693	993	798	629
A.4 Loans to customers	5,507	-	149	-	-	-
A.5 Other financial assets	-	-	-	-	-	-
B. Other assets	613	174	338	-	-	-
C. Financial liabilities	22,373	359	3,130	695	760	39
C.1 Due to banks	-	-	-	-	-	-
C.2 Due to customers	22,373	359	3,130	695	760	39
C.3 Debt securities	-	-	-	-	-	-
C.4 Other financial liabilities	-	-	-	-	-	-
D. Other liabilities	2,945	-	3	-	-	-
E. Financial derivatives	-	-	-	-	-	16
- Options	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	16
+ Long positions	12,544	100	1,066	9	19	-
+ Short positions	12,624	42	1,070	254	-	16
Total Assets	44,233	512	4,246	1,002	816	629
Total Liabilities	37,942	401	4,202	949	760	55
Difference (+/-)	6,290	111	44	53	57	574

SPARKASSE CASSA DI RISPARMIO

SECTION 3 - DERIVATIVE INSTRUMENTS AND HEDGING POLICIES

1.3.1 Trading derivatives

A. Financial derivatives

A.1 Financial trading derivatives: notional amounts at the end of the period

Underlying assets/Types of derivatives	Total 31/12/2024				Total 31/12/2023			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties		
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements	
1. Debt securities and interest rates	-	-	81,145	733	-	-	94,345	-
a) Options	-	-	81,145	-	-	-	94,345	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	733	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
2. Equity securities and equity indices	-	-	-	-	-	-	-	340
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	340
e) Other	-	-	-	-	-	-	-	-
3. Currencies and gold	-	-	26,540	-	-	-	56,405	-
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	3,735	-
c) Forwards	-	-	26,540	-	-	-	52,670	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
4. Goods	-	-	-	-	-	-	-	-
5. Other	-	-	-	-	-	-	-	-
Total	-	-	107,685	733	-	-	150,751	340

A.2 Financial trading derivatives: gross positive and negative fair value - breakdown by product

Types of derivatives	Total 31/12/2024				Total 31/12/2023			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties		
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements	
1. Positive fair value								
a) Options	-	-	435	-	-	-	685	-
b) Interest rate swaps	-	-	-	-	-	-	-	-
c) Cross currency swaps	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-
e) Forwards	-	-	570	-	-	-	475	-
f) Futures	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-
Total	-	-	1,005	-	-	-	1,160	-
2. Negative fair value								
a) Options	-	-	3	-	-	-	31	-
b) Interest rate swaps	-	-	-	-	-	-	-	-
c) Cross currency swaps	-	-	-	-	-	-	1	-
d) Equity swaps	-	-	-	-	-	-	-	-
e) Forwards	-	-	548	-	-	-	400	-
f) Futures	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-
Total	-	-	551	-	-	-	431	-

A.3 OTC financial hedging derivatives - notional amounts, gross positive and negative fair value by counterparty

Underlying assets	Central counterparties	Banks	Other financial companies	Other parties
Contracts not falling under netting agreements				
1) Debt securities and interest rates				
- notional amount	X	1,268,864	-	-
- positive fair value	X	31,218	-	-
- negative fair value	X	30,576	-	-
2) Equity securities and equity indices				
- notional amount	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
3) Currencies and gold				
- notional amount	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
4) Goods				
- notional amount	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
5) Other				
- notional amount	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
Contracts falling under netting agreements				
1) Debt securities and interest rates				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
2) Equity securities and equity indices				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
3) Currencies and gold				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
4) Goods				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
5) Other	-	-	-	-
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-

A.4 Residual life of OTC financial derivatives: notional amounts

Underlying/Residual life		Up to 1 year	Over 1 year and up to 5 years	Over 5 years	Total
A.1 Financial derivatives on debt securities and interest rates		-	3,330	77,815	81,145
A.2 Financial derivatives on equity securities and equity indices		-	-	-	-
A.3 Financial derivatives on currencies and gold		26,540	-	-	26,540
A.4 Financial derivatives on goods		-	-	-	-
A.5 Other financial derivatives		-	-	-	-
Total	31/12/2024	26,540	3,330	77,815	107,685
Total	31/12/2023	56,405	4,313	90,033	150,751

1.3.2 Accounting hedges

A.1 Financial hedging derivatives: notional amounts at the end of the period

Underlying assets/Types of derivatives	Total 31/12/2024				Total 31/12/2023			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties		
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements	
1. Debt securities and interest rates	-	-	1,268,864	-	-	-	972,156	-
a) Options	-	-	16,240	-	-	-	18,665	-
b) Swaps	-	-	1,252,624	-	-	-	953,491	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
2. Equity securities and equity indices	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
3. Currencies and gold	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
4. Goods	-	-	-	-	-	-	-	-
5. Other	-	-	-	-	-	-	-	-
Total	-	-	1,268,864	-	-	-	972,156	-

A.2 Financial hedging derivatives: gross positive and negative fair value - breakdown by product

Types of derivatives	Positive and negative fair value								Change in value used to identify the ineffectiveness of the hedge	
	Total 31/12/2024				Total 31/12/2023				Total 31/12/2024	Total 31/12/2023
	Over the counter			Organised markets	Over the counter			Organised markets		
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties				
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements			
Positive fair value										
a) Options	-	-	102	-	-	-	157	-	-	-
b) Interest rate swaps	-	-	31,116	-	-	-	37,668	-	-	-
c) Cross currency swaps	-	-	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-	-	-
e) Forwards	-	-	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-	-	-
Total	-	-	31,218	-	-	-	37,825	-	-	-
Negative fair value										
a) Options	-	-	-	-	-	-	-	-	-	-
b) Interest rate swaps	-	-	30,576	-	-	-	24,566	-	-	-
c) Cross currency swaps	-	-	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-	-	-
e) Forwards	-	-	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-	-	-
Total	-	-	30,576	-	-	-	24,566	-	-	-

A.3 OTC financial hedging derivatives - notional amounts, gross positive and negative fair value by counterparty

Underlying assets	Central counterparties	Banks	Other financial companies	Other parties
Contracts not falling under netting agreements				
1) Debt securities and interest rates				
- notional amount	X	1,268,864	-	-
- positive fair value	X	31,218	-	-
- negative fair value	X	30,576	-	-
2) Equity securities and equity indices				
- notional amount	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
3) Currencies and gold				
- notional amount	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
4) Goods				
- notional amount	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
5) Other				
- notional amount	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
Contracts falling under netting agreements				
1) Debt securities and interest rates				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
2) Equity securities and equity indices				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
3) Currencies and gold				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
4) Goods				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
5) Other	-	-	-	-
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-

A.4 Residual life of OTC financial hedging derivatives: notional amounts

Underlying/Residual life		Up to 1 year	Over 1 year and up to 5 years	Over 5 years	Total
A.1 Financial derivatives on debt securities and interest rates		72,950	310,879	885,034	1,268,864
A.2 Financial derivatives on equity securities and equity indices		-	-	-	-
A.3 Financial derivatives on currencies and gold		-	-	-	-
A.4 Financial derivatives on goods		-	-	-	-
A.5 Other financial derivatives		-	-	-	-
Total	31/12/2024	72,950	310,879	885,034	1,268,864
Total	31/12/2023	57,410	242,231	672,514	972,156

1.3 Banking group - Liquidity risk

QUALITATIVE INFORMATION

A. General aspects, management processes and measurement methods for liquidity risk

A.1. General aspects

Liquidity risk is defined as the Group's inability or difficulty to fulfil its payment commitments. In particular, liquidity risk is considered in the following two cases identified as the sources generating liquidity:

- *Funding Liquidity Risk*: *i.e.*, the risk that the Group may not be able to efficiently deal with current and future cash outflows, expected and unexpected, and any collateral requirements, without affecting daily operations or its financial position;
- *Market Liquidity Risk*: *i.e.*, the risk that the Group may not easily sell a position at market prices due to insufficient market liquidity or due to turbulence in the market.

Liquidity risk is measured, managed and controlled based on different time horizons:

- intra-day in order to assess the ability to effectively manage its liquidity requirements during the operating day in light of the payments to be made (so-called "intra-day liquidity");
- "*Short-term*" (normally up to one year) in order to assess the adequacy of the assets that can be used to meet any funding requirements (so-called "operating liquidity");
- "*Medium-long term*" (usually beyond the year) in order to assess the financial balance of the Group with particular reference to the degree of transformation of maturities (so-called "structural liquidity").

Liquidity risk can be generated by various factors internal and external to the Group. The identification of these risk factors is achieved through:

- the analysis of the time distribution of cash flows from financial assets and liabilities as well as off-balance sheet transactions;
- the identification:

- of items that do not have a defined maturity ("demand and revocable" items);
- of financial instruments that incorporate optional components (explicit or implicit) that may change the size and/or the time distribution of cash flows (for example, early redemption options);

- of financial instruments that by nature determine variable cash flows depending on the performance of specific underlying assets (for example, derivatives).

- the analysis of the level of seniority of the financial instruments.

The processes in which the Group's liquidity risk originates are mainly represented by the Finance/Treasury, Funding and Credit processes.

The Group continuously monitors its liquidity profile in order to identify and carefully assess potential impacts due to the current geo-political environment.

A.2. Management processes and measurement methods for liquidity risk

A.2.1 Organisational aspects

In compliance with the supervisory provisions issued in this regard, the Group has defined the organisational and procedural controls for the supervisory provisions on the governance and management of liquidity risk. In particular, the regulation of the liquidity risk management process was defined, dividing it into the following phases:

- identification of liquidity risk;
- measurement of liquidity risk: in a context of "normal course of business" and in the event of stress;
- detection and monitoring of "early warning indicators";
- recognition of encumbered assets;
- liquidity risk monitoring;
- liquidity risk prevention/mitigation: definition and updating of operating limits, funding plan, funds transfer pricing system, escalation procedures for operating limits and risk indicators, Contingency Funding and Recovery Plan, plan to restore compliance with liquidity requirements;
- liquidity risk reporting and communication.

