

BANCA
SISTEMA
FINANCIAL STATEMENTS AND REPORTS
GENERAL MEETING DRAFT

AT 31 DECEMBER 2025

BANCA
SISTEMA
CONSOLIDATED
FINANCIAL
STATEMENTS

AT 31 DECEMBER 2025

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DIRECTORS' REPORT AT 31 DECEMBER 2025

COMPOSITION OF THE PARENT'S MANAGEMENT BODIES

BOARD OF DIRECTORS

Chairperson	Ms. Luitgard Spögler
CEO and General Manager	Mr. Gianluca Garbi
	Mr. Gianpaolo Alessandro
Directors	Ms. Alessandra Grendele
	Mr. Daniele Pittatore
	Mr. Marco Cuniberti*
	Ms. Giuliana Grassia*
	Ms. Maria Gaia Soana*
	Mr. Andrea De Tomas*

BOARD OF STATUTORY AUDITORS

Chairperson	Mr. Guido Paolucci
Standing Auditors	Ms. Lucia Abati
	Ms. Anna Maria Allievi
Alternate Auditors	Mr. Marco Armarolli
	Ms. Daniela D'Ignazio

INDEPENDENT AUDITORS

BDO Audit Services S.r.l. (*)

MANAGER IN CHARGE OF FINANCIAL REPORTING

Mr. Alexander Muz

(*) BDO Italia S.p.A. has transferred, with effect from 1 January 2026, a business unit to BDO Audit Services S.r.l. that includes, among other things, the legal auditing engagement with our company.

COMPOSITION OF THE INTERNAL COMMITTEES

EXECUTIVE COMMITTEE

Chairperson	Mr. Gianluca Garbi
Members	Mr. Gianpaolo Alessandro Ms. Alessandra Grendele

INTERNAL CONTROL, RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

Chairperson	Mr. Marco Cuniberti
Members	Mr. Andrea De Tomas Mr. Daniele Pittatore Ms. Maria Gaia Soana

APPOINTMENTS COMMITTEE

Chairperson	Ms. Maria Gaia Soana
Members	Mr. Marco Cuniberti Ms. Giuliana Grassia

REMUNERATION COMMITTEE

Chairperson	Ms. Giuliana Grassia
Members	Mr. Andrea De Tomas Mr. Daniele Pittatore

SUPERVISORY BODY

Chairperson	Mr. Guido Paolucci
Members	Ms. Lucia Abati Ms. Annamaria Alievi

FINANCIAL HIGHLIGHTS AT 31 DECEMBER 2025

The Banca Sistema Group comprises the Parent, Banca Sistema S.p.A., with registered office in Milan, the subsidiaries Kruso Kapital S.p.A., Largo Augusto Servizi e Sviluppo S.r.l., the Greek company Ready Pawn Single Member S.A. (hereinafter also referred to as ProntoPegno Greece) and the Portuguese company Pignus - Credito Economico Popular SA (hereinafter also referred to as CEP), wholly owned subsidiaries of Kruso Kapital S.p.A..

The scope of consolidation also includes the auction house Kruso Art (Art-Rite S.r.l.), wholly owned by Kruso Kapital and outside the Banking Group, the Spanish Joint Venture EBNSistema Finance S.L. and the following special purpose securitisation vehicles whose receivables are not subject to derecognition: Quinto Sistema Sec. 2019 S.r.l., Quinto Sistema Sec. 2017 S.r.l. and BS IVA SPV S.r.l. The parent, Banca Sistema S.p.A., is a company registered in Italy, at Largo Augusto 1/A, ang. via Verziere 13 - 20122 Milan.

The Parent directly carries out factoring activities and operates in the salary- and pension-backed loans segment through direct origination and through the sale and purchase of receivables generated by other specialist operators, distributing its product through a network of single-company agents and specialised brokers located throughout Italy. Through its subsidiary Kruso Kapital S.p.A., the Group carries out collateralised lending activities in Italy through a network of branches, in Greece and Portugal through the subsidiaries ProntoPegno Greece and CEP, as well as auction house activities. The Group also provides factoring services in Spain through the joint venture EBNSistema Finance.

The Parent, Banca Sistema S.p.A., is listed on the Euronext STAR Milan segment of the Euronext Growth Milan market of Borsa Italiana and the subsidiary Kruso Kapital is listed in the Professional Segment of Euronext Growth Milan.

KEY INDICATORS



Statement of financial position data (€,000)			
Total Assets		4,338,414	-7.8%
		4,702,898	
Securities Portfolio		1,237,967	2.5%
		1,208,254	
Loans - Factoring		1,387,486	-11.6%
		1,569,156	
Loans - Salary-backed loans		572,943	-18.3%
		701,494	
Funding - Banks and REPOs		879,386	-7.2%
		947,256	
Funding - Term Deposits		2,261,130	-11.9%
		2,565,354	
Funding - Current Accounts		309,845	7.5%
		288,186	

Income statement data (€,000)				
Net interest income adjusted	125,219		125,219	51.0%
	82,935		82,935	
Net fee and commission income (expense)	27,567		27,567	3.2%
	26,722		26,722	
Total income	170,839		170,839	40.9%
	121,232		121,232	
Personnel expense	(33,603)		(33,603)	3.5%
	(32,452)		(32,452)	
Other administrative expenses	(47,539)		(47,539)	29.6%
	(36,678)		(36,678)	
Profit for the year attributable to the owners of the Parent	29,042		29,042	15.3%
	25,199		25,199	
Profit for the year attributable to the owners of the Parent adjusted	42,341		42,341	68.0%
	25,199		25,199	

The securities portfolio includes Financial assets measured at fair value through profit or loss, Financial assets measured at fair value through other comprehensive income

and, as regards the HTC portfolio, only Italian government bonds. ABS securities amounting to €177.6 million are thus excluded.

Normalised data do not include the realisation effects of the public tender and exchange offer as subsequently described.

SIGNIFICANT EVENTS FROM 1 JANUARY TO 31 DECEMBER 2025

On 16 January 2025, the European Court of Human Rights (the "Court") issued a ruling (the "Ruling") in the case initiated in 2023 by Ontier Italia law firm on behalf of the Bank. The case sought to have the Court recognize a violation of the European Convention on Human Rights (the "Convention"). The alleged violations stemmed from the non-fulfilment by a financially distressed local authority (the "Local Authority") of its payment obligations, which had been confirmed by final court rulings issued long ago. These obligations amounted to over € 61 million in principal, plus default interest (estimated at € 43.7 million as of 31 December 2024), legal costs, and moral damages. Through the Ruling, the Court (among other things) explicitly declared that "the respondent state must, within three months, adopt appropriate measures to ensure the execution of the still-pending domestic court rulings," and that the Ruling is final and not subject to appeal. The decision aligns with the Court's established case law.

During the year, the Bank received new positive judgments and filed lawsuits with the Court similar to that closed by the judgments that found as original defaulting debtors entities belonging to the Public Administration (including other insolvent local authorities, but not only). The draft Budget Bill for 2026 introduced (in its current version) a fund of € 2,200 million for 2026 "to offset the financial effects arising from national and European litigation". Also based on the statements made to the press by the competent Minister, European litigation also include those pending before the European Court of Human Rights.

On 19 November 2025, the Bank received from a municipality – the final addressee of a ruling issued by the European Court of Human Rights and in the meantime having emerged from financial distress – payment of € 103 million.

On 21 March 2025, the Board of Directors also approved the new Corporate Governance Project, one of the initiatives undertaken by the Bank at the request of the Supervisory Authority in connection with the findings of the inspection. The new Corporate Governance Project, which adds an Executive Committee to the corporate governance bodies, was approved by the Shareholders' Meeting of 30 April 2025.

As previously announced on 7 February 2025, the same Shareholders' Meeting has also resolved to accelerate the replacement of part of the members of the Board of Directors and the Board of Statutory Auditors, as requested by the Bank of Italy in relation to the governance measures to be taken following the inspection. The Shareholders' Meeting also resolved to adjust the remuneration of the Board of Directors to take into account the establishment of the Executive Committee. The Shareholders' Meeting lastly approved the "Report on the remuneration policy and remuneration paid", first and second sections, pursuant to Article 123-ter of the Consolidated Law on Finance (TUF).

At the meeting of 21 March 2025, the Board of Directors approved the new classification of some credit exposures as defaulted, in accordance with the findings made in the inspection report issued on 20 December 2024. These findings have highlighted issues

in the rules and practices followed by the Bank to classify exposures, considered by the Supervisory Authority not fully compliant with the EBA Guidelines on the application of the definition of default.

To implement that decision, with effect from 31 March 2025, the Bank reclassified prudentially the exposures concerned, thereby increasing past due exposures to a total of € 227 million compared to the value recorded at 31 December 2024, bringing the Group's past due total to € 333 million.

The increase mainly concerned the non-recourse factoring of exposures to public sector entities and, therefore, due to the type of underlying receivables, there continue to be no problems in terms of credit quality and likelihood of recovery. 86% of the Bank's overdue receivables, net of those referred to the Kruso Kapital Group, are attributable to public sector counterparties.

Since the date of the new classification, the affected exposures have been subject to calendar provisioning.

Since 31 March 2025, in application of the provisions introduced by the new Regulation (EU) no. 2024/1623 (CRR 3), the Group has carried out a prudential redetermination of the credit risk associated with collateralised loans. This adjustment was necessary because, according to the interpretation given by the national Supervisory Authority in its inspection report, a guarantee in gold, instead of in investment, is no longer considered admissible for the purposes of credit risk mitigation in the determination of RWAs. Essentially, collateralised loans are treated as if there were no underlying collateral, regardless of historical recovery rates, which are approximately 100%. The new CRR3 applies to the Bank while, for the subsidiary Kruso Kapital, it will be applied no earlier than 1 January 2026.

In response to a specific request from the Bank of Italy, the Board of Directors also approved an updated capital plan for the 2025–2027 period. The outcomes of the plan confirm, in substance, the profit and capital ratio targets set out in the 2024–2026 Business plan approved in May 2024. The capital plan also takes into account the expected synthetic (SRT) and traditional securitisation transactions and the recent rulings of the European Court of Human Rights. Further managerial initiatives, new securitisations, including SRT (significant risk transfer), issues of credit linked notes and new ECHR judgments are not fully counted for numerical purposes in the capital plan.

The Capital Plan was submitted to the Bank of Italy at the end of March 2025, along with a descriptive report detailing the key actions required by the Supervisory Authority to address the findings communicated on 20 December. The report also includes assessments from the Board of Statutory Auditors and the control functions.

On 13 February 2025, the liquidation of Specialty Finance Trust Holdings Ltd was completed, and the company was deregistered from the UK Companies Register.

On 28 March 2025, the Directors Giovanni Puglisi (Deputy Chairperson), Daniele Bonvicini, Maria Leddi and Francesca Granata and the Statutory Auditors Daniela Toscano

and Luigi Ruggiero resigned, in order to facilitate the implementation of the new corporate governance project and the acceleration of the replacement of part of the Board of Directors and the Board of Statutory Auditors, as requested by the Bank of Italy with the letter of 20 December 2024. The resignations were tendered with effect from the date of the Shareholders' Meeting convened to approve the Financial Statements of Banca Sistema S.p.A. at 31 December 2024, or from 30 April 2025, concurrently with the appointment of the new Directors and Statutory Auditors by the Shareholders' Meeting.

On the same date and in order to facilitate the implementation of the new corporate governance project and to ensure the necessary continuity of the supervisory body, the Chairperson of the Board of Statutory Auditors, Lucia Abati, resigned from the office of Chairperson (but not also of the Standing Auditor), thus referring the identification of a new Chairperson of the supervisory body to the resolutions of the Shareholders' Meeting.

On 30 April 2025, the Shareholders' Meeting appointed four new directors to replace those who had resigned, in the persons of Gianpaolo Alessandro, Andrea De Tomas, Giuliana Grassia and Maria Gaia Soana. The newly appointed directors will remain in office until the expiry of those already in office, or until the date of approval of the financial statements at 31.12.2026.

On the same date, the Shareholders' Meeting also appointed the following two standing auditors, replacing those who had resigned and who will remain in office until the expiry of the one already in office, or until the date of approval of the financial statements at 31.12.2025: Anna Maria Allievi and Guido Paolucci. Mr. Guido Paolucci was also appointed Chairperson of the Board of Statutory Auditors.

Also on 30 April 2025, the Shareholders' Meeting approved the new governance project of the Bank, which, among other things, establishes the Executive Committee.

On 27 June 2025, the Board of Directors, in accordance with the provisions of the corporate governance project and as already provided for in the Bank's Articles of Association, appointed, with effect from 1 July 2025, the members of the Executive Committee as follows: Gianluca Garbi (Chief Executive Officer), Gianpaolo Alessandro (Director and anti-money laundering representative), Alessandra Grendele (Director). The Chief Executive Officer becomes the chair of the Executive Committee, in application of Article 13.4 of the Articles of Association. The Executive Committee will remain in office until the expiry of the term of office of the Board of Directors scheduled with the approval of the financial statements at 31 December 2026.

On 12 September, the Bank was notified of the proposal regarding the outcome of the disciplinary proceedings initiated by the Bank of Italy following the inspection conducted in 2024. The proposal, which still needs to be approved by the competent bodies of the Bank of Italy, envisages the imposition on Banca Sistema of a fine amounting to € 310,000. The Bank submitted, within the time limits set by the regulations governing the Bank of Italy's administrative sanctioning procedure, a further defense brief in

relation to the proposed fine formulated by the Authority. On 28 October, the Bank of Italy, notified Banca Sistema of the imposition of the aforementioned fine. On 21 November, Banca Sistema arranged for payment of the amount due as a fine.

On 8 October 2025, a tax audit initiated on 16 April 2025 by the Italian Revenue Agency was completed with the notification of the Report of Findings (PVC) by the Regional Directorate of Lombardy – Large Taxpayers Office. Based on the contested findings, the Bank decided to fully accept the Report of Findings by paying an estimated fine of € 90 thousand.

On 30 June 2025, Banca CF+ S.p.A. announced that it intended to launch a voluntary public tender offer on all the ordinary shares of Banca Sistema, without this having been solicited or agreed in advance with Banca Sistema itself.

With regard to the public tender offer, the independent directors, pursuant to Article 39-bis, paragraph 2, of the Consob Issuers' Regulations, have appointed Equita SIM S.p.A. as the independent expert tasked with assisting them in assessing the fairness of the consideration of the offer and preparing the reasoned opinion required by current legislation

For further details and information relating to the public tender and exchange offer, please refer to the paragraph "SIGNIFICANT EVENTS AFTER THE REPORTING DATE

THE MACROECONOMIC SCENARIO

2025 is marked by different economic trends in different countries. In the United States, thanks to consumption and investment linked to artificial intelligence (AI), the economy continued to expand, although there has been a deterioration in household confidence and a weakening of the labour market, with a slowdown at the end of 2025 due to the temporary suspension of federal administrative activities (government shutdown). In China, domestic demand is weak but exports are recovering thanks to semiconductors and AI-related goods. An acceleration in world trade is observed despite trade tensions, with a strong redirection of flows from China towards Asia, Africa and Europe. According to OECD forecasts, global growth will show a slight decline in 2026 (2.9%).

In the Euro area, GDP recorded moderate growth (+0.3%) in the final quarters of 2025, with the French and Spanish economies proving very resilient, while the situation in Germany remains stagnant. Inflation is stabilising at around 2%. Due to uncertainty linked to developments in the global environment, households are very cautious in their spending, increasing their propensity to save. Manufacturing remains weak due to pressure from Chinese competition. Household lending is increasing, especially for mortgages. As a result of all these factors, ECB projections nevertheless foresee GDP growth of 1.2% in 2026.

ITALY

In Italy, GDP growth is reported in the final quarters of 2025 (in the third quarter +0.1%) thanks to exports and investment. Bank of Italy forecasts are quite positive as GDP growth of 0.6% is expected in 2026. In the industrial sector, despite a decline recorded over the summer, a recovery is observed, with an expansion in pharmaceutical and electronic equipment production. In services too, there is broad-based growth, especially in business services and ICT, while there is a slight decline in residential construction. Non-residential construction remains stable. Business investment continues to rise, with strong use of incentives. In Italy too, as across the Euro area, household consumption growth is very limited, with a sharp increase in the propensity to save (11.4%, one of the highest values since 2008). Property market transactions are increasing, with a high and stable current account surplus thanks to the improvement in the balance of non-energy goods and the reduction in the energy deficit. Employment has increased since autumn after a stable summer, thus contributing to a fall in unemployment to 5.8%, with moderate wage growth slightly above inflation. The latter stabilised in December 2025 at 1.2%, well below the European average. The cost of funding for banks and interest rates on loans to businesses and households remained broadly unchanged (businesses 3.6% and mortgages to households 3.3%). Nevertheless, loans to businesses (+1.8%) and to households (+2.3%) increased.

In conclusion, Italy presents a mixed picture, with highly dynamic services and a robust labour market but manufacturing under pressure and very moderate GDP growth. The Italian economy is holding up overall thanks to services and investments but remains

exposed to external risks (global trade, Asian competition, volatility in the technology sector).

FACTORING

The Italian factoring market

Statistics from Assifact, the Italian association of factoring providers, indicate moderate growth in the factoring market in 2025. In fact, the factoring market recorded turnover of around € 289.1 billion last year, up 3.83% year on year net of purchases of tax receivables arising from construction bonuses.

Without recourse factoring is by far the most common form of factoring used by the market, accounting for approximately 83% of total turnover versus 17% for with recourse factoring transactions. In terms of amounts outstanding, these percentages are largely unchanged (79% without recourse versus 21% with recourse), thereby confirming that the assigning customers prefer completing assignments by hedging the risk associated with the assigned debtors.

Amounts outstanding at 31 December 2025, equal to € 71.3 billion, recorded growth of 0.99% compared to the previous year. Advances and fees paid came to around € 59.8 billion, up by about 1.02% on an annual basis.

BANCA SISTEMA AND FACTORING ACTIVITIES

Banca Sistema was one of the pioneering banks in the factoring of receivables from the Public Administration, initially focused on the purchase of trade receivables from suppliers in the public health sector, and subsequently and gradually extended to other areas of the "receivables from public administrations" sector, to tax receivables and to receivables from the entertainment sector. Since its establishment, the Bank has been able to grow in the original factoring business with a prudent risk management, and to support businesses (from large multinationals to small and medium-sized enterprises) through the provision of financial and collection services, thus contributing to the businesses' growth and consolidation. Since December 2020, Banca Sistema has also been operating in Spain - where the company EBNSISTEMA Finance is located, owned by Banca Sistema together with the Spanish banking partner EBN Banco - mainly in the factoring segment for receivables from the Public Administration, specialising in the purchase of receivables mainly from entities in the public health sector.

The Bank also offers SACE- and MCC-guaranteed loans exclusively to its factoring (for a total of outstanding loans to 82 customers equal to € 194 million) and has purchased tax credits from the "Superbonus" both for compensation purposes within the limits of its tax capacity and, from the last quarter of 2023, for trading purposes.

The Bank, as Arranger and Senior Underwriter, coordinated and structured two innovative securitisations involving receivables originating from professional football clubs both at Italian and international level. The platform provides for the purchase, on a continuous and rotating basis, of over € 1.5 billion in receivables deriving from football player transfers (national and international), audiovisual rights and compensatory contributions recognised to clubs in the event of relegation. The purchase of such loans on

a revolving basis will allow for a dynamic and efficient management of assets. This securitisation, and the subsequent ones currently being finalised, are part of Banca Sistema's strategy to expand its business model into non-traditional asset classes and represent an example of the 'originate to share' model of the Group's 2024-26 strategic plan and of the capital plan submitted to the Supervisory Authority, which on this occasion has also been realised thanks to a strategic partnership with international investors specialising in the sports and entertainment sector who are subscribers to the junior tranche. With these transactions, the first in a series, a high level of profitability is maintained with a low absorption of RWA. This operating model fully leverages the origination capabilities and improves profitability efficiency in relation to capital absorbed.

The following table shows the factoring volumes by product type:

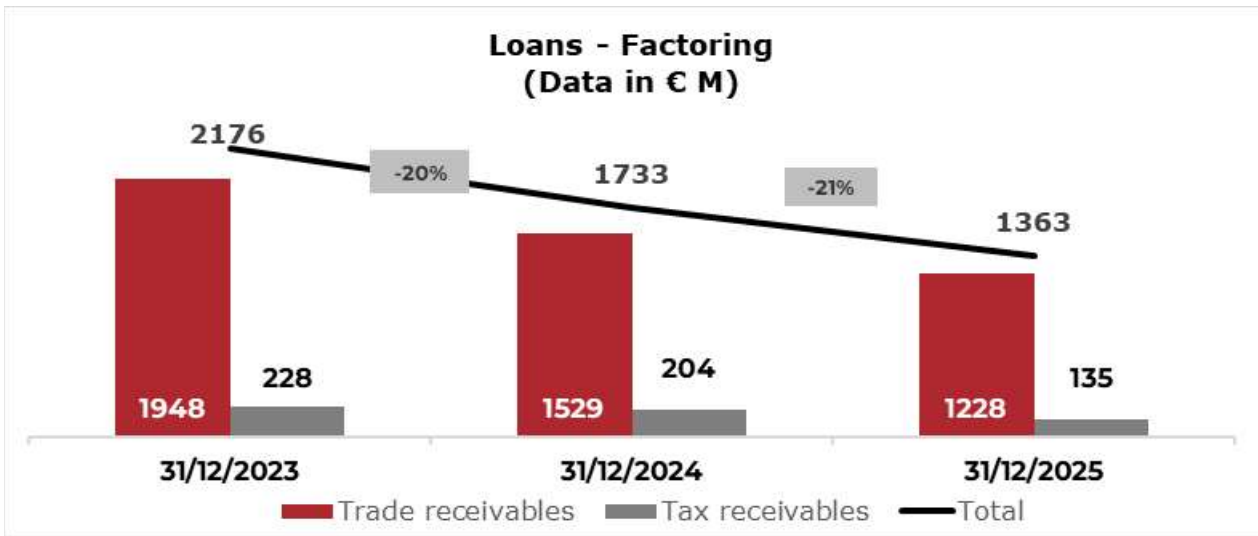
Product (millions of Euro)	2025	2024	€ Change	% Change
Factoring receivables	4,531	4,845	(314)	-6.5%
<i>Trade receivables</i>	4,089	4,510	(420)	-9.3%
<i>of which, without recourse</i>	2,949	3,497	(548)	-15.7%
<i>of which, with recourse</i>	1,140	1,012	128	12.6%
<i>Tax receivables</i>	442	336	106	31.7%
<i>of which, without recourse</i>	442	336	106	31.7%
<i>of which, with recourse</i>	-	-	-	n.a.
Superbonus tax credits	43	416	(373)	-89.7%
<i>of which, for trading purposes</i>	43	416	(373)	-89.7%
Total	4,574	5,261	(687)	-13.1%

Volumes were generated through both its own internal commercial network and other intermediaries with which the Group has entered into distribution agreements. The reduction in factoring turnover is mainly attributable to lower volumes originated with healthcare companies. To the turnover figure shown above must be added the volumes generated by the Bank's sales network as originator of the securitisation vehicles for which the Bank holds the senior tranches, relating to 'superbonus' and 'entertainment' loans, equal to € 186.1 million and € 152.5 million respectively.

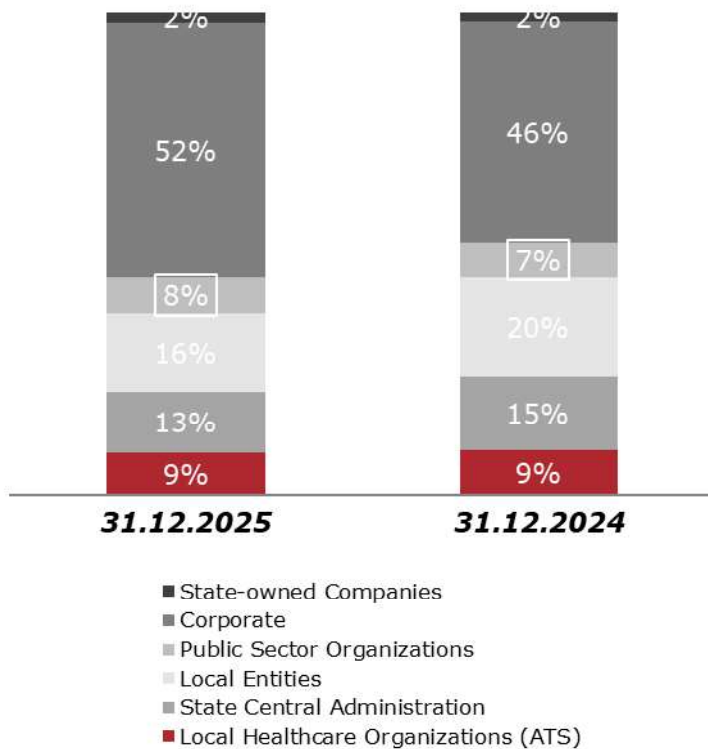
The figure also includes volumes originated on the Spanish market, equal to € 594 million (€ 221 million in 2024).

Factoring has proven to be the ideal tool both for small and medium-sized enterprises to finance their working capital and thus trade receivables, and for large companies, such as multinationals, to improve their net financial position, mitigate country risk and receive solid support in servicing and collection activities.

Loans at 31 December 2025 (management figures) amounted to € 1,363 million compared to € 1,733 million at 31 December 2024.



The following chart shows the ratio of debtors to the total exposure in the loans and receivables portfolio. The exposure to private debtors, increased significantly compared to the previous year, as required by the strategic development lines of the 2024-2026 business plan.



Volumes related to the management of third-party portfolios amounted to € 605 million (an increase compared to the € 546 million recognised in the previous year).

Since 2024, the Bank has continued to operate in the servicing of some limited debt transactions and structured finance of third parties, that has included credit

securitisation transactions and assistance to corporate customers in the issuance of bonds, liaising with several counterparties and institutional investors.

In two securitisation transactions related to super-bonus loans, the Bank also plays the role of senior investor and co-arranger, strengthening its position in the market.

SALARY- AND PENSION-BACKED LOANS AND QUINTOPUOI LOANS

Assofin data also show significant growth in volumes in the consumer credit market in the final quarter of the year, particularly for salary- and pension-backed loans, in line with the trend already seen in the previous quarters of the year. At the end of 2025, the sector grew overall by 7.9%, driven by salary- and pension-backed loans, which recorded cumulative growth of 12.6% compared to 2024 and by Personal Loans (+9.3%).

The mortgage sector slowed its growth compared to the first part of the year, when growth had been stronger, also driven by the high number of refinancing transactions occurring in conjunction with the repositioning of benchmark rates. Overall consolidated growth reported at the end of 2025 amounted to 22.9%.

In this context, the division closed the final quarter of 2025 with performance in line with the previous quarter and ended the year with € 139 million in volumes financed, down 29% compared to last year. This result essentially conditioned by the selective approach adopted by the Bank regarding volumes in order to preserve a proper level of profitability. This approach entailed renouncing part of the activity with credit intermediaries, which are more exposed to price competition, in favour of consolidating the single-company agents channel.

With regard to other products, the Retail Division worked to expand and consolidate distribution agreements for third-party products, increasing its distribution capacity and disbursing personal loans of around € 18 million (+81% compared to 2024), mortgage loans of around € 2.5 million (+28% compared to 2024) and launching distribution in the leasing segment.

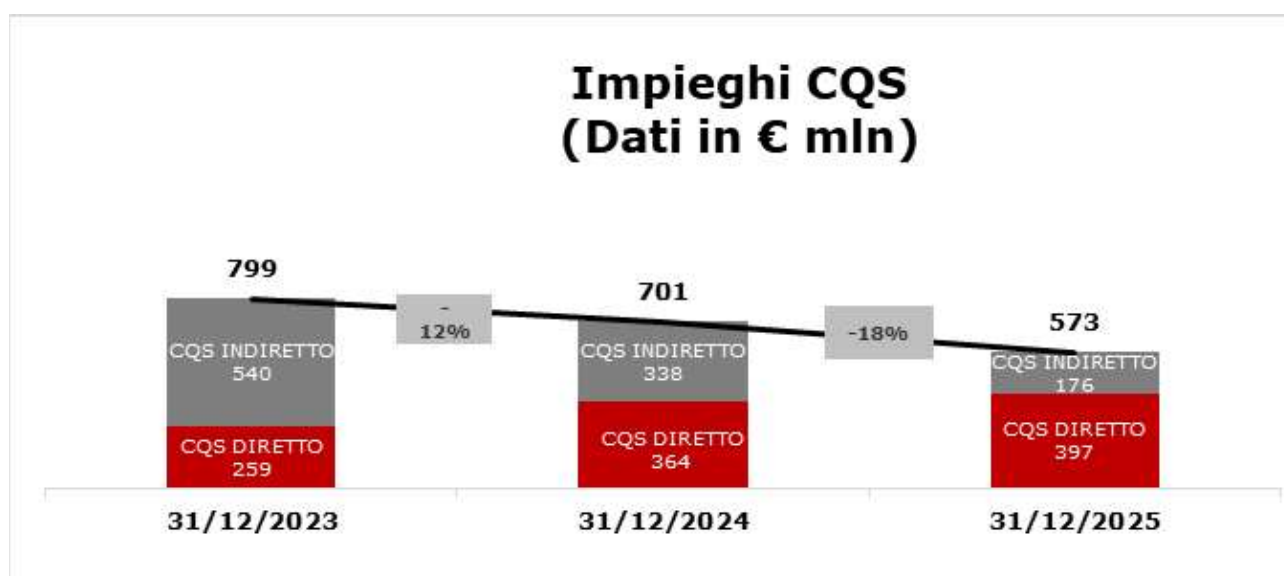
Outstanding capital decreased compared to the value reported last quarter, with € 573 million at 31 December 2025, in line with the attrition of the without recourse portfolio acquired in previous years, accelerated by the sale in 2025 of certain loans and receivables portfolios for a total amount of around € 60 million. At year end, the portfolio component relating to receivables that was originated after 1 January 2023 (and therefore optimised in terms of margins) stood at 53% of the total.

On 25 June, the Bank of Italy issued a clearance notice regarding the application submitted for the implementation of the SRT transaction through synthetic securitisation of the Salary-and pension-backed loan portfolio. The transaction will therefore optimise the capital absorption of the loans and receivables portfolio and the allocation of capital in line with the targets set out in the bank's capital plan.

The following table shows volumes per channel:

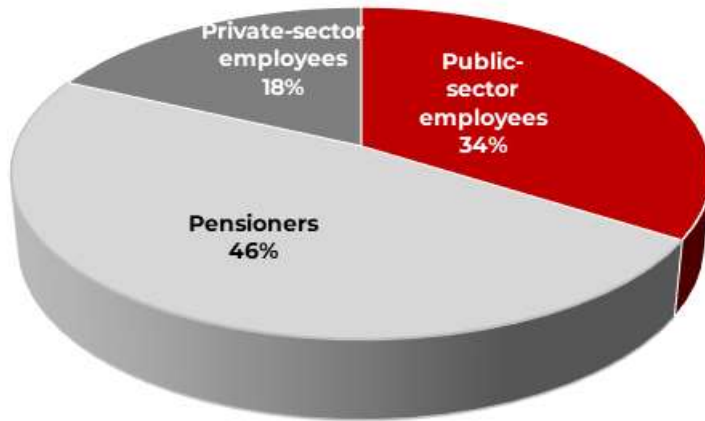
	2025	2024	€ Change	% Change
No. of applications (#)	7,123	9,349	(2,226)	-23.8%
<i>of which originated</i>	7,123	9,262	(2,139)	-23.1%
Volumes disbursed (millions of Euro)	138	188	(50)	-26.6%
<i>of which originated</i>	138	186	(48)	-25.8%

Below is an overview of the changes in the outstanding balance reported in the financial statements, broken down into "direct" and "indirect" components. The direct component refers to contracts originated directly through our network, while the indirect component concerns the purchase of portfolios from third-party intermediaries. In these cases, except for one acquired portfolio with an outstanding balance of € 23 million as of the reporting date, the Bank has not taken over the financing contracts with individual customers but has only acquired the credit.



CQ Loans are split between private-sector employees (18%), pensioners (48%) and public-sector employees (34%). Therefore, over 80% of the volumes refer to pensioners and employees of Public Administration, which remains the Bank's main debtor.

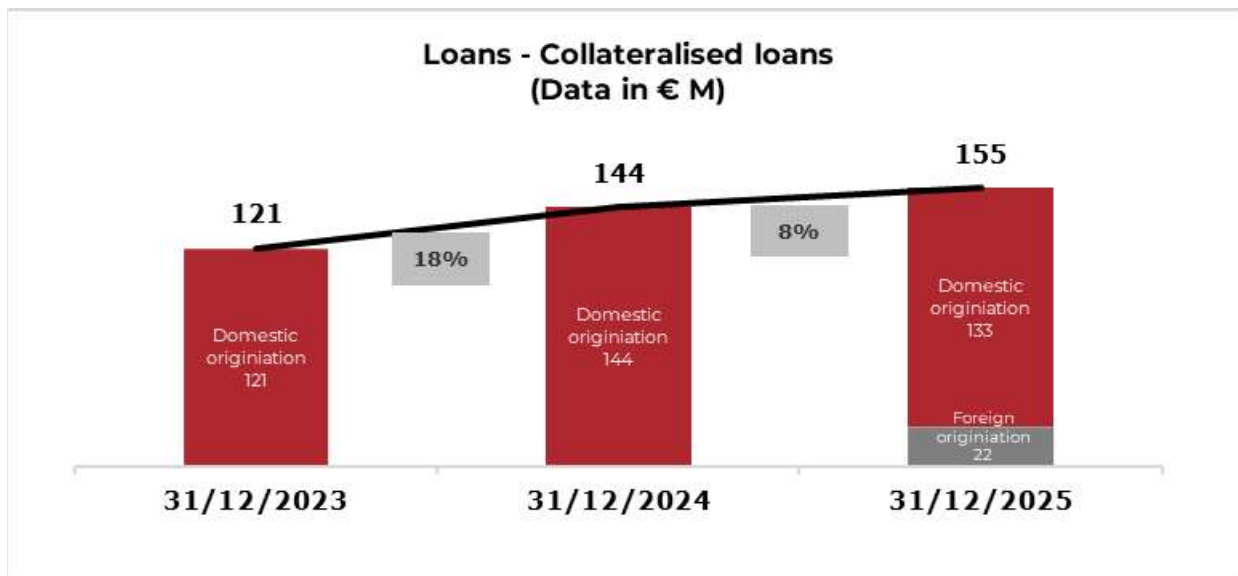
CQ Loans - Breakdown



COLLATERALISED LENDING AND KRUSO KAPITAL

At 31 December 2025, Kruso Kapital held approximately 93.4 thousand policies (collateralised loans), amounting to total loans of € 154.9 million. This figure reflects a 7.7% yoy increase (€ 143.8 million).

The following chart shows the performance of outstanding loans:¹



¹ 2025 lending net of PPA consolidation entry (€ 0.2 million).
31.12.24 also includes the consolidation of CEP in the 18% yoy increase.

The assets in the balance sheet, which increased by 5.1%, consist mainly of loans and receivables with customers related to the collateralised lending business (loans and receivables with customers) and goodwill for a total of € 40.1 million. Following the conclusion of the process of final allocation of the price ("PPA") for the acquisition of CEP in June 2025, goodwill decreased compared to 31.12.2024. Other intangible assets also changed compared to December 2024 due in part to the premium due for the acquisition of a portfolio of loans in Italy, part of the company's ordinary operations (€ 1.2 million, against a loans and receivables portfolio of € 8.9 million) and the registration of the CEP trademark (€ 0.4 million, net of amortisation for the period), arising from the allocation process described above.

The consolidated Statement of financial position of Kruso Kapital Group at 31 December 2025 is provided below.

Assets (€,000)	31.12.2025	31.12.2024	€ Change	% Change
Cash and cash equivalents	8,463	9,016	(553)	-6.1%
Financial assets measured at amortised cost	155,161	143,879	11,282	7.8%
a) loans and receivables with banks	103	34	69	>100%
b1) loans and receivables with customers - loans	155,058	143,845	11,213	7.8%
Property and equipment	4,215	4,612	(397)	-8.6%
Intangible assets	43,416	43,264	152	0.4%
of which: goodwill	40,070	41,155	(1,085)	-2.6%
Tax assets	618	404	214	53.0%
Other assets	3,129	3,309	(180)	-5.4%
Total assets	215,002	204,484	10,518	5.1%

Liabilities and equity (€,000)	31.12.2025	31.12.2024	€ Change	% Change
Financial liabilities measured at amortised cost	134,688	141,830	(7,142)	-5.0%
Financial liabilities designated at fair value	6,726	-	6,726	n.a.
Tax liabilities	5,602	3,998	1,604	40.1%
Other liabilities	8,079	7,354	725	9.9%
Post-employment benefits	848	872	(24)	-2.8%
Provisions for risks and charges	805	971	(166)	-17.1%
Share capital	24,610	24,610	-	0.0%
Reserves	24,882	20,383	4,499	22.1%
Valuation reserves	(14)	(34)	20	-58.8%
Profit (loss) for the period	8,776	4,500	4,276	95.0%
Total liabilities and equity	215,002	204,484	10,518	5.1%

The “financial liabilities measured at amortised cost” include the auction buyer’s premium of € 9.1 million. For 5 years, this amount is reported in the financial statements as due to customers, and becomes a contingent asset if not collected. Financial liabilities also include amounts due to banks (around 60% from Banca Sistema credit lines, progressively down). The item Financial liabilities designated at fair value through profit or loss refers exclusively to the issuances (starting from April 2025) of Credit Linked Notes, the reference underlying of which is given by a part of the portfolio of pledged receivables in Italy guaranteed by gold.

At 31.12.25, Equity amounted to € 58 million.

The consolidated income statement of Kruso Kapital Group at 31 December 2025 is provided below.

Income statement (€,'000)	2025	2024	€ Change	% Change
Total income	35,783	24,698	11,085	44.9%
Net impairment losses on loans and receivables	(141)	(89)	(52)	58.4%
Net financial income (expense)	35,642	24,609	11,033	44.8%
Personnel expense	(9,531)	(8,562)	(969)	11.3%
Other administrative expenses	(9,934)	(7,595)	(2,339)	30.8%
Net impairment losses on property and equipment/intangible assets	(2,773)	(1,796)	(977)	54.4%
Net provisions to the fund for risks and charges	(150)	-	(149)	n.a.
Other operating income (expense)	475	928	(453)	-48.8%
Operating costs	(21,913)	(17,025)	(4,888)	28.7%
Gains (losses) on equity investments	190	-	190	n.a.
Pre-tax profit from continuing operations	13,919	7,584	6,335	83.5%
Income taxes for the period	(5,143)	(3,084)	(2,059)	66.8%
Profit (loss) for the period of Kruso Kapital Group	8,776	4,500	4,276	95.0%

Total income, amounting to € 35.8 million, increased due to:

- The yoy increase in net interest income (€ 14.2 million, +36.2% yoy), which is impacted by higher interest income (+23.8%), essentially linked to higher loans (in Italy) and higher margins, which more than compensated the negative impact of the premium portion (€ 0.5 million) of the portfolio purchased in January 2025 and the negative impact of the PPA (€ 0.9 million), both recognised as a decrease in interest income, and higher interest expense. The contribution of CEP, amounting to € 4.6 million, is also significant;

- the contribution of higher net fee and commission income (€ 21.6 million, +51.2% YoY) driven by higher uses, the consolidation of CEP and, to a significant extent, increased contributions from loan auctions equal to 66 (56 at 31 December 2024).