In compliance with the above-mentioned regulation, the methodological and organisational profiles for the measurement, management and control of liquidity risk are defined and formalised in the internal regulations in compliance with the aforementioned supervisory provisions. These regulations concern:

a) the **methodological profiles for measuring both short-term and structural liquidity risk**, which govern in detail the components to be considered and the related treatment, as well as the ratios and indicators to be quantified to determine the exposure to the aforementioned risk. In this regard, it should be noted that the measurement is carried out separately by adopting an approach:
   - "static", *i.e.*, considering only transactions already in place at the measurement date, including forecast transactions. The Risk Management measures short-term liquidity risk on a daily basis, while structural liquidity risk is usually measured on a monthly basis;
   - "in the event of stress", *i.e.*, in the case of particularly adverse unexpected scenarios that determine an increase in exposure to liquidity risk;

b) the **methodological profiles concerning the system of "warning indicators"** which governs the set of indicators (or "early warning indicators") adopted for the purpose of qualifying the reference operating context and the activation of the emergency plan. For each indicator adopted, the algorithm for the periodic valuation, the information sources to be used, the monitoring frequency and the corporate functions responsible for calculating the same indicators are explained. In this regard, to be noted is that, for each indicator, the ranges of values to be adopted for the qualification of the operating context are defined and updated by the Risk Monitoring Committee also to take into account the evolution of the context in which the Group operates.

The Risk Management Department is responsible for the overall monitoring of the system of early warning indicators. In the event that the values assumed by one or more early warning indicators qualify the reference operating context as a "stress situation", the Risk Management Department provides a specific report to the Chief Executive Officer -General Manager, taking into account the analyses carried out by the Risk Management Department and the Finance and Treasury Department;

c) the emergency plan (known as "Contingency Funding Plan") which governs the management of crisis situations attributable to the market or to specific situations of the Group. The main purpose of the Contingency Funding Plan is to protect the Group's assets in situations of liquidity drain by identifying the strategies to be implemented to manage the crisis and find sources of funding. Specifically, the Plan mainly defines:

- the process of qualification of the operating context and the external and internal communication procedures, also addressed to the Board of Directors. In particular, due to the deterioration of the liquidity position, the operating context of "stress situation" is envisaged;
- the parties/Corporate Bodies involved as well as the roles and responsibilities assigned in the event of activation of the emergency plan. The management of the "stress condition" is entrusted to the Risk Monitoring Committee;
- the potential actions to be taken for the management of a "stress situation" and the estimated timeframe for the activation of the individual measure, in the event that there are no prerequisites for the activation of the Recovery Plan and the consequent adoption of the procedures provided therein.

Risk Management monitors the liquidity profile with reference to the short-term liquidity risk and in relation to the structural liquidity risk, while the measurement of intra-day liquidity risk is carried out by the Treasury Service as part of its daily operations.

The reporting system was also defined, specifying the objectives, content, frequency of preparation and recipients for each report.

The Basel Committee, as part of the Basel 3 framework, has introduced new liquidity requirements that require banks to maintain a minimum level of liquidity to deal with stress situations and ensure a balanced relationship between stable funding sources and loans. For short-term liquidity, the "Liquidity Coverage Ratio" (LCR) indicator was introduced: This is a short-term liquidity constraint designed to ensure that the Group maintains sufficient high-quality liquid assets to meet liquidity stress situations.

The ratio of high-quality liquid assets to expected net cash outflows over the next 30 days, estimated based on a stress scenario, is required to be greater than 100% at all times (to be met on a consolidated basis in accordance with Article 460 CRR and Article 38 of Delegated Regulation (EU) 2015/61.

It should be noted that the calculation of the LCR in compliance with the provisions set out on a consolidated basis at 31 December 2024 is 197.09% and, therefore, well above the minimum binding requirement.

A.2.2 MEASUREMENT METHODS FOR LIQUIDITY RISK

A.2.2.1 Short-term liquidity risk

The measurement of the exposure to short-term liquidity risk in a normal course of business, aims to qualify the ability to meet its payment obligations in a condition of regular liquidity management. The measurement of operational liquidity risk exposure is prepared from a current perspective. Exposure to short-term liquidity risk is quantified through the use of maturity brackets (known as Maturity ladder) which make it possible to assess, from both a current and a prospective view, the balance of expected cash flows by comparing the cash inflows and outflows within the same maturity bracket.

For the quantification of short-term liquidity risk, from a current perspective, the Group:

- determines, for each time bracket of the maturity ladder, the inflows and outflows related to on-balance sheet assets and liabilities as well as to off-balance sheet transactions;
- identifies and quantifies the Counterbalancing Capacity (CBC) and the liquidity reserve;
- estimates the availability/requirements relating to the management of the compulsory reserve (ROB).

In quantifying the cash flows for each bracket, reference is made to both the capital and interest profiles. With reference to transactions with a repayment plan, the residual contractual duration of the individual instalments is determined.

The Counterbalancing Capacity is the set of assets that can be sold or used in refinancing transactions (for example, repo transactions) and which therefore make it possible to obtain liquidity over the forecast horizon considered. The assets that can be readily liquidated are included in the Counterbalancing Capacity by reference to the market value net of a haircut.

For each maturity of the *maturity ladder*, the periodic gaps and the cumulative imbalances are quantified in order to show the net balance of the financial requirement (or *surplus*).

The imbalances in the bracket are calculated by comparing the cash inflows and outflows, allocated in the same time bracket. Otherwise, the cumulative imbalances for each bracket of the *maturity ladder* are determined as follows:

$\textit{Cumulative gap}_{0,t}$ = [(Cash $\text{inflows}_{0,t}$ - Cash $\text{outflows}_{0,t}$) +Total liquidity $\text{reserves}_{0,t}$

Exposure to liquidity risk, in addition to the normal course of business, is also measured under stress conditions. The "stress tests" are techniques through which it is possible to assess the impact of negative events on the exposure to risk and on the adequacy of the liquidity reserves in terms of quantity and quality.

In order to carry out the "stress tests", the "risk factors" are identified in advance, i.e. the variables whose performance may worsen the exposure to risk. The set of variables considered in the "stress tests" define the adverse scenario.

With reference to the stress tests related to short-term liquidity risk, they are distinguished on the basis of the nature of the causes that determine the stress condition. In particular, stress situations are considered separately:

- of an "idiosyncratic" nature, *i.e.*, attributable to causes specifically attributable to the Group or to the individual Entity;
- "systemic" in nature, *i.e.*, connected to a situation of instability in the monetary and financial markets.

The assumptions underlying the scenarios are considered realistic but, at the same time, adequately conservative with reference to the severity and duration of the simulated shock. The duration of the scenario concerns the time horizon in which the stress situation occurs.

The Parent Bank carries out a monthly stress test on operational liquidity by calculating the Liquidity Coverage Requirement (LCR), which is aimed at strengthening the short-term profile of liquidity risk by ensuring that the Parent Bank has a sufficient level of liquidity reserves to overcome an acute 30-day stress situation.

The LCR indicator is measured on a quarterly basis with a view to stress, analysing the impact deriving from adverse events and scenarios on the indicator itself.

A.2.2.2 Structural liquidity risk

The measurement of structural liquidity risk, in a context of the normal course of business, aims to identify any structural imbalances between assets and liabilities due beyond one year. The quantification of the exposure to structural liquidity risk is necessary in order to prevent and manage the risks deriving from a high transformation of maturities avoiding the emergence of situations of future liquidity tension.

The medium/long-term liquidity risk measurement method is based on an approach that compares cash inflows and outflows for each maturity ladder. In particular, the *maturity ladder* is constructed:

- by identifying one or more brackets with a maturity of less than one year;
- by adopting, for longer maturities, a number of brackets at least equal to that provided by supervisory regulations for the calculation of the exposure to interest rate risk on the Banking book;
- by setting a specific bracket for items that are not subject to disbursement and items of indefinite duration respectively.

For the calculation of structural liquidity risk, the following are considered:

- the technical forms that provides for a specific contractual profile by maturity (*e.g.*, loans to customers, bond loans);
- demand items that do not have a contractual maturity profile (current accounts receivable and payable, demand deposits);
- other technical forms that by nature do not have a contractual profile by maturity (equity items, provisions for risks and charges, equity securities, UCITS, property, plant and equipment, etc.).

The technical forms with a contractual maturity profile are placed, based on said maturity, in the relevant maturity brackets of the *maturity ladder*. As regards on-demand items concerning both funding and loans to customers, the model used makes it possible to identify:

- a structural component, *i.e.*, the amount that is considered "stable" over time and, therefore, to be placed in the "indefinite" range;
- a non-structural component, *i.e.*, the amount that is considered "volatile" over time and, therefore, to be placed in the maturity bracket according to a specific time profile that reflects the expected incoming/outgoing cash flows.

As regards the monitoring of the Group's structural liquidity position, the Net Stable Funding Ratio (NSFR) is also calculated at management level. This indicator identifies the ratio of Available Stable Funding (available amount of stable funding) to Required Stable Funding (necessary amount of stable funding).

It should be noted that the calculation of the NSFR in compliance with the provisions, set out on a consolidated basis at 31 December 2023 is 127.47%, well above the minimum binding requirement (100%) that came into effect in June 2021.

B. Evolution of exposure to liquidity risk

During the year, the Group implemented a number of initiatives aimed at limiting its exposure to liquidity risk. As part of the 2025 Funding Policy, the Group has identified specific initiatives aimed at:

- guaranteeing an amount of liquidity reserves in order to maintain levels well above the required regulatory requirements;
- setting up a buffer to face the risk of any significant outflows of deposits as well as supporting loans to customers;
- the diversification of funding sources;

- to cope with monetary policy decisions by the ECB.

The Group's exposure to unexpected cash outflows mainly concerns:

- liability items that do not have a defined maturity (primarily current accounts payable and demand deposits);
- liabilities at maturity (certificates of deposit, term deposits) which, at the request of the depositor, can be repaid in advance;
- its own bonds listed on the HiMTF market, for which the Group has undertaken a commitment to repurchase;
- the margins available on the credit lines granted.

Furthermore, the exposure of the Group to the impacts due to moratoria and non-repayment of loans granted is specified.

Recourse to refinancing with the ECB at 31 December 2024 amounted to Euro 700 million and is represented by funding from the participation in the lending operations called T Long Term Refinancing Operations (LTRO) and Main Refinancing Operations (MRO).

At 31 December 2024, the Group had a large amount of liquid assets that was largely sufficient to meet its liquidity requirements, even in the event of stress. In fact, at the aforementioned date, the LCR indicator has a value well above that required by the mandatory requirements. The Group's liquid assets are represented almost exclusively by securities issued by the Italian government and by the amount of exposure to the Central Bank. From a structural point of view, the Group, at 31 December 2024, has a structure by maturity brackets that is sufficiently balanced in that it has a stable amount of funding sufficient to balance medium/long-term assets. In particular, with reference to the maturity profile, the amount of medium/long-term assets, represented mainly by mortgages and loans to customers, is balanced by stable funding, represented not only by assets, but also by medium/long-term liabilities and on-demand liabilities which, however, show high stability rates based on contractual characteristics and depositors.

With regard to the concentration of funding sources at 31 December 2024, it should be noted that:

- the incidence of deposits from the top 10 non-banking counterparties on total deposits from ordinary customers was 11.38%;
- the ratio of retail funding to total funding used in the calculation of the LCR indicator is 66.97%;
- the ratio of the amount of certificates of deposit, term deposits and bonds maturing for each of the following 12 months to the total of the same outstanding instruments is limited and in any case never exceeds 17%.

SPARKASSE
CASSA DI RISPARMIO

1.4 - Liquidity risk - A. General aspects, management processes and measurement methods for liquidity risk
Quantitative information

1. Time breakdown by residual contractual duration of financial assets and liabilities

Currency of denomination: EURO

Items/Time brackets	Demand	Over 1 day up to 7 days	Over 7 days up to 15 days	Over 15 days up to 1 month	Over 1 month up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year up to 5 years	Over 5 years	Indefinite duration
On-balance sheet assets	1,466,069	18,509	121,561	135,441	789,434	844,904	1,159,459	5,411,950	4,554,672	95,665
A.1 Government bonds	1,698	-	62,709	10,001	282,852	383,210	414,387	1,578,973	459,480	-
A.2 Other debt securities	86,248	-	4,755	26,243	13,833	14,846	28,882	342,123	98,231	-
A.3 UCITS units	154,007	-	-	-	-	-	-	-	-	-
A.4 Loans	1,224,116	18,509	54,097	99,197	492,749	446,848	716,191	3,490,853	3,996,960	95,665
- Banks	624,840	-	34,610	377	496	507	-	-	-	95,665
- Customers	599,277	18,509	19,487	98,820	492,253	446,341	716,191	3,490,853	3,996,960	-
On-balance sheet liabilities	8,727,980	38,632	569,824	206,082	1,250,536	461,770	383,879	1,801,562	467,172	-
B.1 Deposits and current accounts	8,707,157	38,408	90,788	200,953	592,521	429,197	320,505	373,757	5,487	-
- Banks	26,252	-	35,470	-	-	-	-	-	-	-
- Customers	8,680,905	38,408	55,318	200,953	592,521	429,197	320,505	373,757	5,487	-
B.2 Debt securities	-	-	-	-	746	178	3,076	742,397	44,100	-
B.3 Other liabilities	20,823	224	479,036	5,129	657,269	32,395	60,297	685,408	417,585	-
Off-balance sheet transactions										
C.1 Financial derivatives with exchange of capital										
- Long positions	-	2,572	1,003	57	5,415	3,622	1,508	-	-	-
- Short positions	-	2,299	1,001	57	5,408	3,616	1,505	-	-	-
C.2 Financial derivatives without exchange of capital										
- Long positions	3	-	-	1,168	1,137	1,740	3,223	627,184	-	-
- Short positions	3	-	-	112	276	564	1,616	627,184	-	-
C.3 Deposits and loans to be received										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds										
- Long positions	12	-	-	-	1	1	48	12,117	71,837	-
- Short positions	209,091	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of capital										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-

1. Time breakdown by residual contractual duration of financial assets and liabilities
Currency of denomination: OTHER CURRENCIES

Items/Time brackets	Demand	Over 1 day up to 7 days	Over 7 days up to 15 days	Over 15 days up to 1 month	Over 1 month up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year up to 5 years	Over 5 years	Indefinite duration
On-balance sheet assets	17,710	37	828	973	9,932	404	60	7,219	5	-
A.1 Government bonds	1	-	-	-	45	-	45	7,219	-	-
A.2 Other debt securities	63	-	-	-	-	-	-	-	5	-
A.3 UCITS units	-	-	-	-	-	-	-	-	-	-
A.4 Loans	17,646	37	828	973	9,887	404	15	-	-	-
- Banks	17,555	-	-	-	-	-	-	-	-	-
- Customers	91	37	828	973	9,887	404	15	-	-	-
On-balance sheet liabilities	27,376	-	-	-	1	-	-	-	-	-
B.1 Deposits and current accounts	27,376	-	-	-	1	-	-	-	-	-
- Banks	-	-	-	-	-	-	-	-	-	-
- Customers	27,376	-	-	-	1	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-
Off-balance sheet transactions										
C.1 Financial derivatives with exchange of capital										
- Long positions	-	2,392	1,062	60	4,957	3,771	1,496	-	-	-
- Short positions	-	2,661	1,062	60	4,957	3,771	1,496	-	-	-
C.2 Financial derivatives without exchange of capital										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to be received										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of capital										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-

SECURITISATION OF CREDITS - SPARKASSE

On 1 July 2009, 1 November 2011, 1 July 2014 and 1 May 2018, pursuant to Law 130/1999, four securitisation transactions were carried out on performing loans (called FANES 1, FANES 2, FANES 3 and FANES 4) transferring without recourse to the specially established special purpose entity Fanes S.r.l., a portfolio of performing residential mortgages secured by mortgages for Euro 481.9, 575.8, 509.8 and 507.2 million, respectively.

On 1 May 2020, the Bank completed a fifth securitisation transaction (FANES 5) of performing loans, transferring without recourse to the special purpose entity Fanes S.r.l., no longer a portfolio of residential mortgages, but a portfolio of loans disbursed to businesses, for an amount of Euro 748.9 million. The issue of the Notes is of the "rump-up" type and therefore allows for subsequent increases in the securitised portfolio for a maximum value of the Senior Notes of Euro 2 billion and for the Junior Notes of Euro 1 billion over a defined period of time which ended on 29 June 2022.

All transactions, carried out with the assistance of the arranger Finanziaria Internazionale S.r.l., are classified as "self-securitisations" as the loans sold are always recorded in the balance sheet assets and the securities issued by the special purpose entity have been fully subscribed, and have the objective of strengthening liquidity control through the availability of securities called ABS (Asset Backed Securities) that can be readily used as collateral for refinancing with the European Central Bank.

In 2016, in 2018 and in 2022, the Bank decided to remodulate and make the securitisations more efficient, closing the first, second and third securitisation respectively, after the latter in 2018 had been restructured (size increase) through the sale of an additional portfolio (consisting of part of the loans repurchased in the context of the unwinding and other residential mortgages disbursed by the Bank, especially in the last two years) of approximately Euro 530 million, and the consequent increase in the nominal amount of the asset-backed securities issued in the context of this securitisation, and opening, again in 2018, the fourth transaction in which the residual receivables of the second and a newly disbursed package were merged.

At the end of 2024, the outstanding issues are summarised below:

FANES 4

Security	Nominal amount	Seniority	Expiry date	External rating	First coupon detachment
IT0005336018	355,900,000	Senior A1	24/12/2061	Moody's Aa3 S&P AA	24/09/2018
IT0005336026	90,000,000	Senior A2	24/12/2061	Moody's Aa3 S&P A+	24/09/2018
IT0005336034	61,315,000	Junior	24/12/2061	-	24/09/2018

It should be noted that on 13 February 2019 the Bank sold the entire amount of the Senior A1 tranche of the Fanes 4 transaction to institutional investors. As the risk profile for the Bank does not change, the transaction maintains its characteristics unchanged, i.e. the underlying financial assets are not derecognised. An item representing the payable to the securitisation special purpose entity is recorded under liabilities, which is reduced from time to time together with the pool factor repayments of the Notes. At the reference date of 31 December 2024, this residual amount was Euro 2.9 million.

FANES 5

Security	Nominal amount	Seniority	Expiry date	External rating	First coupon detachment
IT0005412363	479,300,000 (rump-up to 2,000,000,000) 29/06/2022 increase of 286,515,626	Senior	28/06/2060	DBRS A S&P A+	28/09/2020
IT0005412371	269,583,000 (rump-up to 1,000,000,000) 29/06/2022 increase of 49,307,819	Junior	28/06/2060	-	28/09/2020

On 29 June 2022, the Bank proceeded with a rump-up of the securitised portfolio translated into an increase of Euro 286,515,626 for the Senior notes and Euro 49,307,819 for the Junior notes.

As stated, the "Senior" tranches are used for refinancing transactions, while the "Equity" tranches ("Junior" tranches), that represent the security on which the risk of insolvency weigh, are in the portfolio of the Bank.

The securitisation transactions have no impact on customers, who, as required by law, are notified of the transfer of loans.

The Bank, in its role as servicer, continues to manage the payment flows and all other activities related to the normal management of loans, as well as to report to the SPE on the performance of the transactions.

The transactions structured in this way do not constitute securitisation risk pursuant to Pillar 1 and Pillar 2 of Basel 2 regulations.

For all securitised loans, the same management and measurement criteria used for the remaining loans are adopted.