Credit adjustments, slightly unchanged YoY, from the first quarter of 2025 were driven by the new credit policies (for KK in Italy and CEP) which, in addition to the different classification of receivables, introduced new collective hedging percentages.

Operating costs of € 22.2 million were 30.4% higher due to:

- Higher personnel expenses mainly related to the consolidation of CEP. The number of resources is 143 as at 31/12/25 vs 144 as at 31/12/24;
- Higher other administrative expenses mainly due to the consolidation of CEP (€0.9 million), extraordinary consultancy expenses (€0.5 million, of which €0.1 million related to the structuring of Credit Linked Notes), IT expenses (€0.3 million) and other operating expenses;
- The change in value adjustments on property and equipment/intangible assets is mainly attributable to the premium portion (€ 0.6 million) of the portfolio purchased in January 2025 and to the CEP subsidiary;
- Provisions to the provision for risks and charges are due to legal disputes (€ 0.2 million);
- The change in Other operating income (expense) is mainly attributable to lower income from expense recoveries.

The item Income from equity investments is due to the release of part of the debt relating to the portion of the deferred price (earn out) as per the contract for the acquisition of Art-Rite, following an agreement with the previous shareholders of the company.

Net income of € 8.8 million increased YoY due to the result of ordinary operations and the contribution from the item described above, which more than offset the negative effect of the release of the PPA (€ -0.7 million after tax).

FUNDING AND TREASURY ACTIVITIES

A treasury portfolio has been established to support the Bank's liquidity commitments almost exclusively through investment in Italian government bonds.

The balance at 31 December 2025 was equal to a nominal € 1,204 million compared to € 1,178 million at 31 December 2024.

At 31 December 2025, the nominal amount of securities in the HTCS portfolio amounted to € 1,154 million (€ 1,117 million reported at 31 December 2024) with a duration of 16.3 months (15.2 months at 31 December 2024) and a positive mark-to-market of € 6.5 million.

At 31 December 2025, the HTC portfolio amounted to € 50 million, with a duration of 26.2 months (compared to € 61 million at 31 December 2024 with a duration of 31 months).

FUNDING

At 31 December 2025, wholesale funding was about 31% of total funding (against 30% at 31 December 2024).

Securitisations with salary- and pension-backed loans as collateral also completed with a partly-paid securities structure continue to allow Banca Sistema to efficiently refinance its CQS/CQP portfolio and to continue to grow its salary- and pension-backed loan business, whose funding structure is optimised by the securitisations.

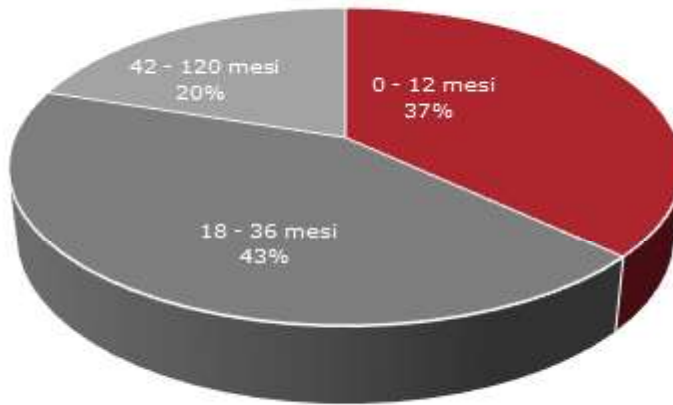
Funding from private customer deposits stands at € 2.15 billion with a duration of approximately 17 months (compared to € 2.44 billion with a duration of 17 months at 31 December 2024); the above-mentioned amount also includes total term deposits of € 1,777 million (obtained with the help of partner platforms) held with foreign entities (accounting for 82% of total deposit funding).

As at 31 December 2025, the stock of customer deposits amounted to € 2.49 billion, 87% of which from term deposits and the remaining 13% from current accounts.

Retail funding accounts for 92% of the total of the customer deposits and is composed of the account SI Conto! Corrente and the product SI Conto! Deposito.

The breakdown of funding by term is shown below.

Composizione Stock conti deposito al 31 dicembre 2025



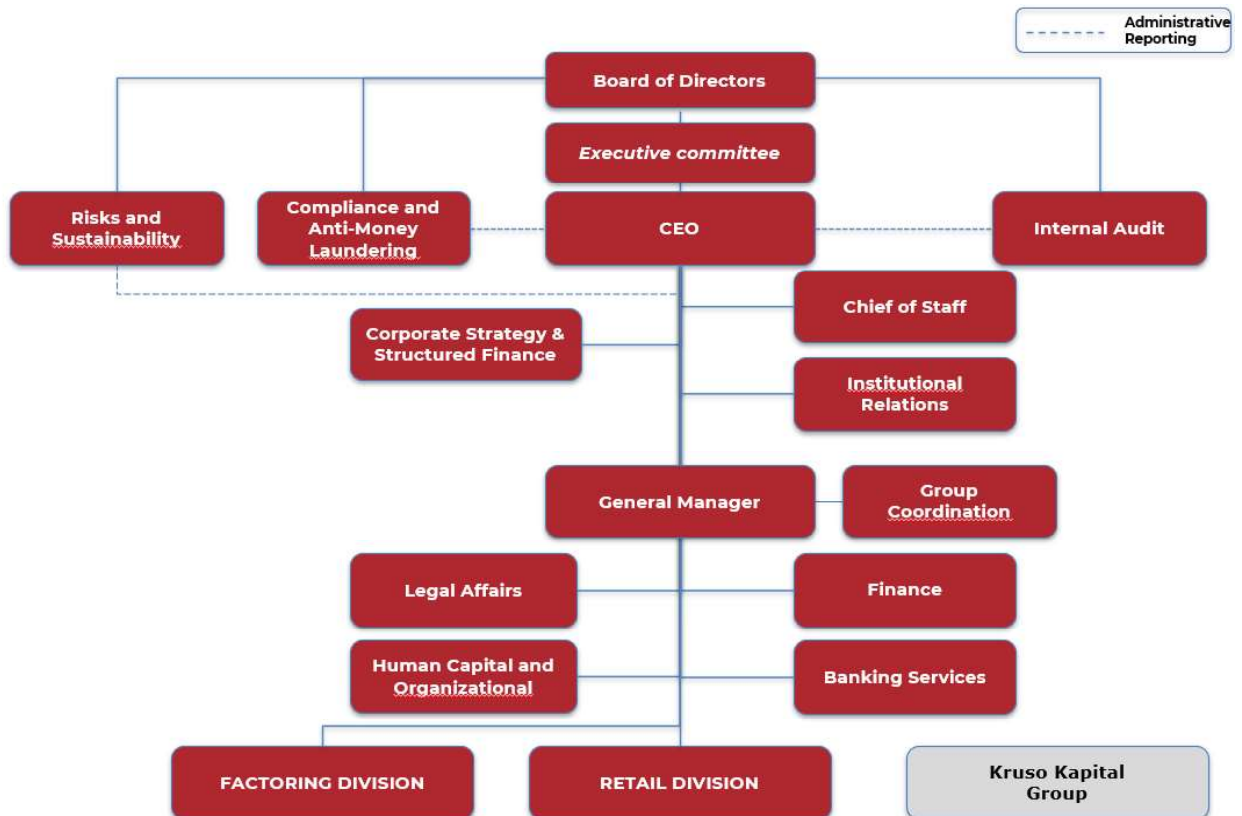
The average residual life is 17 months.

COMPOSITION AND STRUCTURE OF THE GROUP

Organisational chart

The Bank's organisational structure - based on the divisional organisational model which assigns specific powers and autonomy in terms of lending, sales and operations to each of the Factoring and Retail Financing businesses - has undergone some changes following the implementation of a comprehensive plan to strengthen the internal control system in terms of both quality and quantity, which involved hiring additional human resources, providing new IT and process automation tools, more intensive coordination between the Control Functions and between these and the Corporate Bodies, and the transfer of the organisational reporting of the Risk Department directly to the Board of Directors. In addition, in order to strengthen and accelerate the coordination of the Corporate Centre organisational structures, the implementation of corporate strategies in the various business areas, the Bank's digital transformation also as part of the adoption of new artificial intelligence technologies, and the control of the cost structure of the operating machine and the achievement of a better cost-to-income ratio, the Group Coordination Department was established and the position of Deputy General Manager of the Bank was introduced.

The organisational chart in force since 1 July 2025 is as follows:



HUMAN RESOURCES

As at 31 December 2025, the Group had a staff of 358, broken down by contract category as follows:

FTES	Banca Sistema	Kruso Kapital	ProntoPegno Greece	Pignus CEP	Art-Rite	Total 2025	Total 2024
Senior managers	26	3	0	0	1	30	28
Middle managers (QD3 and QD4)	52	15	0	0	-	67	66
Middle managers (QD1 and QD2)	51	18	0	0	-	69	59
Other personnel	93	51	3	43	9	199	205
Total	222	87	3	43	10	365	358

As at 31 December 2025, 55 people at group level were selected and hired to strengthen the control functions, to grow the business and to cover turn over, mainly with permanent contracts, and maternity replacements or other long absences with fixed-term contracts. Voluntary turn over (voluntary resignations by employees with permanent contracts) decreased by 1% during the year compared to the figures for the two previous financial years, returning to its historical average levels.

In terms of skills development, after identifying professional and technical training needs related to the Group's legal and regulatory issues, at 31 December 2025, the Bank delivered training initiatives run by external and internal trainers, with particular reference to technical training, professional training, soft skills and language training, for a total of approximately 150 days overall. Particular attention was paid to activities relating to cybersecurity, anti-money laundering and change management.

The average age of Group employees is 46.7 for men and 43.4 for women. The breakdown by gender is essentially balanced, with men accounting for 55.4% and women for 44.6% of the total.

In order to assess the Bank's compliance with the provisions of the new EU Pay Transparency Directive ("EU Directive 2023/970") applicable from the next financial year and to set any adjustments, the Human Capital Department, with the support of qualified external consultants, carried out a series of analyses of the company situation on the matter. The analyses will continue in 2026 in order to align the relevant processes with the requirements of the Directive.

INCOME STATEMENT RESULTS

Income statement (€'000)	2025	2024	€ Change	% Change
Net interest income	96,751	50,081	46,670	93.2%
Net trading income from Superbonus (1)	28,468	32,854	(4,386)	-13.3%
Net interest income adjusted	125,219	82,935	42,284	51.0%
Net fee and commission income (expense)	27,567	26,722	845	3.2%
Dividends and similar income	227	227	-	0.0%
Net trading income (expense)	29	1,370	(1,341)	-97.9%
Net hedging result	68	(5)	73	<100%
Gain from sales or repurchases of financial assets/liabilities	17,722	9,983	7,739	77.5%
Net result from financial liabilities measured at fair value	7	-	7	n.a.
Total income	170,839	121,232	49,607	40.9%
Net impairment losses on loans and receivables	(10,298)	(1,132)	(9,166)	>100%
Gains/losses from contract amendments without derecognition	1	(102)	103	<100%
Net financial income (expense)	160,542	119,998	40,544	33.8%
Personnel expense	(33,603)	(32,452)	(1,151)	3.5%
Other administrative expenses	(47,539)	(36,678)	(10,861)	29.6%
Net accruals to provisions for risks and charges	(7,463)	(3,425)	(4,038)	>100%
Net impairment losses on property and equipment/intangible assets	(4,492)	(3,301)	(1,191)	36.1%
Other operating income (expense)	1,473	(2,235)	3,708	<100%
Operating costs	(91,624)	(78,091)	(13,533)	17.3%
Gains (losses) on equity investments	190	(11)	201	<100%
Impairment goodwill	(13,299)	-	(13,299)	n.a.
Pre-tax profit from continuing operations	55,809	41,896	13,913	33.2%
Income taxes for the period	(24,186)	(15,374)	(8,812)	57.3%
Post-tax profit for the year	31,623	26,522	5,101	19.2%
Profit for the year	31,623	26,522	5,101	19.2%
Profit (loss) attributable to non-controlling interests	(2,581)	(1,323)	(1,258)	95.1%
Profit for the year attributable to the owners of the parent adjusted	29,042	25,199	3,843	15.3%
Impacts from PT&EO success	13,299	-	13,299	n.a.
Profit for the year attributable to the owners of the parent	42,341	25,199	17,142	68.0%

(1) The net trading income from Superbonus was reclassified from the item Trading income and restated in a separate item to supplement Net interest income.

The 2025 financial year, without taking into account the effects arising from CF+'s public tender and exchange offer described below, closed with profit of € 42.3 million, representing the best result achieved by the Group since its establishment.

The effects mentioned above, as illustrated in the section "SIGNIFICANT EVENTS AFTER THE REPORTING DATE" to which reference is made, relate to the recognition of an impairment loss of € 13.3 million on the goodwill of KK. It should be noted that, in accordance with the Bank of Italy's guidance and in light of the prohibition in force since 20 December 2024, which requires the Group not to include in its financial statements any cost or liability items relating to variable remuneration, no provisions have been made for personnel costs, the Chief Executive Officer and members of the Board of Directors arising from obligations linked to a Change of Control. Such charges, quantifiable as

possible future outlays amounting to € 7.3 million (before tax), could partly or entirely pertain to subsequent financial years, depending on the decisions to be taken by the Supervisory Body.

The financial year result benefited significantly from the collection, in the fourth quarter, of a € 103 million position against a Municipality, as the final beneficiary of a judgment handed down by the European Court of Human Rights (ECHR), which in the meantime had exited the insolvency procedure.

The collection led to the recognition of gross default interest totalling € 40.9 million, of which € 6.9 million had already been recognised in the first quarter of 2025.

The completion of the collection provided further evidence of the concrete effectiveness of the state guarantee envisaged for this type of litigation and debtors which, in this case, enabled the debtor Municipality to reach a settlement of the position, relying on the ad hoc allocation provided for by the decree linked to the 2026 Budget Law as well as its subsequent incorporation into the same Law which established a specific expenditure budget line in an amount exceeding € 2 billion intended to cover the payment of similar rulings.

During 2025, default interest was recognised for an amount of € 6.3 million relating to positions subject to rulings by the ECHR.

In addition, at the reference date, the Bank has € 61 million of decrees currently outside the legal scope and therefore not supported by budget allocations, of which € 42 million relates to enforceable decrees that meet the requirements to start proceedings before the ECHR but for which this process has not yet been formally initiated and which will be allocated in the budget over the coming financial years in accordance with the assumptions of the current accounting policy.

Net interest income (€,000)	2025	2024	€ Change	% Change
Interest and similar income				
Loans and receivables portfolios	173,970	162,576	11,394	7.0%
Factoring	123,953	109,905	14,048	12.8%
CQ	17,874	18,049	(175)	-1.0%
Collateralised lending	18,513	14,929	3,584	24.0%
Government-backed loans to SMEs	13,630	19,693	(6,063)	-30.8%
Securities portfolio	29,577	22,672	6,905	30.5%
ABS securities	3,889	879	3,010	>100%
Other	2,977	10,128	(7,151)	-70.6%
Total interest income	210,413	196,255	14,158	7.2%
Interest and similar expense				
Due to banks	(1,414)	(15,392)	13,978	-90.8%
Due to customers	(88,171)	(105,929)	17,758	-16.8%
Repos	(18,064)	(18,002)	(62)	0.3%
Securities issued	(6,013)	(6,851)	838	-12.2%
Total interest expense	(113,662)	(146,174)	32,512	-22.2%
Net interest income	96,751	50,081	46,670	93.2%
Net trading income from Superbonus	28,468	32,854	(4,386)	-13.3%
Net interest income adjusted	125,219	82,935	42,284	51.0%

Net interest income recorded a solid growth compared to the previous year, despite the progressive decline in market interest rates. This performance reflects the maintenance of high levels of interest income, supported by employment spreads that are still large compared to the cost of funding (which started a downward trend), given a slight contraction in the average volumes employed.

The total contribution of the Factoring Division, which includes both revenues from traditional factoring transactions and those deriving from SME loans guaranteed by the State, reached € 137.6 million, accounting for approximately 79% of the interest income generated by the total loans and receivables portfolio. The following are added to this income: (i) the commission component associated with the factoring business; (ii) the revenues from the sale of some receivables due from private debtors; and (iii) the income realised on the purchase and subsequent realisation of Superbonus tax receivables held for trading purposes.

The component owed for late payments pursuant to Legislative Decree 231/02 (consisting of default interest and compensation) legally enforced at 31 December 2025 amounted to € 53.1 million (€ 31.4 million in 2024):

- of which € 4.3 million resulting from the current recovery estimates (€ 11.1 million in 2024);
- of which € 0.5 million resulting from the updated recovery estimates and expected collection times (€ 5.5 million in 2024);
- of which € 48.3 million (€ 13.4 million in 2024) coming from the difference between the amount collected during the period, equal to € 55.6 million (€ 21.4 million in 2024), and that recognised on an accruals basis in previous years;
- of which € 0.05 million resulting from the current estimates for the recovery of the € 40 component of the compensation claims pursuant to Article 6 of Legislative Decree No. 231/02 (€ 1.4 million in 2024).

Starting from the first quarter of 2025, following the update of the policy relating to the accounting of default interest for Public Administration debtors in situations of financial distress or probable default, default interest was recorded for an amount of € 6.3 million at 31 December relating to positions subject to judgments by the ECHR that found the Italian State liable for the debt in cases where the debtor is in default. In the draft 2026 budget law currently being debated in Parliament, the State has allocated funds for the payment of these debts. The reduction in the contribution due for late payments pursuant to Legislative Decree 231/02 (consisting of default interest and compensation) compared to the same period in 2024 was also due to an extraordinary transfer of decrees relating to past due debtors, which led to a loss of € 2.1 million, and by a decrease in the stock, influenced by contractual resolutions of receivables within the legal scope.

The amount of the stock of interest pursuant to Legislative Decree 231/02 accrued at 31 December 2025, relevant for the allocation model, was € 131 million (€ 149 million at the end of 2024), which becomes € 192 million when including default interest related to positions with troubled local authorities, a component for which default interest is not allocated in the financial statements, except in the case positions subject to ECHR judgments as stated above, whereas the loans and receivables recognised in the financial statements amount to € 81 million. Therefore, the amount of interest pursuant to Legislative Decree No. 231/02 accrued and not yet recognised in the income statement is € 111 million. In addition, there is further default interest related to entities such as consortia or quasi-public companies excluded from the scope of the allocation model.

The contribution of interest on the salary-/pension-backed loans is down slightly on the previous year at € 17.9 million as a result of higher disposals than in the previous year.

The sustained growth of the Collateralised Lending Division was confirmed: its contribution to interest income amounted to € 18.6 million, compared to € 14.9 million in the previous year. The item includes a one-off effect of approximately € 895 thousand (€ 570 thousand already recognised at 30 June 2025) relating to the negative reversal of

the fair value adjustments allocated to loans and receivables with customers, upon completion of the purchase price allocation process for the company CEP.

The positive contribution of the interest component from the government-backed loans to SMEs is confirmed, albeit down compared to a lower outstanding and a decrease in the yield indexed at a variable rate.

The contribution of the securities portfolio increased compared to 31 December 2024 thanks to an increase in the average stock of the existing portfolio and a higher average portfolio return.

The interest component from ABS securities is attributable to the yields on the senior securities in which the Bank is also the originator.

"Other interest income" decreased due to a lower use in overnight deposits with the ECB whose remuneration rate decreased.

The decrease in interest expense is due to the lower outstanding debt and decrease in market rates. 2024 included interest paid on TLTRO III, which was fully repaid in that financial year.

The Superbonus trading income of € 28.5 million is generated from the trading of these loans and the change of these loans at fair value, decreasing due to the dismantling of tax annuities.

Net fee and commission income (€,'000)	2025	2024	€ Change	% Change
Fee and commission income				
Factoring activities	10,005	18,749	(8,744)	-46.6%
Fee and commission income - off-premises CQ	6,650	9,883	(3,233)	-32.7%
Collateralised loans (fee and commission income)	21,376	14,055	7,321	52.1%
Collection activities	1,221	1,145	76	6.6%
Servicer of securitization	4,080	1,807	2,273	>100%
Other fee and commission income	1,178	921	257	27.9%
Total fee and commission income	44,510	46,560	(2,050)	-4.4%
Fee and commission expense				
Factoring portfolio placement	(1,751)	(1,418)	(333)	23.5%
Placement of other financial products	(6,103)	(6,489)	386	-5.9%
Fees - off-premises CQ	(6,166)	(9,423)	3,257	-34.6%
Other fee and commission expense	(2,922)	(2,508)	(414)	16.5%
Total fee and commission expense	(16,942)	(19,838)	2,896	-14.6%
Net fee and commission income	27,568	26,722	846	3.2%

Net fee and commission income (expense), amounting to € 27.6 million, is in line with the previous year, due to the decrease in fees and commissions from factoring

activities being offset by the increase in fees and commissions from collateralised lending as a result of a greater number of auctions during the period.

Fee and commission income from factoring should be considered together with interest income, since it makes no difference from a management point of view whether profit is recognised in the commissions and fees item or in interest in the without recourse factoring business.

Fee and commission income from the collateral-backed loans business grew by € 7.3 million compared to the previous year thanks to the increase in the number of auctions, to the continuous growth of the business and the contribution of the newly acquired Portuguese pledge company.

Fees and commissions from collection activities include revenues from the traditional service of reconciling third-party invoice receipts with the Public Administration amounting to € 1.2 million (+6.6% YoY); revenues from the Master/Corporate Servicer business for third-party securitisations amounting to € 4.1 million.

Other Fee and commission income, includes commissions and fees related to current account services and auction fees related to the Art-Rite subsidiary amounting to € 0.5 million.

Fee and commission income - off-premises CQ refers to both the commissions on the salary- and pension-backed loan (CQ) origination business and the placement of third-party products totalling € 6.7 million, which should be considered together with the item Fees - off-premises CQ, amounting to € 6.1 million, which are composed of the commissions paid to financial advisers for the off-premises placement of the salary- and pension-backed loan product.

Fees and commissions for the placement of financial products paid to third parties are attributable to returns to third-party intermediaries for the placement and management of the SI Conto! Deposito product under the passporting regime, whereas the fee and commission expense of placing the factoring portfolios is linked to the origination costs of the factoring receivables.

Other fee and commission expense includes commissions for trading third-party securities and for interbank collections and payment services.

Net trading results (€,'000)	2025	2024	€ Change	% Change
Trading results from financial instruments	30	1,370	(1,340)	-97.8%
Total	30	1,370	(1,340)	-97.8%

The item includes the income from trading Italian government bonds.

Gain (loss) from sales or repurchases (€,000)	2025	2024	€ Change	% Change
Gains from HTCS portfolio debt instruments	11,019	3,610	7,409	>100%
Gains from HTC portfolio debt instruments	-	-	-	n.a.
Gains from receivables (Factoring portfolio)	4,363	4,771	(408)	-8.6%
Gains from receivables (CQ portfolio)	2,340	1,602	738	46.1%
Total	17,722	9,983	7,739	77.5%

The item Gain (loss) from sales or repurchases includes gains realised on sales of the securities portfolio (€ 11 million) and gains from the disposal of factoring and CQ loans and receivables portfolios.

Credit risk adjustments made as at 31 December 2025 amounted to € 10.3 million compared to €1.1 million as at 31 December 2024; it should be noted that 2024 included the release of € 8 million as the assumptions made in the past in relation to possible settlement agreements with the Extraordinary Liquidation Body of a failing municipality no longer apply, as well as consequent updating of the estimates of the probability of recovery of the same loan following the aforementioned judgment of the European Court of Human Rights. During the fourth quarter of 2025, there was a release of value adjustments equal to € 5.5 million related to 2 positions with a concurrent increase in provisions for risks of € 5.5 million following the acceptance of the decrees by the ECHR currently awaiting ruling. The loss rate stands at 0.39% (0.6% net of the impairment gains) compared to 0.30% recorded in December 2024, excluding the aforementioned impairment gain. Value adjustments on loans during the year were affected mainly by positive effects deriving from recoveries on positions definitively closed with the release of provisions and from the release of provisions for the full collection of receivables from municipalities previously in financial distress. At the same time, the increase is mainly attributable to unfavourable court rulings.

Provisions for risks also increased following the entry of certain customers into negotiated crisis settlement procedures, albeit only in the initial stages.

Personnel expense (€,000)	2025	2024	€ Change	% Change
Wages and salaries	(26,018)	(25,343)	(675)	2.7%
Social security contributions and other costs	(5,667)	(5,373)	(294)	5.5%
Directors' and statutory auditors' remuneration	(1,918)	(1,736)	(182)	10.5%
Total	(33,603)	(32,452)	(1,151)	3.5%

The fixed remuneration component of personnel costs recorded an increase as a result of the changes in the banking contract, applied to the majority of staff, and to the increase in the number of human resources, whose average number rose from 315 to 361, due to the inclusion in November of 44 new resources from the Portuguese

company Pignus - Credito Economico Popular, which was acquired by the subsidiary Kruso Kapital.

It should be noted that, in consideration of the indications provided by the Supervisory Body, the variable component of the remuneration of the Group's personnel referring to the current year was not allocated in the financial statements for the current year.

Other administrative expenses (€,'000)	2025	2024	€ Change	% Change
IT expenses	11,530	9,881	1,649	16.7%
Consultancy and professional services	4,438	2,955	1,483	50.2%
Regulatory development and compliance consultancy	1,568	1,325	243	18.3%
Legal and professional consultancy	2,427	1,175	1,252	106.6%
Audit expenses	443	455	(12)	-2.6%
Credit-related expenses	18,236	11,220	7,016	62.5%
Insurance coverage expenses	5,732	2,292	3,440	150.1%
Credit recovery expenses	7,692	4,098	3,594	87.7%
Origination expenses	2,566	2,435	131	5.4%
Servicing and collection activities	1,915	1,922	(7)	-0.4%
Legal dispute expenses	331	473	(142)	-30.0%
Other operating expenses	3,336	3,316	20	0.6%
Outsourcing and consultancy expenses	940	947	(7)	-0.7%
Additional operating expenses	1,031	1,081	(50)	-4.6%
Vehicle management expenses	533	568	(35)	-6.2%
Association contributions	384	361	23	6.4%
Cash transport expenses	257	180	77	42.8%
Insurance	191	179	12	6.7%
Advertising and communication expenses	2,137	1,677	460	27.4%
Real estate-related expenses	2,434	2,304	130	5.6%
Other real estate-related expenses	675	844	(169)	-20.0%
Maintenance expenses	721	572	149	26.0%
Utility and cleaning expenses	634	502	132	26.3%
Concierge and surveillance expenses	404	386	18	4.7%
Personnel-related expenses	2,588	2,700	(112)	-4.1%
Vehicle rental and related expenses	769	876	(107)	-12.2%
Travel and representation reimbursements	914	934	(20)	-2.1%
Other personnel-related expenses	498	505	(7)	-1.4%
Agent-related expenses	407	385	22	5.7%
Indirect taxes and duties	2,842	2,626	216	8.2%
Total operating costs	47,541	36,679	10,862	29.6%

Administrative expenses increased by 29.6%, mainly due to costs related to business development and compliance with new legislation.

The increase in insurance coverage expenses is linked to higher insurance premiums on factoring portfolios and for the SRT transaction on CQ portfolios.

Consulting expenses consisted largely of the non-recurring costs incurred to comply with the feedback received from the Supervisory Authority and new transactions already carried out or launched by the subsidiary Kruso Kapital such as the structuring and placement of the CLN, the structuring of a proposed ABS funding and risk mitigation transaction and advisory services relating to the translisting from the EGM market to the MTA.

IT expenses include costs for services provided by the outsourcer responsible for managing legacy systems, as well as those related to IT infrastructure, increasing as a result of both increased investments and changes to legislation.

Indirect taxes and fees increased, mainly due to the increase in contributions paid in relation to enforceable injunctions activated against public administration debtors.

Net impairment losses on property and equipment/intangible assets (€,000)	2025	2024	€ Change	% Change
Depreciation of buildings used for operations	(1,028)	(819)	(209)	25.5%
Depreciation of furniture and equipment	(454)	(416)	(38)	9.1%
Amortisation of value in use	(1,682)	(1,409)	(273)	19.4%
Amortisation of software	(667)	(614)	(53)	8.6%
Amortisation of other intangible assets	(661)	(43)	(618)	>100%
Total	(4,492)	(3,301)	(1,191)	36.1%

The impairment losses on property and equipment/intangible assets are the result of higher depreciation and amortisation for property used for business purposes, as well as the depreciation of the "right-of-use" asset following the application of IFRS 16.

Other operating income (expense) (€,000)	2025	2024	€ Change	% Change
Auction buyer's premiums	1,064	737	327	44.4%
Recovery of expenses and taxes	1,930	1,425	505	35.4%
Deposit Scheme contribution	(390)	(5,145)	4,755	-92.4%
Amortisation of multiple-year improvement costs	(675)	(665)	(10)	1.5%
Other income (expense)	345	304	41	13.5%
Contingent assets and liabilities	(802)	1,109	(1,911)	<100%
Total	1,472	(2,235)	3,707	<100%

The increase in the item "Other operating income (expense)" compared to the previous year is due to the reduction in the contribution to the interbank fund.

THE MAIN STATEMENT OF FINANCIAL POSITION AGGREGATES

Assets (€,'000)	31.12.2025	31.12.2024	€ Change	% Change
Cash and cash equivalents	87,791	93,437	(5,646)	-6.0%
Financial assets measured at fair value through profit or loss	1,621	-	1,621	n.a.
Financial assets measured at fair value through other comprehensive income	1,186,326	1,147,197	39,129	3.4%
Financial assets measured at amortised cost	2,610,862	2,873,051	(262,189)	-9.1%
a) loans and receivables with banks	19,161	23,024	(3,863)	-16.8%
b1) loans and receivables with customers - loans	2,541,681	2,788,970	(247,289)	-8.9%
b2) loans and receivables with customers - debt instruments	50,020	61,057	(11,037)	-18.1%
Hedging derivatives	-	-	-	n.a.
Changes in fair value of portfolio hedged items (+/-)	2,146	3,557	(1,411)	-39.7%
Equity investments	985	984	1	0.1%
Property and equipment	57,582	53,433	4,149	7.8%
Intangible assets	34,116	47,233	(13,117)	-27.8%
<i>of which: goodwill</i>	30,690	45,075	(14,385)	-31.9%
Tax assets	13,055	13,415	(360)	-2.7%
Other assets	343,930	470,591	(126,661)	-26.9%
Total assets	4,338,414	4,702,898	(364,484)	-7.8%

At 31 December 2025 total assets were down by 7.8% over the end of 2024 and equal to € 4.3 billion.

The Group's securities portfolio, as to the component of Financial assets measured at fair value through other comprehensive income ("HTCS") continues to mainly comprise Italian government bonds with an average duration of about 16.3 months (the average remaining duration at the end of 2024 was 15.2 months). The nominal amount of the government bonds held in the HTCS portfolio amounted to € 1,154 million at 31 December 2025 (€ 1,117 million at 31 December 2024). The associated valuation reserve was positive at the end of the period, amounting to € 6.5 million before the tax effect.

Loans and receivables with customers (€,'000)	31.12.2025	31.12.2024	€ Change	% Change
Factoring receivables	1,387,486	1,569,156	(181,670)	-11.6%
Salary-/pension-backed loans (CQS/CQP)	572,943	701,494	(128,551)	-18.3%
Collateralised loans	155,058	143,845	11,213	7.8%
Loans to SMEs	188,158	223,702	(35,544)	-15.9%
ABS senior notes	177,631	92,059	85,572	93.0%
Current accounts	380	593	(213)	-35.9%
Compensation and Guarantee Fund	57,137	55,016	2,121	3.9%
Other loans and receivables	2,888	3,105	(217)	-7.0%
Total loans	2,541,681	2,788,970	(247,289)	-8.9%
Securities	50,020	61,057	(11,037)	-18.1%
Total loans and receivables with customers	2,591,701	2,850,027	(258,326)	-9.1%

The item loans and receivables with customers under Financial assets measured at amortised cost (hereinafter HTC, or "Held to Collect"), is composed of loan receivables with customers and the "held-to-maturity securities" portfolio.

Outstanding loans for factoring receivables compared to Total loans, which excludes the amounts of the securities portfolio, were 55% (also 56% at the end of 2024). The volumes generated during the quarter amounted to € 4,574 million (€ 4,845 million at 31 December 2024). Total financing for the current year also includes investments in senior ABS securities backed by loans originated by the Bank, in order to provide a more accurate representation of the credit risk profile and with the result of the Bank's origination activity.

Salary- and pension-backed loans were lower than the end of the previous year, with volumes disbursed directly by the agent network amounting to € 138 million (€ 186 million at the end of 2024).

Loans to enterprises guaranteed by the State are decreasing as a result of lower disbursements, amounting to € 30.2 million in 2025.

The collateralised lending business, which is conducted through the Kruso Kapital Group, grew during the period, with loans granted at 31 December 2025 amounting to € 155 million, also thanks to the acquisition of a portfolio equal to € 8.9 million.

The item ABS securities also includes the investment in four ABS securities for an amount of € 177.7 million (€ 92 million at the end of 2024) linked to two securitisation transactions for the purchase of tax receivables and two securitisation transactions for the purchase of sports credits, of which the Bank is a joint arranger and also holds the role of Master Servicer.

HTC Securities are composed of Italian government securities with an average duration of 26.2 months for an amount of € 50 million. The mark-to-market valuation of the securities at 30 September 2025 shows a pre-tax unrealised loss of € 2.1 million.

The following table shows the quality of receivables in the loans and receivables with customers item, excluding the securities positions.

Status	31.12.2025	31.12.2024	€ Change	% Change
Bad exposures - gross	131,345	179,957	(48,612)	-27.0%
Unlikely to pay - gross	73,762	51,716	22,046	42.6%
Past due - gross	220,505	101,129	119,376	>100%
Non-performing - gross	425,612	332,802	92,810	27.9%
Performing - gross	2,182,597	2,521,350	(338,753)	-13.4%
Stage 2 - gross	69,651	58,129	11,522	19.8%
Stage 1 - gross	2,112,946	2,463,221	(350,275)	-14.2%
Total loans and receivables with customers	2,608,209	2,854,152	(245,943)	-8.6%
Individual impairment losses	61,213	57,486	3,727	6.5%
Bad exposures	34,423	38,499	(4,076)	-10.6%
Unlikely to pay	25,159	18,353	6,806	37.1%
Past due	1,631	634	997	>100%
Collective impairment losses	5,315	7,695	(2,380)	-30.9%
Stage 2	351	313	38	12.1%
Stage 1	4,964	7,382	(2,418)	-32.8%
Total impairment losses	66,528	65,181	1,347	2.1%
Net exposure	2,541,681	2,788,970	(247,289)	-8.9%

The ratio of gross non-performing loans to total gross loans rose to 16.3% compared to 11.7% at 31 December 2024, while the ratio calculated on the net values of the same periods is 14.3% and 9.9% respectively, (the NPE figure for the 2024 financial year has been restated for comparability purposes, including senior ABS securities in which the Bank is an investor and originator, in line with the calculation scope adopted from the 2025 financial year onwards) following a decrease in the absolute value of performing loans and an increase in non-performing loans with past due status, which remain high due to the application of the definition of default ("New DoD"). Compared to the end of 2024, the increase is due to the reclassification as past due of some overdue loan positions, in full compliance with the feedback from and constant contacts with the Bank of Italy, which during its inspection had criticised as entirely ineffective the risk mitigation measures adopted by Banca Sistema to suspend the calculation of past due amounts. It should also be noted that following the exit from the non-performing status of a significant exposure in the third quarter of 2025, an amount of € 68 million was reclassified from bad exposures to past due exposures.

Past due growth is predominantly related to the factoring portfolio without recourse to Public Administration, a sector that continues, beyond the new technical rules used to represent past due data for regulatory purposes, not to present particular problems in terms of credit quality and probability of recovery. ² Not even the maturity of the

Below is the list of Public Administration entities that, pursuant to the rules on the new definition of default, are classified, as at 31 September 2025, as being in a state of default: Municipalities of: Comune di Cuglieri; Santi Cosma E Damiano; Abriola; Acate; Accumoli; Acerno; Aci Catena; Aci Sant'Antonio; Acquafondata; Acquaro; Acquaviva Collecroce; Adrano; Africo; Agrigento; Aidone; Aietta; Ailano; Albanella; Albano Laziale; Alcara Li Fusi; Alessandria; Alessandria Del Carretto; Alessandria Della Rocca; Alessano; Alezio; Alife; Almenno San Salvatore; Altavilla Irpina; Altavilla Silentina; Alto Reno Terme; Amantea; Andria; Anguillara Sabazia; Aragona; Arce; Arcinazzo Romano; Ardore; Argusto; Arienzo; Arpaia; Arsoli; Arzano; Arzergrande; Ascea; Assemini; Atina; Aurigo; Avella; Avellino; Avola; Bagheria; Balsorano; Barano D'Ischia; Barcellona Pozzo Di Gotto; Bareggio; Bari; Baronissi; Basaluzzo; Bassano Romano; Bellegra; Belmonte Calabro; Belmonte In Sabina; Belmonte Mezzagno; Belsito; Belvedere Di Spinello; Benestare; Bergamo; Bernalda; Bianchi; Bianco; Bisacquino; Bisceglie; Bitetto; Bogliasco; Bolognetta; Bompensiere; Bompietro; Borgetto; Borghetto Santo Spirito; Borgia; Boscotrecase; Bovalino; Boville Ernica; Bracciano; Braccigliano; Brindisi; Brognaturo; Brolo; Buccheri; Buonabitacolo; Burgio; Buttigliera D'Asti; Cagli; Cagnano Amiterno; Caialzo; Caivano; Calamonaci; Calascibetta; Calatufimi

collateral, which the Supervisory Authority has requested to calculate despite the absence of any formal repayment obligation by the customer, raises any concern since the sale of the collateralised asset recovers the nominal amount of the loan and all related fees.

The coverage ratio of non-performing loans stands at 14.4%, down from 17.3% at 31 December 2024. The figure is affected by the higher amount of overdue receivables, as indicated above. The coverage ratio of bad loans, excluding exposures to municipalities in temporary distress, is 84.6%.