SECURITISATION OF LOANS FOR THE ISSUE OF COVERED BONDS

In 2022, the Parent Bank established a Programme for the emission of Covered Bonds (CB) with a maximum amount of Euro 3,000 million. This type of bond is backed by a double guarantee to protect bondholders: on the one hand, by the assets of the issuing bank and, on the other hand, in the event of default, by the segregated assets of a special purpose vehicle, legally independent from the issuing bank and dedicated exclusively to the assumption of guarantees in favour of the CB bondholders. In this regard, the Parent Bank has taken on the controlling interest (60% of the share capital) in the company SPK OBG S.r.l., established specifically to acquire in its segregated assets the assets sold by the Bank, representing the assets on which SPK OBG S.r.l. issues guarantees to holders of CBs issued by the Bank. The remaining 40% of the share capital is held by a "Stichting" under Dutch law. The initial portfolio of performing residential mortgages sold by the Bank to SPK OBG S.r.l. in the first half of 2022 amounted to approximately Euro 450 million, whose consideration SPK OBG S.r.l. paid through a subordinated loan granted by the same Bank.

With the structuring of the CB programme, the Parent Bank has equipped itself with a highly competitive collection tool that allows, among other things, to adopt a

- an additional medium/long-term funding channel suitable to meet structural financing needs,
- a tool that tends to be easy to place on the institutional market,

- a rapid issue instrument, which can also be refinanced directly by the European Central Bank.

In June of 2022, the Bank carried out the first issue of a Covered Bond with ISIN code IT0005497141 as part of the aforementioned programme and with the following characteristics:

- nominal amount: Euro 300 million
- duration: from 8 June 2022 to 8 June 2028, extendable to 8 June 2029
- fixed rate for the entire life of the security equal to 0.5% p.a.
- rating assessment by Fitch Ratings: AA

At least initially, this first issue was fully subscribed by the Bank itself and deposited with the European Central Bank as a pledge for the existing TLTRO-III loans. At the end of 2023, the bond was used as the underlying asset of Repo transactions with a duration of 24 months.

In November 2023, the Parent Bank carried out a second issue of covered bonds, this time also transferring a portfolio of loans of the subsidiary Banca di Cividale, with ISIN code IT0005571028 as part of the above programme and with the following characteristics:

- nominal amount: Euro 250 million
- duration: from 28 November 2023 to 28 November 2027, extendable until 28 November 2028
- fixed rate for the entire life of the security equal to 3.0% p.a.
- rating assessment by Fitch Ratings: AA.

This bond, fully subscribed by the Parent Bank, was also used as the underlying of repurchase agreements.

Finally, in April 2024, the Bank issued a third covered bank bond, through the sale of a portfolio of loans consisting in part of loans of the Bank and in part of loans of the subsidiary Banca di Cividale, with ISIN code IT0005593279, again in the context of the aforementioned programme and with the following characteristics:

- nominal amount: Euro 250 million
- duration: from 24 April 2024 to 24 April 2028, extendable until 24 April 2029
- fixed rate for the entire life of the security equal to 3.25% p.a.
- rating assessment by Fitch Ratings: AA.

SECURITISATION OF LOANS - CIVIBANK

A. Financial assets sold and not fully cancelled

QUALITATIVE INFORMATION

Securitisation transactions

In the framework of the various measures aimed at strengthening the management of liquidity risk exposures, the Bank has carried out securitisation transactions in order to increase the assets liquidity degree and prudentially increase the availability of financial instruments that can be allocated for funding transactions with the European Central Bank or in any case that can be used as collateral in financing transactions beyond the short-term with institutional and market counterparties. Consistent with these purposes, all the asset-backed securities issued by the SPE established pursuant to Law 130/99 are fully subscribed by the Bank, for the Civitas Spv Srl - RMBS - SME - 2019 transactions, while for the Civitas Spv Srl - RMBS - 2017 transaction the Bank holds only the Junior securities (consequently retaining the credit risk relating to the underlying loans disbursed) as well as partially the senior title. Consequently, since the substantiality of the risks/benefits linked to the transferred portfolio has been retained, the loans were not cancelled from the balance sheet assets. A summary table is provided below for each of the securitisation transactions carried out. A summary table is provided below for each of the securitisation transactions carried out.

Main Information	
Date of completion of the transaction	July 17
Vehicle company	Civitas Spv Srl
Transaction subject matter	Performing residential mortgages
Banks/originator groups	Banca di Cividale S.p.A.
Original total amount of receivables assigned by	
Banca di Cividale	253 million
RMBS Renovation 2018	112 million
RMBS Renovation 2019	106 million
RMBS Restructuring 2020	147 million
Total amount of BDC's assigned receivables	618 million
Securities issued, subscribed and held by Banca di Cividale	600 million
of which senior securities a	46 million
of which senior securities b	228 million
of which mezzanine securities	51 million
of which junior securities	93 million
Initial rating senior securities	A Standard&poor's - AA DBRS
Closing balance TQ of securities held as at 31/12/2023	251 million
Senior securities rating	AA Standard&poor's - AAA DBRS

Main Information	
Date of completion of the transaction	October-19
Vehicle company	Civitas Spv Srl
Transaction subject matter	Loans to performing SMEs
Banks/originator groups	Banca di Cividale S.p.A.
Original total amount of receivables assigned by	
Banca di Cividale	451 million
Total amount of BDC's assigned receivables	451 million
Securities issued, subscribed and held by Banca di Cividale	458 million
of which senior securities	320 million
of which mezzanine securities	50 million
of which junior securities	88 million
Initial rating senior securities	A Standard&poor's - A+ DBRS
Closing balance TQ of securities held as at 31/12/2023	184 million
Senior securities rating	A+ Standard&poor's - AAA DBRS

Section 4 - Operational Risks

QUALITATIVE INFORMATION

A. General aspects, management processes and measurement methods for operational risk

Operational risk is defined as the risk of incurring losses deriving from the inadequacy or malfunction of procedures, human resources and internal systems, or from external events. This category includes, *inter alia*, losses deriving from fraud, human error, interruption of operations, unavailability of systems, contractual defaults. Operational risk includes legal risk, while strategic and reputational risks are excluded.

Based on the regulatory definition, operational risk, as part of the banking business, is generated across all business processes and is attributable to seven risk categories called "Event type". Specifically, the risk classes are broken down into: internal fraud, external fraud, employment relationships and safety at work, professional obligations towards customers or nature and characteristics of products, damages from external events, failure of IT systems and execution, delivery and management of processes. The outsourced activities also contribute to increasing the exposure to operational risk.

At the regulatory level, to date, the Group measures the capital requirement on operational risk according to the "basic method" envisaged by the prudential supervisory provisions. This methodology consists in applying the 15% "regulatory coefficient" to the relevant indicator defined in Article 316 of Regulation (EU) no. 575/2013 (CRR).

At management level, the Group has strengthened the organisational and management structure, the relative controls and the reporting methods, adopting an internal system for collecting operational events and implementing a dedicated database. In addition to operational losses, reports also cover operational events with no economic impact.

Based on the scope of definition of operational risk, which also includes exposure to legal risk, and in order to minimise exposure in terms of impact and frequency, the Parent Bank has strengthened its operational risk management oversight through the implementation and monitoring of the Key Risk Indicators (KRIs) dashboard and the performance of Risk Self Assessment (RSA) and, finally, the provision of an online training course.

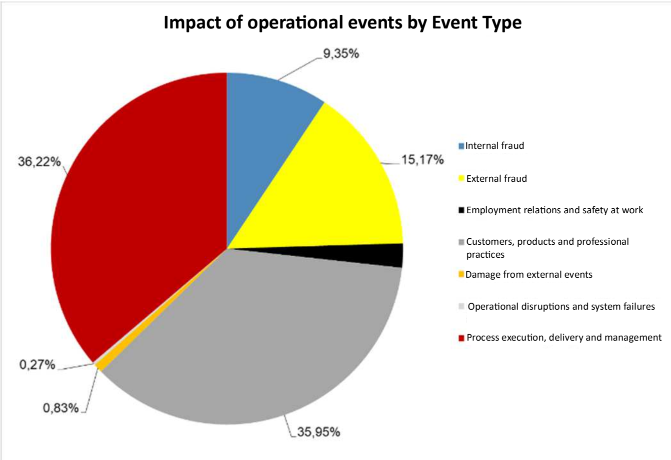
The KRIs are indicators used by the Group to identify in advance the riskiness of typical banking activities. Within the operational risk framework, they represent the forward-looking component of management, as they anticipate potential increases in exposure to operational risk that could threaten the operational continuity of day-to-day activities and existing projects.

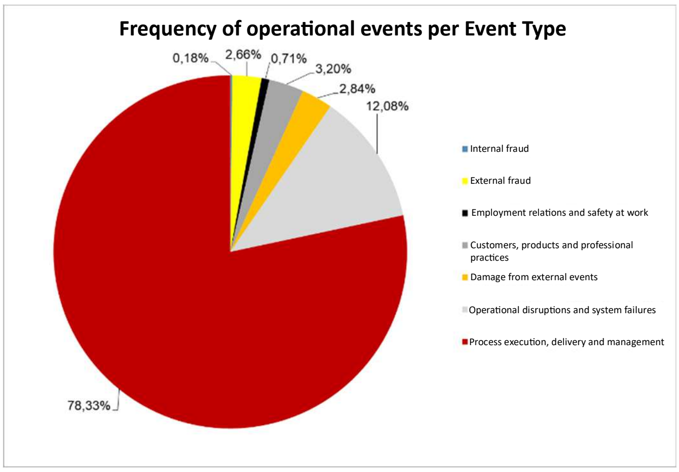
The Risk Self Assessment (RSA), on the other hand, provides Group Management with a tool capable of expressing a qualitative assessment of the process risks identified at Group level. Therefore, it allows to identify, classify and measure the identified risks to which the Group is potentially exposed.

QUANTITATIVE INFORMATION -GROUP

The following graphs show the distribution by frequency and economic impact of the operational events that did not necessarily generate a loss, recorded in 2024 and broken down into the seven regulatory risk categories.

Event type	2024 Frequency	Impact	
ET 1 Internal fraud	1	EUR	161,332
ET 2 External fraud	15	EUR	261,603
ET 3 Employment relations and occupational safety	4	EUR	38,336
ET 4 Customers, products and professional practices	18	EUR	620,068
ET 5 Damage from external events	16	EUR	14,236
ET 6 Operational disruptions and system failures	68	EUR	4,586
ET 7 Process Execution, Delivery and Management	441	EUR	624,734
Total	**563**	**EUR**	**1,724,895**





The breakdown by *Event Type* shows that the risk classes most impacted in terms of total amount are: "Customers, products and professional practices" and "Execution, delivery and management of processes" which respectively represent 39.55% and 36.22% of the total amount.