Segesta; Caltavuturo; Calvanico; Calvi Risorta; Camigliano; Cammarata; Campo Nell'Elba; Campobello Di Licata; Campobello Di Mazara; Campodarsego; Campofranco; Camporotondo Etneo; Camposano; Candida; Canicattini Bagni; Capena; Capizzi; Capo D'Orlando; Cardeto; Cardito; Cariati; Carlipoli; Carmiano; Carovigno; Casal Di Principe; Casalnuovo Di Napoli; Casape; Casapesenna; Caserta; Casoria; Cassano All' Jonio; Castel Madama; Castel San Giorgio; Castel San Giovanni; Castel Volturno; Castelfranco Di Sotto; Castelfranco In Miscano; Castellammare Del Golfo; Castellana Grotte; Castellana; Castellina Marittima; Castello Del Matese; Castelnuovo Di Conza; Castelpagano; Casteltermini; Castelvecchio Subequeo; Castelvenero; Castelvetro; Castiglione Del Genovesi; Castilenti; Castroliberto; Catanzaro; Caulonia; Cellole; Centola; Centuripe; Ceppaloni; Ceranova; Cerchiara Di Calabria; Cercola; Cerenzia; Cerreto D'Es; Cerreto Laziale; Certosa Di Pavia; Cervaro; Cervinara; Cervino; Cesa; Chiaromonte Guffi; Chiaravalle Centrale; Cicciano; Ciro' Marina; Cisternino; Citta' Di Castello; Civitavecchia; Civitella Paganico; Civitella Roveto; Civitella San Paolo; Cogorno Ente; Colleferro; Cologno Monzese; Colonna; Colosimi; Colzate; Comiso; Comitini; Contigliano; Contursi Terme; Conversano; Copertino; Corfinio; Corigliano-Rossano; Corleone; Corsano; Cosoleto; Cotrone; Cremona; Crescina Lorenzana; Crispiano; Crotone; Crotona; Crucoli; Cupra Marittima; Curinga; Cusano Mutri; Cutro; Davoli; Delianuova; Diamante; Domicella; Dronero; Durazano; Duronia; Erbusco; Fabriano; Fabrizia; Faicchio; Falciano Del Massico; Falcone; Fasano; Favara; Ferrandina; Fiamignano; Ficarazzi; Figline Vegliaturo; Filadelfia; Filandari; Fiuggi; Fiumara; Fiumefreddo Bruzio; Floresta; Flumeri; Foggia; Foliano Di Val Fortore; Fontechiari; Formia; Formello; Francavilla Di Sicilia; Francavilla Marittima; Francavilla Sul Sinni; Francofonte; Frattammagiore; Frosinone; Furci Siculo; Furnari; Gaggi; Gagliato; Galatone; Galatone; Galliciano Nel Lazio; Gallicchio; Gallipoli; Gasperina; Gattico-Veruno; Gela; Genzano Di Roma; Giano Vetusto; Giardinello; Giarre; Gioia Tauro; Gioiosa Ionica; Gioiosa Marea; Girfalco; Giugliano In Campania; Gizzeria; Golasecca; Grammichele; Grassano; Grisolia; Grottaminarda; Grotte; Grumo Appula; Guardavalle; Guardia Perticara; Guardia Piemontese; Guardia Sanframondi; Guidonia Montecello; Isca Sullo Ionio; Ischia; Isola Delle Femmine; Isola Di Capo Rizzuto; Ispica; Jenne; Joppolo Giancaxio; Laganadi; Lago; Lamezia Terme; Lanciano; Lanzo Torinese; Lattarico; Laureana Di Borrello; Laurino; Lavello; Lentini; Lesina; Letino; Lettere; Uiberi; Librizzi; Limbadi; Locri; Longobardi; Longobucco; Longone Sabino; Lucca Sicula; Luco Del Marsi; Lupara; Lustra; Luzzi; Macerata Campania; Maddaloni; Maenza; Maida; Maiera; Maierato; Maissana; Malito; Malvito; Mandatoriccio; Manocalzati; Maracalagonis; Marate; Marcianise; Mariglianella; Marigliano; Marina Di Gioiosa Ionica; Marone; Martirano Lombardo; Martone; Mascali; Massa D'Albe; Massa Martana; Massafra; Mazara Del Vallo; Mazzarino; Mazzarone; Melicucco; Melissa; Melito Irpino; Menaggio; Migliarina; Mignano Monte Lungo; Milazzo; Mileto; Mirabella Imbaccari; Mirt; Molochio; Monasterace; Mondragone; Monteforte San Giorgio; Mongiuffi Mella; Mongrassano; Montagnareale; Montalbano Elicona; Montalbano Jonico; Montalto Uffugo; Monteleone; Monte Compatri; Montebello Ionico; Montecalvo Irpino; Montecorvino Pugliano; Montefalcone; Monteforte Irpino; Monteleone Di Puglia; Montemaggiore Belsito; Montemagno; Montemesola; Montemilone; Montepaone; Monterosso Almo; Monterosso Calabro; Monterotondo; Montesarchio; Montescudaio; Montesilvano; Montorio Romano; Morano Calabro; Napoli; Nardodipace; Nasso; Nereto; Nettuno; Nicolosi; Nocera Inferiore; Nocera Terinese; Noci; Norma; Noto; Novi Velia; Novoli; Olbia; Olivadi; Oliveri; Omignano; Oppido Mamertina; Orria; Orsara Di Puglia; Orsomarso; Orte; Ortonovo; Oslia; Osson; Ottati; Paceco; Pago Veiano; Palagonia; Palazzolo Acreide; Palermi; Palermo; Palma Di Montechiaro; Palmi; Palomonte; Pantigliate; Paola; Parete; Parona; Partinico; Paterno; Patti; Pazzano; Pelicciolo; Penna In Teverina; Penna Sant'Andrea; Pennadomo; Perito; Pertosa; Pescara; Pesco Sannita; Pettilia Policastro; Petina; Petriolo; Petrona; Piaggine; Piana Degli Albanesi; Pianopoli; Piazza Armerina; Pietraperzia; Pieve Ligure; Piglio; Pignataro Maggiore; Pignola; Piraino; Pisogne; Pizzo; Pizzoni; Poggio Nativo; Poggioreale; Polla; Pollicoro; Polignano A Mare; Polistena; Polla; Pollena Trocchia; Pomarico; Ponte San Pietro; Pontelatone; Popoli; Porto Empedocle; Portoferraio; Portopalo Di Capo Passero; Posada; Postiglione; Potenza; Pozzuoli; Prata Sannita; Pratella; Pratola Serra; Presezzo; Presicce - Acquarica; Priverno; Prizzi; Proceno; Pulsano; Qualiano; Quarto Sant'Elena; Quartucciu; Racalmuto; Raddusa; Raffadali; Ramacca; Randazzo; Rapino; Ravanusa; Realmonte; Reggio Calabria; Riace; Riardo; Ricadi; Ricigliano; Riesi; Rieti; Rizziconi; Rocca D'Evandro; Rocca Di Neto; Rocca San Felice; Roccabernarda; Roccadaspide; Roccafortita; Roccaffione; Roccajonica; Roccamandolfina; Roccapiemonte; Roccasecca; Roccavaldina; Roccella Ionica; Rocchetta E Croce; Rocchetta Ligure; Rodi' Milici; Rofrano; Rometta; Roseto Capo Spulico; Rosolini; Rotonda; Ruvo Di Puglia; S. Angelo D'Alife; S. Nicola Manfredi; S. Sofia D'Epiro; Salaparuta; Salemi; Salerno; Salice Salentino; Salve; San Cassiano; San Cataldo; San Demetrio Corone; San Floro; San Genesio Ed Uniti; San Giorgio Del Sannio; San Giorgio Morgeto; San Giovanni Gemini; San Giovanni In Fiore; San Giovanni La Punta; San Giovanni Rotondo; San Giovanni Valdarno; San Lorenzello; San Lucido; San Marco In Lamis; San Marco In Catola; San Martino Di Finita; San Martino Sannita; San Martino Valle Caudina; San Mauro Forte; San Nicola Arcella; San Nicola Dell'Alto; San Pietro Di Carida; San Pietro In Cariano; San Pietro Infine; San Roberto; San Severino Lucano; San Sossio Baronia; San Valentino Torio; Sannicandro Di Bari; Sannicola; Santa Cesarea Terme; Santa Cristina D'Aspromonte; Santa Croce Camerina; Santa Flavia; Santa Maria A Vico; Santa Maria Di Licodia; Santa Paolina; Santa Teresa Di Riva; Sant'Agata Di Militello; Sant'Alessio In Aspromonte; Sant'Anastasia; Sant'Andrea Apostolo Delio Jonio; Sant'Angelo A Scala; Sant'Angelo Di Brolo; Sant'Arso; Santo Stefano In Aspromonte; Sant'Onofrio; Sanza; Saracena; Sarnano; Sarno; Sassano; Satriano; Savignano Irpino; Scala; Scalea; Scaletta Zandrea; Scandale; Scioleze; Scordia; Sellia Marina; Senise; Serradifalco; Serrata; Sesto Campano; Settimo San Pietro; Settlingiano; Sgurgola; Siculiana; Siderno; Sinopoli; Siracusa; Solano; Solofra; Somma Vesuviana; Sonnino; Sora; Sori; Soveria Simeri; Spadafora; Sparanise; Sperone; Spezzano Della Silla; Spinazzola; Statte; Stella Cilento; Stignano; Stomarella; Strongoli; Subiaco; Taranto; Taurianova; Taurisano; Teano; Telesse Terme; Terlizzi; Terranova Da Sibari; Terranova Sappo Minulio; Terrasini; Terzigno; Tessenano; Tocco Caudio; Tora E Piccoli; Torano Castello; Torchiarello; Torino; Torre Annunziata; Torre Santa Susanna; Torrono; Torrevecchia Pia; Torrighia; Torrita Tiberina; Trabia; Trebisacce; Triggiano; Tripi; Trivigliano; Troina; Ugento; Umbriatico; Vairano Patenora; Valderice; Vallelonga; Vallepietra; Vasto; Venafro; Vernole; Veroli; Vibo Valentia; Vibo Valentia; Vibo Valentia; Vico; Vietri Sul Mare; Viggiano; Vignola; Villa Castellana; Villa Literno; Villafranca Sicula; Villafranca Tirrena; Villafranca Strisaili; Villaricca; Viterbo; Vitorchiano; Vittoria; Vivaro Romano; Vizzini; Zafferana Etnea; Zagarise; Zambrone; Zerobolo; Zungri; Comune Motta San Giovanni; Amministr. Prov. Di Rieti; Amministrazione Provinciale Di Catanzaro; Provincia Autonoma Di Trento; Provincia Di Barletta Andria Trani; Provincia Di Brindisi; Provincia Di Cosenza; Provincia Di Crotone; Provincia Di Imperia; Provincia Di Messina; Provincia Di Salerno; Provincia Di Teramo; Regione Calabria; Regione Siciliana; Roma Capitale; Comunita' Montana Del Taburno; Comunita' Montana Montepiano Reatino Quinta Zona; Comunita' Montana Trasimeno Medio Tevere; Citta' Di Trentola Ducenta; Citta' Di Villa San Giovanni; Citta' Metropolitana Di Catania; Citta' Metropolitana Di Napoli; 31Fss/Fsrf Base Usafe; A.Fo.R Azienda Forestale Regione Calabria; A.R.S.A.C.-Azienda Regionale Per Lo Sviluppo Dell'Agricoltura Calabrese; A.Spe.Co.N.Azienda Speciale Comune Di Noto; Aeroporto Valle D'Aosta A.V.D.A.; Agenzia Campana Per L'Edilizia Residenziale; Agenzia Forestale Regionale; Assembla Regionale Siciliana; Automobile Club Palermo; Autorita' Di Sistema Portuale Del Mar Tirreno Centrale; Autorita' Di Sistema Portuale Del Mare Adriatico Settentrionale; Autorita' Portuale Di Messina; Banca D'Italia; Camera Di Commercio, Industria E Agricoltura Di Bari; Cfi Consorzio Farmaceutico Intercomunale; Cirps-Consortium; Consiglio Nazionale Delle Ricerche; Consorzio Di Bonifica Bacini Alto Ionio Reggino; Consorzio Di Bonifica Integrale Dei Bacini Settentrionali Del Cosentino; Consorzio Irriguo Alburni; H.A.F.S.E.; Inarcassa; Irccs Istituto Nazionale Tumori-Fondazione Pascale; Ist.Aut. Case Popolari Di Salerno; Istituto Nazionale Di Astrofisica - Inaf; Istituto Nazionale Per L'Assicurazione Contro Gli Infortuni Sul Lavoro - Inail; Istituto Regionale Per Lo Sviluppo Delle Attivita' Produttive; Laore Sardegna; Lazioisu-Ente Per Il Diritto Agli Studi Universitari Nel Lazio; Libero Consorzio Comunale Di Caltanissetta; U.S. Army Hospital; Universita' Degli Studi Della Campania L.Vanvitelli; Universita' Degli Studi Di Bari Aldo Moro; Universita' Degli Studi Di Catania; Universita' Degli Studi Di Milano - Bicocca; Universita' Degli Studi Di Napoli Federico II; Universita' Del Salento; E.R.S.U. -Ente Regionale Per Il Diritto Allo Studio Universitario; Asl Avezzano-Sulmona-L'Aquila; Asl Bari; Asl Benevento 1; Asl Brindisi; Asl Di Piacenza; Asl Lanciano Vasto Chieti; Asl Lecce; Asl Napoli 3 Sud; Asl Prov Foggia; Asl Rieti; Asp Di Agrigento; Asp. N. 1 Prov. Teramo; Ares Puglia - Agenzia Regionale Sanitaria Pugliese; Az. Ospedaliera Sant'Anna E San Sebastiano Di Caserta; Az. Sanitaria Provinciale Di Trapani; Az.Osp. Universitaria San Giovanni Di Dio E R.D'Aragona; Azienda Ospedaliera Bianchi Melacrino Morelli Di Reggio Calabria; Azienda Ospedaliera Di Rilievo Nazionale Antonio Cardarelli; Azienda Ospedaliera San Carlo Di Potenza; Azienda Ospedaliera Santa Maria Di Terni; Azienda Ospedaliera Universitaria G.Martino Di Messina; Azienda Ospedaliera Universitaria Renato Dulbecco; Azienda Ospedaliera: Ospedali Riuniti Papardo-Piemonte; Azienda Ospedaliera Universitaria Ospedali Riuniti Di Foggia; Azienda Ospedaliera Universitaria Vittorio Emanuele Ferrarotto San Bambino; Azienda Per La Tutela Della Salute - Ats Sardegna; Azienda Provinciale Per I Servizi Sanitari Della Provincia Autonoma Di Trento; Azienda Pubblica Di Servizi Alla Persona Catria E Nerone; Azienda Pubblica Di Servizi Alla Persona Cristina Di Savoia; Azienda Pubblica Di Servizi Alla Persona Maria De Peppo Serena E Tito Pellegrino; Azienda Pubblica Di Servizi Alla Persona S.M.A.R.; Azienda Sanitaria Locale Napoli 1 Centro; Azienda Sanitaria Locale Salerno; Azienda Sanitaria Provinciale Di Catanzaro; Azienda Sanitaria Provinciale Di Cosenza; Azienda Sanitaria Provinciale Di Crotone; Azienda Sanitaria Provinciale Di Messina; Azienda Sanitaria Provinciale Di Palermo; Azienda Sanitaria Provinciale Di Ragusa; Azienda Sanitaria Provinciale Di Reggio Calabria; Azienda Sanitaria Provinciale Di Siracusa; Azienda Sanitaria Provinciale Enna; Azienda Sanitaria Provinciale Vibo Valentia; Azienda Sanitaria Regionale Molise; Azienda Sanitaria Territoriale Di Ascoli Piceno; Azienda Sanitaria Universitaria Friuli Centrale; Azienda Servizi Alla Persona Opera Pia Antonio Gatti; Azienda Socio Sanitaria Locale N.6 Del Medio Campidano; Azienda Usi Latina; A.O.U. Maggiore Della Carita'; Ente Ospedaliero Ospedali Galliera; Aou Sassari - Azienda Ospedaliera Universitaria Di Sassari.

Property and equipment includes Group properties used for operations. Their carrying amount at 31 December 2024, calculated using fair value as the accounting criterion, is € 51.4 million with a revaluation reserve, net of tax, of € 9.0 million.

The other capitalised costs include furniture, fittings and IT devices and equipment, as well as the right of use relating to the lease payments of the branches and company cars.

Intangible assets refer to goodwill of € 30.7 million, broken down as follows:

- the goodwill originating from the merger of the former subsidiary Solvi S.r.l. which took place in 2013 amounting to € 1.8 million;
- the goodwill generated by the acquisition of Atlantide S.p.A. on 3 April 2019 amounting to € 2.1 million;
- goodwill amounting to € 15.1 million arising from the acquisition of the former Intesa Sanpaolo collateralised lending business unit completed on 13 July 2020, written down by € 13.3 million following an impairment test as described in the "SIGNIFICANT EVENTS AFTER THE REPORTING DATE" section, to which reference is made;
- goodwill of € 1.2 million, resulting from the acquisition of Art-Rite which was completed on 2 November 2022;
- goodwill of € 10.5 million, resulting from the acquisition of Pignus - Credito Economico Popolar SA, which was completed on 7 November 2024.

With reference to the latter business combination, the process of final allocation of the purchase consideration was completed at the end of the first half of 2025, in accordance with the provisions of IFRS 3 – Business Combinations. The final results of the Purchase Price Allocation (PPA) process are shown below:

Provisional price allocation (€ ,000)	
Purchase price (A)	11,559
CEP equity at 1 November 2024 (B)	(10)
Residual value to be allocated (A+B)	11,549
Loans and receivables with customers	1,055
Trademark	382
Deferred tax liabilities	(352)
Goodwill	10,464

The investment recognised in the financial statements relates to the joint venture with EBN Banco de Negocios S.A. in EBNSISTEMA. In the 2025 financial year, EBNSISTEMA had originated loans of € 156 million, compared to € 221 million in 2024.

Other assets is mainly composed of "Superbonus 110" tax credits purchased for trading purposes with a carrying amount of € 296 million. Credits were purchased during the year for a nominal amount of € 42 million. This item also includes work in progress at the end of the period, advance tax payments and "Superbonus 110" tax credits of € 18 million acquired as compensation.

Comments on the main aggregates on the liability side of the statement of financial position are shown below.

Liabilities and equity (€,'000)	31.12.2025	31.12.2024	€ Change	% Change
Financial liabilities measured at amortised cost	3,720,033	4,109,583	(389,550)	-9.5%
a) due to banks	69,199	127,257	(58,058)	-45.6%
b) due to customers	3,441,519	3,761,395	(319,876)	-8.5%
c) securities issued	209,315	220,931	(11,616)	-5.3%
Financial liabilities designated at fair value	6,726	-	6,726	n.a.
Hedging derivatives	2,078	3,561	(1,483)	-41.6%
Tax liabilities	50,697	31,809	18,888	59.4%
Liabilities associated with disposal groups	-	-	-	n.a.
Other liabilities	158,268	196,583	(38,315)	-19.5%
Post-employment benefits	5,242	5,215	27	0.5%
Provisions for risks and charges	43,032	41,470	1,562	3.8%
Valuation reserves	13,057	4,112	8,945	>100%
Reserves	237,925	215,740	22,185	10.3%
Equity instruments	45,500	45,500	-	0.0%
Equity attributable to non-controlling interests	17,163	14,577	2,586	17.7%
Share capital	9,651	9,651	-	0.0%
Treasury shares (-)	-	(102)	102	-100.0%
Profit for the year	29,042	25,199	3,843	15.3%
Total liabilities and equity	4,338,414	4,702,898	(364,484)	-7.8%

Wholesale funding, which represents about 30% of the total (30% at 31 December 2024), remained stable as a percentage compared to the end of 2024, with a proportional decrease compared to retail funding.

Due to banks (€,000)	31.12.2025	31.12.2024	€ Change	% Change
Due to Central banks	-	-	-	n.a.
Due to banks	-	-	-	n.a.
Current accounts with other banks	578	17,900	(17,322)	-96.8%
Deposits with banks (repurchase agreements)	17,642	62,432	(44,790)	-71.7%
Financing from other banks	50,979	46,925	4,054	8.6%
Total	69,199	127,257	(58,058)	-45.6%

The item "Due to banks" decreased by 45.6%, compared to 31 December 2024, due to the lower use of reverse repurchase agreements to fund the Securities portfolio.

Due to customers (€,000)	31.12.2025	31.12.2024	€ Change	% Change
Term deposits	2,261,130	2,565,354	(304,224)	-11.9%
Financing (repurchase agreements)	810,187	819,999	(9,812)	-1.2%
Financing - other	26,000	47,744	(21,744)	-45.5%
Customer current accounts	309,845	288,186	21,659	7.5%
Due to assignors	25,257	34,470	(9,213)	-26.7%
Other payables	9,100	5,642	3,458	61.3%
Total	3,441,519	3,761,395	(319,876)	-8.5%

The accounting item "Due to customers" decreased compared to the end of the previous year due to a decrease in loans through repurchase agreements, while funding from deposit and current accounts remained in line. The period-end amount of term deposits decreased from the end of 2024 (-11.9%), reflecting net negative funding (net of interest accrued) of € 315 million; gross funding from the beginning of the year were € 1.333 million.

"Due to assignors" includes payables related to the unfunded portion of acquired receivables.

Bonds issued (€,000)	31.12.2025	31.12.2024	€ Change	% Change
Bond - AT1	45,500	45,500	-	0.0%
Bond - Tier II	-	-	-	n.a.
Bonds - other	209,315	220,931	(11,616)	-5.3%

The amount of bonds issued is lower than at 31 December 2024; the change is due to the trend of redemptions and/or further subscriptions of senior tranches of ABS financed by third-party investors.

The bonds issued are as follows:

- AT1 subordinated loan of € 8 million, with no maturity (perpetual basis) and a variable coupon starting from 19 June 2023, issued on 18 December 2012 and 18 December 2013 (reopening date);
- AT1 subordinated loan of € 37.5 million, with no maturity (perpetual basis) and a fixed coupon until 25 June 2031 at 9% issued on 25 June 2021.

Other bonds include the senior shares of the ABS in the securitisations subscribed by third-party institutional investors.

All AT1 instruments, based on their main characteristics, are classified under equity item 140 "Equity instruments".

The item Financial liabilities designated at fair value through profit or loss includes the remaining tranches of the 4 issues of Credit-linked notes (CLN) placed by the subsidiary KK for a total amount of € 6.7 million.

The provision for risks and charges of € 43 million includes the provision for possible liabilities attributable to past acquisitions of € 1.1 million, the estimated amount of personnel-related charges mainly for the portion of the bonus for the first 9 months of 2024, the deferred portion of the bonus accrued in previous years, and the estimates related to the non-compete agreement and the 2022 retention plan, totalling € 5.8 million. The provision also includes an estimate of charges related to possible liabilities to assignors that have yet to be settled and other estimated charges for ongoing lawsuits and legal disputes amounting to € 24.2 million. Moreover, with reference to the CQ portfolio (Salary- and Pension-Backed Loans), there is also a provision to cover the estimated negative effect of possible early repayments on existing portfolios and portfolios sold, as well as repayments related to the Lexitor judgment totalling € 11.7 million.

"Other liabilities" mainly include payments received after the end of the year from the assigned debtors and which were still being allocated and items being processed during the days following year-end, as well as trade payables and tax liabilities.

The reconciliation between the profit for the period and equity of the parent and the figures from the consolidated financial statements is shown below.

(€ .000)	PROFIT (LOSS)	EQUITY
Profit (loss)/equity of the parent	34,266	325,582
Assumption of value of investments	-	(58,305)
Goodwill	(13,298)	-
Consolidated profit (loss)/equity	7,007	85,060
Gain (loss) on equity investments	3,648	-
Adjustment to profit (loss) from discontinued operations	-	-
Equity attributable to the owners of the parent	31,623	352,337
Equity attributable to non-controlling interests	(2,581)	(17,163)
Profit (loss)/equity of the Group	29,042	335,174

CAPITAL ADEQUACY

Provisional information concerning the regulatory capital and capital adequacy of the Banca Sistema Group is shown below.

Own funds (€,000) and capital ratios	31.12.2025 Transitional	31.12.2024 Transitional	31.12.2025 Fully loaded	31.12.2024 Fully loaded
Common Equity Tier 1 (CET1)	253,498	216,460	257,826	214,759
ADDITIONAL TIER 1	45,500	45,500	45,500	45,500
Tier 1 capital (T1)	298,998	261,960	303,326	260,259
TIER2	596	396	596	396
Total Own Funds (TC)	299,594	262,356	303,922	260,655
Total risk-weighted assets	1,681,277	1,631,744	1,681,277	1,631,744
of which, credit risk	1,435,241	1,420,666	1,435,241	1,420,666
of which, market risk	9,816	8,241	9,816	8,241
of which, operational risk	236,221	202,837	236,221	202,837
Ratio - CET1	15.1%	13.3%	15.3%	13.2%
Ratio - T1	17.8%	16.1%	18.0%	15.9%
Ratio - TCR	17.8%	16.1%	18.1%	16.0%

The total "fully loaded" own funds at 31 December 2025 amount to € 303 million and include 100% of the profit, as it is currently prohibited to distribute dividends. With regard to "transitional" own funds, the temporary treatment of the prudential filter provided for under Article 468 of the CRR has been applied in order to neutralise price fluctuations of securities held in the HTCs category, as recorded in the valuation reserve within equity. The filter was reintroduced on 9 July 2024 and will remain in force until the 2025 financial year.

On 27 October 2021, the European Commission published a legislative proposal ("2021 Banking Package") with the aim of completing the transposition of the prudential regulatory framework "Basel IV – CRR 3" approved by the Basel Committee on Banking Supervision (BCBS) at the end of 2017, which provides for a substantial revision of Regulation (EU) no. 575/2013 ("CRR"). As a result of the "Trilogue", on 19 June 2024, the following were published in the Official Journal of the European Union:

- Regulation (EU) 2024/1623 (CRR 3) amending the Capital Requirements Regulation and;
- Directive (EU) 2024/1619 (CRD VI), which amends the Capital Requirements Directive, on the new standards issued within the Basel framework.

In particular, Regulation (EU) 2024/1623 (CRR III) of 31 May 2024 amends Regulation (EU) No 575/2013 as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor, with application from 1 January 2025 (subject to the postponement by one year of the application of the rules pertaining to the market risk framework).

As of 31 March 2025, the Group has started adopting the new CRR 3 provisions. The most significant impact concerns the determination of credit risk relating to collateralised loans for the non-eligibility, based on the interpretative guidelines of the Supervisory Authority, of gold collateral, other than investment gold, to reduce credit risk in the determination of RWAs, with a resulting greater weighting of receivables from 0% to 75%. Therefore, loans secured by gold jewellery collateral are weighted as unsecured loans.

With effect from 31 March 2025, the Bank has also reclassified past due loans, in full compliance with the feedback from the Bank of Italy, which during its inspection had criticised as entirely ineffective the risk mitigation measures previously used by Banca Sistema. Following this reclassification, calendar provisioning must be applied.

At 30 June 2025, following the authorisation received from the Bank of Italy, the Group's RWAs reflect the benefits of the Significant Risk Transfer (SRT) transaction carried out on the salary-backed loan portfolio.

The consolidated capital requirements to be met by the Group as at 31 December 2025 are the following:

- CET1 ratio of 10.16%;
- TIER1 ratio of 11.66%;
- Total Capital Ratio of 13.66%.

These ratios include the Combined Buffer Requirement (CBR), i.e. 2.5% for the capital conservation buffer (CCB), 0.02% for the countercyclical capital buffer (CCyB) and 0.74% for the systemic risk buffer (SyRB), for a total buffer as at 31 December 2025 of 3.26%.

With regard to the SyRB, the calculation base as of 30 June 2025 is 1.00% of the RWA referring to credit and counterparty risk towards residents in Italy.

At 31 December 2025, the LCR stood at 975%, compared to 1,172% at 31 December 2024.

The reconciliation of equity and CET1 is provided below:

	31.12.2025	31.12.2024
Share capital	9,651	9,651
Equity instruments	45,500	45,500
Income-related and share premium reserve	237,925	215,740
Treasury shares (-)	-	(102)
Valuation reserves	13,057	4,112
Profit	29,042	25,199
Equity attributable to the owners of the parent	335,175	300,100
Dividends distributed and other foreseeable expenses	-	-
Equity assuming dividends are distributed to shareholders	335,175	300,100
Regulatory adjustments	(50,640)	(51,458)
Eligible equity attributable to non-controlling interests	14,463	13,318
Equity instruments not eligible for inclusion in CET1	(45,500)	(45,500)
Common Equity Tier 1 (CET1)	253,498	216,460

CAPITAL AND SHARES

Capital and ownership structure

The share capital of Banca Sistema is composed of 80,421,052 ordinary shares, for a total paid-in share capital of € 9,650,526.24. All outstanding shares have regular dividend entitlement from 1 January.

Based on the evidence published on Consob's website until 30/01/2026, the shareholders with stakes of more than 5%, the threshold above which Italian law (art. 120 of the Consolidated Law on Finance) requires disclosure to the investee and Consob, were as follows:

Person at the top of the chain of ownership	Shareholder	% of ordinary share capital	% of the voting capital
Gianluca Garbi	SGBS Srl	23.1%	22.5%
	Garbifin Srl	0.5%	0.5%
Cassa di Risparmio di Cuneo	Fondazione Cassa di Risparmio di Cuneo	5.0%	4.9%
	Fondazione Cassa di Risparmio di Alessandria	7.4%	7.2%
Sicilia	Fondazione Sicilia	7.4%	7.2%
	Trium Capital LLP	5.0%	
	MARKET	51.6%	52.8%
TOTAL SHARES		100.0%	

Stock performance

The shares of Banca Sistema are traded on the Mercato Telematico Azionario - Italian Equities Market (MTA) of the Italian Stock Exchange, STAR segment. The Banca Sistema stock is included in the following Italian Stock Exchange indices:

FTSE Italia All-Share Capped;

FTSE Italia All-Share;

FTSE Italia STAR;

FTSE Italia Banche;

FTSE Italia Finanza;

FTSE Italia Small Cap.

In 2025, the share price of the stock fluctuated in a range between a minimum closing price of € 1.238 and a maximum closing price of € 1.964.

The price change on the last market day of 2025 when compared to the same day of the previous year was +33%.

During 2025, average daily volumes were just over 389,000 shares, a marked increase from 2024 when volumes were around 300,000.



RISK MANAGEMENT AND SUPPORT CONTROL METHODS

With reference to the functioning of the "Risk Management System", the Group has adopted a system based on four leading principles:

- suitable supervision by relevant bank bodies and departments;
- suitable policies and procedures to manage risks (both in terms of credit risk and the granting of loans);
- suitable methods and instruments to identify, monitor and manage risks, with suitable measuring techniques;
- thorough internal controls and independent audit.

The "Risk Management System" is monitored by the Risk and Sustainability Department, which ensures that capital adequacy and the degree of solvency with respect to its business are kept under constant control.

The Risk and Sustainability Department continuously analyses the Group's operations to fully identify the risks the Group is exposed to (risk map).

To reinforce its ability to manage corporate risks, the Group has set up a Risk, ALM and Sustainability Committee, whose mission is to help the Group define strategies, risk policies, and profitability and liquidity targets.

The Risk, ALM and Sustainability Committee continuously monitors relevant risks and any new or potential risks arising from changes in the working environment or Group forward-looking operations.

Pursuant to the eleventh amendment of Bank of Italy Circular no. 285/13, within the framework of the Internal Control System (Part I, Section IV, Chapter 3, Subsection II, Paragraph 5) the Parent entrusted the Internal Control and Risk Management Committee with the task of coordinating the second and third level Control Departments; to that end, the Committee allows the integration and interaction between these Departments, encouraging cooperation, reducing overlaps and supervising operations.

With reference to the risk management framework, the Group adopts an integrated reference framework both to identify its own risk appetite and for the internal process of determining capital adequacy. This system is the Risk Appetite Framework (RAF), designed to make sure that the growth and development aims of the Group are compatible with capital and financial solidity.

The RAF comprises monitoring and alert mechanisms and related processes to take action in order to promptly intervene in the event of discrepancies with defined targets. The framework is subject to annual review based on the strategic guidelines and regulatory changes.

The ICAAP (the Internal Capital Adequacy Assessment Process) and ILAAP (Internal Liquidity Adequacy Assessment Process) allow the Group to conduct ongoing tests of its structure for determining risks and to update the related safeguards included in its RAF.

With regard to protecting against credit risk, along with the well-established second level controls and the periodic monitoring put in place by the Risk and Sustainability Department, functional requirements were implemented to allow the Group to be compliant with the new definition of default introduced starting on 1 January 2021.

Regarding the monitoring of credit risk, in February 2020 the Group, with the goal of attaining greater operating synergies, moved from a functional organisational structure to a divisional structure which aims to maximise the value of each individual line of business, making it easily comparable with its respective specialist peers.

It should also be noted that, in accordance with the obligations imposed by the applicable regulations, each year the Group publishes its report (Pillar 3) on capital adequacy, risk exposure and the general characteristics of the systems for identifying, measuring and managing risks. The report is available on the website www.bancasistema.it in the Investor Relations section.

In order to measure "Pillar 1 risks", the Group has adopted standard methods to calculate the capital requirements for Prudential Regulatory purposes. In order to evaluate "Pillar 2 risks", the Group adopts - where possible - the methods set out in the Regulatory framework or those established by trade associations. If there are no such indications, standard market practices by operators working at a level of complexity and with operations comparable to those of the Group are assessed.

OTHER INFORMATION

REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE

Pursuant to art. 123-bis, paragraph 3 of Legislative Decree no. 58 dated 24 February 1998, a "Report on corporate governance and ownership structure" has been drawn up; the document - published jointly with the draft financial statements as at and for the year ended 31 December 2025 - is available in the "Governance" section of the Banca Sistema website (www.bancasistema.it).

REMUNERATION REPORT

Pursuant to art. 84-quater, paragraph 1 of the Issuers' Regulation implementing Legislative Decree no. 58 dated 24 February 1998, a "Remuneration Report" has been drawn up; the document - published jointly with the draft financial statements as at and for the year ended 31 December 2025 - is available in the "Governance" section of the Banca Sistema website (www.bancasistema.it).

RESEARCH AND DEVELOPMENT ACTIVITIES

No research and development activities were carried out in 2025.

RELATED PARTY TRANSACTIONS

Related party transactions, including the relevant authorisation and disclosure procedures, are governed by the "Procedure governing related party transactions" approved by the Board of Directors and published on the internet site of the Parent, Banca Sistema S.p.A.

Transactions between Group companies and related parties were carried out in the interests of the Bank, including within the scope of ordinary operations; these transactions were carried out in accordance with market conditions and, in any event, based on mutual financial advantage and in compliance with all procedures.

ATYPICAL OR UNUSUAL TRANSACTIONS

During 2025, the Group did not carry out any atypical or unusual transactions, as defined in Consob Communication no. 6064293 of 28 July 2006.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

Following the notification received from the Bank of Italy on 13 January 2026 in relation to the completion of the 2025 Supervisory Review and Evaluation Process (SREP), Banca Sistema starting on 31 March 2026, will be required to comply with the following total capital requirements on a consolidated basis:

- CET1 ratio: 10.10% (9.40% until 31 December 2025);

- Tier1 ratio: 11.60% (10.90% until 31 December 2025);
- Total capital ratio: 13.60% (12.90% until 31 December 2025).

The Bank is also required to comply with the specific countercyclical capital buffer rate and the systemic risk buffer rate. These capital ratios correspond to the Overall Capital Requirement (OCR) ratios as defined in the Guidelines ABE/GL/2022/03 and CRDVI and represent the sum of the binding provisions (Total SREP Capital Requirement ratio - TSCR) and the combined buffer requirement.

With reference to the measures imposed by the Bank of Italy on 20 December 2024, it is reported that, upon completion of the 2025 SREP process, the Bank of Italy has required that, within 90 days, an independent external consultant carry out a review to ascertain the actual effectiveness of the organisational measures implemented to strengthen the Bank's internal control system. Pending completion of these analyses and the subsequent further assessments by the Supervisory Authority, the restrictive measures adopted on 20 December 2024 will remain in force concerning the distribution of profits or other elements of equity, the payment of the variable component of remuneration, the payment of coupons or dividends on AT1 instruments. In the same communication, reference is made to certain points of attention concerning the corporate framework mainly relating to the medium-term sustainability of the business model, the level of gross non-performing loans as a proportion of the total loans and receivables portfolio and the capital adequacy profile also in the light of the increase in RWA resulting from the actions on the loans and receivables portfolio required by the Supervisory Authority following the 2024 inspection.

The Supervisory Authority also acknowledged the remedial measures adopted by the Bank regarding the classification of past due loans, requesting that full alignment with the relevant regulatory standards continue to be maintained over time.

VOLUNTARY PUBLIC TENDER AND EXCHANGE OFFER ON ALL THE SHARES

On 16 January 2026 CF+ S.p.A. ("Banca CF+" or the "Offeror") announced and published the offer document and the information prospectus relating to the voluntary public tender and exchange offer on all the ordinary shares of Banca Sistema S.p.A. (the "Issuer" or "Banca Sistema").

The Offeror, on the basis of an increase resolved by its Board meeting held on 18 February 2026, will pay a total consideration of up to a maximum of € 1.89 for each Banca Sistema share tendered to the Offer, represented by the following components:

(a) € 1.432 in cash (the "Initial Consideration"), to be paid on the trading day agreed with Borsa Italiana (i.e. 6 March 2026), without prejudice to any extensions or other amendments to the Offer that may occur in accordance with applicable laws or regulations (the "Payment Date"); and

(b) up to a maximum of € 0.458 (the "Deferred Consideration" and, together with the Initial Consideration, the "Consideration") to be paid within 6 months from the Initial

Consideration Payment Date (the "Deferred Consideration Payment Date") through the assignment of no. 23 KK shares, subject to the fractioning of KK's outstanding shares on the basis of the ratio 1:98, for each Banca Sistema share tendered to the Offer.

As required by the Consolidated Law on Finance and the Issuers' Regulation, on 23 January 2026 the Board of Directors, having reviewed and taken into account the opinion of the independent directors prepared in accordance with Article 39-bis of the Issuers' Regulation, issued on 22 January 2026 (the "Opinion of the Independent Directors") to which the fairness opinion issued by Equita SIM S.p.A., as financial advisor selected by those independent directors for the purposes of their assessments (the "Fairness Opinion"), was attached, expressed its opinion on the fairness of the price offered. The Independent Expert identified a fairness range for the consideration between € 1.64 and € 2.03 ("Fairness Range"). On the basis of the Fairness Opinion, the Board of Directors deemed the Consideration, taken as a nominal amount of € 1.80 per Banca Sistema share recognised under the Offer (before the increase announced on 18 February 2026), to be fair from a financial standpoint, represented by the sum of: (i) the initial price of € 1.382 in cash, to be paid on the trading day agreed with Borsa Italiana (i.e. 6 March 2026), without prejudice to any extensions or other amendments to the Offer that may occur in accordance with applicable laws or regulations; and (ii) the deferred consideration of up to a maximum of € 0.418 to be paid within 6 months from the initial consideration payment date under (i) through the assignment of no. 21 shares of Kruso Kapital S.p.A. ("KK"), subject to the fractioning of KK's outstanding shares on the basis of the ratio 1:98, for each Share tendered to the Offer.

For complete information, please refer to the documentation published on the websites of Banca Sistema and CF+.

On 27 February 2026, the tender period ended with total acceptances reaching 70.732% of the share capital of Banca Sistema, corresponding to 69.047% of the related voting rights. Based on the results, the Offeror will proceed with the reopening of the terms, pursuant to and for the purposes of Article 40-bis, paragraph 1, letter a), of the Issuers' Regulation, which will end on 13 March 2026. Furthermore, from 6 March, the legal conditions were met for CF+ to promote a total mandatory public tender and exchange offer pursuant to and in accordance with articles 102 and 106 of the Consolidated Law on Finance on all of the shares of Banca Sistema that are not already owned by CF+ as a result of the Voluntary Offer.

Upon completion of the Offer, based on the acceptances received as at 6 March and assuming that the KK shares are allocated to all tendering shareholders as envisaged by the Offer as a deferred component of the price, the Bank's interest in KK would decrease from 70.59% to 16.34%.

The disposal value for the sale of the KK shares implicit in the terms of the Offer, determined on the basis of the market value of KK shares ("the Offeror, in order to obtain the KK shares to be allocated to those tendering their shares to the Offer as Deferred Consideration, intends to purchase from Banca Sistema the number of shares to be allocated to those tendering to the Offer for a consideration equal to their market value (i.e. the average over the last 3 months)"), is lower than the book equity of the KK

Group. In view of this event, an impairment test was carried out to verify the recoverability of the goodwill allocated to Kruso Kapital S.p.A. (KK) pursuant to IAS 36, the outcome of which led to the recognition of a value adjustment of € 13.3 million.

It should also be noted that, following the completion of the transaction and the resulting change of control – as previously announced on 6 February 2026 – there are potential non-recurring expenses, estimated at approximately € 7.3 million (before tax), which may be recognised in the income statement in subsequent financial years. In this regard, please note that, as the prohibition in force from 20 December 2024, which requires the Group not to affect the financial statements with cost/liability items related to elements arising from variable remuneration, remains in effect, such charges were not recognised in the financial statements. This amount is made up as follows:

- a. € 1.1 million as severance pay for the CEO, calculated pursuant to the Acceptance Commitments as a conventional amount connected with early termination, replacing the amount provided for by the Shareholders' Meeting of 30 April 2021, as subsequently confirmed by the Shareholders' Meeting of 24 April 2024, in the event of early termination of the Board of Directors;
- b. approximately € 2.4 million from liabilities accrued or estimable at the same date in relation to the retention plans for staff and the CEO;
- c. approximately € 1.5 million from the remuneration due to the members of the Board of Directors, excluding the CEO, in the event of early termination of their appointment, on the basis of the shareholders' resolutions in force as at the Issuer's Press Release Date; and
- d. approximately € 2.3 million from total estimated charges on these amounts.

The Board of Directors of the Kruso Kapital subsidiary resolved on 3 March to initiate preliminary activities for the translisting project on Euronext Milan, with the objective of completion by June 2026.

With effect from 6 March 2026, CF+ has resolved to commence the exercise of the management and coordination activities pursuant to Articles 2497 et seq. of the Italian Civil Code on Banca Sistema.

After the reporting date of this Report, there were no events worthy of mention which would have had an impact on the financial position, results of operations and cash flows of the Bank and Group.

BUSINESS OUTLOOK AND MAIN RISKS AND UNCERTAINTIES

The measures taken to reduce capital absorption during 2025 have allowed the Bank to reduce the negative effects recorded on capital ratios in the first quarter of 2025 resulting from the classification of certain loans as defaulted in order to take into account the findings communicated by the Bank of Italy on 20 December 2024, with regard to rules and practices adopted by the Bank, which the Supervisory Authority deemed not fully compliant with the EBA guidelines on the application of the Definition of Default. The capital ratios at the end of 2025 are, in fact, at levels more than 100 bps higher than the ratios at the end of 2024. The current capital base and the structures put in place to reduce the capital consumption of certain loans (SPVs in the football sector) will enable the Bank to support factoring operations both in the public administration segment and in the entertainment segment.

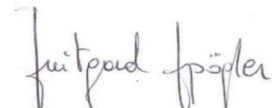
Future business development will depend on the strategic direction of the acquirer CF+.

Milan, 6 March 2026

On behalf of the Board of Directors

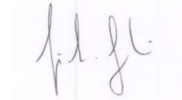
The Chairperson

Luitgard Spögler



The CEO

Gianluca Garbi



CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

(Amounts in thousands of Euro)

Assets	31.12.2025	31.12.2024
10. Cash and cash equivalents	87,791	93,437
20. Financial assets measured at fair value through profit&loss	1,621	-
a) financial assets held for trading	60	-
c) other financial assets mandatorily measured at fair value through profit or loss	1,561	-
30. Financial assets measured at fair value through other comprehensive income	1,186,326	1,147,197
40. Financial assets measured at amortised cost	2,610,862	2,873,051
a) loans and receivables with banks	19,161	23,024
b) loans and receivables with customers	2,591,701	2,850,027
50. Hedging derivatives	-	-
60. Changes in fair value of portfolio hedged items (+/-)	2,146	3,557
70. Equity investments	985	984
90. Property and equipment	57,582	53,433
100. Intangible assets	34,116	47,233
of which:		
goodwill	30,690	45,075
110. Tax assets	13,055	13,415
a) current	-	1,758
b) deferred	13,055	11,657
130. Other assets	343,930	470,591
Total Assets	4,338,414	4,702,898

Liabilities and equity		31.12.2025	31.12.2024
10.	Financial liabilities measured at amortised cost	3,720,033	4,109,583
so banche	a) due to banks	69,199	127,257
	b) due to customers	3,441,519	3,761,395
ircolazione	c) securities issued	209,315	220,931
30.	Financial liabilities designated at fair value	6,726	-
40.	Hedging derivatives	2,078	3,561
60.	Tax liabilities	50,697	31,809
	a) current	19,900	1,659
	b) deferred	30,797	30,150
80.	Other liabilities	158,268	196,583
90.	Post-employment benefits	5,242	5,215
100.	Provisions for risks and charges:	43,032	41,470
	a) commitments and guarantees issued	6	28
per rischi	c) other provisions for risks and charges	43,026	41,442
120.	Valuation reserves	13,057	4,112
140.	Equity instruments	45,500	45,500
150.	Reserves	198,825	176,640
160.	Share premium	39,100	39,100
170.	Share capital	9,651	9,651
180.	Treasury shares (-)	-	(102)
190.	Equity attributable to non-controlling interests (+/-)	17,163	14,577
200.	Profit for the period/year	29,042	25,199
Total liabilities and equity		4,338,414	4,702,898

INCOME STATEMENT

(Amounts in thousands of Euro)

	2025	2024
10. Interest and similar income	210,413	196,255
of which: interest income calculated with the effective interest method	201,118	182,353
20. Interest and similar expense	(113,662)	(146,174)
30. Net interest income	96,751	50,081
40. Fee and commission income	44,509	46,560
50. Fee and commission expense	(16,942)	(19,838)
60. Net fee and commission income (expense)	27,567	26,722
70. Dividends and similar income	227	227
80. Net trading income (expense)	28,497	34,224
90. Net gains (losses) on hedge accounting	68	(5)
100. Gain (loss) from sales or repurchases of:	17,722	9,983
a) financial assets measured at amortised cost	6,703	6,374
b) financial assets measured at fair value through other comprehensive income	11,019	3,609
c) financial liabilities	-	-
110. Net result of financial assets and liabilities designated at fair value through P&L	7	-
110a a) Financial assets and liabilities designated at fair value	7	-
120. Total income	170,839	121,232
130. Net impairment losses/gains on:	(10,298)	(1,132)
a) financial assets measured at amortised cost	(10,288)	(911)
b) financial assets measured at fair value through other comprehensive income	(10)	(221)
140. Gains/losses from contract amendments without derecognition	1	(102)
150. Net financial income (expense)	160,542	119,998
190. Administrative expenses	(81,142)	(69,130)
a) personnel expense	(33,603)	(32,452)
b) other administrative expenses	(47,539)	(36,678)
200. Net accruals to provisions for risks and charges	(7,463)	(3,425)
a) commitments and guarantees issued	22	31
b) other net accruals	(7,485)	(3,456)
210. Net impairment losses on property and equipment	(3,164)	(2,644)
220. Net impairment losses on intangible assets	(1,328)	(657)
230. Other operating income (expense)	1,473	(2,235)
240. Operating costs	(91,624)	(78,091)
250. Gains (losses) on equity investments	190	(11)
270. Impairment goodwill	(13,299)	-
290. Pre-tax profit (loss) from continuing operations	55,809	41,896
300. Income taxes	(24,186)	(15,374)
310. Post-tax profit from continuing operations	31,623	26,522
320. Post-tax profit (loss) from discontinued operations	-	-
330. Profit for the year	31,623	26,522
340. Profit (Loss) for the period attributable to non-controlling interests	(2,581)	(1,323)
350. Profit for the year attributable to the owners of the parent	29,042	25,199

STATEMENT OF COMPREHENSIVE INCOME

(Amounts in thousands of Euro)

		2025	2024
10.	Profit (loss) for the period	29,042	25,199
Items, net of tax, that will not be reclassified subsequently to profit or loss		-	-
60.	Tangible assets	2,549	6,483
70.	Defined benefit plans	191	(234)
Items, net of tax, that will be reclassified subsequently to profit or loss		-	-
140.	Financial assets (other than equity instruments) measured at fair value through other co	6,205	10,216
170.	Total other comprehensive income (expense), net of income tax	8,945	16,465
180.	Comprehensive income (Items 10+170)	37,987	41,664
190.	Comprehensive income attributable to non-controlling interests	-	-
200.	Comprehensive income attributable to the owners of the parent	37,987	41,664

STATEMENT OF CHANGES IN EQUITY AT 31/12/2025

Amounts in thousands of Euro

Balance at 31.12.2024	Change in opening balances	Balance at 1.1.2025	Allocation of prior year profit		Changes during the year						Equity attributable to the owners of the parent at 31.12.2025	Equity attributable to non-controlling interests at 31.12.2025	
			Reserves	Dividends and other allocations	Changes in reserves	Transactions on equity							Comprehensive income for 2025
						Issue of new shares	Repurchase of treasury shares	Extraordinary dividend distribution	Change in equity instruments	Derivatives on treasury shares			

Share capital:

a) ordinary shares	9,651	9,651										9,651	
b) other shares													
Share premium	39,100	39,100										39,100	
Reserves	176,640	176,640	25,199	(3,014)								198,825	
a) income-related	176,542	176,542	25,199	(692)							-	201,049	
b) other	98	98		(2,322)								(2,224)	
Valuation reserves	4,112	4,112								8,945		13,057	
Equity instruments	45,500	45,500										45,500	
Treasury shares	(102)	(102)					102						
Profit (loss) for the year	25,199	25,199	(25,199)							29,042		29,042	
Equity attributable to the owners of the parent	300,100	300,100		(3,014)		102				37,987		335,175	
Equity attributable to non-controlling interests	14,577	14,577								2,586			17,163

STATEMENT OF CHANGES IN EQUITY AT 31/12/2024

Amounts in thousands of Euro

Balance at 31.12.2023	Change in opening balances	Balance at 1.1.2024	Allocation of prior year profit		Changes during the year						Equity attributable to the owners of the parent at 31.12.2024	Equity attributable to non-controlling interests at 31.12.2024	
			Reserves	Dividends and other allocations	Changes in reserves	Transactions on equity							Comprehensive income for 2024
						Issue of new shares	Repurchase of treasury shares	Extraordinary dividend distribution	Change in equity instruments	Derivatives on treasury shares			

Share capital:

a) ordinary shares	9,651	9,651										9,651	
b) other shares													
Share premium	39,100	39,100										39,100	
Reserves	168,667	168,667	11,282		(3,309)							176,640	
a) income-related	167,361	167,361	11,282		(2,101)						-	176,542	
b) other	1,306	1,306			(1,208)							98	
Valuation reserves	(12,353)	(12,353)								16,465		4,112	
Equity instruments	45,500	45,500										45,500	
Treasury shares	(355)	(355)					253					(102)	
Profit (loss) for the year	16,506	16,506	(11,282)	(5,224)						25,199		25,199	
Equity attributable to the owners of the parent	266,716	266,716	(5,224)	(3,309)	253					41,664		300,100	
Equity attributable to non-controlling interests	10,633	10,633								3,944		14,577	

STATEMENT OF CASH FLOWS (INDIRECT METHOD)

Amounts in thousands of Euro

	Amount	
	2025	2024
A. OPERATING ACTIVITIES		
1. Operations	163,054	98,590
Profit (loss) for the year (+/-)	29,042	25,199
Gains/losses on financial assets held for trading and other financial assets/liabilities measured at fair value through profit or loss (-/+)		
Gains/losses on hedging activities (-/+)		
Net impairment losses/gains due to credit risk (+/-)	10,298	911
Net impairment losses/gains on property and equipment and intangible assets (+/-)	4,492	3,301
Net accruals to provisions for risks and charges and other costs/income (+/-)	7,463	3,425
Taxes, duties and tax assets not yet paid (+/-)	17,589	7,094
Other adjustments (+/-)	94,170	58,660
2. Cash flows generated by (used for) financial assets	335,845	(253,893)
Financial assets held for trading	(60)	
Financial assets designated at fair value through profit or loss		
Other assets mandatorily measured at fair value through profit or loss	(1,561)	
Financial assets measured at fair value through other comprehensive income	(30,184)	(554,730)
Financial assets measured at amortised cost	252,590	534,791
Other assets	115,060	(233,954)
3. Cash flows generated by (used for) financial liabilities	(497,048)	18,807
Financial liabilities measured at amortised cost	(464,885)	(7,054)
Financial liabilities held for trading	(11,616)	
Financial liabilities designated at fair value through profit or loss	6,726	
Other liabilities	(27,273)	25,861
Net cash flows generated by (used for) operating activities	1,851	(136,496)
B. INVESTING ACTIVITIES		
1. Cash flows generated by	(182)	-
Sales of equity investments		
Dividends from equity investments		
Sales of property and equipment		
Sales of intangible assets	(182)	
Sales of entities and/or business units		
2. Cash flows used in	(7,417)	(15,592)
Purchases of equity investments		
Purchases of property and equipment	(6,891)	(4,156)
Purchases of intangible assets	(526)	(861)
Purchases of entities and/or business units		(10,575)
Net cash flows generated by (used in) investing activities	(7,599)	(15,592)
C. FINANCING ACTIVITIES		
Issues/repurchases of treasury shares	102	253
Issues/repurchases of equity instruments		
Dividend and other distributions		(5,224)
Net cash flows generated by (used in) financing activities	102	(4,971)
NET CASH FLOWS FOR THE PERIOD	(5,646)	(157,059)
Cash and cash equivalents at the beginning of the year		
	93,437	250,496
Total net cash flows for the year	(5,646)	(157,059)
Cash and cash equivalents: effect of change in exchange rates		
Cash and cash equivalents at the end of the period	87,791	93,437

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

PART A - ACCOUNTING POLICIES

A.1 – GENERAL PART

Section 1 - Statement of compliance with International Financial Reporting Standards

The consolidated financial statements of the Banca Sistema Group at 31 December 2025 were drawn up in accordance with International Financial Reporting Standards - called IFRS - issued by the International Accounting Standards Board (IASB) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and endorsed by the European Commission, as established by EU Regulation no. 1606 of 19 July 2002, adopted in Italy by art. 1 of Legislative Decree no. 38 of 28 February 2005 and considering the Bank of Italy Circular no. 262 of 22 December 2005 as subsequently updated, regarding the forms and rules for drafting the Financial Statements of banks.

In 2025, the following accounting standards or amendments to existing accounting standards came into force:

Document title	Effective date	Approval status EU
Lack of exchangeability (Amendments to IAS 21)	1 January 2025	Endorsed

The above changes had no material impact on the statement of financial position and income statement.

Documents endorsed by the EU at 30 November 2025:

Document title	Date of expected endorsement by the EU
Changes to the classification and valuation of financial instruments (Amendments to IFRS 9 and IFRS 7)	1 January 2026
Nature-dependent electricity contracts (Amendments to IFRS 9 and IFRS 7)	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11 (Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	1 January 2026

Documents not yet endorsed by the EU and which will only be applicable after EU endorsement:

Document title	Date of expected endorsement
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	by the EU
IFRS 14 Regulatory deferral accounts	1 January 2016
IFRS 18 Presentation and disclosure in financial statements	1 January 2027
IFRS 19 Subsidiaries without public accountability: disclosures	1 January 2027
Amendments to IFRS accounting standards	
Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28)	Deferred until completion of the IASB project on the equity method
Amendments to IFRS 19 Subsidiaries without public accountability: disclosures	1 January 2027
Amendments to IAS 21 Translation to a Hyperinflationary Presentation Currency	1 January 2027

The Bank is assessing the impacts on presentation and disclosure resulting from IFRS 18 and will update its financial statements and related disclosures.

notes to the financial statements in accordance with the update to the Bank of Italy Circular 262.

In accordance with art. 5 of Legislative Decree no. 38 of 28 February 2005, if, in exceptional cases, the application of a provision imposed by the IFRS were incompatible with the true and fair representation of the financial position or results of operations, the provision would not apply. The justifications for any exceptions and their influence on the presentation of the financial position and results of operations would be explained in the Notes to the financial statements.

Any profits resulting from the exception would be recognised in a non-distributable reserve if they did not correspond to the recovered amount in the financial statements. However, no exceptions to the IFRS were applied.

Section 2 - General basis of preparation

The financial statements are drawn up with clarity and give a true and fair view of the financial position, profit or loss, cash flows, and changes in equity and comprise the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the notes to the financial statements.

The financial statements are accompanied by the Directors' Report on the Bank's performance.

If the information required by the IFRS and provisions contained in Circular no. 262 of 22 December 2005 and/or the subsequent updates issued by the Bank of Italy are not sufficient to give a true and fair view that is relevant, reliable, comparable and understandable, the notes to the financial statements provide the additional information required.

The general principles that underlie the drafting of the financial statements are set out below:

- the measurements are made considering that the bank will continue as a going concern, where it is stated that the Directors have not identified any uncertainties that could cast doubt in this respect;
- costs and income are accounted for on an accruals basis;
- to ensure the comparability of the data and information in the financial statements and the notes to the financial statements, the methods of presentation and classification are kept constant over time unless they are changed to present the data more appropriately;
- each material class of similar items is presented separately in the statement of financial position and income statement; items of a dissimilar nature or function are presented separately unless they are considered immaterial;
- items that have nil balances at year end or for the financial year or for the previous year are not indicated in the statement of financial position or the income statement;
- if an asset or liability comes under several items in the statement of financial position, the notes to the financial statements make reference to the other items under which it is recognised if it is necessary for a better understanding of the financial statements;
- the items are not offset against one another unless it is expressly requested or allowed by an IFRS or an interpretation or the provisions of the aforementioned Circular no. 262 of 22 December 2005 as amended by the Bank of Italy;
- the financial statements are drafted by favouring substance over form and in accordance with the principle of materiality and significance of the information;
- comparative data for the previous financial year are presented for each statement of financial position and income statement item; if the items are not comparable to those of the previous year, they are adapted and the non-comparability and adjustment/or impossibility thereof are indicated and commented on in the notes to the financial statements;
- the layout recommended by the Bank of Italy was used with reference to the information reported in the notes to the financial statements; the tables

included in this layout were not presented if they were not applicable to the Group's business.

Within the scope of drawing up the financial statements in accordance with the IFRS, bank management must make assessments, estimates and assumptions that influence the amounts of the assets, liabilities, costs and income recognised during the period.

The use of estimates is essential to preparing the financial statements. In particular, the most significant use of estimates and assumptions in the financial statements can be attributed to:

- the valuation of loans and receivables with customers: the acquisition of performing receivables from companies that supply goods and services represents the Bank's main activity. Estimating the value of these receivables is a complex activity with a high degree of uncertainty and subjectivity. Their value is estimated by using models that include numerous quantitative and qualitative elements. These include the historical data for collections, expected cash flows and the related expected recovery times, the existence of indicators of possible impairment, the valuation of any guarantees, and the impact of risks associated with the sectors in which the Bank's customers operate;
- the valuation of default interest pursuant to Legislative Decree no. 231 of 9 October 2002 on performing receivables acquired without recourse: estimating the recoverable amount of default interest is complex, with a high degree of uncertainty and subjectivity. Internally developed valuation models are used to determine these percentages, which take numerous qualitative and quantitative elements into consideration;
- the estimate related to the possible impairment losses on goodwill and equity investments recognised in the financial statements;
- the quantification and estimate made for recognising liabilities in the provisions for risks and charges, the amount or timing of which are uncertain;
- the valuation of the real estate portfolio following the transition from the cost model to the revaluation model starting from 31 December 2024. The fair value was determined through external appraisals;
- the recoverability of deferred tax assets;
- post-employment benefits and other employee benefits payable (including obligations under defined benefit plans).

It should be noted that an estimate may be adjusted following a change in the circumstances upon which it was formed, or if there is new information or more experience. Any changes in estimates are applied prospectively and therefore will have an impact on the income statement for the year in which the change takes place.

In accordance with the provisions of IFRS 15, the Group considered that the conditions were met to refine the internal accounting policy in order to enable the recognition of default interest, on the basis of the results of the model adopted to date, against public administration debtors in situations of financial distress or unlikely to pay, in the presence of a judgment of the European Court of Human Rights establishing the liability of the State in the event that the debtor is in default. This refinement meets the requirements of paragraph 34 of IAS 8, qualifying the directors' assessments as a change of estimate. The change in the accounting estimate resulted in the recording of default interest at 31 December 2025 of € 6.3 million. As indicated above, estimating the recoverable amounts of default interest is a complex activity, characterised by a high degree of uncertainty and subjectivity. Internally developed valuation models are used to determine these percentages, which take numerous qualitative and quantitative elements into consideration.

Pursuant to the provisions of art. 5 of Legislative Decree no. 38 of 28 February 2005, the financial statements use the Euro as the currency for accounting purposes. The financial statements are expressed in thousands of Euro. Unless otherwise stated, the notes to the financial statements are expressed in thousands of Euro. Any discrepancies between the figures shown in the Directors' Report and in the Consolidated Financial Statements and between the tables in the Notes to the Consolidated Financial Statements are due exclusively to rounding.

European Directive 2004/109/EC (the "Transparency Directive") and Delegated Regulation (EU) 2019/815 introduced the obligation for issuers of securities listed on regulated markets in the European Union to prepare their annual financial report using the XHTML language, based on the ESMA-approved European Single Electronic Format (ESEF). Starting in 2022, the entire consolidated financial statements are expected to be "marked up" to ESEF taxonomy, using an integrated computer language (iXBRL).

SECTION 3 - SCOPE AND METHODS OF CONSOLIDATION

The consolidated financial statements include the Parent, Banca Sistema S.p.A., and the companies directly or indirectly controlled by or connected with it.

The following statement shows the investments included within the scope of consolidation.

Company Names	Registered office	Type of Relationship (1)	Investment		% of votes available (2)
			Investing company	% held	
Companies					
Subject to full consolidation					
Largo Augusto Servizi e Sviluppo S.r.l.	Italy	1	Banca Sistema	100%	100%
Kruso Kapital S.p.A.	Italy	1	Banca Sistema	70.59%	70.59%
ProntoPegno Greece	Greece	1	Kruso Kapital	70.59%	70.59%
Pignus - Credito Economico Popolare SA	Portugal	1	Kruso Kapital	70.59%	70.59%
Art-Rite S.r.l.	Italy	1	Kruso Kapital	70.59%	70.59%
Consolidated using the equity method					
EBNSISTEMA Finance S.L.	Spain	7	Banca Sistema	50%	50%

Key:

(1) Type of relationship.

1. = majority of voting rights at the ordinary Shareholders' Meeting

2. = a dominant influence in the ordinary Shareholders' Meeting

3. = agreements with other shareholders

4. = other forms of control

5. = unitary management as defined in Art. 26, paragraph 1 of 'Legislative Decree 87/92'

6. = unitary management as defined in Art. 26, paragraph 2 of 'Legislative Decree 87/92'

7. = joint control (2) Available voting rights at the ordinary Shareholders' Meeting, with separate indication of effective and potential rights

The scope of consolidation also includes the following special purpose securitisation vehicles whose receivables are not subject to derecognition and which are consolidated using the full consolidation method:

Quinto Sistema Sec. 2017 S.r.l.

Quinto Sistema Sec. 2019 S.r.l.

BS IVA SPV S.r.l.

Changes in the scope of consolidation

Compared to the situation of the previous financial year, the scope of consolidation has changed following the liquidation of SF Trust Holding Ltd.

Full consolidation method

The investments in subsidiaries are consolidated using the full consolidation method. The concept of control goes beyond owning a majority of the percentage of stakes in the share capital of the subsidiary and is defined as the power of determining the management and financial policies of said subsidiary to obtain benefits from its business.

Full consolidation provides for line-by-line aggregation of the statement of financial position and income statement aggregates from the accounts of the subsidiaries. To this end, the following adjustments were made:

(a) the carrying amount of the investments held by the Parent and the corresponding part of the equity are eliminated;

(b) the portion of equity and profit or loss for the year is shown in a specific caption.

The results of the above adjustments, if positive, are shown - after allocation to the assets or liabilities of the subsidiary - as goodwill in item "130 Intangible Assets" on the date of initial consolidation. The resulting differences, if negative, are recognised in the income statement. Intra-group balances and transactions, including income, costs and dividends, are entirely eliminated. The financial results of a subsidiary acquired during the financial year are included in the consolidated financial statements from the date of acquisition. At the same time, the financial results of a transferred subsidiary are included in the consolidated financial statements up to the date on which the subsidiary is transferred. The accounts used in the preparation of the consolidated financial statements are drafted on the same date. The consolidated financial statements were drafted using consistent accounting standards for similar transactions and events. If a subsidiary uses accounting standards different from those adopted in the consolidated financial statements for similar transactions and events in similar circumstances, adjustments are made to the financial position for consolidation purposes. Detailed information with reference to art. 89 of Directive 2013/36/EU of the European Parliament and Council (CRD IV) is published at the link www.bancasistema.it/pillar3.

Consolidation at equity

Associates are consolidated at equity.

The equity method provides for the initial recognition of the investment at cost and subsequent adjustment based on the relevant share of the investee's equity.

The differences between the value of the equity investment and the equity of the relevant investee are included in the carrying amount of the investee.

In the valuation of the relevant share, any potential voting rights are not taken into consideration.

The relevant share of the annual results of the investee is shown in a specific item of the consolidated income statement.

If there is evidence that an equity investment may be impaired, the recoverable value of said equity investment is estimated by considering the present value of future cash flows that the investment could generate, including the final disposal value of the investment.

Section 4 - Subsequent events

For a description of significant events occurring after the end of the financial year, please refer to the relevant section of the Directors' Report.

No further significant events were reported in the period between the reporting date and the date of approval of the draft Financial Statements by the Board of Directors, falling under the category of "adjusting events" pursuant to IAS 10, i.e. events requiring an adjustment of the balance sheet and income statement information at the reporting date.

Section 5 – Other aspects

Terms of approval and publication of the financial statements

The consolidated financial statements were approved on 6 March 2026 by the Board of Directors, which authorised their disclosure to the public in accordance with the law, under IAS 10.

Audit of the financial statements

The separate and consolidated financial statements for the year ended 31 December 2025 have been audited by the independent auditors BDO Audit Services S.r.l. in accordance with Legislative Decree No. 39 of 27 January 2010 and in execution of the shareholders' resolution of 18 April 2019, which appointed them for the nine-year period 2019-2027.

A.2 – INFORMATION ON THE MAIN ITEMS OF THE FINANCIAL STATEMENTS

Financial assets measured at fair value through profit or loss

Classification criteria

Financial assets other than those classified as Financial assets measured at fair value through other comprehensive income and Financial assets measured at amortised cost are classified in this category. In particular, this item includes:

- financial assets held for trading;
- equity instruments, except for the possibility of their being classified in the new category Financial assets measured at fair value through other comprehensive income, excluding the possibility of subsequent reclassification to profit or loss;
- financial assets mandatorily measured at fair value, and which have not met the requirements to be measured at amortised cost;
- financial assets that are not held under a Held to Collect (or “HTC”) business model or as part of a mixed business model, whose aim is achieved by collecting the contractual cash flows of financial assets held in the Bank’s portfolio or also through their sale, when this is an integral part of the strategy (“Held to Collect and Sell” business model);
- financial assets designated at fair value, i.e. financial assets that are defined as such upon initial recognition and when the conditions apply. For this type of financial assets, upon recognition an entity may irrevocably recognise a financial asset as measured at fair value through profit or loss only if this eliminates or significantly reduces a measurement inconsistency;
- derivative instruments, which shall be recognised as financial assets held for trading if their fair value is positive and as liabilities if their fair value is negative. Positive and negative values may be offset only for transactions executed with the same counterparty if the holder currently holds the right to offset the amounts recognised in the books and it is decided to settle the offset positions on a net basis. Derivatives also include those embedded in complex financial contracts – where the host contract is a financial liability which has been recognised separately.

Except for the equity instruments which cannot be reclassified, financial assets may be reclassified to other categories of financial assets only if the entity changes its own business model for management of the financial assets. In such cases, which are expected to be absolutely infrequent, the financial assets may be reclassified from those measured at fair value through profit or loss to one of the other two categories

established by IFRS 9 (Financial assets measured at amortised cost or Financial assets measured at fair value through other comprehensive income). The transfer value is the fair value at the time of the reclassification and the effects of the reclassification apply prospectively from the reclassification date. In this case, the effective interest rate of the reclassified financial asset is determined based on its fair value at the reclassification date and that date is considered as the initial recognition date for the credit risk stage assignment for impairment purposes.

Recognition criteria

Initial recognition of financial assets occurs at the settlement date for debt instruments and equity instruments, at the disbursement date for loans and at the subscription date for derivative contracts.

On initial recognition, financial assets measured at fair value through profit or loss are recognised at fair value, without considering transaction costs or income directly attributable to the instrument.

Measurement and recognition criteria for income components

After initial recognition, the financial assets measured at fair value through profit or loss are recognised at fair value. The effects of the application of this measurement criterion are recognised in the income statement. For the determination of the fair value of financial instruments quoted on active markets, market quotations are used. If the market for a financial instrument is not active, standard practice estimation methods and measurement techniques are used which consider all the risk factors correlated to the instruments and that are based on market elements such as: measurement of quoted instruments with the same characteristics, calculation of discounted cash flows, option pricing models, recent comparable transactions, etc.. For equity and derivative instruments that have equity instruments as underlying assets, which are not quoted on an active market, the cost approach is used as the estimate of fair value only on a residual basis and in a small number of circumstances, i.e., when all the measurement methods referred to above cannot be applied, or when there are a wide range of possible measurements of fair value, in which cost represents the most significant estimate.

In particular, this item includes:

- debt instruments held for trading;
- equity instruments held for trading.

For more details on the methods of calculating the fair value please refer to the paragraph below "Criteria for determining the fair value of financial instruments".

Derecognition criteria

Financial assets are derecognised when the contractual rights on the cash flows deriving from the assets expire, or in the case of a transfer, when the same entails the substantial transfer of all risks and rewards related to the financial assets.

Financial assets measured at fair value through other comprehensive income (FVOCI)

Classification criteria

This category includes the financial assets that meet both the following conditions:

- financial assets that are held under a business model whose aim is achieved both through the collection of contractual cash flows and through sale ("Held to Collect and Sell" business model);
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI Test" passed).

This item also includes equity instruments, not held for trading, for which the option was exercised upon initial recognition of their designation at fair value through other comprehensive income.

In particular, this item includes:

- debt instruments that can be attributed to a Held to Collect and Sell business model and that have passed the SPPI test;
- equity interests, that do not qualify as investments in subsidiaries, associates or joint ventures and are not held for trading, for which the option has been exercised of their designation at fair value through other comprehensive income.

Except for the equity instruments which cannot be reclassified, financial assets may be reclassified to other categories of financial assets only if the entity changes its own business model for management of the financial assets.

In such cases, which are expected to be absolutely infrequent, the financial assets may be reclassified from those measured at fair value through other comprehensive income to one of the other two categories established by IFRS 9 (Financial assets measured at amortised cost or Financial assets measured at fair value through profit or loss). The transfer value is the fair value at the time of the reclassification and the effects of the reclassification apply prospectively from the reclassification date. In the event of reclassification from this category to the amortised cost category, the cumulative gain (loss) recognised in the valuation reserve is allocated as an adjustment to the fair value of the financial asset at the reclassification date. In the event of reclassification to the fair value through profit or loss category, the cumulative gain (loss) previously recognised in the valuation reserve is reclassified from equity to profit (loss).

Recognition criteria

Initial recognition of the financial assets is at the date of disbursement, based on their fair value including the transaction costs/income directly attributable to the acquisition

of the financial instrument. Costs/income having the previously mentioned characteristics that will be repaid by the debtor or that can be considered as standard internal administrative costs are excluded.

The initial fair value of a financial instrument is usually the cost incurred for its acquisition.

Measurement and recognition criteria for income components.

Following initial recognition, financial assets are measured at their fair value with any gains or losses resulting from a change in the fair value compared to the amortised cost recognised in a specific equity reserve recognised in the statement of comprehensive income up until said financial asset is derecognised or an impairment loss is recognised.

For more details on the methods of calculating the fair value please refer to paragraph 17.3 below "Criteria for determining the fair value of financial instruments".

Equity instruments, for which the choice has been made to classify them in this category, are measured at fair value and the amounts recognised in other comprehensive income cannot be subsequently transferred to profit or loss, not even if they are sold (the so-called OCI exemption). The only component related to these equity instruments that is recognised through profit or loss is their dividends. Fair value is determined on the basis of the criteria already described for Financial assets measured at fair value through profit or loss.

For the equity instruments included in this category, which are not quoted on an active market, the cost approach is used as the estimate of fair value only on a residual basis and in a small number of circumstances, i.e., when all the measurement methods referred to above cannot be applied, or when there are a wide range of possible measurements of fair value, in which cost represents the most significant estimate.

Financial assets measured at fair value through other comprehensive income are subject to the verification of the significant increase in credit risk (impairment) required by IFRS 9, with the consequent recognition through profit or loss of an impairment loss to cover the expected losses.

Derecognition criteria

Financial assets are derecognised when the contractual rights on the cash flows deriving from the assets expire, or in the case of a transfer, when the same entails the substantial transfer of all risks and rewards related to the financial assets.

Financial assets measured at amortised cost

Classification criteria

This category includes the financial assets that meet both the following conditions:

- the financial asset is held under a business model whose objective is achieved through the collection of expected contractual cash flows (Held to Collect business model);
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI Test" passed).

In particular, this item includes:

- loans and receivables with banks;
- loans and receivables with customers;
- debt instruments.

Except for the equity instruments which cannot be reclassified, financial assets may be reclassified to other categories of financial assets only if the entity changes its own business model for management of the financial assets. In such cases, which are expected to be absolutely infrequent, the financial assets may be reclassified from the amortised cost category to one of the other two categories established by IFRS 9 (Financial assets measured at fair value through other comprehensive income or Financial assets measured at fair value through profit or loss). The transfer value is the fair value at the time of the reclassification and the effects of the reclassification apply prospectively from the reclassification date. Gains and losses resulting from the difference between the amortised cost of a financial asset and its fair value are recognised through profit or loss in the event of reclassification to Financial assets measured at fair value through profit or loss and under equity, in the specific valuation reserve, in the event of reclassification to Financial assets measured at fair value through other comprehensive income.

Recognition criteria

Initial recognition of a receivable is at the date of disbursement based on its fair value including the costs/income of the transaction directly attributable to the acquisition of the receivable.

Costs/income having the previously mentioned characteristics that will be repaid by the debtor or that can be considered as standard internal administrative costs are excluded.

The initial fair value of a financial instrument is usually equivalent to the amount granted or the cost incurred by the acquisition.

Measurement and recognition criteria for income components

Following initial recognition, loans and receivables with customers are stated at amortised cost, equal to the initial recognition amount reduced/increased by principal repayments, by impairment losses/gains and the amortisation - calculated on the basis of the effective interest rate - of the difference between the amount provided and that repayable at maturity, usually the cost/income directly attributed to the individual loan.

The effective interest rate is the rate that discounts future payments estimated for the expected duration of the loan, in order to obtain the exact carrying amount at the time of initial recognition, which includes both the directly attributable transaction costs/income and all of the fees paid or received between the parties. This accounting method, based on financial logic, enables the economic effect of costs/income to be spread over the expected residual life of the receivable.

The measurement criteria are strictly connected with the stage to which the receivable is assigned, where stage 1 contains performing loans, stage 2 consists of under-performing loans, i.e. loans that have undergone a significant increase in credit risk ("significant deterioration") since the initial recognition of the instrument, and stage 3 consists of non-performing loans, i.e. the loans that show objective evidence of impairment.

The impairment losses recognised through profit or loss for the performing loans classified in stage 1 are calculated by considering an expected loss at one year, while for the performing loans in stage 2 they are calculated by considering the expected losses over the entire residual contractual lifetime of the asset (Lifetime Expected Loss). The performing financial assets are measured according to probability of default (PD), loss given default (LGD) and exposure at default (EAD) parameters, derived from internal historical series. For impaired assets, the amount of the loss, to be recognised through profit or loss, is established based on individual measurement or determined according to uniform categories and, then, individually allocated to each position, and takes account of forward-looking information and possible alternative recovery scenarios. Impaired assets include financial instruments classified as bad exposures, unlikely-to-pay or past due/overdrawn by over ninety days according to the rules issued by the Bank of Italy, in line with the IFRS and EU Supervisory Regulations. The expected cash flows take into account the expected recovery times and the estimated realisable value of any guarantees. The original effective rate of each asset remains unchanged over time even if the relationship has been restructured with a variation of the contractual interest rate and even if the relationship, in practice, no longer bears contractual interest. If the reasons for impairment are no longer applicable following an event subsequent to the recognition of impairment, impairment gains are recognised in the income statement. The impairment gains may not in any case exceed the amortised cost that the financial instrument would have had in the absence of previous impairment losses. Impairment gains with time value effects are recognised in net interest income.

Factoring receivables, after their recognition, are measured at amortised cost. This amortised cost is based on the present value of the receivable's expected cash flows. For some factoring receivables relating to the Public Administration and Healthcare entities, the Bank recognises the total receivable including the estimated default interest ("accrual"). This component is calculated over a limited perimeter that is composed of positions for which the conditions that set in motion a legal action for collection against the assigned debtor have not yet been met.

Derecognition criteria

Loans and receivables are derecognised from the financial statements when they are deemed totally unrecoverable or if transferred, when this entails the substantial transfer of all loan-related risks and rewards.