In terms of frequency, on the other hand, the most impacted risk classes are: "Execution, delivery and management of processes" (78.33%) and "Interruptions in operations and system failures" (12.08%).

PUBLIC DISCLOSURE

As provided for in Bank of Italy Circular No. 285 "Supervisory provisions for banks", it should be noted that the information pertaining to the "Public disclosure" and the "Country-by-country public disclosure" is published on the Parent Bank's website www.caribz.it by the deadline set forth by the law.

– Part F
Information on Consolidated shareholders' equity

Part F - Information on Consolidated shareholders' equity

Section 1 - Consolidated shareholders' equity

A. Qualitative information

The notion of Shareholders' Equity is used in reference to the share capital and the share premium, net of the reserves for treasury shares repurchased, to the profit and other reserves, including those from valuation, and includes the net profit/loss for the year.

The Group has always paid attention to the management of own capital, through the set of policies and choices necessary so that, through the optimal combination of different capitalisation instruments, the size of the capital is defined so as to ensure that the capital requirements of the Group comply with the limits imposed by regulations and are consistent with the assumed risk profile.

B. Quantitative information

B.1 Consolidated shareholders' equity: breakdown by type of business

Shareholders' Equity items	Prudential consolidation	Insurance companies	Other companies	Consolidation eliminations and adjustments	Total
1. Capital	485,877	-	4,626	(4,626)	485,877
2. Share premiums	172,088	-	1,556	(1,556)	172,088
3. Reserves	413,564	-	2,170	(2,170)	413,564
3.5. (Interim dividends)	(6,027)	-	-	-	(6,027)
4. Equity instruments	45,200	-	-	-	45,200
5. (Treasury shares)	(3,378)	-	-	-	(3,378)
6. Valuation reserves:	21,751	-	-	-	21,751
- Equity securities designated at fair value through other comprehensive income	(163)	-	-	-	(163)
- Hedging of equity securities designated at fair value through other comprehensive income	-	-	-	-	-
- Financial assets (other than equity securities) measured at fair value through other comprehensive income	2,246	-	-	-	2,246
- Property, plant and equipment	56,567	-	-	-	56,567
- Intangible assets	-	-	-	-	-
- Foreign investment hedges	-	-	-	-	-
- Cash flow hedges	-	-	-	-	-
- Hedging instruments [non-designated elements]	-	-	-	-	-
- Exchange rate differences	-	-	-	-	-
- Non-current assets and groups of assets held for sale	-	-	-	-	-
- Financial liabilities designated at fair value through profit or loss (changes in own creditworthiness)	-	-	-	-	-
- Actuarial gains (losses) on defined benefit plans	(39,026)	-	-	-	(39,026)
- Portions of valuation reserves of equity-accounted investments	-	-	-	-	-
- Revenues or costs of a financial nature relating to insurance contracts issued	-	-	-	-	-
- Revenues or costs of a financial nature relating to transfers under reinsurance	-	-	-	-	-
- Special revaluation laws	2,128	-	-	-	2,128
7. Profit (Loss) for the year (+/-) attributable to the group and minority interests	117,671	-	(783)	783	117,671
Total	1,246,746	-	7,569	(7,569)	1,246,746

B.2 Valuation reserves of financial assets measured at fair value through other comprehensive income: breakdown

Assets/values		Prudential consolidation		Insurance companies		Other companies		Consolidation eliminations and adjustments		Total	
		Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1. Debt securities		2,264	(18)	-	-	-	-	-	-	2,264	(18)
2. Equity securities		1,675	(1,839)	-	-	-	-	-	-	1,675	(1,839)
3. Loans		-	-	-	-	-	-	-	-	-	-
Total	31/12/2024	3,939	(1,857)	-	-	-	-	-	-	3,939	(1,857)
Total	31/12/2023	7,455	(3,838)	-	-	-	-	-	-	7,455	(3,838)

B.3 Valuation reserves of financial assets measured at fair value through other comprehensive income: annual changes

	Debt securities	Equity securities	Loans
1. Opening balance	1,865	1,743	-
2. Positive changes	3,090	250	-
2.1 Fair value increases	1,114	214	-
2.2 Value adjustments for credit risk	19	X	-
2.3 Reversal to the income statement of negative realised reserves	132	X	-
2.4 Transfers to other components of shareholders' equity (equity securities)	-	-	-
2.5 Other changes	1,825	35	-
3. Negative changes	(2,709)	(2,156)	-
3.1 Fair value reductions	(838)	(2,099)	-
3.2 Write-backs for credit risk	(15)	-	-
3.3 Reversal to the income statement from positive reserves: realised	(31)	X	-
3.4 Transfers to other components of shareholders' equity (equity securities)	-	-	-
3.5 Other changes	(1,825)	(58)	-
4. Closing balance	2,246	(163)	-

B.4 Valuation reserves relating to defined benefit plans:

	Annual changes
1. Opening balance	(40,069)
2. Positive changes	2,202
2.1 Actuarial gains relating to defined benefit plans	4
2.2 Other changes	2,199
2.3 Business combinations	-
3. Negative changes	(1,159)
3.1 Actuarial losses relating to defined benefit plans	(56)
3.2 Other changes	(1,103)
3.3 Business combinations	-
D. Closing balance	(39,026)

The amounts under "Other changes", as increases and decreases, refer respectively to deferred taxes calculated on the allocation to the reserve and to the actual return of investments for positive changes, and to the interest cost of the underlying management for negative changes.

The actuarial gains or losses referring to the defined benefit plan are shown in point 3.1 of the table.

For further details on the discounting assumptions applied, please refer to Section 10 of Liabilities.

Section 2 - Own funds and bank supervisory ratios

2.1 Scope of application of the legislation

On 1 January 2014, the new harmonised regulations for banks and investment undertakings contained in Regulation (EU) no. 575 (CRR - Capital Requirements Regulation) of 26.06.2013 and in Directive (EU) no. 36 (CRD IV - Capital Requirements Directive) of 26.06.2013 which transpose in the European Union the standards defined by the Basel Committee for banking supervision (known as Basel 3) entered into force.

As part of a complex process of reviewing the supervisory regulations of banks, the Bank of Italy issued Circular no. 285 "Supervisory provisions for banks" of 17 December 2013, which almost entirely replaces Circular no. 263/2006, and with which:

- the national options set out in the CRR were exercised,
- the secondary technical provisions of CRD IV were transposed.

On the same date, the Bank of Italy also issued Circular no. 286 "Instructions for the compilation of prudential reports for banks and real estate brokerage companies" which replaces Circular no. 155/1991 and defines the reporting formats:

- of "harmonised" prudential supervisory reports in compliance with the relevant EBA technical standards: own funds, credit and counterparty risk, market risk, operational risk, large exposures, recognition of mortgage losses, overall capital position, liquidity monitoring and financial leverage;
- of "non-harmonised" prudential supervisory reports: related parties.

On 7 October 2016, the 18th update of the "Supervisory provisions for banks" pursuant to Circular no. 285 of 17 December 2013 was published on the official website of the Bank of Italy itself.

The above-mentioned update concerned the amendment of the capital conservation buffer (CCB) requirement set forth in Part One, Title II, Chapter I, Section II of the Circular in question in order to transpose the provisions contained in the EU Directive no. 36/2013 (CRD IV) as well as to reduce the divergences between national regulations, in line with the action initiated by the Single Supervisory Mechanism (SSM) to minimize the differences in the prudential regulations applicable to banks.

This regulatory measure requires banks, at both individual and consolidated level, to apply a minimum capital buffer ratio of:

- 1.25% from 1 January 2017 to 31 December 2017;
- 1.875% from 1 January 2018 to 31 December 2018;
- 2.5% as from 1 January 2019.

This update entered into force on 1 January 2017.

The minimum capital ratios to be complied with for 2024, pursuant to Article 92 CRR, are therefore the following:

- Common Equity Tier 1 capital ratio (CET1 ratio) of 4.5% + 2.5% of the Capital Conservation Buffer (CCB)
- Tier 1 capital ratio of 6.0% + 2.5% of CCB
- Total capital ratio of 8% + 2.5% of CCB.

As a result of the entry into force of IFRS 9, a revision of the prudential rules (CRD/CRR) for the calculation of capital absorption was also envisaged. In this regard, Regulation (EU) 2017/2395 published on 27 December 2017 envisages, as an option, the possibility for financial institutions to adopt a transitional regime where they can reinstate to CET1 the adjustments resulting from the adoption of the impairment model of the new standard, with a "phase-in" mechanism over a period of 5 years starting from 2018; the Bank has adopted the transitional regime (static approach) to measure the impacts of the new standard on regulatory capital. The option for the transitional regime sets forth that the higher allocations deriving from the first application of the standard, net of the tax effect, are excluded from the calculation of prudential requirements, according to a decreasing weighting factor (95% in 2018, 85% in 2019, 70% in 2020, 50% in 2021 and 25% in 2022). It should be noted that in the year 2023 the transitional period referred to above expired.

It should also be noted that the Cassa di Risparmio di Bolzano Group, on 10 December 2020, forwarded a specific request to the Bank of Italy aimed at obtaining authorisation for the full application of the transitional provisions on IFRS 9 provided for in Article 473-bis of Regulation (EU) 575/2013 (CRR), as amended by Regulation (EU) 873/2020 of 24 June 2020. Specifically, the authorisation concerns the application of the transitional regime on expected credit losses calculated in accordance with IFRS 9.

By means of a provision of 23 December 2020, the Bank of Italy authorised the Cassa di Risparmio di Bolzano Group to fully apply the above provisions on a separate and consolidated basis.

With reference to 31 December 2024, it should be noted that the non-application of the transitional regime envisaged by Article 473-bis of Regulation (EU) no. 575/2013 would have led to a (negative) impact of -4 bps on CET 1.