Hedging transactions

The "Hedging derivatives" portfolio consists of derivative instruments used to mitigate the market interest rate risk associated with the loan positions held by the Quinto Sistema Sec. 2019 S.r.l. vehicle.

The Group has elected to continue to apply the hedge accounting requirements of IAS39 to all hedging relationships.

Hedging derivatives are measured at fair value. Specifically, for fair value hedges, the change in fair value of the hedging instrument is recognised in the income statement under item "90. Net hedging income (expense)". Changes in the fair value of the hedged item that are attributable to the risk hedged by the derivative are recognised in the same income statement item as an offset to the change in the carrying amount of the hedged item. The ineffectiveness of the hedge is represented by the difference between the change in the fair value of the hedge instrument and the change in the fair value of the hedged item. If the hedging relationship is terminated for reasons other than the sale of the hedged item, the hedged item returns to being measured according to the measurement criterion set forth in the applicable accounting standard. If the hedged item is sold or redeemed, the portion of the fair value not yet amortised is recognised immediately under item "100. Gain (loss) from sales or repurchases" in the income statement.

If the hedging relationship ends, for reasons other than the sale of the hedged items, the cumulative revaluation/write-down recorded in items "60. Value adjustment of macro-hedged financial assets (+/-) or "50. Value adjustment of macro-hedged financial liabilities (+/-)" under liabilities, is recognised in the income statement under item "10. Interest and similar income" or "20. Interest and similar expense", over the remaining life of the hedged financial assets or liabilities. If these are sold or redeemed, the unamortised portion of the fair value is recognised immediately under item "100. Gain (loss) from sales or repurchases" in the income statement.

Equity investments

Classification criteria

This category includes equity investments in subsidiaries, associates, and joint ventures by Banca Sistema.

Recognition criteria

Investments in subsidiaries, associates and joint ventures are recognised at acquisition cost, which is the sum of:

- the fair value at the acquisition date of the assets transferred, the liabilities assumed, and the equity instruments issued by the acquirer, in exchange for control of the acquired company; plus
- any cost directly attributable to the acquisition itself.

Measurement criteria

In the consolidated financial statements, equity investments in subsidiaries are consolidated using the full line-by-line method. Equity investments in associates and joint ventures are both measured at equity.

If there is evidence that an equity investment may be impaired, the recoverable value of said equity investment is estimated by considering the present value of future cash flows that the investment could generate, including the final disposal value of the investment.

Should the recoverable value prove lower than the carrying amount, the difference is recognised in the income statement under "250 Gains (losses) on equity investments". The item also includes any future impairment gains where the reasons for the previous impairment losses no longer apply.

Derecognition criteria

Equity investments are derecognised from the financial statements when the contractual rights to cash flows deriving from the investment are lost or when the investment is transferred, with the substantial transfer of all related risks and rewards. Gains and losses on the sale of equity investments are charged to the income statement under the item "250 Gains (losses) on equity investments"; gains and losses on the sale of equity investments other than those measured at equity are charged to the income statement under the item "280 Gains (losses) on sales of investments".

Property and equipment

Classification criteria

This item includes assets for permanent use, held to generate income, to be leased, or for administrative purposes, such as land, operating property, investment property, technical installations, furniture and fittings and equipment of any nature and works of art.

They also include leasehold improvements to third party assets if they can be separated from the assets in question. If the above costs do not display functional or usefulness-related autonomy, but future economic benefits are expected from them, they are recognised under "other assets" and are depreciated over the shorter period between that of expected usefulness of the improvements in question and the residual duration of the lease. Depreciation is recognised under "Other operating income (expense)".

Property and equipment also include payments on account for the purchase and renovation of assets not yet part of the production process and therefore not yet subject to depreciation.

“Operating” property and equipment are represented by assets held for the provision of services or for administrative purposes, while property and equipment held for “investment purposes” are those held to collect lease instalments and/or held for capital appreciation.

The item also includes rights of use associated with leased assets and fees for use.

Recognition criteria

Property and equipment are initially recognised at cost, including all costs directly attributable to installation of the asset.

Extraordinary maintenance costs and costs for improvements leading to actual improvement of the asset, or an increase in the future benefits generated by the asset, are attributed to the reference assets, and are depreciated based on their residual useful life.

Under IFRS 16, leases are accounted for in accordance with the right-of-use model, whereby, at the commencement date, the lessee incurs an obligation to make payments to the lessor for the right to use the underlying asset for the term of the lease. When the asset is made available for use by the lessee, the lessee recognises both the liability and the right-of-use asset.

Measurement criteria

Following initial recognition, “operating” property and equipment are recognised at cost, less accumulated depreciation, and any impairment losses, in line with the “cost model” illustrated in paragraph 30 of IAS 16, with the exception of properties used for operations that are measured according to the revaluation method.

For Property and equipment subject to valuation according to the revaluation method:

- if the carrying amount of an asset is increased as a result of a revaluation, the increase must be recognised in the statement of comprehensive income and accumulated in equity under the revaluation reserve item; instead, in the event that it restores a write-down of the same asset previously recognised in the income statement, it must be recognised as income;
- if the carrying amount of an asset has decreased as a result of the revaluation, the decrease must be recognised in the statement of comprehensive income to the extent that there are any credit balances in the revaluation reserve in respect of that asset; otherwise such reduction shall be accounted for in the income statement.

Property and equipment are systematically depreciated each year based on their estimated useful life, using the straight-line basis method apart from:

- land, regardless of whether this was purchased separately or was incorporated into the value of the building, which, insofar as it has an indefinite useful life, is not depreciated;
- works of art, which are not depreciated as their useful life cannot be estimated and their value typically appreciates over time;
- investment property which is recognised at fair value in accordance with IAS 40.

For assets acquired during the financial year, depreciation is calculated on a daily basis from the date of entry into use of the asset. For assets transferred and/or disposed of during the financial year, depreciation is calculated on a daily basis until the date of transfer and/or disposal.

At the end of each year, if there is any evidence that property or equipment that is not held for investment purposes may have suffered an impairment loss, a comparison is made between its carrying amount and its recoverable value, equal to the higher between the fair value, net of any costs to sell, and the related value in use of the asset, intended as the present value of future cash flows expected from the asset. Any impairment losses are recognised in the income statement under "net impairment losses on property and equipment".

If the reasons that led to recognition of the impairment loss cease to apply, an impairment gain is recognised that may not exceed the value that the asset would have had, net of depreciation calculated in the absence of previous impairment losses.

For investment property, which comes within the scope of application of IAS 40, the measurement is made at the market value determined using independent surveys and the changes in fair value are recognised in the income statement under the item "fair value gains (losses) on property, equipment and intangible assets".

The right-of-use asset, recognised in accordance with IFRS 16, is measured using the cost model under IAS 16 Property, plant and equipment. In this case, the asset is subsequently depreciated and tested for impairment if impairment indicators are present.

Derecognition criteria

Property and equipment is derecognised from the statement of financial position upon disposal thereof or when the asset is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Intangible assets

Classification criteria

This item includes non-monetary assets without physical substance that satisfy the following requirements:

- they can be identified;
- they can be monitored;
- they generate future economic benefits.

In the absence of one of the above characteristics, the expense of acquiring or generating the asset internally is recognised as a cost in the year in which it was incurred.

Intangible assets include software to be used over several years and other identifiable assets generated by legal or contractual rights.

Goodwill is also included under this item, representing the positive difference between the acquisition cost and fair value of the assets and liabilities acquired as part of a business combination. Specifically, an intangible asset is recognised as goodwill when the positive difference between the fair value of the assets and liabilities acquired and the acquisition cost represents the future capacity of the equity investment to generate profit (goodwill). If this difference proves negative (badwill), or if the goodwill offers no justification of the capacity to generate future profit from the assets and liabilities acquired, it is recognised directly in the income statement.

Measurement criteria

Intangible assets are systematically amortised from the time of their input into the production process.

Under IAS 36, goodwill is not amortised, and an impairment test is conducted annually (or whenever there is evidence of impairment). For this purpose, goodwill is allocated to cash-generating units ("CGUs"), in compliance with limits on aggregation which may not be larger than the "business segment" identified for management reporting purposes. The amount of any impairment is determined based on the difference between the carrying amount of the CGU and its recoverable amount, being the higher of the fair value of the cash-generating unit, net of any costs to sell, and its value in use. As stated above, any consequent impairment losses are recognised in the income statement.

Derecognition criteria

An intangible asset is derecognised from the statement of financial position at the time of its disposal and if there are no expected future economic benefits.

Non-current assets held for sale and disposal groups

Non-current assets or groups of assets for which a disposal process has been initiated and whose sale is considered highly probable are classified under "Non-current assets held for sale and disposal groups". These assets are measured at the lower of their carrying amount and their fair value, net of disposal costs, with the exception of certain

types of assets (e.g. financial assets falling within the scope of IFRS 9) for which IFRS 5 specifically requires that the measurement criteria of the relevant accounting standard be applied. Income and expenses (net of the tax effect) relating to groups of assets being disposed of or recognised as such during the year, are shown in the income statement as a separate item.

Financial liabilities measured at amortised cost

Classification criteria

This item includes Due to banks, Due to customers and Securities issued.

Recognition criteria

These financial liabilities are initially recognised when the deposits are received or when the debt instruments are issued. Initial recognition is based on the fair value of the liabilities, increased by the costs/income of the transaction directly attributable to the acquisition of the financial instrument.

Costs/income having the previously mentioned characteristics that will be repaid by the creditor or that can be considered as standard internal administrative costs are excluded.

The initial fair value of a financial liability is usually equivalent to the amount collected.

Measurement and recognition criteria for income components

After the initial recognition, the previously mentioned financial liabilities are measured at amortised cost with the effective interest rate method.

Derecognition criteria

The above financial liabilities are derecognised from the statement of financial position when they expire or when they are extinguished. They are derecognised also in the event of repurchase, even temporary, of the previously-issued securities. Any difference between the carrying amount of the extinguished liability and the amount paid is recognised in the income statement, under "Gain (loss) from sales or repurchases of: financial liabilities". If the Group, subsequent to the repurchase, re-places its own securities on the market, said transaction is considered a new issue and the liability is recognised at the new placement price.

Financial liabilities held for trading

Classification and recognition criteria

Financial instruments are recognised at the date of their subscription or issue at a value equal to their fair value, without including any transaction costs or income directly attributable to the instruments themselves.

This category of liabilities may include liabilities originating from technical exposures deriving from security trading activities, bond instruments issued such as credit linked notes.

Measurement and recognition criteria for income components

The financial instruments are measured at fair value with recognition of the measurement results in the income statement.

Derecognition criteria

Financial liabilities held for trading are derecognised when the contractual rights on the related cash flows expire or when the financial liability is sold with a substantial transfer of all risks and rewards related to the liabilities.

Financial liabilities designated at fair value through profit or loss

Recognition criteria

The financial instruments in question are recognised at the date of their subscription or issue at a value equal to their fair value, without including any transaction costs or income directly attributable to the instruments themselves. This category of liabilities includes, in particular, credit linked notes.

Measurement criteria

All liabilities measured at fair value are recognised at their fair value, with the result of the measurement recognised in the Income Statement.

Derecognition criteria

Financial liabilities measured at fair value are derecognised when the contractual rights on the related cash flows expire or when the financial liability is sold with a substantial transfer of all risks and rewards related to the liabilities.

Current and deferred taxes

Income taxes, calculated in compliance with prevailing tax regulations, are recognised in the income statement on an accruals basis, in accordance with the recognition in the financial statements of the costs and income that generated them, apart from those referring to the items recognised directly in equity, where the recognition of the tax is made to equity in order to be consistent.

Income taxes are provided for on the basis of a prudential estimate of the current and deferred taxes. More specifically, deferred taxes are determined on the basis of the temporary differences between the carrying amount of assets and liabilities and their tax bases. Deferred tax assets are recognised in the financial statements to the extent that it is probable that they will be recovered based on the Bank's ability to continue to generate positive taxable income.

Deferred tax assets and liabilities are accounted for in the statement of financial position with open balances and without offsetting entries, recognising the former under "Tax assets" and the latter under "Tax liabilities".

With respect to current taxes, at the level of individual taxes, advances paid are offset against the relevant tax charge, indicating the net balance under "current tax assets" or "current tax liabilities" depending on whether it is positive or negative.

Provisions for risks and charges

In line with the requirements of IAS 37, provisions for risks and charges cover liabilities, the amount or timing of which is uncertain, related to current obligations (legal or implicit), owing to a past event for which it is likely that financial resources will be used to fulfil the obligation, on condition that an estimate of the amount required to fulfil said obligation can be made at the reporting date. Where the temporary deferral in sustaining the charge is significant, and therefore the extent of the discounting will be significant, provisions are discounted at current market rates.

The provisions are reviewed at the reporting date of the annual financial statements and the interim financial statements and adjusted to reflect the current best estimate. These are recognised under their own items in the income statement in accordance with a cost classification approach based on the "nature" of the cost. Provisions related to future charges for employed personnel relating to the bonus system appear under "personnel expense". The provisions that refer to risks and charges of a tax nature are reported as "income taxes", whereas the provisions connected to the risk of potential losses not directly chargeable to specific items in the income statement are recognised as "net accruals to provisions for risks and charges".

Other information

Post-employment benefits

According to the IFRIC, the post-employment benefits can be equated with a post-employment benefit of the "defined-benefit plan" type which, based on IAS 19, is to be calculated via actuarial methods. Consequentially, the end of the year measurement of the item in question is made based on the accrued benefits method using the Projected Unit Credit Method.

This method calls for the projection of the future payments based on historical, statistical, and probabilistic analysis, as well as in virtue of the adoption of appropriate demographic fundamentals. It allows the post-employment benefits vested at a certain date to be calculated actuarially, distributing the expense for all the years of estimated remaining employment of the existing workers, and no longer as an expense to be paid if the company ceases its activity on the reporting date.

The actuarial gains and losses, defined as the difference between the carrying amount of the liability and the present value of the obligation at year end, are recognised in equity.

An independent actuary assesses the post-employment benefits in compliance with the method indicated above.

Repurchase agreements

“Repurchase agreements” that oblige the party selling the relevant assets (for example securities) to repurchase them in the future and the “securities lending” transactions where the guarantee is represented by cash, are considered equivalent to swap transactions and, therefore, the amounts received and disbursed appear in the financial statements as payables and receivables. In particular, the previously mentioned “repurchase agreements” and “securities lending” transactions are recognised in the financial statements as payables for the spot price received, while those for investments are recognised as receivables for the spot price paid. Such transactions do not result in changes in the securities portfolio. Consistently, the cost of funds and the income from the investments, consisting of accrued dividends on the securities and of the difference between the spot price and the forward price thereof, are recognised for the accrual period under interest in the income statement.

Other assets and liabilities

Other assets and liabilities include all values that cannot be reclassified to other financial statement items.

Treasury shares

Treasury shares are recognised as a reduction of equity based on their acquisition cost. Gains or losses arising from their subsequent sale are always recognised directly to equity.

Recognition of revenues and costs

The recognition of revenue under IFRS 15 occurs when control over the goods or services subject to the contract is transferred, at an amount that reflects the consideration the enterprise receives or expects to receive from the sale.

For revenue recognition purposes, the standard requires:

- identification of the contract: contract for the sale of goods or services (or combination of contracts);
- identification of the performance obligations in the contract: identification of the obligations to perform under the contract;
- determination of the transaction price: definition of the transaction price for the contract, considering all its components;

- allocation of the transaction price to the performance obligations of the contract;
- recognition of revenue when (or to the extent to which) the performance obligation is satisfied.

Revenue arising from contractual obligations with customers is recognised in profit or loss when it is probable that the entity will receive the consideration to which it is entitled in exchange for the goods or services transferred to the customer. This consideration must be allocated to the individual obligations under the contract and recognised as revenue in profit or loss depending on the timing of performance of the obligation. If the entity receives consideration from the customer that it expects to refund to the customer, in whole or in part, for the revenue recognised in the profit or loss, it shall recognise a liability, which is to be estimated based on expected future refunds ("refund liability"). The estimated refund liability is updated at each annual or interim reporting date and is measured based on the portion of the consideration that the entity expects not to be entitled to.

Costs related to obtaining and fulfilling contracts with customers are recognised in the profit or loss in the periods in which the corresponding revenues are recognised in accordance with the matching of costs and revenues principle; costs that are not directly associated with revenues are immediately recognised in the profit or loss.

Costs directly attributable to financial instruments measured at amortised cost and which can be determined from the beginning, regardless of when they are settled, are charged to the profit or loss by applying the effective interest rate.

Dividends

Dividends are recognised in the profit or loss when their distribution is approved.

Criteria for determining the fair value of financial instruments

Fair value is defined as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants", at a specific measurement date, excluding forced transactions. Underlying the definition of fair value is a presumption that a company is a going concern without any intention or need to liquidate, to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

In the case of financial instruments quoted in active markets, the fair value is determined based on the deal pricing (official price or other equivalent price on the last stock market trading day of the financial year of reference) of the most advantageous market to which the Group has access. For this purpose, a financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and

those prices represent actual and regularly occurring market transactions on an arm's length basis.

In the absence of an active market, the fair value is determined using measurement techniques generally accepted in financial practice, aimed at establishing what price the financial instrument would have had, on the valuation date, in a free exchange between knowledgeable and willing parties. Such measurement techniques require, in the hierarchical order in which they are presented, the use:

1. of the most recent NAV (Net Asset Value) published by the management investment company for the harmonised funds (UCITS - Undertakings for Collective Investment in Transferable Securities), the Hedge Funds and the SICAVs;
2. of the recent transaction prices observable in the markets;
3. of the price indications deducible from infoproviders (e.g., Bloomberg, Reuters);
4. of the fair value obtained from measurement models (for example, Discounting Cash Flow Analysis, Option Pricing Models) that estimate all the possible factors that influence the fair value of a financial instrument (cost of money, credit risk, liquidity risk, volatility, foreign exchange rates, prepayment rates, etc.) based on data observable in the market, also with regards to similar instruments on the measurement date. If market data cannot be referenced for one or more risk factors, metrics internally determined on a historical-statistical basis are used. The measurement models are subject to periodic review to guarantee complete and constant reliability;
5. of the price indications provided by the counterparty issuer adjusted if necessary to take into account the counterparty and/or liquidity risk (for example, the price resolved on by the Board of Directors and/or the Shareholders for the shares of unlisted cooperative banks, the unit value communicated by the management investment company for the closed-end funds reserved to institutional investors or for other types of OEICs other than those cited in paragraph 1, the redemption value calculated in compliance with the issue regulation for the insurance contracts);
6. for the equity-linked instruments, where the measurement techniques pursuant to the previous paragraphs are not applicable: i) the value resulting from independent surveys if available; ii) the value corresponding to the portion of equity held resulting from the company's most recently approved financial statements; iii) the cost, adjusted if necessary to take into account significant reductions in value, where the fair value cannot be reliably determined.

Based on the foregoing considerations and in compliance with the IFRS, the Group classifies the measurements at fair value based on a hierarchy of levels that reflects the significance of the inputs used in the measurements. The following levels are noted:

- Level 1 - prices (without adjustments) reported on an active market: the measurements of the financial instruments quoted on an active market based on quotations that can be understood from the market;
- Level 2 - the measurement is not based on prices of the same financial instrument subject to measurement, but on prices or credit spreads obtained from the official prices of essentially similar instruments in terms of risk factors, by using a given calculation method (pricing model). The use of this approach translates to the search for transactions present on active markets, relating to instruments that, in terms of risk factors, are comparable with the instrument subject to measurement. The calculation methods (pricing models) used in the comparable approach make it possible to reproduce the prices of financial instruments quoted on active markets (model calibration) without including discretionary parameters - i.e. parameters whose value cannot be obtained from the prices of financial instruments present on active markets or cannot be fixed at levels as such to replicate prices present on active markets - which may influence the final valuation price in a decisive manner.
- Level 3 - inputs that are not based on observable market data: the measurements of financial instruments not quoted on an active market, based on measurement techniques that use significant inputs that are not observable on the market, involving the adoption of estimates and assumptions by management (prices supplied by the issuing counterparty, taken from independent surveys, prices corresponding to the fraction of the equity held in the company or obtained using measurement models that do not use market data to estimate significant factors that condition the fair value of the financial instrument). This level includes measurements of financial instruments at cost price.

Business combinations

A business combination is the bringing together of separate entities or businesses into one reporting entity. A business combination may give rise to an investment relationship between the parent (acquirer) and the subsidiary (acquiree). A business combination may also involve the purchase of the net assets, including any goodwill, of another entity rather than the purchase of the equity of the other entity (mergers and contributions). Based on the provisions of IFRS 3, business combinations must be accounted for by applying the purchase method, which comprises the following phases:

- identification of the acquirer;
- measurement of the cost of the business combination;

- allocation, at the acquisition date, of the cost of the business combination to the assets acquired and liabilities and contingent liabilities assumed.

More specifically, the cost of a business combination must be determined as the total fair value, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, in exchange for control of the acquiree, and all costs directly attributable to the business combination.

The acquisition date is the date on which control of the acquiree is effectively obtained. When this is achieved through a single exchange transaction, the date of exchange coincides with the acquisition date.

If the business combination is carried out through several exchange transactions

- the cost of the combination is the aggregate cost of the individual transactions
- the date of exchange is the date of each exchange transaction (i.e. the date that each individual investment is recognised in the financial statements of the acquirer), whereas the acquisition date is the date on which control of the acquiree is obtained.

The cost of a business combination is allocated by recognising the acquiree's identifiable assets, liabilities and contingent liabilities at their fair values at the acquisition date.

The acquiree's identifiable assets, liabilities and contingent liabilities are recognised separately at the acquisition date only if they satisfy the following criteria at that date:

- in the case of an asset other than an intangible asset, it is probable that any associated future economic benefits will flow to the acquirer, and its fair value can be measured reliably;
- in the case of a liability other than a contingent liability, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and its fair value can be measured reliably;
- in the case of an intangible asset or a contingent liability, its fair value can be measured reliably.

The positive difference between the cost of the business combination and the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities must be accounted for as goodwill.

After the initial recognition, the goodwill acquired in a business combination is measured at the relevant cost and is submitted to an impairment test at least once a year.

If the difference is negative, a new measurement is made. This negative difference, if confirmed, is recognised immediately as income in the income statement.

A.3 - DISCLOSURE ON TRANSFERS BETWEEN PORTFOLIOS OF FINANCIAL ASSETS

A.3.1 Reclassified financial assets: change in business model, carrying amount and interest income

No financial instruments were transferred between portfolios.

A.3.2 Reclassified financial assets: change in business model, fair value and effects on comprehensive income

No financial assets were reclassified.

A.3.3 Reclassified financial assets: change in business model and effective interest rate

No financial assets held for trading were transferred.

A.4 - FAIR VALUE DISCLOSURE

Qualitative disclosure

A.4.1 Fair value levels 2 and 3: valuation techniques and inputs used

Please refer to the accounting policies.

A.4.2 Processes and sensitivity of measurements

The carrying amount of financial assets and liabilities due within one year has been assumed to be a reasonable approximation of fair value, while for those due beyond one year, the fair value is calculated taking into account both interest rate risk and credit risk.

A.4.3 Fair value hierarchy

The following fair value hierarchy was used in order to prepare the financial statements:

Level 1- Effective market quotes

The valuation is the market price of said financial instrument subject to valuation, obtained on the basis of quotes expressed by an active market.

Level 2 - Comparable Approach

Level 3 - Mark-to-Model Approach

A.4.4 Other Information

The item is not applicable for the Group.

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.

Financial assets/liabilities measured at fair value	31.12.2025			31.12.2024		
	L1	L2	L3	L1	L2	L3
1. Financial assets measured at fair value through profit or loss		60	1,561			
a) financial assets held for trading		60				
b) financial assets designated at fair value through profit or loss						
c) other financial assets mandatorily measured at fair value through profit or loss			1,561			
2. Financial assets measured at fair value through other comprehensive income	1,181,326		5,000	1,142,197		5,000
3. Hedging derivatives						
4. Property and equipment						
5. Intangible assets						
Total	1,181,326	60	6,561	1,142,197		5,000
1. Financial liabilities held for trading						
2. Financial liabilities designated at fair value through profit or loss						
3. Hedging derivatives		2,078			3,561	
Total		2,078			3,561	

Key:

L1 = Level 1

L2 = Level 2

L3 = Level 3

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 level

Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis	31.12.2025				31.12.2024			
	CA	L1	L2	L3	CA	L1	L2	L3
1. Financial assets measured at amortised cost	2,610,862	47,898	181,718	2,381,246	2,873,051	67,027	105,244	2,700,780
2. Investment property								
3. Non-current assets held for sale and disposal groups								
Total	2,610,862	47,898	181,718	2,381,246	2,873,051	67,027	105,244	2,700,780
1. Financial liabilities measured at amortised cost	3,720,033			3,720,033	4,109,583			4,109,583
2. Liabilities associated with disposal groups								
Total	3,720,033			3,720,033	4,109,583			4,109,583

Key:

CA = carrying amount

L1 = Level 1

L2 = Level 2

L3 = Level 3

A.5 DISCLOSURE CONCERNING “DAY ONE PROFIT/LOSS”

Nothing to report.

PART B - INFORMATION ON THE STATEMENT OF FINANCIAL POSITION

ASSETS

Section 1 - Cash and cash equivalents – Item 10

1.1 Cash and cash equivalents: breakdown

	31.12.2025	31.12.2024
a) Cash	1,655	1,762
b) current accounts and demand deposits with Central Banks	52,163	50,000
c) Current and deposit accounts with banks	33,973	41,675
Total	87,791	93,437

Section 2 - Financial assets measured at fair value through profit or loss -Item 20

2.1 Financial assets held for trading: breakdown by product

	31/12/2025			31/12/2024		
	L1	L2	L3	L1	L2	L3
A. Non-derivative financial assets						
1. Debt instruments						
1.1 Structured instruments						
1.2 Other debt instruments						
2. Equity instruments						
3. Units of investment funds						
4. Financing						
4.1 Repurchase agreements						
4.2 Others						
Total A						
B. Financial derivatives						
1. Derivati finanziari		60				
1.1 for trading		60				
1.2 related to the fair value option						
1.3 others						
2. Credit derivatives						
2.1 for trading						
2.2 related to the fair value option						
2.3 others						
Total B		60				
Total (A+B)		60				

2.2 Financial assets held for trading: breakdown by debtor/issuer/counterparty

	31.12.2025	31.12.2024
A. Non-derivative financial assets		
1. Debt instruments		
a) Central Banks		
b) General governments		
c) Banks		
d) Other financial corporations		
of which: insurance companies		
e) Non-financial corporations		
2. Equity instruments		
a) Banks		
b) Other financial corporations:		
of which: insurance companies		
c) Other non-financial corporations		
d) other		
3. Units of investment funds		
4. Financing		
a) Central Banks		
b) General governments		
c) Banks		
d) Other financial corporations		
of which: insurance companies		
e) Non-financial corporations		
f) Households		
Total A	-	-
B. Derivative instruments		
a) Central counterparties		
b) others	60	
Total B	60	
Total (A+B)	60	

2.6 Other financial assets mandatorily measured at fair value through profit or loss: breakdown by debtor/issuer

	31/12/2025			31/12/2024		
	L1	L2	L3	L1	L2	L3
1. Debt instruments			1,561			
1.1 Structured instruments						
1.2 Other debt instruments			1,561			
2. Equity instruments						
3. Units of investment funds						
4. Financing						
4.1 Repurchase agreements						
4.2 Others						
Total			1,561			

Section 3 - Financial assets measured at fair value through other comprehensive income - Item 30

3.1 Financial assets measured at fair value through other comprehensive income: breakdown by product

	31.12.2025			31.12.2024		
	L1	L2	L3	L1	L2	L3
1. Debt instruments	1,180,929			1,142,008		
1.1 Structured instruments						
1.2 Other debt instruments	1,180,929			1,142,008		
2. Equity instruments	397		5,000	189		5,000
3. Financing						
Total	1,181,326		5,000	1,142,197		5,000

Key:

L1 = Level 1

L2 = Level 2

L3 = Level 3

3.2 Financial assets measured at fair value through other comprehensive income: breakdown by debtor/issuer

	31.12.2025	31.12.2024
1. Debt instruments	1,180,929	1,142,008
a) Central Banks		
b) General governments	1,180,929	1,142,008
c) Banks		
d) Other financial corporations		
of which: insurance companies		
e) Non-financial corporations		
2. Equity instruments	5,397	5,189
a) Banks	5,000	5,000
b) Other issuers:	397	189
- other financial corporations		
of which: insurance companies		
- non-financial corporations	397	189
- other		
4. Financing		
a) Central Banks		
b) General governments		
c) Banks		
d) Other financial corporations		
of which: insurance companies		
e) Non-financial corporations		
f) Households		
Total	1,186,326	1,147,197

3.3 Financial assets measured at fair value through other comprehensive income: gross amount and total impairment losses

	Gross amount				Total impairment losses				Overall partial write-offs (*)
	First stage	of which instruments with low credit risk	Second stage	Third stage	Purchased or originated credit-impaired	First stage	Second stage	Third stage	
Debt securities	1,181,305	1,181,305				376			
Financing									
Total 31.12.2025	1,181,305	1,181,305				376			
Total 31.12.2024	1,142,374	1,140,371				366			

Section 4 - Financial assets measured at amortised cost - Item 40

4.1 Financial assets measured at amortised cost: breakdown by product of the loans and receivables with banks

	31.12.2025						31.12.2024					
	Carrying amount			Fair value			Carrying amount			Fair value		
	First and second stage	Third stage	of which: purchased or originated credit-impaired	L1	L2	L3	First and second stage	Third stage	of which: purchased or originated credit-impaired	L1	L2	L3
A. Loans and receivables with Central Banks	19,020					19,019	22,886					22,887
1. Term deposits				X	X	X				X	X	X
2. Minimum reserve	19,003			X	X	X	22,866			X	X	X
3. Reverse repurchase agreements				X	X	X				X	X	X
4. Other	17			X	X	X	20			X	X	X
B. Loans and receivables with banks	141					14	136	2				11
1. Financing	141					14	136	2				11
1.1 Current accounts and demand deposits				X	X	X				X	X	X
1.2. Term deposits				X	X	X				X	X	X
1.3. Other financing:	141			X	X	X	136	2		X	X	X
- Reverse repurchase agreements				X	X	X				X	X	X
- Finance leases				X	X	X				X	X	X
- Other	141			X	X	X	136	2		X	X	X
2. Debt instruments												
2.1 Structured instruments												
2.2 Other debt instruments												
Total	19,161					19,033	23,022	2				22,898

Key:

L1 = Level 1

L2 = Level 2

L3 = Level 3

4.2 Financial assets measured at amortised cost: breakdown by product of the loans and receivables with customers

	31.12.2025						31.12.2024							
	Carrying amount			Fair value			Carrying amount			Fair value				
	First and second stage	Third stage	Purchased or originated credit-impaired	L1	L2	L3	First and second stage	Third stage	Purchased or originated credit-impaired	L1	L2	L3		
Financing	1,999,651	362,015	2,384				2,443,810	2,419,947	273,531	3,433				2,746,863
1.1. Current accounts	114,289	3		X	X	X		670	18		X	X	X	
1.2. Reverse repurchase agreements				X	X	X					X	X	X	
1.3. Loans	171,379	17,913		X	X	X		227,975	13,888		X	X	X	
1.4. Credit cards, personal loans and salary- and pension-backed loans	550,044	8,759		X	X	X		673,666	11,693		X	X	X	
1.5. Finance leases				X	X	X					X	X	X	
1.6. Factoring	860,309	229,981	2,384	X	X	X		1,008,084	218,515	3,433	X	X	X	
1.7. Other financing	303,630	105,359		X	X	X		509,552	29,417		X	X	X	
Debt instruments	227,651			47,898	181,718			153,116			57,539	95,756		
1.1. Structured instruments														
1.2. Other debt instruments	227,651			47,898	181,718			153,116			57,539	95,756		
Total	2,227,302	362,015	2,384	47,898	181,718	2,443,810		2,573,063	273,531	3,433	57,539	95,756	2,746,863	

Key:

L1 = Level 1

L2 = Level 2

L3 = Level 3

4.3 Financial assets measured at amortised cost: breakdown by debtor/issuer of the loans and receivables with customers

	31.12.2025			31.12.2024		
	First and second stage	Third stage	Purchased or originated credit-impaired	First and second stage	Third stage	Purchased or originated credit-impaired
1. Debt securities	227,652			153,116		
a) General governments	50,020			61,057		
b) Other financial corporations	177,632					
of which: insurance companies						
c) Non-financial corporations				92,059		
2. Financing to:	1,999,771	361,895	2,384	2,419,947	273,531	3,433
a) General governments	399,912	271,622	2,384	742,957	218,715	3,433
b) Other financial corporations	47,936	4,000		51,637	1,710	
of which: insurance companies	63	2,729		32	1,572	
c) Non-financial corporations	844,894	58,750		745,695	38,238	
d) Households	707,029	27,523		879,658	14,868	
Total	2,227,422	361,895	2,384	2,573,063	273,531	3,433

Key:

L1 = Level 1

L2 = Level 2

L3 = Level 3

4.4 Financial assets measured at amortised cost: gross amount and total impairment losses

	Gross amount					Total impairment losses				Overall partial write-offs (*)
	First stage	of which instruments with low credit risk	Second stage	Third stage	Purchased or originated credit-impaired	First stage	Second stage	Third stage	Purchased or originated credit-impaired	
Debt securities	227,727	50,036				75				
Financing	1,954,540	332,471	69,650	423,087	2,387	4,889	351	61,210	3	
Total 31.12.2025	2,182,266	382,507	69,650	423,087	2,387	4,964	351	61,210	3	-
Total 31.12.2024	2,547,317	725,601	56,484	331,015	3,436	7,402	313	57,483	3	

4.4a Loans measured at amortised cost subject to Covid-19 support measures: gross amount and total impairment losses

	Gross amount				Total impairment losses				Overall partial write-offs (*)	
	First stage	of which instruments with low credit risk	Second stage	Third stage	Purchased or originated credit-impaired	First stage	Second stage	Third stage		Purchased or originated credit-impaired
1. Forborne loans in compliance with the EBA Guidelines										
2. Loans subject to existing moratoria no longer in compliance with the EBA Guidelines and not considered forborne										
3. Loans subject to other forbearance measures										
4. New loans		35,473		8,287		109		578		
Total 31.12.2025		35,473		8,287		109		578		
Total 31.12.2024		59,320		11,605		168		517		

Section 6 – Value adjustment of macro-hedged financial assets – Item 60

6.1 Value adjustment of hedged assets: breakdown by hedged portfolio

Fair value change of hedged assets / Amount	31.12.2025	31.12.2024
1. Positive fair value change	2,146	3,557
1.1 of specific portfolios:	2,146	3,557
a) financial assets measured at amortised cost	2,146	3,557
b) financial assets measured at fair value through other comprehensive income		
1.2 overall		
2. Negative fair value change		
2.1 of specific portfolios:		
a) financial assets measured at amortised cost		
b) financial assets measured at fair value through other comprehensive income		
2.2 overall		
Total	2,146	3,557

Section 7 - Equity investments - item 70

7.1 Equity investments: information on investment relationships

	Registered office	Interest %	Votes available %
A. Fully-controlled companies			
Largo Augusto Servizi e Sviluppo S.r.l.	Milano	100.00%	100.00%
Kruso Kapital S.p.A.	Milano	70.59%	70.59%
ProntoPegno Greece	Atene	70.59%	70.59%
Art-Rite S.r.l.	Milano	70.59%	70.59%
Pignus Credito Economico Popolar S.A.	Lisbona	70.59%	70.59%
B. Joint ventures			
EBNSISTEMA Finance S.L.	Madrid	50.00%	50.00%

7.2 Non-significant equity investments: carrying amount

	Book value 2024	Book value 2023
B. Joint ventures		
EBNSistema Finance SI	985	984

7.3 Significant equity investments: accounting information

	Cash and cash equivalents	Financial assets	Non-financial assets	Financial liabilities	Non-financial liabilities	Total income	Net interest income	Net impairment gains and losses on property and equipment/intangible assets	Pre-tax profit (loss) from continuing operations	Post-tax profit (loss) from continuing operations	Post-tax profit (loss) from discontinued operations	Profit (loss) for the year	Other comprehensive income (expense), net of income tax	Comprehensive income (expense)
A. Imprese controllate in via esclusiva														
2. Largo Augusto Servizi e Sviluppo	-	-	52,636	24,201	3,993	2,851	(1)	(1,142)	495	336	-	336	-	336
3. Kruso Kapital S.p.A.	7,209	133,176	50,558	119,717	11,890	36,031	11,675	(2,149)	12,329	7,478	-	7,478	-	7,498
4. ProntoPegno Grecia	120	468	755	1,239	571	178	(37)	(228)	(491)	(491)	-	(491)	-	(491)
5. Art-Rite S.r.l.	395	-	713	407	611	531	(2)	(23)	(1,051)	(1,051)	-	(1,051)	-	(1,051)
6. Pignus Credito Economico Popul	738	21,757	1,688	20,452	2,152	5,310	3,467	(329)	1,922	1,922	-	1,922	-	1,922

7.4 Non-significant equity investments: accounting information

Denominazioni	Cassa disponibilità liquide	Attività finanziarie	Attività non finanziarie	Passività finanziarie	Passività non finanziarie	Ricavi totali	Margine di interesse	Rettifiche e riprese di valore su attività materiali e immateriali	Utile (Perdita) della operatività corrente al lordo delle imposte	Utile (Perdita) della operatività corrente al netto delle imposte sul reddito / utile esercizio operativo cessate al netto delle imposte	Utile (Perdita d'esercizio) Altre componenti reddituali al netto delle imposte	Redditività complessiva
B. Imprese controllate in modo congiunto												
1. EBN SISTEMA FINANCE SL	2,862	11	-	-	944	-	487	-	1	1	-	1

7.5 Equity investments: changes

	31.12.2024	31.12.2023
A. Opening balance	984	995
B. Increases	1	
B.1 Purchases		
B.2 Impairment gains		
B.3 Revaluations		
B.4 Other increases	1	
C. Decreases		11
C.1 Sales		
C.2 Impairment losses		
C.3 Write-offs		
C.4 Other decreases	-	11
D. Closing balance	985	984
E. Total revaluations		
F. Total impairment losses		

The decrease relates to the pro-quota result for year of EBN Sistema Finance.

Section 9 – Property and equipment – Item 90

9.1 Operating property and equipment: breakdown of the assets measured at cost

	31.12.2025	31.12.2024
1 Owned	52,963	48,826
a) land	14,636	13,921
b) buildings	36,784	32,828
c) furniture	523	1,127
d) electronic equipment	1,020	950
e) other		
2 Right-of-use assets acquired under finance lease	4,619	4,607
a) land		
b) buildings	3,611	3,794
c) furniture		
d) electronic equipment		
e) other	1,008	813
Total	57,582	53,433
of which: obtained from the enforcement of guarantees received		

Property and equipment are recognised in the financial statements in accordance with the general acquisition cost criteria, including the related charges and any other expenses incurred to place the assets in conditions useful for the Bank, in addition to indirect costs for the portion reasonably attributable to assets that refer to the costs incurred, as at the end of the year.