On 29 January 2025, the Cassa di Risparmio di Bolzano Group communicated to have received from the Bank of Italy, at the conclusion of the annual Supervisory Review and Evaluation Process (SREP) conducted during 2024, the notification of the decision on the prudential requirements to be met on a consolidated basis.

With letter of 19.11.2024, the Supervisory Authority had announced the initiation of the ex-officio procedure relating to the imposition of capital requirements in addition to the minimum capital ratios envisaged by the regulations in force in relation to risk exposure.

The communication received on 29.01.2025 confirmed the quantitative requirements, the qualitative requirements and the recommendations formulated by the Supervisory Authority in the letter of 19 November 2024.

In particular, the Cassa di Risparmio di Bolzano Group will be required to continuously comply with the following capital requirements at consolidated level, without prejudice to compliance with the minimum capital requirement set forth in Article 92 of Regulation (EU) no. 575/2013:

- Common Equity Tier 1 capital ratio (CET 1 ratio) of 7.70%, consisting of a binding measure of 5.20% (of which 4.50% against the minimum regulatory requirements and 0.70% against the additional requirements determined as a result of the SREP) and for the remainder of the capital conservation buffer;
- Tier 1 capital ratio (Tier 1 ratio) of 9.50%, consisting of a binding measure of 7.00% (of which 6.00% against minimum regulatory requirements and 1.00% against the additional requirements determined as a result of the SREP) and for the remainder of the capital conservation buffer;
- Total capital ratio of 11.80%, consisting of a binding measure of 9.30% (of which 8.00% against the minimum regulatory requirements and 1.30% against the additional requirements determined as a result of the SREP) and for the remainder of the capital conservation buffer.

Sparkasse is also required to comply with the systemic risk buffer requirement; this buffer, set at 1% of risk-weighted exposures to credit and counterparty risk towards Italian residents, is to be built up gradually. As outlined in the press release issued by the Bank of Italy, the requirement entails establishing a reserve equal to 0.5% of relevant exposures by 31 December 2024, with the remaining 0.5% to be constituted by 30 June 2025.

In this regard, the Cassa di Risparmio di Bolzano Group reiterates that at 31 December 2024, the CET1 Ratio, Tier 1 Ratio and Total Capital Ratio, calculated according to the transitional regulations (IFRS 9 phased-in), stood at satisfactory values, with an adequate margin compared to the thresholds provided. The level of fully-phased ratios was also higher than the new minimums required at that date.

A. Qualitative information

1. Common Equity Tier 1 capital - CET 1

Common Equity Tier 1 capital is composed of the following positive and negative items:

a. Capital
b. share premiums
c. profit reserves and reserves under special revaluation laws
d. valuation reserves in the statement of comprehensive income (OCI)
e. loss for the year
f. portions of profit for the year allocated to reserves
g. any "treasury shares"
h. intangible assets and goodwill
i. deferred tax assets (DTA) to carry forward for tax losses

net of prudential filters and regulatory deductions.

2. Additional Tier 1 capital (AT1)

The AT1 category generally includes equity instruments other than common ordinary shares that meet the regulatory requirements for inclusion of Own funds in this tier of capital.

Additional Tier 1 capital includes the following "perpetual" convertible subordinated liabilities, issued by the Parent Bank at the time of the capital increase completed in December 2015:

ISIN	Description	Interest rate	Date of issue	Expiry date	Early repayment from	Nominal amount in euro
IT0005136764	CrBz Perpetual convertible	5.50% (in the first five years) 4.674% (in the second five years)*	21/12/2015	perpetual	21/12/2020	45,200,000

* on 21 December 2020, the interest rate was recalculated as required by the Issuance Regulation for the next 5 years on the basis of the 5-year Eur mid-swap rate increased by the initial margin of 513 basis points.

3. Tier 2 capital (T2)

Tier 2 capital consists of the Lower Tier II subordinated liabilities issued by the Parent Bank on 3 October 2022 for a nominal amount of Euro 37 million.

On 29.12.2024, the LT2 bond issued by the Parent Bank in 2017 with a nominal amount of Euro 5 million matured.

The following table summarises the main characteristics of the securities in issue:

ISIN	Nom. amount in euro	Carrying amount	Date of issue	Expiry date	Interest rate	Contribution to Own Funds
IT0005509960	37,000,000	37,574,812	03/10/2022	03/10/2032	Fixed rate at 6.50% until 03.10.2027; for the next 5 years, the 5-year Eur mid-swap rate increased by the initial margin of 399.3 bps.	37,000,000

* on 21 December 2020, the interest rate was recalculated as required by the Issuance Regulation for the next 5 years on the basis of the 5-year Euro mid-swap rate increased by the initial margin of 263 basis points.

It should be noted that Banca di Cividale in turn issued a lower tier II bond loan for a nominal amount of Euro 7.1 million, which was not included in the previous table since its contribution to consolidated own funds is considered equal to zero, i.e. it is designated in full as minority interests for prudential purposes.

B. Quantitative information

	31/12/2024	31/12/2023
A. Common Equity Tier 1 (CET1) capital before the application of prudential filters	1,125,462	1,051,354
of which CET1 instruments subject to transitional provisions		
B. Prudential filters of CET1 (+/-)	(458)	(557)
C. CET1 gross of the elements to be deducted and the effects of the transitional regime (A+/-B)	1,125,005	1,050,798
D. Elements to be deducted off CET1	(35,796)	(33,305)
E. Transitional regime - Impact on CET1 (+/-), including minority interests subject to transitional provisions	3,935	7,649
F. Total Common Equity Tier 1 capital (TIER1-CET1) (C-D +/-E)	1,093,144	1,025,142
G. Additional Tier 1 capital (AT1) gross of the elements to be deducted and the effects of the transitional regime of which AT1 instruments subject to transitional provisions	50,343	51,271
H. Elements to be deducted off AT1		
I. Transitional regime - Impact on AT1 (+/-), including instruments issued by subsidiaries and included in AT1 due to transitional provisions		
L. Total Additional Tier 1 capital (AT1) (G-H+/-I)	50,343	51,271
M. Tier 2 capital (T2) gross of the elements to be deducted and the effects of the transitional regime of which T2 instruments subject to transitional provisions	47,153	49,731
N. Elements to be deducted off T2		
O. Transitional regime - Impact on T2 (+/-), including instruments issued by subsidiaries and included in T2 due to transitional provisions		
P. Total Tier 2 capital (T2) (M - N +/- O)	47,153	49,731
Q. Total own funds (F + L + P)	1,190,640	1,126,144

2.2 Capital adequacy

A. Qualitative information

The Group reviews the aggregates of "Own funds" on a quarterly basis in order to verify their consistency with the assumed risk profile and the adequacy with respect to current and future development plans.

This monitoring is carried out both from a supervisory perspective and for the purposes of determining the free capital, which at the closing date of 31 December 2024 amounted to Euro 593.8 million.

B. Quantitative information

Categories/Values		Non-weighted amounts		Weighted amounts/requirements	
		31/12/2024	31/12/2023	31/12/2024	31/12/2023
A.	RISK ASSETS				
A.1	Credit and counterparty risk	20,158,686	22,099,325	6,351,850	6,243,258
1.	Standardised approach	19,509,111	21,244,809	6,247,988	6,118,090
2.	Methodology based on internal ratings				
	2.1 Basis				
	2.2 Advanced				
3.	Securitisations	641,554	836,022	103,702	124,650
4.	Exposures to central counterparties in the form of pre-financed contributions to the guarantee fund	8,021	18,494	160	518
B.	REGULATORY CAPITAL REQUIREMENTS				
B.1	Credit and counterparty risk			499,839	489,447
B.2	Credit valuation adjustment risk			14,274	14,310
B.3	Settlement risk				
B.4	Market risks			4,226	3,437
	1. Standard methodology			4,226	3,437
	2. Internal models				
	3. Concentration risk				
B.5	Operational risk			70,151	64,817
	1. Basic method			70,151	64,817
	2. Standardised approach				
	3. Advanced method				
B.6	Other calculation elements			8,309	10,013
B.7	Total prudential requirements			596,799	582,024
C.	RISK ASSETS AND REGULATORY COEFFICIENTS				
C.1	Risk-weighted assets			7,459,985	7,275,304
C.2	Common Equity Tier 1 capital/Risk-weighted assets (CET1 capital ratio)			14.65%	14.09%
C.3	Tier 1 capital/Risk-weighted assets (Tier 1 capital ratio)			15.33%	14.80%
C.4	Total own funds/Risk-weighted assets (Total capital ratio)			15.96%	15.48%

The table shows in detail the items that contribute to the quantification of "Risk-weighted assets" for the purposes of calculating "Solvency ratios" as regulated by the Basel III regulation introduced as from 1 January 2014.

In the context of the emergency related to COVID-19, the Regulation (EU) 2020/873 ("Regulation 873"), approved by the European Parliament, on a proposal by the European Commission, is of specific relevance, with the aim of providing a direct intervention tool to support the real economy.

Specifically, the aforementioned measure, which came into force on 27 June 2020 and is still operational, amends:

- Regulation (EU) no. 575/2013 on the capital requirements of banks ("Regulation 575" or "CRR");
- Regulation (EU) no. 2019/876, which amends Regulation 575 substantially by introducing new regulations on prudential supervision for banks ("Regulation 876" or "CRR II").

The "support" adjustment factor of 0.7619 to be used to reduce the risk-weighted value of exposures to SMEs and the counterparty risk capital requirement Credit Value Adjustment (CVA) have been updated, maintaining the value of 0.7619 for exposures up to EUR 2.5 million and increasing it to 0.85 for exposures above EUR 2.5 million.

– Part G
Business combinations

Part G - Business combinations

Section 1 - Transactions carried out during the year

1.1 Business combinations

There were no business combination transactions during the financial year 2024.

Section 2 - Transactions carried out after the end of the year

2.1 Business combinations

No business combinations were carried out after the end of the year.

Section 3 - Retrospective adjustments

3.1 Business combinations

With reference to the provisions of IFRS 3 par. 61, 62 and 63, it should be noted that there were no changes in the values recorded in the previous year.