Depreciation rates:

- Office furniture: 12%
- Furnishings: 15%
- Electronic machinery and miscellaneous equipment: 20%
- Assets less than Euro 516: 100%

9.3 Operating property and equipment: breakdown of the revalued assets

	31.12.2025			31.12.2024		
	L1	L2	L3	L1	L2	L3
1 Owned			50,888			41,561
a) land			14,637			13,921
b) buildings			36,252			27,640
c) furniture						
d) electronic equipment						
e) other						
2 Right-of-use assets acquired under finance lease						
a) land						
b) buildings						
c) furniture						
d) electronic equipment						
e) other						
Total			50,888			41,561
of which: obtained from the enforcement of guarantees received						

9.6 Operating property and equipment: changes

	Land	Buildings	Furniture	Electronic equipment	Other	Total
A. Gross opening balances	13,921	48,798	2,572	4,221	3,145	72,657
A.1 Total net impairment losses		12,175	1,445	3,057	2,332	19,010
A.2 Net opening balances	13,921	36,622	1,127	950	813	53,434
B. Increases:	715	6,001	186	319	588	7,809
B.1 Purchases		606	186	319	588	1,698
B.2 Capitalised improvement costs		2,641				
B.3 Impairment gains						-
B.4 Fair value gains recognised in	715	2,648				3,363
a) equity	715	2,648				3,363
b) profit or loss						-
B.5 Exchange rate gains						-
B.6 Transfers from investment property			X	X	X	-
B.7 Other increases		107				107
B.8 Business combination transactions	-					-
C. Decreases:		2,521	406	340	394	3,660
C.1 Sales						-
C.2 Depreciation		2,322	115	340	387	3,164
C.3 Impairment losses recognised in						-
a) equity						-
b) profit or loss						-
C.4 Fair value losses recognised in						-
a) equity						-
b) profit or loss						-
C.5 Exchange rate losses						-
C.6 Transfers to:						-
a) investment property			X	X	X	-
b) non-current assets held for sale and disposal groups						-
C.7 Other decreases		199	291		6	496
C.8 Business combination transactions						-
D. Net closing balance	14,637	40,102	907	929	1,008	57,583
D.1 Total net impairment losses	-	14,696	1,851	3,397	2,725	22,669
D.2 Gross closing balance	14,637	54,799	2,758	4,326	3,733	80,252
E. Measurement at cost	10,897	31,485	907	929	1,008	45,225

In order to understand the movement of the assets in question, it is necessary to specify that the sub-item "B.4 Fair value gains" shows the effects of the change from the cost approach to the fair value basis criteria. In particular, the fair value gains were credited to a specific equity valuation reserve for 3.4 million euro;

- the item "E. Measurement at cost" includes the cost of assets remeasured at fair value (properties use in operations and valuable artworks), adjusted to exclude fair value valuation effects (sub-items B.4 and C.4).

Section 10 – Intangible assets – Item 100

10.1 Intangible assets: breakdown by type of asset

	31.12.2025		31.12.2024	
	Finite useful life	Indefinite useful life	Finite useful life	Indefinite useful life
A.1 Goodwill		30,690	x	45,075
A.2 Other intangible assets	3,426		2,157	
of which software	1,775		454	
A.2.1 Assets measured at cost:	3,426		2,157	
a) Internally developed assets	146		138	
b) Other	3,280		2,019	
A.2.2 Assets measured at fair value:				
a) Internally developed assets				
b) Other				
Total	3,426	30,690	2,157	45,075

The other intangible assets are recognised at purchase cost including related costs, and are systematically amortised over a period of 5 years. The item mainly refers to software.

Intangible assets refer to goodwill of € 34.1 million, broken down as follows:

- the goodwill originating from the merger of the former subsidiary Solvi S.r.l. which took place in 2013 amounting to € 1.8 million;
- the goodwill generated by the acquisition of Atlantide S.p.A. on 3 April 2019 amounting to € 2.1 million;
- the goodwill amounting to € 15.1 million arising from the acquisition of the former Intesa Sanpaolo collateralised lending business unit completed on 13 July 2020;
- goodwill of € 1.2 million, resulting from the acquisition of Art-Rite which was completed on 2 November 2022;
- goodwill of € 10.5 million, resulting from the acquisition of Pignus - Credito Economico Popular SA, which was completed on 7 November 2024.

The CGU identified for the goodwill of the former Solvi and Atlantide is the Bank, for the goodwill of the former ISP the company Kruso Kapital, and for the goodwill of Art-Rite and CEP, it is the respective companies as a whole.

With reference to the impairment test of KK, in line with IAS 36, the recoverable amount was determined as the higher of value in use and fair value less costs of disposal, taking into account that, in the current scenario of a future disposal due to the public tender

and exchange offer mechanism, the prospective cash flows to be used to estimate the Recoverable Amount of the asset would no longer derive from future cash flows generated by the company, but from the potential proceeds from the disposal of KK shares, making the Value in Use substantially aligned with the Fair Value less costs of disposal.

The updated analyses showed that the overall recoverable amount of the CGUs of the KK Group is lower than the related carrying amount, mainly due to:

- the level of KK market prices being lower than the values implied in previous tests;
- the recoverability of the value through sale rather than through continued use;
- the alignment of the valuation assumptions with the new post-public tender and exchange offer scenario.

In the light of this evidence, an impairment loss was recognised pursuant to IAS 36. Applying the allocation order required by the standard, the adjustment was first allocated to the goodwill allocated to the CGUs of the KK Group for a total amount of € 13.3 million.

The other goodwill impairment tests were performed on the basis of their respective "Value in use", derived from estimates of expected cash flows for the period 2026-2028. The valuation methods used were the Dividend Discount Model - Excess Capital Variant for the goodwill of the former Solvi and Atlantide, the Discounted Cash Flow method for the goodwill of Art-Rite, and the Income approach for the goodwill of CEP.

The main parameters used for estimation purposes were as follows:

	Banca Sistema CGU	Art-Rite CGU	CEP CGU
Risk Free Rate	3.46%	3.46%	3.09%
Equity Risk Premium	5.6%	0.76%	5.6%
Beta	1.23	1.23	1.32
Cost of equity	10.37%	7.75%	10.48%
Growth rate "g"	1.9%	1.9%	1.9%

The estimated values in use obtained based on the parameters used and the growth assumptions are, for all goodwill amounts, higher than the respective equity amounts at the end of the financial year. Furthermore, considering that the value in use was determined via estimates and assumptions that may introduce elements of uncertainty, sensitivity analyses - as required by IFRS - were performed with the purpose of verifying the variations of the results previously obtained as a function of the basic assumptions and parameters.

In particular, the quantitative exercise was completed by a stress test of the parameters related to the growth rate and the discount rate of the expected cash flows (quantified in an isolated or simultaneous movement of 25 bps and 50 bps, respectively), that

confirmed the absence of impairment indicators, confirming a value in use greater than the carrying amount of goodwill in the financial statements.

Considering all the above, no further conditions necessary to recognise an impairment loss on the goodwill carrying amounts in the financial statements exist.

10.2 Intangible assets: changes

	Goodwill	Other intangible assets: internally developed		Other intangible assets: other		Total
		FIN	INDEF	FIN	INDEF	
A. Opening balance	45,075	208		6,892		52,176
A.1 Total net impairment losses			70	4,872		4,942
A.2 Net opening balances	45,075	138		2,019		47,233
B. Increases		21		2,585		2,606
B.1 Purchases			21	2,203		2,224
B.2 Increases in internally developed assets	X					
B.3 Impairment gains	X					
B.4 Fair value gains recognised in:						
- equity	X					
- profit or loss	X					
B.5 Exchange rate gains						
B.6 Other increases				382		382
B.7 Business combination transactions						
C. Decreases	14,385	13		1,324		15,723
C.1 Sales						
C.2 Impairment losses	13,299	13		1,316		14,628
- Amortisation	X	13		1,316		1,328
- Impairment losses:	13,299					
- equity	X					
- profit or loss	13,299					
C.3 Fair value losses recognised in:						
- equity	X					
- profit or loss	X					
C.4 Transfers to disposal groups						
C.5 Exchange rate losses						
C.6 Other decreases	1,086			9		
C.7 Business combination transactions						
D. Net closing balance	30,690	146		3,280		34,116
D.1 Total net impairment losses	13,299	83		6,188		19,570
E. Gross closing balance	43,989	229		9,467		53,686
F. Measurement at cost	30,690	146		3,280		34,116

Key

Fin: finite useful life

Indef: indefinite useful life

Section 11 – Tax assets and tax liabilities – Item 110 of assets and Item 60 of liabilities

Below is the breakdown of the current tax assets and current tax liabilities

	31.12.2025	31.12.2024
Current tax assets	9,049	8,882
IRES prepayments	5,846	6,595
IRAP prepayments	2,795	2,145
Other	408	142
Current tax liabilities	(28,949)	(8,782)
Provision for IRES	(23,867)	(3,664)
Provision for IRAP	(4,664)	(4,600)
Provision for substitute tax	(418)	(518)
Total	(19,900)	100

11.1 Deferred tax assets: breakdown

	31.12.2025	31.12.2024
Deferred tax assets through profit or loss:	12,598	10,270
Impairment losses on loans	624	624
Non-recurring transactions	282	282
Other	11,692	9,364
Deferred tax assets through equity:	457	1,387
Non-recurring transactions	160	160
HTCS securities	249	1,171
Other	48	56
Total	13,055	11,658

11.2 Deferred tax liabilities: breakdown

	31.12.2025	31.12.2024
Deferred tax liabilities through profit or loss:	25,211	27,641
Uncollected default interest income	21,118	24,065
Other	4,093	3,576
Deferred tax liabilities through equity:	5,586	2,509
HTCS securities	2,139	
Other	3,447	2,509
Total	30,797	30,150

11.3 Changes in deferred tax assets (through profit or loss)

	31.12.2025	31.12.2024
1. Opening balance	10,270	9,971
2. Increases	6,169	3,068
2.1 Deferred tax assets recognised in the year	6,056	3,068
a) related to previous years		
b) due to changes in accounting policies		
c) impairment gains		
d) other	6,056	3,068
e) business combination transactions		
2.2 New taxes or tax rate increases		
2.3 Other increases	113	
3. Decreases	3,841	2,769
3.1 Deferred tax assets derecognised in the year	3,841	2,769
a) reversals		
b) impairment due to non-recoverability		
c) changes in accounting policies		
d) other	3,841	2,769
3.2 Tax rate reductions		
3.3 Other decreases		
a) conversion into tax assets pursuant to Law 214/2011		
b) other		
4. Closing balance	12,598	10,270

11.4 Change in deferred tax assets pursuant to Law 214/2011

	31.12.2025	31.12.2024
1. Opening balance	1,067	1,658
2. Increases		
3. Decreases	-	591
3.1 Reversals		
3.2 Conversions into tax assets	-	-
a) arising on loss for the year		
b) arising on tax losses		
3.3 Other decreases		591
4. Closing balance	1,067	1,067

11.5 Changes in deferred tax liabilities (through profit or loss)

	31.12.2025	31.12.2024
1. Opening balance	27,641	24,360
2. Increases	874	3,281
2.1 Deferred tax liabilities recognised in the year	874	3,281
a) related to previous years		
b) due to changes in accounting policies		
c) other	874	3,281
2.2 New taxes or tax rate increases		
2.3 Other increases		
3. Decreases	3,305	-
3.1 Deferred tax liabilities derecognised in the year	3,305	-
a) reversals		
b) due to changes in accounting policies		
c) other	3,305	
3.2 Tax rate reductions		
3.3 Other decreases		
4. Closing balance	25,210	27,641

11.6 Change in deferred tax assets (through equity)

	31.12.2025	31.12.2024
1. Opening balance	1,387	8,099
2. Increases	250	1,174
2.1 Deferred tax assets recognised in the year	250	1,174
a) related to previous years		
b) due to changes in accounting policies		
c) other	250	1,174
2.2 New taxes or tax rate increases		
2.3 Other increases		
3. Decreases	1,180	7,885
3.1 Deferred tax assets derecognised in the year	1,180	7,885
a) reversals		
b) impairment due to non-recoverability		
c) due to changes in accounting policies		
d) other	1,180	7,885
3.2 Tax rate reductions		
3.3 Other decreases		
4. Closing balance	457	1,387

11.7 Change in deferred tax liabilities (through equity)

	31.12.2025	31.12.2024
1. Opening balance	2,509	-
2. Increases	3,077	2,509
2.1 Deferred tax liabilities recognised in the year	3,077	2,509
a) related to previous years	-	-
b) due to changes in accounting policies	-	-
c) other	3,077	2,509
2.2 New taxes or tax rate increases	-	-
2.3 Other increases	-	-
3. Decreases	-	-
3.1 Deferred tax liabilities derecognised in the year	-	-
a) reversals	-	-
b) due to changes in accounting policies	-	-
c) other	-	-
3.2 Tax rate reductions	-	-
3.3 Other decreases	-	-
4. Closing balance	5,586	2,509

Section 13 - Other assets - Item 130

13.1 Other assets: breakdown

	31.12.2025	31.12.2024
Superbonus tax assets	313,924	435,094
Tax advances	10,837	11,101
Unreconciled items	5,046	10,170
Prepayments not related to a specific item	8,338	8,220
Trade receivables	2,353	1,369
Advance to third parties	1,278	1,340
Other	477	1,005
Leasehold improvements	1,464	2,092
Security deposits	213	200
Total	343,930	470,591

Other assets is mainly composed of "Superbonus 110" tax credits purchased for trading purposes with a carrying amount of € 296 million. Credits were purchased during the year for a nominal amount of € 42 million. This item also includes work in progress at the end of the period, advance tax payments and "Superbonus 110" tax credits of € 18 million acquired as compensation.

LIABILITIES

Section 1 - Financial liabilities measured at amortised cost - Item 10

1.1 Financial liabilities measured at amortised cost: breakdown by product of due to banks

	31.12.2025				31.12.2024			
	Carrying amount	Fair value			Carrying amount	Fair value		
		L1	L2	L3		L1	L2	L3
1. Due to Central banks		X	X	X		X	X	X
2. Due to banks	69,199	X	X	X	127,257	X	X	X
2.1 Current accounts and demand deposits	578	X	X	X	383	X	X	X
2.2 Term deposits	50,979	X	X	X	64,442	X	X	X
2.3 Financing	17,642	X	X	X		X	X	X
2.3.1 Repurchase agreements	17,642	X	X	X	62,432	X	X	X
2.3.2 Other		X	X	X		X	X	X
2.4 Commitments to repurchase own equity instruments		X	X	X		X	X	X
2.5 Lease liabilities		X	X	X		X	X	X
2.6 Other payables		X	X	X		X	X	X
Total	69,199		69,199		127,257		127,257	

Key:

L1 = Level 1

L2 = Level 2

L3 = Level 3

1.2 Financial liabilities measured at amortised cost: breakdown by product of due to customers

	31.12.2025				31.12.2024			
	Carrying amount	Fair value			Carrying amount	Fair value		
		L1	L2	L3		L1	L2	L3
1. Current accounts and demand deposits	309,445	X	X	X	288,186	X	X	X
2. Term deposits	2,261,130	X	X	X	2,565,354	X	X	X
3. Financing	861,843	X	X	X	902,212	X	X	X
3.1 Repurchase agreements	810,187	X	X	X	819,999	X	X	X
3.2 Other	51,656	X	X	X	82,213	X	X	X
4. Commitments to repurchase own equity instruments		X	X	X		X	X	X
5. Lease liabilities		X	X	X		X	X	X
6. Other payables	9,101	X	X	X	5,643	X	X	X
Total	3,441,519		3,441,519		3,761,395		3,761,395	

Key:

CA = carrying amount

L1 = Level 1

L2 = Level 2

L3 = Level 3

1.3 Financial liabilities measured at amortised cost: breakdown by product of the securities issued

	31.12.2025				31.12.2024			
	Carrying amount	Fair value			Carrying amount	Fair value		
		L1	L2	L3		L1	L2	L3
A. Securities								
1. bonds	209,315		209,315		220,931		220,931	
1.1 structured								
1.2 other	209,315		209,315		220,931		220,931	
2. other securities								
2.1 structured								
2.2 other								
Total	209,315		209,315		220,931		220,931	

Key:

CA = carrying amount

L1 = Level 1

L2 = Level 2

L3 = Level 3

The item includes subordinated securities relating to the senior shares of the ABS in the Quinto Sistema Sec. 2019 and BS IVA securitisations subscribed by third-party institutional investors.

Section 3 - Financial liabilities designated at fair value through profit or loss - Item 30

3.1 Financial liabilities designated at fair value through profit or loss: breakdown by product

Type of transactions/values	Amounts as at 31.12.2025					Amounts as at 31.12.2024				
	Nominal value or notionale	Fair value			Fair Value (*)	Nominal value or notionale	Fair value			Fair Value (*)
		L1	L2	L3			L1	L2	L3	
1. Deposits from banks										
1.1. Structured	-	-	-	-	-	-	-	-	-	X
1.2. Other	-	-	-	-	X	-	-	-	-	X
of wich:										
- loans commitments given	-	X	X	X	X	-	X	X	X	X
- financial guarnatees given	-	X	X	X	X	-	X	X	X	X
2. Deposits from customers										
1.1. Structured	-	-	-	-	X	-	-	-	-	X
1.2. Other	-	-	-	-	X	-	-	-	-	X
of wich:										
- loans commitments given	-	X	X	X	X	-	X	X	X	X
- financial guarnatees given	-	X	X	X	X	-	X	X	X	X
3. Debt securities			6,726							
3.1 Structured	-	-	3,537	-	X	-	-	-	-	X
3.2 Other	-	-	3,189	-	X	-	-	-	-	X
Total			6,726							

Key:

NA= Nominal amount

L1 = Level 1

L2 = Level 2

L3 = Level 3

Fair value* = Fair value calculated excluding value changes due to changes in the issuer's creditworthiness since the issue date

SECTION 4 - HEDGING DERIVATIVES

4.1 Hedging derivatives: breakdown by type of hedge and level

	Fair value			NV 31.12.2025	Fair value			NV 31.12.2024
	L1	L2	L3		L1	L2	L3	
A) Financial derivatives		2,078				3,561		
1) Fair value		2,078				3,561		
2) Cash flows								
3) Foreign investments								
B. Credit derivatives								
1) Fair value								
2) Cash flows								
Total		2,078				3,561		

4.2 Hedging derivatives: breakdown by hedged portfolio and type of hedge

	Fair value						Cash flows			
	debt securities and interest rates	Specific			Others	Generic	Specific	Generic	Foreign investments	
equities and stock indices		foreign exchange rates and gold	credit risk	commodities						
1. Financial assets available for sale					X	X	X		X	X
2. Loans		X			X	X	X		X	X
3. Portfolio	X	X	X	X	X	X	2,078	X		X
4. Other transactions							X		X	
Total assets							2,078			
1. Financial liabilities		X					X		X	X
2. Portfolio	X	X	X	X	X	X		X		X
Total liabilities										
1. Forecast transactions	X	X	X	X	X	X	X		X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	X		X		

Section 6 – Tax liabilities – Item 60

The breakdown as well as the change in the deferred tax liabilities were illustrated in Part B Section 11 of assets in these notes to the financial statements.

Section 8 - Other Liabilities - Item 80

8.1 Other liabilities: breakdown

	31.12.2025	31.12.2024
Payments received in the reconciliation phase	67,749	98,871
Accrued expenses	19,143	15,397
Unreconciled items	41,885	55,210
Trade payables	7,616	9,066
Tax liabilities with the Tax Authority and other tax authorities	15,817	12,965
Finance lease liabilities	4,345	3,712
Due to employees	518	274
Pension repayments	1,170	1,088
Other	25	
Total	158,268	196,583

Section 9 - Post-employment benefits - Item 90

9.1 Post-employment benefits: changes

	31.12.2025	31.12.2024
A. Opening balance	5,215	4,709
B. Increases	1,123	1,179
B.1 Accruals	1,106	1,090
B.2 Other increases	17	89
B.3 Business combination transactions		
C. Decreases	1,096	673
C.1 Payments	596	371
C.2 Other decreases	500	302
D. Closing balance	5,242	5,215

9.2 Other Information

The actuarial amount of post-employment benefits was calculated by an external actuary, who issued an appraisal.

The other decreases refer to the actuarial gain accounted for during the year. The payments made refer to post-employment benefits paid during the year.

The technical valuations were conducted on the basis of the assumptions described in the following table:

Annual discount rate	3.96%
Annual inflation rate	2.00%

Annual post-employment benefits increase rate	3.00%
Annual real salary increase rate	3.17%

The discount rate used for determining the present value of the obligation was calculated, pursuant to IAS 19.83, from the Iboxx Corporate AA index with 10+ duration during the valuation month. To this end, a choice was made to select the yield with a duration comparable to the duration of the set of workers subject to valuation.

SECTION 10 – Provisions for risks and charges - Item 100

10.1 Provisions for risks and charges: breakdown

	31.12.2025	31.12.2024
1. Provisions for credit risk related to commitments and financial guarantees issued	6	28
2. Provisions for other commitments and other guarantees issued		
3. Internal pension funds		
4. Other provisions for risks and charges	43,027	41,442
4.1 legal and tax disputes	27,004	19,297
4.2 personnel expense	6,036	6,090
4.3 other	9,987	16,055
Total	43,033	41,470

10.2 Provisions for risks and charges: changes

	Provisions for other commitments and other guarantees issued	Pension funds	Other provisions for risks and charges	Total
A. Opening balance	28	-	41,442	41,470
B. Increases	-	-	20,886	20,886
B.1 Accruals			20,564	20,564
B.2 Discounting				-
B.3 Changes due to discount rate changes				-
B.4 Other increases			322	322
C. Decreases	22	-	19,301	19,323
C.1 Utilisations	22	-	18,961	18,983
C.2 Changes due to discount rate changes	-	-	-	-
C.3 Other decreases	-	-	340	340
D. Closing balance	6	-	43,027	43,033

10.3 Provisions for credit risk related to commitments and financial guarantees issued

	Provisions for credit risk related to commitments and financial guarantees issued			Total
	First stage	Second stage	Third stage	
Commitments to disburse funds				-
Financial guarantees issued	6			6
Total	6	-	-	6

10.5 Internal defined benefit pension funds

Nothing to report.

10.6 Provisions for risks and charges - other provisions

Voci/Valori	31.12.2024	31.12.2023
Legal and tax disputes	27,004	19,297
Personnel expense	6,036	6,090
Other	9,987	16,055
Total	43,027	41,442

SECTION 13 – Equity attributable to the owners of the Parent– Items 120, 130, 140, 150, 160, 170 and 180

13.1 "Share capital" and "Treasury shares": breakdown

The share capital of Banca Sistema is composed of 80,421,052 ordinary shares, for a total paid-in share capital of € 9,650,526.24. All outstanding shares have regular dividend entitlement from 1 January.

Based on the evidence published on Consob's website until 30/01/2026, the shareholders with stakes of more than 5%, the threshold above which Italian law (art. 120 of the Consolidated Law on Finance) requires disclosure to the investee and Consob, were as follows:

Person at the top of the chain of ownership	Shareholder	% of the ordinary shares	% of the voting capital
Gianluca Garbi	SGBS Srl	23.1%	22.5%
	Garbifin Srl	0.5%	0.5%
	Fondazione Cassa di Risparmio di Cuneo	5.0%	4.9%
	Fondazione Cassa di Risparmio di Alessandria	7.4%	7.2%
	Fondazione Sicilia	7.4%	7.2%
	Trium Capital LLP	5.0%	0.0%
	MARKET	51.6%	52.8%
TOTAL SHARES		100.0%	

The breakdown of equity attributable to the owners of the parent is shown below:

	Amount 31.12.2025	Amount 31.12.2024
1. Share capital	9,651	9,651
2. Share premium	39,100	39,100
3. Reserves	198,825	176,640
4. Equity instruments	45,500	45,500
5. (Treasury shares)		(102)
6. Valuation reserves	13,057	4,112
7. Equity attributable to non-controlling interests	17,163	14,577
8. Profit	29,042	25,199
Total	352,338	314,677

13.2 Share capital - Parent's number of shares: changes

	Ordinary	Other
A. Opening balance	80,421,052	
- fully paid-in	80,421,052	
- not fully paid-in		
A.1 Treasury shares (-)	(51,269)	
A.2 Outstanding shares: opening balance	80,369,783	
B. Increases	51,269	
B.1 New issues		
- against consideration:		
- business combination transactions		
- conversion of bonds		
- exercise of warrants		
- other		
- bond issues:		
- to employees		
- to directors		
- other		
B.2 Sale of treasury shares		
B.3 Other increases	51,269	
C. Decreases		
C.1 Cancellation		
C.2 Repurchase of treasury shares		
C.3 Disposal of equity investments		
C.4 Other decreases		
D. Outstanding shares: closing balance	80,421,052	
D.1 Treasury shares (+)		
D.2 Closing balance	80,421,052	
- fully paid-in	80,421,052	
- not fully paid-in		

13.4 Income-related reserves: other information

In compliance with art. 2427(7 bis) of the Italian Civil Code, below is the detail of the equity items revealing the origin and possibility of use and distributability.

	31.12.2025	Possible use	Available portion
A) Share capital	9,651		
B) Equity-related reserves:			
Share premium reserve	39,100	A,B,C	-
Reserve to provide for losses		-	
C) Income-related reserves:			
Legal reserve	1,930	B	-
Valuation reserve	13,057	-	
Negative goodwill	1,774	A,B,C	-
Retained earnings	196,332	A,B,C	-
Reserve for treasury shares			
Reserve for future capital increase	-		
D) Other reserves	(1,211)		-
E) Equity instruments	45,500		
F) Treasury shares			
Total	306,133		-
Profit for the year	29,042		
Total equity	335,175		-
Undistributable portion			-
Distributable portion			-

Key:

A: for share capital increase

B: to cover losses

C: for distribution to shareholders

13.5 Equity instruments: breakdown and changes

	Issuer	Type of issue	Coupon	Maturity date	Nominal amount	IFRS amount
Tier 1 Capital	Banca Sistema S.p.A.	Tier 1 subordinated loans with mixed rate: ISIN IT0004881444	From 18 June 2023, 6m Euribor +5% variable rate	Perpetual	8,000	8,018
Tier 1 Capital	Banca Sistema S.p.A.	Subordinated ordinary loans (Tier 1): ISIN IT0005450876	Fixed rate at 9% until 25 June 2031	Perpetual	37,500	37,560
Total					45,500	45,578

Therefore, the characteristics of bonds issued, which given their predominant characteristics are classified under equity instruments in item 140 of equity, are as follows:

- AT1 subordinated loan of € 8 million, with no maturity (perpetual basis) and a variable coupon starting from 19 June 2023, issued on 18 December 2012 and 18 December 2013 (reopening date);
- AT1 subordinated loan of € 37.5 million, with no maturity (perpetual basis) and a fixed coupon until 25 June 2031 at 9% issued on 25 June 2021.

Section 14 - Equity attributable to non-controlling interests - Item 190

14.1 Breakdown of item 210 "Equity attributable to non-controlling interests"

	31.12.2025	31.12.2024
Equity investments in consolidated companies with significant non-controlling interests		
1. Kruso Kapital S.p.A.	21,997	15,251
2. Pignus Credito Economico Popular S.A.	(3,668)	38
3. ProntoPegno Grecia	(621)	(477)
4. Art-Rite S.r.l.	(575)	(266)
5. Quinto Sistema 2019 S.r.l.	12	12
6. Quinto Sistema 2017 S.r.l.	9	9
7. BS IVA S.r.l.	10	10
Total	17,164	14,577

Other information

1. Commitments and financial guarantees issued (other than those designated at fair value)

	Nominal amount of commitments and financial guarantees issued				31.12.2025	31.12.2024
	First stage	Second stage	Third stage	Purchased or originated credit-impaired		
Commitments to disburse funds	621,262		9,005		630,267	801,135
a) Central Banks						
b) General governments						189,262
c) Banks						
d) Other financial corporatic	285,822				285,822	377,021
e) Non-financial corporation	334,624		9,005		343,629	226,163
f) Households	816				816	8,689
Financial guarantees issued	6,535		18,034		24,569	28,368
a) Central Banks						
b) General governments						60
c) Banks	2,446				2,446	2,446
d) Other financial corporatic	226				226	171
e) Non-financial corporation	3,833		18,034		21,867	25,661
f) Households	30				30	30

3. Assets pledged as collateral for liabilities and commitments

	Amount	
	31.12.2025	31.12.2024
1. Financial assets measured at fair value through profit or loss		
2. Financial assets measured at fair value through other comprehensive income	769,432	
3. Financial assets measured at amortised cost	406,287	203,032
4. Property and equipment		
of which: Property and equipment included among inventories		

5. Management and trading on behalf of third parties

Type of services	Amount
1. Execution of orders on behalf of customers	
a) purchases	
1. settled	
2. unsettled	
b) sales	
1. settled	
2. unsettled	
2. Individual asset management	
3. Securities custody and administration	2,010,804
a) third-party securities held as part of depositary bank services (excluding asset management)	
1. securities issued by the reporting entity	
2. other securities	
b) third-party securities on deposit (excluding asset management): other	106,414
1. securities issued by the reporting entity	2,868
2. other securities	103,546
c) third-party securities deposited with third parties	106,414
d) securities owned by the bank deposited with third parties	1,904,390
4. Other transactions	33,804

PART C - INFORMATION ON THE INCOME STATEMENT

Section 1 – Interest - Items 10 and 20

1.1 Interest and similar income: breakdown

Items/Technical forms	Debt instruments	Financing	Other transactions	2025	2024
1. Financial assets measured at fair value through profit or loss:	200			200	118
1.1 Financial assets held for trading	157			157	118
1.2 Financial assets designated at fair value through profit or loss					
1.3 Other financial assets mandatorily measured at fair value through profit or loss	43			43	
2. Financial assets measured at fair value through other comprehensive income	29,093		X	29,093	22,254
3. Financial assets measured at amortised cost:	8,262	171,432		179,694	170,541
3.1 Loans and receivables with banks		2,066	X	2,066	7,934
3.2 Loans and receivables with customers	8,262	169,366	X	177,628	162,607
4. Hedging derivatives	X	X			620
5. Other assets	X	X	1,426	1,426	2,721
6. Financial liabilities	X	X	X		
Total	37,555	171,432	1,426	210,413	196,254
of which: interest income on impaired assets					
of which: interest income on finance leases	X		X		

The total contribution of the Factoring Division, which includes both revenues from traditional factoring transactions and those deriving from SME loans guaranteed by the State, reached € 137.6 million, accounting for approximately 79% of the interest income generated by the total loans and receivables portfolio. The following are added to this income: (i) the commission component associated with the factoring business; (ii) the revenues from the sale of some receivables due from private debtors; and (iii) the income realised on the purchase and subsequent realisation of Superbonus tax receivables held for trading purposes.

Subsequent to their recognition, factoring receivables are measured at amortised cost, based on the present value of the estimated cash flows of the principal, or for all receivables whose recovery strategy involves legal action, based on the present value of the cash flows, in addition to the principal, of the default interest component that will accrue up to the expected date of collection on amounts considered recoverable. For prudential purposes, recovery rate percentages used for local authorities and public sector entities (with statistical data dating back to 2008) and for Local Health Authorities (ASLs) (with statistical data dating back to 2005) are calculated using a fifteenth-percentile confidence interval. The estimated recovery percentages and expected collection dates are updated based on annual analyses in light of the progressive consolidation of

the historical data series, which provide increasingly solid and robust estimates. In the third quarter of the current financial year, the expected rates of recovery of default interest on factoring, based on the statistical evidence that benefits from the progressive consolidation of the historical data series, were refined, as have the related collection times used were increased. The combined update of these estimates led to an increase in interest income of € 0.5 million (positive and equal to € 5.5 million at 31 December 2024). This effect is a consequence of the fact that the historical series over the last few years have settled nearer to the average collection percentages and have stabilised in terms of the number of positions. As a result, the expected recovery percentage calculated by the statistical model is now quite stable and does not fluctuate significantly.

1.3 Interest and similar expense: breakdown

Items/Technical forms	Liabilities	Securities	Other transactions	2025	2024
1. Financial liabilities measured at amortised cost	106,517	5,899		112,416	146,174
1.1 Due to Central banks		X			13,597
1.2 Due to banks	1,530	X		1,530	1,869
1.3 Due to customers	104,987	X		104,987	123,858
1.4 Securities issued	X	5,899		5,899	6,851
2. Financial liabilities held for trading					
3. Financial liabilities designated at fair value through profit or loss		115		115	
4. Other liabilities and provisions	X	X			
5. Hedging derivatives	X	X	1,132	1,132	
6. Financial assets	X	X	X		
Total	106,517	6,014	1,132	113,663	146,174
of which: interest expense related to lease liabilities	64	X	X	64	24

1.5 Hedging Spreads

	2025	2024
A. Positive differentials related to hedging operations		620
B. Negative differentials related to hedging operations		
C. Balance (A-B)	-	620

Section 2 - Net fee and commission income - Items 40 and 50

2.1 Fee and commission income: breakdown

	2025	2024
a) Financial instruments	123	136
1. Placement of securities	64	61
1.1 Underwritten and/or on a firm commitment basis	64	61
1.2 Without a firm commitment basis		
2. Order collection and transmission, and execution of orders on behalf of customers	48	62
2.1 Order collection and transmission for one or more financial instruments	48	62
2.2 Execution of orders on behalf of customers		
3. Other fees associated with activities related to financial instruments	11	13
of which: dealing on own account		
of which: individual asset management	11	13
b) Corporate Finance		
c) Investment advisory activities		
d) Clearing and settlement		
e) Custody and administration		
f) Central administrative services for collective asset management		
g) Fiduciary activities		
h) Payment services	64	71
1. Current accounts	(1)	2
2. Credit cards		
3. Debit and other payment cards	35	30
4. Bank transfers and other payment orders		
5. Other fees related to payment services	30	39
i) Distribution of third party services	1,245	1,122
2. Insurance products	1	2
3. Others products	1,244	1,120
k) Servicing of securitisations	294	397
l) Commitments to disburse funds		
m) Financial guarantees issued	365	288
n) Financing transactions	31,364	32,709
o) Foreign currency transactions		
p) Commodities		
q) Other fee and commission income	11,055	11,837
Total	44,510	46,560

Item q) Other fee and commission income consists of fees and commissions arising from collateral-backed loans, origination fees on salary- and pension-backed loan (CQ) products, as well as fees and commissions from servicing of third-party factoring transactions.

2.2 Fee and commission income: distribution channels of products and services

Channels/Amounts	2025	2024
a) at its branches:	76	76
1. asset management	11	13
2. placement of securities	64	61
3. third-party services and products	1	2
b) off-premises:		
1. asset management		
2. placement of securities		
3. third-party services and products		
c) other distribution channels:	1,244	1,120
1. asset management		
2. placement of securities		
3. third-party services and products	1,244	1,120

2.3 Fee and commission expense: breakdown

Services/Amounts	2025	2024
a) Financial instruments	101	106
of which: trading in financial instruments	101	106
of which: placement of financial instruments		
of which: individual asset management	-	-
- Proprietary		
- Delegated to third parties		
b) Clearing and settlement	71	60
c) Custody and administration		
d) Collection and payment services	603	361
of which: credit cards, debit cards and other payment cards		
e) Servicing of securitisations		
f) Commitments to receive funds		
g) Financial guarantees received	2,055	1,873
of which: credit derivatives		
h) Off-premises distribution of securities, products and services	14,088	17,415
i) Foreign currency transactions		
j) Other fee and commission expense	24	24
Total	16,942	19,839

Section 3 – Dividends and similar income – item 70

3.1 Dividends and similar income: breakdown

Items/Income	2025		2024	
	Dividends	Similar income	Dividends	Similar income
A. Financial assets held for trading				
B. Other financial assets mandatorily measured at fair value through profit or loss				
C. Financial assets measured at fair value through other comprehensive income	227		227	
D. Equity investments				
Total	227		227	

Section 4 – Net trading income (expense) – Item 80

4.1 Net trading income (expense): breakdown

	Gains (A)	Trading income (B)	Losses (C)	Trading losses (D)	Net trading income (expense) [(A+B) - (C+D)]
1. Financial assets held for trading	29,635	277		(1,325)	28,587
1.1 Debt instruments		277		(158)	119
1.2 Equity instruments					
1.3 OEIC units					
1.4 Financing					
1.5 Other	29,635			(1,167)	28,468
2. Financial liabilities held for trading					
2.1 Debt instruments					
2.2 Payables					
2.3 Other					
3. Other financial assets and liabilities: exchange rate gains (losses)	X	X	X	X	(89)
4. Derivatives					
4.1 Financial derivatives:					
- On debt instruments and interest rates					
- On equity instruments and equity indexes					
- On currencies and gold	X	X	X	X	
- Other					
4.2 Credit derivatives					
of which: natural hedges connected to the fair value option	X	X	X	X	
Total	29,635	277		(1,325)	28,498

Section 5 – Net hedging income (expense) – Item 90

5.1 Net hedging income (expense): breakdown

		31.12.2025	31.12.2024
A.	Gains on:	68	
A.1	Fair value hedging instruments	68	
A.2	Hedged financial assets (fair value)		
A.3	Hedged financial liabilities (fair value)		
A.4	Cash-flow hedging derivatives		
A.5	Assets and liabilities denominated in currency		
Total gains on hedging activities (A)		68	-
B.	Losses on:		(5)
B.1	Fair value hedging instruments		(5)
B.2	Hedged financial assets (fair value)		
B.3	Hedged financial liabilities (fair value)		
B.4	Cash-flow hedging derivatives		
B.5	Assets and liabilities denominated in currency		
Total losses on hedging activities (B)		-	(5)
C.	Net hedging result (A-B)	68	5
	of which: net gains (losses) of hedge accounting on net positions		

Section 6 - Gain from sales or repurchases - Item 100

6.1 Gain from sales or repurchases: breakdown

	2025			2024		
	Gain	Loss	Net gain	Gain	Loss	Net gain
A. Financial assets						
1. Financial assets measured at amortised cost:	6,703		6,703	6,374		6,374
1.1 Loans and receivables with banks			-			
1.2 Loans and receivables with customers	6,703		6,703	6,374		6,374
2. Financial assets measured at fair value through other comprehensive income	15,361	(4,342)	11,019	3,608		3,608
2.1 Debt instruments	15,361	(4,342)	11,019	3,608		3,608
2.4 Financing			-			
Total assets (A)	22,064	(4,342)	17,722	9,982		9,982
B. Financial liabilities measured at amortised cost						
1. Due to banks						
2. Due to customers						
3. Securities issued						
Total liabilities						

Section 8 - Net impairment losses/gains due to credit risk - Item 130

8.1 Net impairment losses due to credit risk related to financial assets measured at amortised cost: breakdown

	Impairment losses (1)						Impairment gains (2)				2025	2024
	First stage	Second stage	Third stage		Purchased or originated credit-impaired		First stage	Second stage	Third stage	Purchased or originated credit-impaired		
			Write-offs	Other	Write-offs	Other						
A. Loans and receivables with banks							7				(7)	(19)
- financing							7				(7)	(19)
- debt instruments											-	
B. Loans and receivables with customers:	2,772				18,972		11,449				10,295	930
- financing	2,743				18,972		11,445				10,270	901
- debt instruments	29						4				25	29
C. Total	2,772				18,972		11,456				10,288	911

8.1a Net impairment losses due to credit risk related to loans measured at amortised cost subject to Covid-19 support measures: breakdown

	Net impairment losses						2025	2024
	First stage	Second stage	Third stage		Purchased or originated			
			write-offs	Other	write-offs	Other		
1. Forborne loans in compliance with the EBA Guidelines								
2. Loans subject to existing moratoria no longer in compliance with the EBA Guidelines and not considered forborne								
3. Loans subject to other forbearance measures								
4. New loans	(60)				61		1	15
Total	(60)				61		1	15

8.2 Net impairment losses due to credit risk related to financial assets measured at fair value through other comprehensive income: breakdown

	Impairment losses (1)						Impairment gains (2)				2025	2024
	First stage	Second stage	Third stage		Purchased or originated credit-impaired		First stage	Second stage	Third stage	Purchased or originated credit-		
			Write-offs	Other	Write-offs	Other						
A. Debt instruments	10										10	221
B. Financing												
- To customers											-	
- To banks											-	
Total	10										10	221

Section 9 – Gains/losses from contract amendments without derecognition – Item 140

9.1 Gains (losses) from contract amendments: breakdown

Voci/Valori	2025	2024
9.1 Gains (losses) from contract amendments: breakdown	1	(102)

Section 12 – Administrative expenses – Item 190

12.1 Personnel expense: breakdown

	2025	2024
1) Employees	31,530	30,277
a) wages and salaries	20,767	17,971
b) social security charges	5,303	5,011
c) post-employment benefits		
d) pension costs		
e) accrual for post-employment benefits	1,733	1,458
f) accrual for pension and similar provisions:	-	-
- defined contribution plans		
- defined benefit plans		
g) payments to external supplementary pension funds:	363	362
- defined contribution plans	363	362
- defined benefit plans		
h) costs of share-based payment plans		
i) other employee benefits	3,364	5,475
2) Other personnel	155	452
3) Directors and statutory auditors	1,902	1,722
4) Retired personnel		
5) Recovery of costs for employees of the Bank seconded to other entities	(82)	(259)
6) Reimbursement of costs for employees of other entities seconded to the Bank	98	259
Total	33,603	32,451

12.2 Average number of employees by category

Employees

a) Senior managers	29
b) Middle managers (Q4 – Q3)	67
c) Remaining employees	266

12.5 Other administrative expenses: breakdown

Other administrative expenses	2025	2024
IT expenses	11,530	9,881
Consultancy and professional services	4,438	2,955
Regulatory development and compliance consultancy	1,568	1,325
Legal and professional consultancy	2,427	1,175
Audit expenses	443	455
Credit-related expenses	18,236	11,220
Insurance coverage expenses	5,732	2,292
Credit recovery expenses	7,692	4,098
Origination expenses	2,566	2,435
Servicing and collection activities	1,915	1,922
Legal dispute expenses	331	473
Other operating expenses	3,336	3,316
Outsourcing and consultancy expenses	940	947
Additional operating expenses	1,031	1,081
Vehicle management expenses	533	568
Association contributions	384	361
Cash transport expenses	257	180
Insurance	191	179
Advertising and communication expenses	2,137	1,677
Real estate-related expenses	2,434	2,304
Other real estate-related expenses	675	844
Maintenance expenses	721	572
Utility and cleaning expenses	634	502
Concierge and surveillance expenses	404	386
Personnel-related expenses	2,588	2,700
Vehicle rental and related expenses	769	876
Travel and representation reimbursements	914	934
Other personnel-related expenses	498	505
Agent-related expenses	407	385
Indirect taxes and duties	2,842	2,626
Total operating costs	47,541	36,679
Resolution fund	-	-
Extraordinary charges	-	-
Total	47,541	36,679

Section 13 – Net accruals to provisions for risks and charges – Item 200

13.2 Net accruals for other commitments and other guarantees issued: breakdown

	2025	2024
Net accruals for commitments and guarantees	22	31
Total	22	31

13.3 Net accruals to other provisions for risks and charges: breakdown

	2025	2024
Provisions for risks and charges - other provisions and risks	(7,485)	(3,456)
Release of provisions for risks and charges		
Total	(7,485)	(3,456)

Section 14 – Net impairment losses on property and equipment – Item 210

14.1 Net impairment losses on property and equipment: breakdown

	Depreciation (a)	Impairment losses (b)	Impairment gains (c)	Carrying amount (a + b - c)
A. Property and equipment				
1. Operating assets	(3,164)			(3,164)
- owned	(1,482)			(1,482)
- right-of-use assets acquired under lease	(1,682)			(1,682)
2. Investment property				
- owned				-
- right-of-use assets acquired under lease				-
3. Inventories				
Total	(3,164)			(3,164)

Section 15 – Net impairment losses on intangible assets – Item 220

15.1 Net impairment losses on intangible assets: breakdown

	Depreciation (a)	Impairment losses (b)	Impairment gains (c)	Net gain Carrying amount (a + b - c)
A. Intangible assets				
of which: software				
A.1 Owned	(1,328)			(1,328)
- Developed internally				
- Other	(1,328)			
A.2 Right-of-use assets acquired under				
Total	(1,328)			(1,328)

Section 16 – Other operating income (expense) – Item 230

16.1 Other operating expense: breakdown

	2025	2024
Amortisation of leasehold improvements	(675)	(665)
Other operating expense	(2,631)	(5,938)
Total	(3,306)	(6,603)

16.2 Other operating income: breakdown

	2025	2024
Recoveries of expenses on current accounts and deposits for sundry taxes	830	925
Recoveries of sundry expenses	1,100	463
Other income	2,848	2,981
Total	4,778	4,369

Section 17 – Gains (losses) on equity investments – Item 250

17.1 Gains (losses) on equity investments: breakdown

	2025	2024
A. Income	190	
1. Revaluations		
2. Gains on sale		
3. Impairment gains		
4. Other income	190	
B. Expense		(11)
1. Write-offs		
2. Impairment losses		
3. Losses on sale		
4. Other expense		(11)
Net gain	190	(11)

Section 19 - Impairment losses on goodwill - Item 270

19.1 Impairment losses on goodwill: breakdown

	31/12/2025	31/12/2024
Impairment goodwill Kruso Kapital	(13,299)	
Net gain	(13,299)	

Section 21 – Income taxes – Item 300

21.1 Income taxes: breakdown

	2025	2024
1. Current taxes (-)	(29,676)	(9,494)
2. Changes in current taxes of previous years (+/-)	379	(4)
3. Decrease in current taxes for the year (+)		
3bis. Decrease in current taxes for the year due to tax assets pursuant to Law no. 214/2011 (+)		
4. Changes in deferred tax assets (+/-)	2,453	(2,595)
5. Changes in deferred tax liabilities (+/-)	2,658	(3,281)
6. Tax expense for the year (-) (-1+/-2+3+/-4+/-5)	(24,186)	(15,374)

21.2 Reconciliation between theoretical and effective tax expense

IRES (CORPORATE INCOME TAX)	Taxable income	IRES (CORPORATE INCOME TAX)	%
Theoretical IRES expense	67,897	(18,672)	27.50%
Permanent increases	6,415	(1,764)	2.60%
Temporary increases	32,283	(8,878)	13.08%
Permanent decreases	(601)	165	-0.24%
Temporary decreases	(15,328)	4,215	-6.21%
Other tax effects from foreign companies	(75)	21	-0.03%
Effective IRES expense	90,591	(24,913)	36.69%
IRAP (REGIONAL BUSINESS TAX)	Taxable income	IRAP (CORPORATE INCOME TAX)	%
Theoretical IRAP expense	67,897	(3,782)	5.57%
Permanent increases	103,971	(5,791)	8.53%
Temporary increases	6,161	(343)	0.51%
Permanent decreases	(87,604)	4,880	-7.19%
Temporary decreases	(7,434)	414	-0.61%
Other tax effects from foreign companies	(1,922)	107	-0.16%
Effective IRAP expense	81,069	(4,516)	6.65%
Total effective IRES and IRAP expense	171,660	(29,428)	43.34%
Deferred tax liabilities		3,303	-4.86%
Deferred tax assets		1,939	-1.86%
Totale effective Tax expense		(24,186)	35.62%

Section 23 - Profit (loss) attributable to non-controlling interests - Item 340

	2025	2024
Equity investments in consolidated companies with significant non-controlling interests	(1,324)	1,285
1. Kruso Kapital S.p.A.	2,835	1,685
2. ProntoPegno Greece	(144)	(226)
3. Art-Rite Srl	(309)	(173)
4. Pignus Credito Economico Popolar S.A.	(3,706)	
Other investments	-	-
Total	(1,324)	1,285

Section 24 - Other Information

Nothing to report.

Section 25 – Earnings per share

Earnings per share (EPS)	2025	2024
Profit for the year (thousands of Euro)	29,042	25,199
Average number of outstanding shares	80,403,494	80,333,104
Basic earnings per share (basic EPS) (in Euro)	0.361	0.314
Diluted earnings per share (diluted EPS) (in Euro)	0.361	0.314

EPS is calculated by dividing the profit attributable to holders of ordinary shares of Banca Sistema (numerator) by the weighted average number of ordinary shares (denominator) outstanding during the year.

PART D – OTHER COMPREHENSIVE INCOME

BREAKDOWN OF COMPREHENSIVE INCOME

Voci		31.12.2025	31.12.2024
10.	Profit (loss) for the year	29,042	25,199
	Items, net of tax, that will not be reclassified subsequently to profit or loss		
20.	Equity instruments designated at fair value through other comprehensive income:		
30.	Financial liabilities designated at fair value through profit or loss (changes in own credit rating):		
40.	Hedging of equity instruments designated at fair value through other comprehensive income:		
50.	Property and equipment	2,549	6,483
60.	Intangible assets		
70.	Defined benefit plans	191	(234)
80.	Non-current assets held for sale		
90.	Share of valuation reserves of equity-accounted investments		
100.	Income taxes on items that will not be reclassified subsequently to profit or loss		
	Items, net of tax, that will be reclassified subsequently to profit or loss		
110.	Hedges of foreign investments:		
120.	Exchange rate gains (losses):		
130.	Cash flow hedges:		
140.	Hedging instruments (non-designated elements):		
150.	Financial assets (other than equity instruments) measured at fair value through other comprehensive income:	6,206	10,216
	a) fair value gains (losses)	4,306	4,884
	b) reclassification to profit or loss	1,900	5,332
	- impairment losses due to credit risk	11	220
	- gains/losses on sales	1,889	5,112
	c) other changes		
160.	Non-current assets held for sale and disposal groups:		
170.	Share of valuation reserves of equity-accounted investments:		
180.	Income taxes on items that will be reclassified subsequently to profit or loss		
190.	Total other comprehensive income (expense)	8,946	16,465
200.	Comprehensive income (expense) (10+130)	37,988	41,664
210.	Comprehensive income attributable to non-controlling interests		
220.	Comprehensive income attributable to the owners of the parent	37,988	41,664

PART E - INFORMATION CONCERNING RISKS AND RELATED HEDGING POLICIES

SECTION 1 – CONSOLIDATION RISKS

Quantitative disclosure

A. Credit quality

A.1 Impaired and unimpaired loans: carrying amounts, impairment losses, performance and business breakdown

A.1.1 Breakdown of financial assets by portfolio and by credit quality (carrying amounts)

	Bad exposures	Unlikely to pay	Non-performing past due exposures	Performing past due exposures	Other performing exposures	Total
1. Financial assets measured at amortised cost	96,923	48,482	218,875	88,523	2,158,058	2,610,861
2. Financial assets measured at fair value through other comprehensive income					1,180,929	1,180,929
3. Financial assets designated at fair value through profit or loss						
4. Other financial assets mandatorily measured at fair value through profit or loss					1,561	1,561
5. Financial assets held for sale						
Total 31.12.2025	96,923	48,482	218,875	88,523	3,340,548	3,793,351
Total 31.12.2024	141,459	33,363	100,498	305,055	3,434,683	4,015,058

A.1.2 Breakdown of financial assets by portfolio and by credit quality (gross amount and carrying amount)

	Non-performing				Performing			Total (carrying amount)
	Gross amount	Total impairment losses	Net exposure	overall partial write-offs	Gross amount	Total impairment losses	Net exposure	
1. Financial assets measured at amortised cost	422,092	57,812	364,280		2,251,864	5,282	2,246,581	2,610,861
2. Financial assets measured at fair value through other comprehensive income					1,181,305	376	1,180,929	1,180,929
3. Financial assets designated at fair value through profit or loss								
4. Other financial assets mandatorily measured at fair value through profit or loss							1,561	1,561
5. Financial assets held for sale								
Total 31.12.2025	422,092	57,812	364,280		3,433,169	5,658	3,429,071	3,793,351
Total 31.12.2024	332,805	57,486	275,319		3,747,819	8,081	3,739,738	4,015,057

B. Disclosure of structured entities (other than securitisation companies)*B.1 Consolidated structured entities*

No such items existed at the reporting date.

B.2. Unconsolidated structured entities

No such items existed at the reporting date.

B.2.1. Prudentially consolidated structured entities

No such items existed at the reporting date.

B.2.2. Other structured entities

No such items existed at the reporting date.

SECTION 2 – PRUDENTIAL CONSOLIDATION RISKS

1.1 Credit risk

Qualitative disclosure

1. General aspects

In order to manage the significant risks to which it is or could be exposed, the Banca Sistema Group has set up a risk management system that reflects the characteristics, size and complexity of its operations.

In particular, this system hinges on four core principles:

- suitable supervision by relevant bank bodies and departments;
- satisfactory risk management policies and procedures;
- suitable methods and instruments to identify, monitor and manage risks, with suitable measuring techniques; thorough internal controls and independent reviews.

In order to reinforce its ability to manage corporate risks, the Bank established the Risk, ALM and Sustainability Committee - a committee independent of the Board of Directors, which supports the CEO in defining strategies, risk policies and profitability targets.

The Risk, AML and Sustainability Committee continuously monitors the relevant risks and any new or potential risks arising from changes in the working environment or forward-looking operations.

With reference to the new regulation in matters of the operation of the internal control system, in accordance with the principle of collaboration between the control functions, the Internal Control, Risk Management and Sustainability Committee (a Board committee) was assigned the role of coordinating all the control functions.

The Risk and Sustainability Department of the Parent is responsible for the guidance, coordination and management of the Group's risks.

The methods used to measure, assess and aggregate risks are approved by the Board of Directors, based on proposals from the Risk and Sustainability Department, subject to approval by the Risk, AML and Sustainability Committee. In order to measure "Pillar 1 risks", the Group has adopted standard methods to calculate the capital requirements for Prudential Regulatory purposes.

In order to evaluate non-measurable "Pillar 2 risks", the Group adopts - where possible - the methods stipulated under Supervisory regulations or those established by trade associations. If there are no such indications, standard market practices by operators working at a level of complexity and with operations comparable to those of the Bank are assessed.

With reference to the provisions in matters of regulatory supervision (15th update of circular no. 263 - New prudential supervisory provisions for banks), a series of obligations on risk management and control, including the Risk Appetite Framework (RAF) and the regulatory instructions defined by the Basel Committee were introduced. The Bank has tied the strategic objectives to the RAF. The key ratios and the respective levels were assessed and any revisions needed were made while defining the bank's annual objectives.

In particular, the RAF was designed with key objectives to verify that over time, the business grows and develops observing capital strength and liquidity obligations, implementing monitoring and alert mechanisms and related series of actions that allow prompt intervention in case of significant discrepancies.

The structure of the RAF is based on specific indicators called Key Risk Indicators (KRI) which measure the Group's solvency in the following areas:

- Share capital;
- Liquidity;
- Quality of the loans and receivables portfolio;
- Profitability;
- Other specific risks the Group is exposed to.

Target levels, which are adjusted according to the expected development of the business in the Plan and/or the Budget reviews, the level I thresholds, defined as "warning" thresholds, that trigger discussion at Risk, AML and Sustainability Committee level and subsequent communication to the Board of Directors and the level II thresholds, that require direct discussion in the Board of Directors' meeting to determine the actions to be taken are associated with the various key indicators.

The level I and II thresholds are defined with scenarios of potential stress with respect to the plan's objectives and on dimensions having a clear impact for the Group.

Starting from 1 January 2014, the Group used an integrated reference framework both to identify its own risk appetite and for the internal process entailing the determination of the capital adequacy (Internal Capital Adequacy Assessment Process - ICAAP). Starting in 2017, it also implemented the Internal Liquidity Adequacy Assessment Process (ILAAP).

As concerns this matter, the Bank fulfils the public disclosure requirements with the issuing of Circular no. 285 of 17 December 2013 "Prudential supervisory provisions for banks" in which the Bank of Italy transposed Directive 2013/36/EU (CRD IV) of 26 June 2013. This regulation, together with that contained in Regulation (EU) no. 575/2013 ("CRR") incorporates the standards defined by the Basel Committee on Banking Supervision ("Basel III").

However, starting from 30 June 2021, the provisions of Regulation 2019/876 (CRR II) of 20 May 2019 entered into force. This Regulation amended Regulation (EU) No.

575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, and reporting and disclosure requirements.

Public disclosure by institutions (Pillar 3) is therefore directly governed by:

- CRR II (Regulation 2019/876) Part Eight "Disclosure by Institutions", as amended;
- Regulation (EU) 2021/637 of 15 March 2021, as amended.

The prudential supervisory provisions provide for the banks the possibility to determine the weighting coefficients for the calculation of the capital requirement with respect to credit exposure within the standardised approach based on the creditworthiness ratings issued by External Credit Assessment Institutions (ECAI) of the Bank of Italy.

As at 31 December 2025, the Group uses the appraisal issued by the ECAI "DBRS", for the exposures to Central Authorities, Territorial Entities and Public Sector Institutions, whereas, as concerns the valuations related to the regulatory business and other parties segment, it uses the agencies "Fitch Ratings" and Standard & Poor's.

The identification of a reference ECAI does not represent in any way, in subject matter or in purposes, an assessment on the merit of the opinions made by the ECAI or a support of the methodologies used, for which the External Credit Assessment Institutions remain solely responsible.

The assessments issued by the rating agencies do not exhaust the creditworthiness assessment process that the Group performs with regard to its customers; rather they represent a further contribution to define the information framework regarding the credit quality of the customer.

The satisfactory appraisal of the borrower's creditworthiness, with regards to capital and income, and of the correct remuneration of the risk, are made based on documentation acquired by the Group; the information acquired from the Bank of Italy Central Credit Register and from other infoproviders, both when decisions are made and during the subsequent monitoring, complete the informational framework.

For Banca Sistema, credit risk is one of the Group's main components of overall exposure; the loans and receivables portfolio predominantly consists of National Institutions of the Public Administration, such as local health authorities/Hospitals, Territorial entities (Regions, Provinces and Municipalities) and Ministries that, by definition, entail a very limited default risk.

The main components of Banca Sistema Group's operations that generate credit risk are:

- Factoring activities (with and without recourse);

- Medium-term corporate loans (with guarantee from SACE or the National Guarantee Fund - FNG)
- EIF Loans
- Acquisition without recourse of salary-/pension-backed/directly originated loans;
- Collateralised Lending (mainly secured by gold).

2. Credit Risk Management Policies

2.1 Organisational aspects

The Group's organisational model provides that the preliminary credit assessment procedure be performed carefully in accordance with the decision-making powers reserved to the decision-making bodies.

In order to maintain the high credit quality of its loans and receivables portfolio, the Bank, following the divisionalisation process, has set up separate Credit Committees for the two Factoring and CQ Divisions, within which decisions may be taken up to pre-defined credit mandates, while a CEO Credit Committee has been set up for transactions that exceed the powers of the individual Divisions up to the limits delegated by the Board of Directors to the Chief Executive Officer. At the same time, the Credit Coordination Committee was introduced, which makes it possible to ensure consistency in the granting of credit and close monitoring of individual positions. Level II activities relating to risk control are centralised in the Parent's Risk and Sustainability Department which also coordinates with the Compliance, Anti-Money Laundering and Risk Department of the Kruso Kapital subsidiary for risk-related activities.

In light of the above, the analyses conducted for the granting of credit are carried out by the Bank's Underwriting Departments, which report to their respective Divisions. For the Factoring Division, the Department performs assessments focused on the separate analysis and extension of credit to counterparties (assignor and debtor) and on managing the related financial transactions. This takes place in all normal phases of the credit process, summarised as follows:

- "analysis and assessment": the gathering of quantitative and qualitative information from the counterparties under examination and within the system allows an opinion of the party's reliability to be obtained and is helpful in quantifying the proposed line of credit;
- "deliberation and formalisation": once the proposal has been deliberated upon, the contractual documentation to be signed by the counterparty is prepared by the Legal Department;
- "monitoring the relationship": the regular control of the counterparties benefiting from the credit allows any anomalies to be identified and consequently prompt intervention.

Credit risk is mainly generated as a direct result of the definitive acquisition of credit from the customer company versus the insolvency of the assigned debtor. In particular, the credit risk generated by the factoring portfolio essentially consists of public entities.

With regard to each credit acquired, Banca Sistema, via the Collection and Disputes Department and as provided for in the "collection policy", undertakes the activities described further on in order to verify the credit status, and whether or not there are any impediments to the payment of the invoices to be assigned, and the date scheduled for the payment thereof.

Specifically, the structures of the relevant Department undertake:

- to verify that each credit is certain, liquid and collectable, i.e. there are no disputes or complaints and that there is no further request for clarification or information with regard to said credit and should there be any, that said requests are promptly satisfied;
- to verify that the debtor has received and recognised in its system the related deed of assignment or mandate, i.e. it is aware that the credit has been assigned to Banca Sistema or that the collection and management mandate has been issued;
- to verify that the debtor, where provided for by the assignment agreement and by the purchase offer, has formalised its acceptance of the assignment of the related credit or has not rejected it in accordance with law;
- to verify that the debtor has received all the documentation required to proceed with the payment (copy of invoice, orders, bills, transportation documents, etc.) and that it has recognised the corresponding debt in its system (existence of the credit);
- to verify c/o the local and/or regional institutions: the existence of specific allocations, available cash;
- to verify the payment status of the credits via meetings c/o the Public Administrations and/or debtor agencies, telephone contacts, emails, etc. in order to facilitate the ascertainment and the removal of any obstacles that could delay and/or impede payment;
- initiating out-of-court and legal recovery actions against assigned debtors and/or assignors.

With regard to the SME Loans product, beginning in February 2017, it was decided to exit this segment of the market as well as the run-off of prior exposures in the portfolio. On this basis, credit risk is associated with the inability of the two counterparties involved in the loan to honour their financial commitments, i.e.:

- the debtor (SME);
- the Guarantee Fund (the Government of Italy).

The type of loan follows the usual operating process concerning the preliminary assessment, the disbursement and the monitoring of the credit.

In particular, two separate due-diligence procedures are performed on this type of loan (one by the Bank and the other by Mediocredito Centrale, so-called MCC) on the borrower of funds.

The debtor's insolvency risk is mitigated by direct (i.e. that referring to an individual exposure), explicit, unconditional and irrevocable guarantee by the Guarantee Fund, the sole Manager of which is MCC.

However, since 2020, the Bank has resumed granting loans to SMEs with National Guarantee Fund or SACE guarantees exclusively to factoring customers.

As regards the CQ Division, this activity is carried out through the direct origination of loans mainly through agents/brokers or through the acquisition of salary-/pension-backed loan portfolios. The credit risk is associated with the inability of the three counterparties involved in the loan process to honour their financial commitments, i.e.:

- the employer (ATC) / debtor
- the assigning finance company or bank (only in the case of receivable purchases)
- the insurance company

The insolvency risk of the employer (ATC) / debtor is generated in the following cases:

- default of employer (e.g.: bankruptcy);
- the debtor losing his job (e.g.: resignation/ dismissal of the debtor) or reduction of remuneration (e.g.: redundancy fund);
- death of the debtor;
- over-indebtedness resolution procedure/debtor restructuring plan.

The risks described above are mitigated by the mandatory subscription of life and employment insurance policies. In detail:

- the policy for credit risk requires the insurance company to provide cover in the event of loss of employment (even when it is the result of a default by the Atc); it should be noted that prior to requesting compensation from the insurance company (when possible), the post-employment benefits (TFR) is required as collateral - the life risk policy requires the insurance company to provide cover in the event of death; the possibility of acting on the heirs for any outstanding instalments prior to the event of premature death remains if they are not covered by the insurance company.

The Bank is subject to the insolvency risk of the insurance company in the event that a claim is made upon a loan. In order to mitigate this risk, the Bank requires that the

outstanding loans and receivables portfolio be insured by several insurance companies observing the following terms:

- any new insurance company proposed by the assignors must be approved by the Bank's CEO Credit Committee;
- an individual company with no rating or with rating lower than Investment Grade may insure a maximum of 30% of the cases;
- an individual company of Investment Grade may insure a maximum of 40% of the cases.

The employer insolvency risk is generated for portfolio purchases if a case is retroceded back to the employee, which must therefore, repay the credit to the Bank. The Framework Agreement signed with the employer provides for the possibility of returning the credit in the cases of fraud on the part of the employer/debtor or in any case, of non-observance, on the part of the employer, of the criteria underwritten in the Framework Agreement.

As concerns the financial instruments held on its own account, the Bank performs security purchase transactions regarding Italian government debt, which are allocated based on the investment strategy, to the HTC, HTCS and HTS portfolios. In addition, the Bank has a position in Securities Asset Management, almost all of which is invested in government bonds.

With reference to the aforementioned transactions the Bank identified and selected specific IT applications to manage and monitor the treasury limits on the securities portfolio and to set up the second level controls.

The Treasury Department, operating within the limits allowed by the Board of Directors, conducts said transactions.

2.2 Management, measurement and control systems

The Group sets effective Credit Risk Management as a strategic objective via instruments and processes integrated to ensure a correct credit management in all phases (processing, disbursement, monitoring and management, intervening on loans with credit quality problems).

By involving the various central structures of Banca Sistema and through the specialisation of the resources and the segregation of duties at each decision-making level, it seeks to guarantee a high degree of efficiency and standardisation in overseeing credit risk and monitoring the individual positions.

With specific reference to the monitoring of credit activities, the Bank, via the collection meetings, assesses and inspects the loans and receivables portfolio based upon the guidelines defined within the "collection policy". The framework related to the above credit risk ex-post monitoring sets the objective of promptly identifying any anomalies

and/or discontinuities and evaluating the persistence of risk profiles, in line with the strategic indications provided.

Regarding the credit risk of the bond portfolio, in 2025 the purchase of Italian government bonds classified as financial assets available for sale (formerly "Available for Sale" now HTCS) continued along with the purchase of government bonds classified as assets to be held to maturity (HTC). Said financial assets, which in virtue of their classification fall within the perimeter of the "banking book" although outside of the bank's traditional investment activity, are sources of credit risk. This risk consists in the issuer's inability to redeem, upon maturity, all or part of the bonds subscribed.

Furthermore, the formation of a portfolio of highly liquid assets is also expedient for anticipating the trend of the prudential regulations in relation to the governance and management of liquidity risk.

As concerns counterparty risk, Banca Sistema's operations call for reverse repurchase and repurchase agreements being that Italian government securities are the predominant underlying instrument and the Compensation and Guarantee Fund is the counterparty.

At 31 December 2025, there were no repurchase agreements in place with the Compensation and Guarantee Fund.

The Banca Sistema Group purchased tax credits from "Eco-Sisma bonus 110%" for trading purposes, which also generated counterparty risk. It should be noted that a residual portion of the risk is also generated by Nectar's senior notes 1 and 2.

2.3 Methods for measuring expected losses

The general approach defined by IFRS 9 for estimating impairment is based on a process aimed at giving evidence of the deterioration of a financial instrument's credit quality from the date of initial recognition to the reporting date. The regulatory guidance on assigning loans and receivables to the various stages under the Standard ("staging" or "stage allocation") calls for the identification of significant changes in credit risk based on the changes in a counterparty's creditworthiness since initial recognition, the expected life of the financial asset and other forward-looking information that may affect credit risk.

Consistently with the provisions of IFRS 9, performing loans are therefore divided into two categories:

- Stage 1: this bucket contains assets that do not show signs of significant deterioration in credit quality. For this stage the expected one-year credit loss is calculated on a collective basis;
- Stage 2: this bucket contains assets that show signs of significant deterioration in credit quality from the date of initial recognition to the reporting date. The expected loss for this bucket must be calculated on a lifetime basis, i.e. over the entire duration of the instrument, on a collective basis.

2.4 Credit Risk mitigation techniques

The strategies pursued by the Banking Group require that credit lines be preferably backed by appropriate guarantees and instruments to mitigate risk.

The Banca Sistema Group has implemented the requirements set forth in Regulation (EU) 575/2013 for the purposes of recognising the effects of mitigating credit risk due to collateral and personal guarantees in place for credit protection. In addition to the insurance policies taken out with specialist operators for risk mitigation purposes, a particularly significant role among financial guarantees is also played by the cover provided by public bodies such as SACE.

As concerns credit and counterparty risk on the securities portfolio and on the repurchase agreements, risk mitigation is pursued by a careful management of the operational autonomy, establishing limits in terms of both responsibility and consistency and composition of the portfolio by type of securities.

3. Non-performing exposures

The Banca Sistema Group defined its credit quality policy based on the provisions in the Bank of Italy Circular no. 272 (Accounts matrix), the main definitions of which are provided on the following pages.

The Supervisory Provisions for Banks assign to intermediaries specific obligations concerning the monitoring and classification of loans: "The obligations of the operating units in the monitoring phase of the loan granted must be deducible from the internal regulation. In particular, the terms and methods of action must be set in the event of anomalies. The criteria for measurement, management and classification of irregular loans, as well as the related responsible units, must be set through a resolution by the Board of Directors in which the methods for connecting these criteria with those required for the supervisory reports are indicated. The Board of Directors must be regularly informed on the performance of the irregular loans and the related recovery procedures".

According to the definitions in the above-mentioned Bank of Italy Circular, "non-performing" financial assets are defined as those that lie within the "bad exposures", "unlikely to pay" or "past due and/or overdrawn exposures" categories.

Exposures whose anomalous situation is attributable to factors related to "country risk" are not included in "non-performing" financial assets.

In particular, the following definitions apply:

Bad exposures

On- and off-statement of financial position exposures (loans, securities, derivatives, etc.) owed by a party in state of insolvency (even if not judicially ascertained) or in broadly similar situations, regardless of any loss forecast formulated by the Group (cf. art. 5 bankruptcy law). The definition therefore applies regardless of the existence of any collateral or personal guarantee provided as protection against the exposures.

This class also includes:

- a) the exposure to local institutions (municipalities and provinces) in state of financial difficulty for the portion subject to the applicable liquidation procedure;
- b) receivables acquired from third parties in which the main debtors are non-performing, regardless of the portfolio's accounting allocation.
- (c) exposures to entities that qualify for classification as bad exposures and have one or more credit lines that meet the definition of non-performing exposures with forbearance measures.

Unlikely to pay

The classification in this category is first and foremost based on the Bank's judgement regarding the unlikelihood that, without having to resort to actions such as enforcing the guarantees, the debtor will completely (with regard to principal and/or interest) fulfil its credit obligations. This assessment is made independently of whether any sums (or instalments) are past due and not paid. It is therefore unnecessary to wait for explicit symptoms of irregularity (non-repayment) if there are elements that entail a situation of default risk on the part of the debtor (e.g. a crisis in the industrial sector in which the debtor operates). The set of on- and off-statement of financial position exposures to the same debtor in the above conditions is named "unlikely to pay", unless the conditions for classifying the debtor under bad exposures exist. The exposures to retail parties may be classified in the unlikely to pay category at the level of the individual transaction, provided that the Bank has assessed that the conditions for classifying the set of exposures to the same debtor in that category do not exist.

Past due and/or overdrawn exposures

These are understood to be the on-statement of financial position exposures at carrying amount and off-statement of financial position exposures (loans, securities, derivatives, etc.), other than those classified as bad exposures and unlikely to pay, that, on the reference date of the report, are past due or overdrawn.

Past due and/or overdrawn exposures can also be determined by referring to the individual debtor or the individual transaction.

Starting from 1 January 2021, the Banca Sistema Group applies the rules envisaged by the introduction of the new definition of default by applying the EBA Guidelines.

a) Individual debtor approach

The overall exposure to a debtor shall be recognised as past due and/or overdrawn, in accordance with Delegated Regulation (EU) No 171/2018 of the European Commission of 19 October 2017, if, at the date of the report, the amount of principal, interest or fees outstanding at the due date exceeds both of the following thresholds: a) absolute limit of € 100 for retail exposures and of € 500 for non-retail exposures; b) relative limit

of 1% as determined by the ratio of the total past due and/or overdrawn amount to the total amount of all credit exposures to the same debtor.

The thresholds must be exceeded continuously, in other words for 90 consecutive days except for certain types of commercial exposures to central authorities, local authorities and public sector entities for which the provisions of paragraphs 25 and 26 of the Guidelines apply. The provisions set out in paragraphs 16 to 20 of the Guidelines apply when calculating the number of past due days. The provisions set out in paragraph 23(d) and paragraphs 27 to 32 of the Guidelines apply to factoring transactions. For exposures involving instalments, the rules set out in article 1193 of the Italian Civil Code apply to the allocation of payments to individual instalments that are past due, unless otherwise specifically agreed in the contract. Where credit exposures are required to be broken down by past due range, the number of past due days is counted from the date when the first default occurs for each exposure, regardless of whether the thresholds are exceeded. If a debtor has several exposures that are past due and/or overdrawn by more than 90 days, these exposures shall be reported separately in the corresponding past due ranges.

b) Individual transaction approach

Past due and/or overdrawn exposures to retail parties may be determined at the level of the individual transaction. Whether an individual transaction approach or an individual debtor approach is chosen shall reflect internal risk management practices. An exposure that is past due or overdrawn shall be recognised as past due and/or overdrawn, in accordance with Delegated Regulation (EU) No 171/2018 of the European Commission of 19 October 2017, if, at the date of the report, it exceeds both of the following thresholds: a) absolute limit of € 100; b) relative limit of 1% as determined by the ratio of the total amount past due or overdrawn to the total amount of the entire credit exposure. The thresholds must be exceeded continuously, in other words for 90 consecutive days. If the entire amount of an on-statement of financial position credit exposure that is past due and/or overdrawn for more than 90 days is equal to or greater than 20% of the total on-statement of financial position credit exposures to the same debtor, the total on- and off-statement of financial position credit exposures to that debtor must be considered past due and/or overdrawn (the so-called "pulling effect"). The numerator and denominator are calculated using the carrying amount for securities and the on-statement of financial position credit exposure for other credit positions.

In the calculation of the capital requirement for the credit and counterparty risk, Banca Sistema uses the standardised approach. This envisages that the exposures that lie within the portfolios related to "Central Authorities and Central Banks", "Territorial entities", and "Public sector institutions" and "Businesses", must apply the notion of past due and/or overdrawn exposures at the level of the debtor party.

Forborne exposures

Forborne exposures are defined as exposures that fall into the category "Non-performing exposures with forbearance measures" and "Forborne performing exposures" as defined by the Implementing Technical Standards (ITS).

A forbearance measure represents a concession towards a debtor which faces or is about to face difficulties in fulfilling its financial obligations ("financial difficulties"); a "concession" indicates one of the following actions:

- an amendment of the previous terms and conditions of a contract which the debtor is considered unable to fulfil due to its financial difficulties, that would not have been granted if the debtor was not in financial difficulty;
- a total or partial refinancing of a problem loan that would not have been granted if the debtor was not in financial difficulty.

Non-performing exposures with forbearance measures: individual on-statement of financial position exposures and revocable and irrevocable commitments to disburse funds that meet the definition of "Non-performing exposures with forbearance measures" in Annex V, Part 2, paragraph 262 of the ITS. Such exposures shall be classified as bad exposures, unlikely to pay or past due and/or overdrawn exposures, as appropriate, and shall not form a separate category of impaired assets.

The qualitative and quantitative criteria set out in paragraphs 49 to 55 of the EBA Guidelines for a distressed restructuring must also be considered when classifying forborne exposures among non-performing exposures.

Forborne performing exposures: this category includes other credit exposures that fall within the category of "forborne performing exposures" as defined in the ITS.

3.1 Management strategies and policies

The current regulatory framework requires impaired financial assets to be classified according to their criticality. More specifically, there are three categories: "bad exposures", "unlikely to pay" and "past due and/or overdrawn exposures".

- Bad exposures: exposures owed by a party in state of insolvency (even if not judicially ascertained) or in broadly similar situations, regardless of the loss forecasts formulated by the institution.

- Unlikely to pay: exposures for which the institution considers it unlikely that the debtor will fully meet its obligations without having to resort to actions such as the enforcement of guarantees, regardless of whether there are any past due and/or overdrawn amounts.

- Past due and/or overdrawn exposures: exposures, other than those classified as bad exposures or unlikely to pay, which have been continuously past due and/or overdrawn for more than 90 days.

Forborne exposures, which refer to exposures that are subject to renegotiation and/or refinancing due to the customer's financial difficulties (whether evident or developing), are also classified. These exposures may constitute a subset of non-performing loans (non-performing exposures with forbearance measures) and performing loans (forborne performing exposures). The management of these exposures, in compliance with the regulatory provisions regarding timing and classification methods, is supported by specific work processes and IT tools.

The Group has a policy that establishes criteria and methods for recognising impairment losses by standardising the rules that, depending on the type of non-performing loan and its original technical form, define the methods and processes used to determine expected losses. The management of non-performing exposures is assigned to the Credit Departments of the Divisions, which are responsible for identifying strategies for maximising collection on individual positions and establishing the impairment losses to be recognised for those positions through a formalised process.

The expected loss reflects a number of elements derived from various internal and external assessments of the financial condition of the main debtor and any guarantors. Expected losses are continuously monitored and compared to the changes in each position. The Risk Department oversees the collection of non-performing loans.

In order to maximise collections, the relevant departments identify the best strategy for managing non-performing exposures, which, based on the subjective characteristics of the individual counterparty/exposure and internal policies, may include amending the contractual terms (forbearance), establishing the methods for loan collection, or assigning the credit to third parties (either for individual exposures or for a group of positions with similar characteristics).

3.2 Write-offs

Non-performing exposures for which collection is not possible (whether in full or in part) are written off from the accounting records in compliance with the policies in force at the time and subject to approval by the Group's Board of Directors.