– Part H

Related party transactions

Part H - Related party transactions

1. Information on the remuneration of key management personnel

The total remuneration paid during the year to the Directors, the members of the Boards of Statutory Auditors of the Group companies and the members of the Settlement Committee of the company Raetia sgr spa in liquidation amounted to Euro 2,301 thousand (the amount includes the fees paid by way of attendance fees); those paid to executives of the same companies totalled Euro 9,616 thousand, of which Euro 7,178 thousand to key management personnel.

In accordance with the provisions of IAS 24 §17, the following information is provided on the remuneration of key management personnel, in total and broken down into each of the following categories:

Categories	Amount in thousands of euro
Short-term employee benefits	9,616
Post-employment benefits	
Other long-term benefits	
Benefits due to employees for termination of employment	
Share-based payments	
Total	9,616

2. Information on related party transactions

Related parties were identified as defined by IAS 24.

According to this standard, the "related party" is a person or an entity that is related to the reporting entity according to the following definitions:

a. a person or a close family member of that person is related to a reporting entity if that person:
   i. has control or joint control of the reporting entity;
   ii. has a significant influence on the reporting entity;
   iii. is one of the key management personnel of the reporting entity or of one of its parent companies;
b. an entity is related to a reporting entity if any of the following conditions apply:
   i. the entity and the reporting entity are part of the same group (which means that each Parent Bank, subsidiary and group company is related to the others);
   ii. an entity is an associate or a joint venture of the other entity (or an associate or a joint venture that is part of a group of which the other entity is part);
   iii. both entities are joint ventures of the same third party;
   iv. an entity is a joint venture of a third entity and the other entity is an associate of the third entity;
   v. the entity is represented by a plan for post-employment benefits in favour of the employees of the reporting entity or of an entity related to it. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
   vi. the entity is controlled or jointly controlled by a person identified in point a);
   vii. a person identified in point a) (i) has a significant influence on the entity or is one of the key management personnel of the entity (or of one of its parent companies).

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a consideration has been agreed.

Given the above:

- the key management personnel as per point a) iii. includes members of the Management Bodies, Boards of Statutory Auditors and Top Management of the companies included in the scope of consolidation, and of the parent company, their close relatives and companies controlled or jointly controlled by them;
- among the parties belonging to the Group, according to the definition in point b) i., the Fondazione Cassa di Risparmio di Bolzano is included in its capacity as parent related party, while transactions with subsidiaries are excluded, as they are subject to intra-group elision.

Related party transactions are governed by market conditions.

The table below summarises the total credit, debit and guarantees/commitments entered into at the reporting date with the above-mentioned related parties.

(in thousands of Euro)

Related parties	Assets	Liabilities	Guarantees/Commitments
Parent Bank	-	7,607	-
Subsidiaries, associates	9,393	65,743	236
Other related parties	40,028	136,308	21,087
Total	49,421	209,658	21,323

During the year, specific allocations were made for losses on receivables from "Associated companies" for Euro 302 thousands.

Please note that the amounts of liabilities shown in this table include lease payables, in accordance with IFRS 16, to the extent of Euro 2,121 thousand due to the parent Fondazione Cassa di Risparmio and Euro 1,763 thousand due to the associate Autosystem società di servizi S.p.A. and Euro 82 thousand toward the associate Acirent. This included a further Euro 68 thousand in lease payables to other associated parties.

– Part L
Segment reporting

Part L - Segment reporting

To represent the "Segment reporting", as required by international accounting standard IFRS 8, the Group has identified and uses the "business segment".

The segmentation model of economic and financial data is comprised of six business segments:

- the Business Unit – Retail;
- the Business Unit - Corporate Banking;
- the Business Unit - Private Banking;
- the Business Unit - Finance/Treasury;
- the Business Unit - Real Estate;
- the Business Unit – General Management/Other.

The "Business Unit – General Management/Other" refers to the central structure and to the lending and funding activities managed by this structure.

As from 30 June 2022, following the business combination of CiviBank into the Sparkasse Group, two business units dedicated were added to the subsidiary's operations, with the leasing component shown separately.

A.1 Breakdown by business segment: economic data

Economic data (in millions of euro)	BU Retail	BU Corporate Banking	BU Private Banking	BU Treasury	BU Real Estate	BU Gen.Dir. Other	BU CiviBank	BU CiviBank Leasing	Consolidation Adjustment Elisions	Total
Net interest income	175.2	49.5	13.8	(107.7)	0.9	80.3	69.4	13.5	1.2	296.1
Net fee and commission income	69.3	15.6	14.7	(0.0)	(0.0)	(16.2)	35.1	0.6	(0.0)	119.0
Financial margin	0.0	0.0	0.0	17.8	0.0	9.1	2.0	(1.0)	(13.5)	14.4
Net interest and other banking income	**244.4**	**65.1**	**28.5**	**(89.8)**	**0.9**	**73.3**	**106.5**	**13.0**	**(12.4)**	**429.5**
Net Value Adjustments on Receivables and Financial Transactions	9.2	08.9)	(0.4)	0.7	(0.0)	(1.3)	(12.6)	(1.9)	0.0	(25.1)
Profits/Losses from modification without derecognition	0.0	0.0	0.0	0.0	0.0	0.1	(0.0)	0.0	0.0	0.1
Net income from financial management	**253.6**	**46.2**	**28.1**	**(89.1)**	**0.9**	**72.1**	**93.8**	**11.2**	**(12.3)**	**404.4**
Administrative Expenses	(101.4)	OU)	(7.6)	0.9)	(6.7)	(79.3)	(80.8)	(1.3)	12.6	(277.5)
Net allocations to provisions for risks and charges	0.0	0.0	0.0	0.0	0.2	1.7	0.4	0.0	0.0	2.3
Net value adjustments on tangible and intangible assets	(6.5)	(0.8)	(0.2)	(0.1)	(0.2)	(18.4)	(5.7)	0.0	4.5	(27.5)
Other operating income/expenses	0.7	0.0	0.0	5.2	15.9	42.7	14.5	(0.1)	(21.2)	57.6
Operating costs	**(107.1)**	**(11.9)**	**(7.8)**	**3.2**	**9.1**	**(53.3)**	**(71.7)**	**(1.4)**	**(4.1)**	**(245.0)**
Gains/Losses from equity investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.5
Adjustment of goodwill and gain/loss on disposals	0.0	0.0	0.0	0.0	1.0	(0.4)	0.0	0.0	0.0	0.7
Capital gains on tangible fixed assets at fair value	0.0	0.0	0.0	0.0	1.2	0.0	0.0	0.0	(1.0)	0.2
Profit from current operations before tax	**146.6**	**34.3**	**20.3**	**(86.0)**	**12.2**	**18.4**	**22.2**	**9.7**	**(16.9)**	**160.7**

A.2 Breakdown by business segment: balance sheet data

Balance sheet data (in millions of euro)	BU Commercial Banking	BU Corporate Banking	BU Private Banking	BU Treasury	BU Real Estate	BU Gen. Man. Other	intra-group elision and adjustm.	BU CiviBank	BU CiviBank Leasing	Total
Loans to customers	4,169	2,445	38	0	9	248	(0)	2,612	278	9,801
Loans to banks	0	0	0	604	34	331	(564)	223	0	627
Customer deposits, outstanding securities, financial liabilities	5,008	1,392	755	262	9	1,916	(139)	3,000	0	12,203
Bank funding	0	0	0	510	0	447	(529)	1,141	0	1,568
Financial assets	0	0	0	2,346	0	58	(75)	1,069	0	3,399
Fixed assets	0	0	0	86	357	0	(29)	35	0	449
Equity investments	0	0	0	0	5	472	(469)	2	0	10
Total	**9,177**	**3,837**	**793**	**3,808**	**414**	**3,473**	**(1,805)**	**8,082**	**278**	**28,057**

– Part M
Information on leases

Part M - Information on leases

SECTION 1 - LESSEE

Qualitative information

IFRS 16 "Lease", applicable from 1 January 2019, replaces the previous IAS 17 and the related interpretations impacting the definition of lease and overcoming, for the lessee, the accounting dualism between finance leases and operating leases. With reference to the accounting model to be applied by the lessee, the new standard provides that, for all types of lease, an asset representing the right of use ("right of use") of the leased asset must be recognised, and, at the same time, the payable relating to the lease payments. There was also a change in the method of recognising the income statement items: while under IAS 17 lease payments were posted to the item "Administrative expenses", under IFRS 16 the charges relating to the depreciation of the "right of use" and interest expense on the debt are recognised.

On the other hand, there are no substantial changes, apart from some major requirements for disclosure, in the accounting of leases by lessors, where the distinction between operating leases and finance leases is maintained. It should also be noted that based on the requirements of IFRS 16 and the clarifications of IFRIC ("Cloud Computing Arrangements" document of September 2018), software is excluded from the scope of application of IFRS 16; these are therefore accounted for in accordance with IAS 38 and the related requirements. Starting from 1 January 2019, the effects on the financial statements resulting from the application of IFRS 16 are identifiable for the lessee, with the same final profitability and cash flows, in an increase in assets recorded in the financial statements (leased assets), an increase in liabilities (the payable for leased assets), a reduction in administrative expenses (lease payments) and a simultaneous increase in financial costs (the remuneration of the recognised payable) and amortisation and depreciation (relating to the right of use). With reference to the income statement, considering the entire duration of the contracts, the economic impact does not change in the time horizon of the lease both by applying the previous IAS 17 and by applying the new IFRS 16, but shows a different time breakdown.

Quantitative information

For the amounts at 31 December 2024, please refer to the individual tables of Assets, Liabilities and Income Statement of these Notes, where the impacts of the rights of use acquired through the lease and the related financial payables, and, in the income statement, the impacts on the interest expense and amortisation and depreciation are visible for each item.

SPARKASSE
CASSA DI RISPARMIO

SECTION 2 - LESSOR

2. Financial leases

2.1 Classification by time brackets of payments to be received and reconciliation with lease loans recognised under assets

Time brackets	Total 31/12/2024 Payments to be received for leases	Total 31/12/2023 Payments to be received for leases
Up to 1 year	58,993	57,050
Over 1 year up to 2 years	52,721	53,485
Over 2 years up to 3 years	47,429	49,361
Over 3 years up to 4 years	41,216	43,369
Over 4 years up to 5 years	30,920	34,059
Over 5 years	87,542	105,412
Total payments to be received for leases	318,822	342,736
RECONCILIATION WITH LOANS	(40,744)	(41,314)
Non-accrued financial gains (-)	(40,744)	(41,314)
Non-guaranteed residual value (-)	-	-
Lease financing	278,078	301,422

3. Operating lease

3.1 Classification by time brackets of payments to be received

Time brackets	Total 31/12/2024 Payments to be received for leases	Total 31/12/2023 Payments to be received for leases
Up to 1 year	4,578	4,548
Over 1 year up to 2 years	4,153	4,319
Over 2 years up to 3 years	3,944	3,880
Over 3 years up to 4 years	3,088	3,662
Over 4 years up to 5 years	2,777	2,798
Over 5 years	5,108	6,180
Total	23,648	25,386

This table provides quantitative information on the undiscounted amount of payments to be received for leases, broken down by time brackets.

Annexes to the Notes to the Financial Statements

Annex 1

STATEMENT OF FEES FOR THE YEAR PAID BY THE GROUP FOR THE SERVICES PROVIDED BY THE INDEPENDENT AUDITORS OR BY THE ENTITIES OF THE COMPANY'S NETWORK

(Article 38, paragraph 1, letter o-septies) of Italian Legislative Decree 127/91 and Article 149-duodecies of the implementing Consob Regulation)

Figures in thousands of Euro

	31/12/2024
Audit services	475
Other certifications	203
Other services	120
Total	798

The considerations are expressed net of VAT and ancillary expenses.

Annex 2

DISCLOSURE PURSUANT TO LAW 124 OF 4 AUGUST 2017

Paragraph 125 of Law 124 of 4 August 2017 introduced, starting from the 2018 financial year, the obligation for undertakings that receive grants, contributions, paid assignments and in any case economic benefits of any kind from public administrations and the entities referred to in the first sentence of the same paragraph, to publish these amounts in the notes to the financial statements and in the notes to any consolidated financial statements.

Paragraph 126 of Law 124/2017 of 4 August 2017 extended the publication obligations pursuant to Article 26 of Legislative Decree no. 3334 of 14 March 2013, also to entities and companies controlled *de jure* or *de facto*, directly or indirectly, by the State administrations, through publication in their annual accounting documents, in the notes to the financial statements. Failure to comply with this obligation entails a penalty equal to the amounts paid.

In order to avoid the accumulation of irrelevant information, the obligation of publication pursuant to paragraphs 125 and 126 does not apply if the amount of grants, contributions, paid assignments and in any case the economic benefits of any kind received by the beneficiary is less than Euro 10,000 in the relevant period.

It should be noted that the Cassa di Risparmio di Bolzano Group performs, mainly on behalf of certain local public bodies, paid services subject to invoicing and accounting reporting that are not considered to be under the obligation of publication set forth in the Law 124/2017 and therefore are not included in the summary table below.

Name of the recipient	Tax Code of the recipient	Name of the provider	Amount collected (in thousands of Euro)	Collection date	Reason
Cassa di Risparmio di Bolzano S.p.A.	00152980215	Insurance Banks Fund	180	15/11/2024	Training Plan FBA 01/23 Prot. 0123A062300012 entitled "SUSTAINABILITY, in the way to think about and implement the development of our organisation"
Banca di Cividale S.p.A.	00249360306	Insurance Banks Fund	49	03/04/2024	Training Plan 2020-2021-2022 "*Valorizzazione delle persone, innovazione e sostenibilità*" [Valuing people, innovation and sustainability]
Banca di Cividale S.p.A.	00249360306	Insurance Banks Fund	17	17/05/2024	Training plan 2019-2020 "*Valorizzazione delle persone, innovazione e sostenibilità*" [Valuing people, innovation and sustainability]

The Group was also the subject of State aid and de-minimis aid by Public Administrations, contained in the National Register of State Aids, to which Register reference is made for details.

Independent Auditors' Report on the Consolidated Financial Statements

Independent Auditors' Report on the Consolidated Financial Statements

Deloitte.

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**INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010
AND ARTICLE 10 OF THE EU REGULATION 537/2014**

**To the Shareholders of
Cassa di Risparmio di Bolzano S.p.A.**

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Cassa di Risparmio di Bolzano S.p.A. and its subsidiaries (the "Group"), which comprise the consolidated balance sheet as at December 31, 2024, the consolidated income statement, the statement of consolidated comprehensive income, the statement of changes in consolidated shareholders' equity, the consolidated cash flow statement for the year then ended, and the notes to the consolidated financial statement, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 43 of Italian Legislative Decree no. 136/15.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Cassa di Risparmio di Bolzano S.p.A. (the "Bank") in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Classification and valuation of loans to customers for financing measured at amortized cost	
Description of the key audit matter	As highlighted in Board of Directors' Report on Group Operations - "The group's position" and in the notes to the consolidated financial statement Part B – Information on the Consolidated balance sheet as at December 31, 2024, the loans to customers for financing measured at amortized cost having a gross carrying amount of 9,859.6 million Euro (of which 356.2 million Euro of non-performing loans), reduced by adjustment provisions of Euro 232 million (of which 175.3 million Euro of non-performing loans) resulting in an net amount of Euro 9,627.6 million (of which 180,8 million Euro of non-performing loans). The Board of Directors' Report on Group Operations shows that the coverage ratio of the aforementioned loans to customers for financing measured at amortized cost as of December 31, 2024 is equal 2.35%. More specifically, in accordance with the allocation required by IFRS 9 "Financial Instruments", the coverage ratio of performing exposures, classified in the "First Stage" and "Second Stage", is equal to 0.60%, while the coverage ratio of non-performing exposures, classified in the "Third Stage", is 49.2%. The Notes to the Consolidated Financial Statement "Part A – Accounting Policies" and "Part E – Information on risks and related coverage policies" described: • the processes and the classification of credit exposures adopted by the Group in compliance with the current provisions of the Supervisory Authorities and in accordance with the applicable accounting standards; • the measurement criteria of loans to customers for financing measured at amortized cost as well as the estimate methods of expected losses and for determining the consequent loss provisions based on the allocation of credit exposure among three reference stages. As part of the management policies for loans to customers, the Group has adopted rules and processes for monitoring positions which have involved, among other things, an articulated activity of classification of the same into homogeneous risk categories; this activity is also aimed at identifying positions which, after disbursement, show evidence of possible impairment.

In addition, the Group has used processes and methods of valutation characterized by elements of subjectivity and processes of estimating certain variables, such as, mainly, the expected cash flows, the expected recovery times and the presumed realizable value of the guarantees.

The classification and valuation processes, in the year ended 31 December 2024, were still particularly complex in consideration of the current macroeconomic scenario.

In consideration of the significance of the amount of loans to customers for financing measured at amortized cost recorded in the financial statements, the complexity of the processes of classification, the monitoring of credit quality and the estimation of expected losses adopted by the Group, also to take account of the current macroeconomic scenarios, and the relevance of the subjectivity components inherent in these processes, we consider the classification and valuation of loans to customers for financing measured at amortized cost a key audit matter of the consolidated financial statement of the Group as at December 31, 2024.

Audit procedures performed	The main procedures performed, also supported by specialists of the Deloitte network, were as follow: • analysis of the lending process with particular reference to the recognition and understanding of the organisational and procedural provisions set up by the Group to ensure the monitoring of credit quality and the correct classification and valuation in accordance with applicable accounting standards and sector legislation; • check the implementation of business procedures and processes, and checking the operating effectiveness of the key controls relating to the classification and valuation processes of loans to customers for financing measured at amortized cost; • check, on a sample basis, the classification and measurement of non-performing loans to customers for financing measured at amortized cost in accordance with regulatory framework and the Group's internal policies; • check, on a sample basis, the classification of performing loans to customers for financing measured at amortized cost in accordance with regulatory framework and the Group's internal policies;

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- analysis and understanding of the main valuation models adopted by the Group for the determination of the loan loss provisions, and the analysis of the adjustments necessary in order to reflect the uncertainties deriving from the current market context, as well as check of the reasonableness of the parameters subject to estimation;
- analytical procedures and trend analysis, as well as comparison with sector data, of loans to customers for financing measured at amortized cost and of related loan loss provisions;
- check the completeness and compliance of the disclosures provided in the consolidated financial statements in accordance with the applicable accounting standards and the regulatory framework.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 43 of Italian Legislative Decree no. 136/15, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the parent company Cassa di Risparmio di Bolzano S.p.A. or the termination of the business or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of Cassa di Risparmio di Bolzano S.p.A. has appointed us on April 10, 2018 as auditors of the Bank for the years from December 31, 2019 to December 31, 2027.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Bank in conducting the audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions and statement pursuant to art. 14 paragraph 2, sub-paragraphs e), e-bis) and e-ter) of Legislative Decree 39/10

The Directors of Cassa di Risparmio di Bolzano S.p.A. are responsible for the preparation of the report on operations as at December 31, 2024, including its consistency with the related consolidated financial statements and its compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations with the consolidated financial statements;

- express an opinion on compliance with the law of the report on operations, excluding the section related to the consolidated corporate sustainability reporting;

- make a statement about any material misstatement in the report on operations.

In our opinion, the report on operations is consistent with the consolidated financial statements of Cassa di Risparmio di Bolzano Group as at December 31, 2024.

In addition, in our opinion, the report on operations, excluding the section related to the consolidated corporate sustainability reporting, is prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2, sub-paragraph e-ter), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

Our opinion on the compliance with the law does not extend to the section related to the consolidated corporate sustainability reporting. The conclusions on the compliance of that section with the law governing criteria of preparation and with the disclosure requirements outlined in art. 8 of the EU Regulation 2020/852 are expressed by us in the assurance report pursuant to art. 14-bis of Legislative Decree 39/10.

DELOITTE & TOUCHE S.p.A.

Signed by
Enrico Gazzaniga
Partner

Milan, Italy
March 31, 2025

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.