3.3 Purchased or originated credit-impaired financial assets

In accordance with "IFRS 9 - Financial Instruments", in some cases a financial asset is considered impaired at initial recognition because the credit risk is very high, and in the case of a purchase, it is acquired at a significant discount (compared to the original disbursement value). If the financial assets in question, based on the application of the classification drivers (i.e. SPPI test and business model), are classified among assets measured at amortised cost or at fair value through other comprehensive income, they are classified as "Purchased or Originated Credit-Impaired" (in short "POCI") and are subject to specific treatment. More specifically, impairment losses equal to the lifetime expected credit loss (ECL) are recognised from the date of initial recognition over the asset's entire life. In light of the above, POCI financial assets are initially recognised in stage 3, although they may be subsequently reclassified to performing loans, in which

case an expected loss equal to the lifetime ECL (stage 2) will continue to be recognised. A POCI financial asset is therefore classified as such in the expected credit loss (ECL) reporting and calculation processes.

4. Financial assets subject to commercial renegotiation and forbore exposures

In the event the debtor is experiencing financial difficulties, the contractual terms of the exposures may be amended in favour of the debtor in order to make repayment financially sustainable. Depending on the subjective characteristics of the exposure and the reasons behind the debtor's financial difficulties, the amendments may be short term (temporary suspension of the payment of the principal of a loan or extension of a maturity) or long term (extension of the duration of a loan, adjustment of the interest rate) and result in the exposure (both performing and non-performing) being classified as "forborne". "Forborne" exposures are subject to specific provisions for classification in accordance with EBA ITS 2013-35, as transposed in the Group's credit policies. If the forbearance measures are applied to performing exposures, these are included in the group of stage 2 exposures. All exposures classified as "forborne" are included in specific monitoring processes by the relevant departments.

Quantitative disclosure

A. Credit quality

A.1 Impaired and unimpaired loans: carrying amounts, impairment losses, performance and business breakdown

A.1.1 Prudential consolidation - Breakdown of financial assets by past due range (carrying amounts)

	First stage			Second stage			Third stage			Purchased or originated credit-impaired		
	From 1 day to 30 days	From more than 30 days to 90 days	More than 90 days	Up to 30 days	From more than 30 days to 90 days	More than 90 days	Up to 30 days	From more than 30 days to 90 days	More than 90 days	Up to 30 days	From more than 30 days to 90 days	More than 90 days
1. Financial assets measured at amortised cost	6,330	8,732	70,844	589	2,028	1,813	6,584	223,365				2,384
2. Financial assets measured at fair value through other comprehensive income												
3. Financial assets held for sale												
Total 31.12.2025	6,330	8,732	70,844	589	2,028	1,813	6,584	223,365				2,384
Total 31.12.2024	9,553	27,327	265,187	1,184	84	100	280	2,403	216,392			3,407

A.1.2 Prudential consolidation - Financial assets, commitments to disburse funds and financial guarantees issued: changes in impaired positions and accruals to provisions

	Total impairment losses												Overall accruals to provisions on commitments to disburse funds and financial guarantees issued		Total			
	Assets included in the first stage				Assets included in the second stage				Assets included in the third stage				Purchased or originated credit-impaired financial assets					
	Demand loans and receivables with banks and Central Banks	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for sale of which: individual impairment losses of which: collective impairment losses	Demand loans and receivables with banks and Central Banks	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for sale of which: individual impairment losses of which: collective impairment losses	Demand loans and receivables with banks and Central Banks	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for sale of which: individual impairment losses of which: collective impairment losses	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income		Financial assets held for sale of which: individual impairment losses of which: collective impairment losses	First stage	Second stage
Opening total impairment losses	8	6,567	366	6,967	313		313	58,326			58,325				25	3		65,608
Increases in purchased or originated financial assets		2,039	419	2,313	156		156	10,106			10,106							12,720
Derecognition other than write-offs	1	2,832	398	3,086	106		106	10,966			10,965	1		1				14,303
Net impairment losses/gains due to credit risk (+/-)	(6)	(788)	(10)	(799)	(11)		(11)	3,799			3,799				(19)	(3)		2,967
Contract amendments without derecognition																		
Changes in estimation method																		
Write-offs not recognised directly through profit or loss																		
Other changes		(10)		(10)				(65)			(65)							(75)
Closing total impairment losses	1	4,976	377	5,385	352		352	61,200			61,200	(1)		- (1)	6	-		66,910
Recoveries from collection on financial assets that have been written off																		
Write-offs recognised directly through profit or loss																		

A.1.3 Prudential consolidation - Financial assets, commitments to disburse funds and financial guarantees issued: transfers between different credit risk stages (gross amount and nominal amount)

	Gross amount / Nominal amount					
	Transfers between the first and second stage		Transfers between the second and third stage		Transfers between the first and third stage	
	From the first to the second stage	From the second to the first stage	From the second to the third stage	From the third to the second stage	From the first to the third stage	From the third to the first stage
1. Financial assets measured at amortised cost	24,785	3,337	1,427	491	168,286	3,628
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						
Total 31.12.2025	24,785	3,337	1,427	491	168,286	3,628
Total 31.12.2024	21,712	26,286	1,938	209	95,634	10,657

A.1.3a Loans subject to Covid-19 support measures: transfers between different credit risk stages (gross amount and nominal amount)

	Gross amount / Nominal amount					
	Transfers between the first and second stage		Transfers between the second and third stage		Transfers between the first and third stage	
	From the first to the second stage	From the second to the first stage	From the second to the third stage	From the third to the second stage	From the first to the third stage	From the third to the first stage
A. Loans measured at amortised cost	-	511			21,458	-
A.1 forborne in compliance with the EBA Guidelines	-					-
A.2 subject to existing moratoria no longer in compliance with the EBA Guidelines and not considered forborne	-					-
A.3 subject to other forbearance measures	-					-
A.4 new loans	-	511			21,458	-
B. Loans measured at fair value through other comprehensive income	-	-			-	-
B.1 forborne in compliance with the EBA Guidelines	-					-
B.2 subject to existing moratoria no longer in compliance with the EBA Guidelines and not considered forborne	-					-
B.3 subject to other forbearance measures	-					-
B.4 new loans	-					-
Totale 31.12.2025	-	511			21,458	-
Totale 31.12.2024					608	-

A.1.4 Prudential consolidation - On- and off-statement of financial position loans and receivables with banks: gross amounts and carrying amounts

	Gross amount				Total impairment and allowances				Net exposure	Overall partial write-offs [*]
	First stage	Second stage	Third stage	Purchased or origi	First stage	Second stage	Third stage	Purchased or origi		
A. ON-STATEMENT OF FINANCIAL POSITION LOANS AND RECEIVABLES										
A.1 ON DEMAND	86,137	86,137		1	1				86,136	
a) Non-performing		X			X					
b) Performing	86,137	86,137	X	1	1	X			86,136	
A.2 OTHER	19,160	19,160							19,160	
a) Bad exposures		X			X					
- of which: forborne exposures		X			X					
b) Unlikely to pay		X			X					
- of which: forborne exposures		X			X					
c) Non-performing past due exposures		X			X					
- of which: forborne exposures		X			X					
d) Performing past due exposures	3	3	X			X			3	
- of which: forborne exposures			X			X				
e) Other performing exposures	19,157	19,157	X			X			19,157	
- of which: forborne exposures			X			X				
TOTAL A	105,297	105,297		1	1				105,296	
B. OFF-STATEMENT OF FINANCIAL POSITION LOANS AND RECEIVABLES										
a) Non-performing		X			X					
b) Performing	2,507	2,446	X	1	1	X			2,506	
TOTAL B	2,507	2,446		1	1				2,506	
TOTAL (A+B)	107,804	107,743		2	2				107,802	

A.1.5 Prudential consolidation - On- and off-statement of financial position loans and receivables with customers: gross amounts and carrying amounts

		Gross amount				Total impairment and allowances				Net exposure	Overall partial write-offs *
		First stage	Second stage	Third stage	Purchased or originated credit-	First stage	Second stage	Third stage	Purchased or originated credit-		
A. ON-STATEMENT OF FINANCIAL POSITION LOANS AND RECEIVABLES											
a) Bad exposures	131,346	X	130,148	1,197	34,423		34,420	2	96,923		
- of which: forborne exposures	834	X	834		1		1		833		
b) Unlikely to pay	73,752	X	73,642		25,150		25,150		48,602		
- of which: forborne exposures	1	X	1						1		
c) Non-performing past due exposures	220,505	X	219,315	1,189	1,631		1,630	1	218,874		
- of which: forborne exposures	30	X	30						30		
d) Performing past due exposures	89,544	86,924	2,619	X	1,023	1,021	3	X	88,521		
- of which: forborne exposures	2,340		2,340	X	2		2	X	2,338		
e) Other performing exposures	3,326,126	3,258,976	67,031	X	4,680	4,332	348	X	3,321,446		
- of which: forborne exposures	891	548	343	X	3	1	2	X	888		
TOTAL A	3,841,273	3,345,900	69,650	423,105	2,386	66,907	5,353	351	61,200	3	3,774,366
B. OFF-STATEMENT OF FINANCIAL POSITION LOANS AND RECEIVABLES											
a) Non-performing	27,039	X	27,039			X			27,039		
b) Performing	625,352	625,352		X	4	4		X	625,348		
TOTAL B	652,391	625,352	27,039		4	4			652,387		
TOTAL (A+B)	4,493,664	3,971,252	69,650	450,144	2,386	66,911	5,357	351	61,200	3	4,426,753

A.1.6 Prudential consolidation - On-statement of financial position loans and receivables with banks: gross non-performing exposures

	Bad exposures	Unlikely to pay	Non-performing past due exposures
A. Opening gross balance			2
- of which: positions transferred but not derecognised			
B. Increases			
B.1 transfers from performing loans			
B.2 transfers from purchased or originated credit-impaired financial assets			
B.3 transfers from other categories of non-performing exposures of which non-performing exposures			
B.4 contract amendments without derecognition			
B.5 other increases			
C. Decreases			2
C.1 transfers to performing loans			
C.2 write-offs			
C.3 collections			2
C.4 gains on sales			
C.5 losses on sales			
C.6 transfers to other categories of non-performing exposures			
C.7 contract amendments without derecognition			
C.8 other decreases			
D. Closing gross balance			
- of which: positions transferred but not derecognised			

A.1.6bis Prudential consolidation – On-statement of financial position loans and receivables with banks: breakdown of gross forborne exposures by credit quality

No positions to report.

A.1.7 Prudential consolidation - On-statement of financial position loans and receivables with customers: gross non-performing exposures

	Bad exposures	Unlikely to pay	Non-performing past due exposures
A. Opening gross balance	179,957	51,614	101,130
- of which: positions transferred but not derecognised	1	1,448	1,821
B. Increases	38,572	45,689	226,125
B.1 transfers from performing loans	5,478	13,808	160,048
B.2 transfers from purchased or originated credit-impaired financial assets			
B.3 transfers from other categories of non-performing exposures	19,412	4,603	3,718
B.4 contract amendments without derecognition			
B.5 other increases	13,682	27,278	62,359
C. Decreases	87,184	31,317	117,992
C.1 transfers to performing loans	164	1,238	4,294
C.2 write-offs	2,116		
C.3 collections	80,599	25,186	95,162
C.4 gains on sales			
C.5 losses on sales			
C.6 transfers to other categories of non-performing exposures	4,305	4,893	18,536
C.7 contract amendments without derecognition			
C.8 other decreases			
D. Closing gross balance	131,346	73,640	220,505
- of which: positions transferred but not derecognised		1,673	1,282

A.1.7a Loans subject to Covid-19 support measures: gross amount and carrying amount

	Gross amount				Total impairment and allowances				Net exposure	Overall partial write-offs *
	First stage	Second stage	Third stage	Purchased or originated credit-impaired	First stage	Second stage	Third stage	Purchased or originated credit-impaired		
A. BAD LOANS										
a) Forborne in compliance with the EBA Guidelines	-	-	-	-	-	-	-	-	-	-
b) Subject to moratoria no longer in compliance with the EBA Guidelines and not considered forborne	-	-	-	-	-	-	-	-	-	-
c) Subject to other forbearance measures	-	-	-	-	-	-	-	-	-	-
d) New loans	-	-	-	-	-	-	-	-	-	-
B. UNLIKELY-TO-PAY LOANS	8,287		8,287		578		578		7,709	
a) Forborne in compliance with the EBA Guidelines	-	-	-	-	-	-	-	-	-	-
b) Subject to moratoria no longer in compliance with the EBA Guidelines and not considered forborne	-	-	-	-	-	-	-	-	-	-
c) Subject to other forbearance measures	-	-	-	-	-	-	-	-	-	-
d) New loans	8,287	-	8,287	-	578	-	578	-	7,709	-
C) IMPAIRED PAST DUE LOANS										
a) Forborne in compliance with the EBA Guidelines	-	-	-	-	-	-	-	-	-	-
b) Subject to moratoria no longer in compliance with the EBA Guidelines and not considered forborne	-	-	-	-	-	-	-	-	-	-
c) Subject to other forbearance measures	-	-	-	-	-	-	-	-	-	-
d) New loans	-	-	-	-	-	-	-	-	-	-
D) PERFORMING LOANS										
a) Forborne in compliance with the EBA Guidelines	-	-	-	-	-	-	-	-	-	-
b) Subject to moratoria no longer in compliance with the EBA Guidelines and not considered forborne	-	-	-	-	-	-	-	-	-	-
c) Subject to other forbearance measures	-	-	-	-	-	-	-	-	-	-
d) New loans	-	-	-	-	-	-	-	-	-	-
E) OTHER PERFORMING LOANS	35,473	35,473			109	109			35,364	
a) Forborne in compliance with the EBA Guidelines	-	-	-	-	-	-	-	-	-	-
b) Subject to moratoria no longer in compliance with the EBA Guidelines and not considered forborne	-	-	-	-	-	-	-	-	-	-
c) Subject to other forbearance measures	-	-	-	-	-	-	-	-	-	-
d) New loans	35,473	-	35,473	-	109	109	-	-	7,709	-
TOTAL (A+B+C+D+E)	43,760	- 35,473	- 8,287		687	109	- 578		43,073	

A.1.7bis Prudential consolidation – On-statement of financial position loans and receivables with customers: breakdown of gross forbore exposures by credit quality

	Non-performing exposures with forbearance measures	Other forbore exposures
A. Opening gross balance	1,217	519
- of which: positions transferred but not derecognised		
B. Increases	1,927	7,922
B.1 transfers from performing exposures without forbearance measu		3,616
B.2 transfers from forbore performing exposures		X
B.3 transfers from non-performing exposures with forbearance meas	X	
B.4 transfers from non-performing exposures without forbearance m	1,909	164
B.5 other increases	18	4,142
C. Decreases	2,309	5,181
C.1 transfers to performing exposures without forbearance measure:	X	437
C.2 transfers to forbore performing exposures		X
C.3 transfers to non-performing exposures with forbearance measur	X	
C.4 write-offs		
C.5 collections	2,309	4,744
C.6 gains on sales		
C.7 losses on sales		
C.8 other decreases		
D. Closing gross balance	835	3,260
- of which: positions transferred but not derecognised		

A.1.8 Prudential consolidation - On-statement of financial position non-performing loans and receivables with banks: changes in impaired positions

No positions to report.

A.1.9 Prudential consolidation - On-statement of financial position non-performing loans and receivables with customers: changes in impaired positions

	Bad exposures		Unlikely to pay		Non-performing past due exposures	
	Total	of which: forborne exposures	Total	of which: forborne exposures	Total	of which: forborne exposures
A. Opening total impairment losses	38,495	1	18,252		634	
- of which: positions transferred but not derecognised			711		9	
B. Increases	9,007		15,506		1,417	
B.1 impairment losses on purchased or originated credit-impaired financial assets		X		X		X
B.2 other impairment losses	6,811		15,396		1,106	
B.3 losses on sales						
B.4 transfers from other categories of non-performing exposures	2,039		4		12	
B.5 contract amendments without derecognition						
B.6 other increases	157		106		299	
C. Decreases	13,086		8,593		441	
C.1 impairment gains	3,005		5,523		31	
C.2 impairment gains due to collections	10,078		1,107		160	
C.3 gains on sales						
C.4 write-offs						
C.5 transfers to other categories of non-performing exposures	2		1,815		238	
C.6 contract amendments without derecognition						
C.7 other decreases			148		12	
D. Closing total impairment losses	34,420	1	25,150		1,631	
- of which: positions transferred but not derecognised			797		6	

A.2 Classification of the exposures based on external and internal rating

A.2.1 Prudential consolidation - Breakdown of financial assets, commitments to disburse funds and financial guarantees issued by external rating class (gross amounts)

The risk categories for the external rating indicated in this table refer to the creditworthiness classes of the debtors/guarantors pursuant to prudential requirements.

The Bank uses the standardised approach in accordance with the risk mapping of the rating agencies:

- “DBRS Ratings Limited”, for exposures to: central authorities and central banks; supervised brokers; public sector institutions; territorial entities;
- “Fitch Ratings” and Standard & Poor’s, for exposures to companies and other parties.

Exposures	External rating class						Without rating	Total
	class 1	class 2	class 3	class 4	class 5	class 6		
A. Financial assets measured at amortised cost	50,042	1,457	8	38,753	24,413		2,562,735	2,677,408
- First stage	50,040	623	8	38,729	24,413		2,066,302	2,180,115
- Second stage							69,650	69,650
- Third stage	2	834		24			424,396	425,256
- Purchased or originated credit-impaired							2,387	2,387
B. Financial assets measured at fair value through other comprehensive income	1,181,305							1,181,305
- First stage	1,181,305							1,181,305
- Second stage								
- Third stage								
- Purchased or originated credit-impaired								
C. Financial assets held for sale								
- First stage								
- Second stage								
- Third stage								
- Purchased or originated credit-impaired								
Total (A+B+C)	1,231,347	1,457	8	38,753	24,413		2,562,735	3,858,713
D. Commitments to disburse funds and financial guarantees issued					5,703		649,134	654,837
- First stage					5,703		622,095	627,798
- Second stage								
- Third stage							27,039	27,039
- Purchased or originated credit-impaired								
Total D					5,703		649,134	654,837
Total (A + B + C + D)	1,231,347	1,457	8	38,753	30,116		3,211,869	4,513,550

“**DBRS Ratings Limited**”, for exposures to: central authorities and central banks, supervised brokers, public sector institutions, territorial entities

of which long-term rating

Creditworthiness class	Risk weighting factors				ECAI
	Central governments and central banks	Supervised brokers, public sector institutions and territorial entities	Multilateral development banks	Companies and other parties	DBRS Ratings Limited
1	0%	20%	20%	20%	AAA, AA
2	20%	50%	50%	50%	A
3	50%	100%	50%	100%	BBB
4	100%	100%	100%	100%	BB
5	100%	100%	100%	150%	B
6	150%	150%	150%	150%	CCC, CC, C, D

of which short-term rating (for exposures to companies)

Creditworthiness class	Risk weighting factors	ECAI
		DBRS Ratings Limited
1	20%	R-1 H, R-1 M
2	50%	R-1 H, R-1 M
3	100%	R-2, R-3
da 4 a 6	150%	R-4, R-5, D

“**Fitch Ratings**”, for exposures to companies and other parties.

of which long-term rating

Creditworthiness class	Risk weighting factors				ECAI
	Central governments and central banks	Supervised brokers, public sector institutions and territorial entities	Multilateral development banks	Companies and other parties	Fitch Ratings
1	0%	20%	20%	20%	AAA, AA
2	20%	50%	50%	50%	A
3	50%	100%	50%	100%	BBB
4	100%	100%	100%	100%	BB
5	100%	100%	100%	150%	B
6	150%	150%	150%	150%	CCC, CC, C, RD, D

of which short-term rating (for exposures to companies)

Creditworthiness class	Risk weighting factors	ECAI Fitch Ratings
1	20%	F1+, F1
2	50%	F2
3	100%	F3
4 to 6	150%	B, C, RD, D

Standard & Poor's Ratings Services for exposures to companies and other parties.
of which long-term rating

Creditworthiness class	Risk weighting factors					ECAI Standard & Poor's Ratings Services
	Central governments and central banks	Supervised brokers, public sector institutions and territorial entities	Multilateral development banks	Companies and other parties		
1	0%	20%	20%	20%	20%	AAA, AA
2	20%	50%	50%	50%	50%	A
3	50%	50%	50%	100%	100%	BBB
4	100%	100%	100%	100%	100%	BB
5	100%	100%	100%	150%	150%	B
6	150%	150%	150%	150%	150%	CCC, CC, C, RD, D

of which short-term rating (for exposures to companies)

Creditworthiness class	Risk weighting factors	ECAI Standard & Poor's Ratings Services
1	20%	A-1+, A-1
2	50%	A-2, A-3
3	100%	A-3
4 to 6	150%	B, C, R, SD/D

A.3 Breakdown of guaranteed credit exposures by type of guarantee

A.3.1 Prudential consolidation - Guaranteed on- and off-statement of financial position loans and receivables with banks

No positions to report.

A.3.2 Prudential consolidation - Guaranteed on- and off-statement of financial position loans and receivables with customers

	Gross amount	Net exposure	Collateral (1)				Personal guarantees (2)								Total (1) + (2)
			Mortgaged estate	Properties under finance lease	Securities	Other collateral	Credit derivatives				Endorsement credits				
							CLIN	Other derivatives			General governments	Banks	Other financial corporations	Other	
								Central Counterparties	Banks	Other financial corporations					
1. Guaranteed on-statement of financial position loans:	822,885	812,473	1,856	63	557,771					187,325	4,893	38,905	20,200	811,013	
1.1 fully guaranteed	741,301	734,254	1,856	63	557,771					115,484		38,905	20,175	734,254	
- of which non-performing	21,732	16,068			8,759					7,216			92	16,067	
1.2 partially guaranteed	81,584	78,219								71,841	4,893		25	76,759	
- of which non-performing	15,579	12,576								9,893	2,543		25	12,461	
2. Guaranteed off-statement of financial position loans:	114,762	114,762		46	19,155					300		40,195	24,748	84,444	
2.1 fully guaranteed	41,897	41,897		46	19,155							4,100	18,595	41,896	
- of which non-performing	18,034	18,034			18,034									18,034	
2.2 partially guaranteed	72,865	72,865								300		36,095	6,153	42,548	
- of which non-performing															

B. Breakdown and concentration of credit exposures

B.1 Prudential consolidation - Breakdown by business segment of on- and off-statement of financial position loans and receivables with customers

	General governments		Financial corporations		Financial corporations (of which: insurance companies)		Non-financial corporations		Households	
	Net exposure	Total impairment	Net exposure	Total impairment	Net exposure	Total impairment	Net exposure	Total impairment	Net exposure	Total impairment
A. On-statement of financial position loans and receivables										
A.1 Bad exposures	91,626	5,648					4,548	27,290	749	1,485
- of which: forborne exposures	833	1								
A.2 Unlikely to pay	1,473	3,921					35,682	16,584	11,345	4,638
- of which: forborne exposures							1			
A.3 Non-performing past due exposures	180,925	310	4,000	182	2,729	73	18,520	912	15,431	226
- of which: forborne exposures	29									
A.4 Performing exposures	1,501,495	1,628	332,584	171	63		869,097	3,067	706,730	845
- of which: forborne exposures	2,719	2					507	3		
Total (A)	1,775,519	11,507	336,584	353	2,792	73	927,847	47,853	734,255	7,194
B. Off-statement of financial position loans and receivables										
B.1 Non-performing exposures							27,039			
B.2 Performing exposures			286,049				338,453	4	846	
Total (B)			286,049				365,492	4	846	
Total (A+B) 31.12.2025	1,775,519	11,507	622,633	353	2,792	73	1,293,339	47,857	735,101	7,194
Total (A+B) 31.12.2024	2,201,136	12,358	561,101	152	1,604		1,151,544	46,993	903,281	6,088

B.2 Prudential consolidation - Breakdown by geographical segment of on- and off-statement of financial position loans and receivables with customers

	Italy		Other European countries		America		Asia		Rest of the world	
	Net amount	Total impairment	Net amount	Total impairment	Net amount	Total impairment	Net amount	Total impairment	Net amount	Total impairment
A. On-statement of financial position loans and receivables										
A.1 Bad exposures	96,923	34,423								
A.2 Unlikely to pay	48,500	25,143								
A.3 Non-performing past due expi	213,695	1,619	5,180	11						
A.4 Performing exposures	3,048,100	5,111	268,622	417	4,104	9	96,161	174		
Total (A)	3,407,218	66,296	273,802	428	4,104	9	96,161	174		
B. Off-statement of financial position loans and receivables										
B.1 Non-performing exposures	27,039									
B.2 Performing exposures	607,703	4	17,644							
Total (B)	634,742	4	17,644							
Total (A+B) 31.12.2025	4,041,960	66,300	291,446	428	4,104	9	96,161	174		
Total (A+B) 31.12.2024	4,756,120	71,503	184,173	344	2,753	11	2,212	9		

B.3 Prudential consolidation - Breakdown by geographical segment of on- and off-statement of financial position loans and receivables with banks

	Italy		Other European countries		America		Asia		Rest of the world	
	Net exposure	Total impairment losses	Net exposure	Total impairment losses	Net exposure	Total impairment losses	Net exposure	Total impairment losses	Net exposure	Total impairment losses

A. On-statement of financial position loans and receivables

A.1 Bad exposures										
A.2 Unlikely to pay										
A.3 Non-performing past due €										
A.4 Performing exposures	105,096	1	200							
Total (A)	105,096	1	200							
B. Off-statement of financial position										
B.1 Non-performing exposures										
B.2 Performing exposures	2,492	1	60							
Total (B)	2,492	1	60							
Total (A+B) 31.12.2025	107,588	2	260							
Total (A+B) 31.12.2024	118,136	10	1,009							

B.4 Large exposures

As at 31 December 2025, the large exposures of the Group are as follows:

- a) Carrying amount € 4,888,885 thousand
- b) Weighted amount € 621,715 thousand
- c) No. of positions 17.

C. Securitisation transactions

This section does not recognise securitisation transactions where the originators are banks belonging to the same prudentially consolidated group and where the total liabilities issued by the special purpose vehicles (e.g. ABS securities, loans in the warehousing phase, etc.) are subscribed at the time of issue by one or more entities belonging to the same prudentially consolidated group.

Qualitative disclosure

Banca Sistema has drawn up the Securitisations Policy, which provides a single set of rules governing the process of structuring, management and monitoring of securitisation transactions in which the Bank acts as originator, assignor, sponsor or investor. The Policy ensures compliance with the European regulatory framework (EU Regulation 2017/2402) and national regulations by defining the roles and responsibilities of the functions involved.

During the year, the Bank carried out two securitisation transactions backed by Sports Receivables originated in the context of lending activities to the professional football sector. A description of the transactions outstanding at 31 December 2025 is provided below.

BSD SPORTS SPV S.r.l. securitisation

During 2025, the Bank participated in the structuring of a second securitisation transaction with similar features to the previous one both in terms of the underlying assets and the structure.

For the purposes of executing the transaction, pursuant to Law 130/1999, on 7 August 2025 the special purpose vehicle BSD SPORTS SPV S.r.l. was incorporated with the purpose of purchasing sports receivables through the issuance of ABS securities.

To finance the purchases, on 29 December 2025 the SPV issued two classes of notes: a senior class of € 120 million, fully subscribed by Banca Sistema and a junior class of € 30 million subscribed 95% by institutional investors and 5% by Banca Sistema as risk retainer. In this case too, the junior notes constitute the first line of loss absorption.

At 31 December 2025, the outstanding amount of the senior note was € 30,360,653.28 while the outstanding amount of the junior note was € 7,590,163.32.

The transaction has a 36-month revolving period during which collections on the securitised receivables are used to purchase new portfolios. The amortisation of the notes will begin at the end of the revolving period in accordance with the contractually agreed cascading payments.

The transaction cannot be classified as STS and does not constitute a resecuritisation pursuant to Article 8 of the Securitisation Regulation.

ElevenPoints SPV srl securitisation

During 2025, the Bank structured the traditional securitisation transaction called ElevenPoints, carried out through the incorporation, on 10 April 2025, of the special purpose vehicle ElevenPoint Sports SPV S.r.l. pursuant to Law 130/1999 for the purpose of purchasing sports receivables through the issuance of ABS securities.

To finance the purchase of the receivables, the SPV issued two classes of partly paid notes: a senior class, with a total nominal amount of € 400 million, fully subscribed by Banca Sistema and a junior class of € 100 million placed with institutional investors for 95% and subscribed by Banca Sistema for the remaining 5%, in compliance with the risk retention requirements set out in Article 6 of Regulation 2017/2402. The junior notes represent the first loss tranche and bear any portfolio losses first.

At 31 December 2025, the outstanding amount of the senior note was € 94,506,384.14 while the outstanding amount of the junior note was € 23,626,596.04.

The transaction has a 36-month revolving period during which collections on the securitised receivables are reinvested to purchase new portfolios. At the end of the revolving period, the amortisation of the notes will start on a sequential basis, with senior notes being repaid prior to junior notes. The transaction is not aimed at obtaining STS status and does not have the characteristics of a resecuritisation pursuant to Article 8 of the Securitisation Regulation.

C.1 Prudential consolidation – Exposures deriving from the main "own" securitisation transactions broken down by type of asset securitised and by type of exposure

	On-balance-sheet exposures			Guarantees granted			Credit lines		
	Senior	Mezzanine	Junior	Senior	Mezzanine	Junior	Senior	Mezzanine	Junior
	Book value Impairment losses/ reversals	Book value Impairment losses/ reversals	Book value Impairment losses/ reversals	Book value Impairment losses/ reversals	Book value Impairment losses/ reversals	Book value Impairment losses/ reversals	Book value Impairment losses/ reversals	Book value Impairment losses/ reversals	Book value Impairment losses/ reversals
A. Subject to full derecognition from the balance sheet	30,361	9,720	380						
- Financial assets measured at fair value through Profit or loss			380						
- Loans to customers	30,361	9,720							
B. Subject to partial derecognition from the balance sheet									
C. Not derecognised from the balance sheet									
- Loans to customers									

C.2 Prudential consolidation – Exposures deriving from the main "third-party" securitisation transactions broken down by type of asset securitised and by type of exposure

Type of securitised asset/Exposure	On-balance-sheet exposures			Guarantees granted			Credit lines		
	Senior	Mezzanine	Junior	Senior	Mezzanine	Junior	Senior	Mezzanine	Junior
	Book value Impairment losses/ reversals	Book value Impairment losses/ reversals	Book value Impairment losses/ reversals	Book value Impairment losses/ reversals	Book value Impairment losses/ reversals	Book value Impairment losses/ reversals	Book value Impairment losses/ reversals	Book value Impairment losses/ reversals	Book value Impairment losses/ reversals
Financial assets	94,506	31	1,181						

D. Transfers

A. Financial assets transferred and not derecognised

Qualitative disclosure

The financial assets transferred and not derecognised refer to Italian government securities used for repurchase agreements. Said financial assets are classified in the financial statements among the available-for-sale financial assets, while the repurchase agreement loan is predominantly presented in due to customers. As a last resort the financial assets transferred and not derecognised comprise trade receivables used for loan transactions in the ECB (Abaco).

Quantitative disclosure

D.1. Prudential consolidation – Financial assets transferred and recognised in full, and associated financial liabilities: carrying amount

	Financial assets transferred and recognised in full				Associated financial liabilities		
	Carrying amount	of which: subject to securitisation transactions	of which: subject to a sales contract with repurchase agreement	of which: non-performing	Carrying amount	of which: subject to securitisation transactions	of which: subject to a sales contract with repurchase agreement
A. Financial assets held for trading				X			
1. Debt securities				X			
2. Equity instruments				X			
3. Financing				X			
4. Derivatives				X			
B. Other financial assets mandatorily measured at fair value through profit or loss							
1. Debt securities							
2. Equity instruments				X			
3. Financing							
C. Financial assets designated at fair value through profit or loss							
1. Debt securities							
2. Financing							
D. Financial assets measured at fair value through other comprehensive income	767,381		767,381		764,256		764,256
1. Debt securities	767,381		767,381		764,256		764,256
2. Equity instruments				X			
3. Financing							
E. Financial assets measured at amortised cost	329,623	262,151	67,472	2,152	302,968	239,395	63,573
1. Debt securities	67,472		67,472		63,573		63,573
2. Financing	262,151	262,151		2,152	239,395	239,395	
Total 31.12.2025	1,097,004	262,151	834,853	2,152	1,067,224	239,395	827,829
Total 31.12.2024	287,095	287,095		2,135	179,479	179,479	

E. Prudential consolidation - Models for the measurement of credit risk

The Group does not have internal models for the measurement of credit risk.

1.2. Market risks

The existing limit system defines a careful and balanced management of the operational autonomy, establishing limits in terms of portfolio amounts and composition by type of security.

With regard to market risk, the Banca Sistema Group purchased tax credits from "Eco-Sisma bonus 110%" for trading purposes.

1.2.1 Interest rate risk and price risk - regulatory trading book

Qualitative disclosure

No positions to report.

1.2.2 Interest rate risk and price risk - Banking Book

Qualitative disclosure

A. General aspects, management procedures and methods of measuring the interest rate risk and the price risk

Interest rate risk is defined as the risk that the financial assets/liabilities increase/decrease because of movements contrary to the interest rate curve. The Bank identified the sources that generate interest rate risk with reference to the credit processes and to the Bank's funding.

In order to assess the interest rate risk of the banking book, the Bank, in accordance with the supervisory rules, determined the interest rate risk of the banking book in terms of potential changes in economic value (EVE) and change in net interest income (NII).

The Bank manages interest rate risk measurement using two distinct approaches depending on the purpose:

- Management purposes: The Group applies the methodologies outlined by the Bank of Italy in Circular 285, Annexes C and C-bis, and shares the resulting assessments with the Authority, ensuring a compliant and transparent risk management framework and internal control system.
- Regulatory reporting purposes: The Group uses the Standardised Approach (SA) to measure interest rate risk in accordance with regulatory requirements. This methodology, as set out in Commission Delegated Regulation

(EU) 2024/857, establishes the technical standards for managing interest rate risk on positions other than those in the trading book.

With reference to the Bank's financial assets, the main sources that generate interest rate risk are loans and receivables with customers and the bond securities portfolio. As concerns the financial liabilities, relevant instead are the customer deposits and savings activities via current accounts, the deposit account, and funding on the interbank market.

The Bank continuously monitors the main assets and liabilities subject to interest rate risk; furthermore, hedging instruments were used as at the reporting date.

Quantitative disclosure

1. Banking book: Breakdown by residual term (by repricing date) of financial assets and liabilities

EURO

	on demand	up to 3 months	from more than 3 months up to 6 months	from more than 6 months up to 1 year	from more than 1 year up to 5 years	from more than 5 years up to 10 years	more than 10 years	open term
1. Assets	1,228,719	879,136	668,683	54,151	672,484	345,828	986	
1.1 Debt instruments	3	370,905	610,945		362,457	80,090		
- with early repayment option		94,475						
- other	3	276,430	610,945		362,457	80,090		
1.2 Financing to banks	83,393	19,014						
1.3 Financing to customers	1,145,323	489,217	57,738	54,151	310,027	265,738	986	
- current accounts	61,964	52,328						
- other financing	1,083,359	436,889	57,738	54,151	310,027	265,738	986	
- with early repayment option	67,558	191,030	21,529	52,858	305,331	168,920	986	
- other	1,015,801	245,859	36,209	1,293	4,696	96,818		
2. Liabilities	714,223	1,362,567	236,671	586,359	753,547	112,930	19	
2.1 Due to customers	713,932	1,362,567	219,247	586,359	753,547	112,930	19	
- current accounts	442,774	546,907	210,058	580,139	728,794	111,981	19	
- other payables	271,158	815,660	9,189	6,220	24,753	949		
- with early repayment option								
- other	271,158	815,660	9,189	6,220	24,753	949		
2.2 Due to banks	291		17,424					
- current accounts								
- other payables	291		17,424					
2.3 Debt instruments					6,726			
2.4 Other liabilities								
3. Financial derivatives		161,374	23,925	2,093	155,234	1,508	5	
3.1 With underlying security								
3.2 Without underlying security		21,446	23,925	2,093	17,453	1,508	5	
- Options		21,446	386	2,093	17,453	1,508	5	
+ long positions			386	2,093	17,453	1,508	5	
+ short positions		21,446						
- Other derivatives			23,539					
+ posizioni lunghe			23,539		137,781			
+ posizioni corte		139,928						
4. Other off-statement of financial position transactions	1,272,068	1,272,068						
+ long positions	1,188,896	83,172						
+ short positions	83,172	1,188,896						

1. Banking book: Breakdown by residual term (by repricing date) of financial assets and liabilities

OTHER CURRENCIES

	on demand	up to 3 months	from more than 3 months up to 6 months	from more than 6 months up to 1 year	from more than 1 year up to 5 years	from more than 5 years up to 10 years	more than 10 years	open term
1. Assets								
1.1 Debt instruments								
- with early repayment option								
- other								
1.2 Financing to banks								
1.3 Financing to customers								
- current accounts								
- other financing								
- with early repayment option								
- other								
2. Liabilities								
2.1 Due to customers								
- current accounts								
- other payables								
- with early repayment option								
- other								
2.2 Due to banks								
- current accounts								
- other payables								
2.3 Debt instruments								
2.4 Other liabilities								
3. Financial derivatives		22,453	23,539					
3.1 With underlying security								
- Options								
+ long positions								
+ short positions								
- Other derivatives								
+ long positions								
+ short positions								
3.2 Without underlying security		22,453	23,539					
- Other derivatives		22,453	23,539					
+ long positions								
+ short positions		22,453	23,539					
4. Other off-statement of financial position transactions								

1.2.3 Currency risk

Qualitative disclosure

A. General aspects, management processes and methods of measuring the currency risk

All items are in Euro, except for the security in the HTCS portfolio. The Bank's foreign exchange risk is limited in relation to the size of the relevant exposures.

Quantitative disclosure

1. Breakdown of assets, liabilities and derivatives by currency of denomination

	Currencies					
	US Dollars	UK Pounds	Yen	Canadian Dollars	Swiss Francs	Other currencies
A. Financial assets	24		96,161			2
A.1 Debt instruments						
A.2 Equity instruments						
A.3 Financing to banks	24					2
A.4 Financing to customers			96,161			
A.5 Other financial assets						
B. Other assets						
C. Financial liabilities						
C.1 Due to banks						
C.2 Due to customers						
C.3 Debt instruments						
C.4 Other financial liabilities						
D. Other liabilities						
E. Financial derivatives			100,313			
- Other derivatives			100,313			
+ long positions						
+ short positions			100,313			
Total assets	24		96,161			2
Total liabilities			100,313			
Difference (+/-)	24		(4,152)			2

1.3 Derivatives and hedging policies

1.3.1 Derivatives held for trading

A. Financial derivatives

No amount was recognised for this item at the reporting date.

B. Credit derivatives

No amount was recognised for this item at the reporting date.

1.3.2 Hedge Accounting

Qualitative disclosure

The Group exercised the option under IFRS 9 to continue to apply the rules under IAS 39 in full for existing hedges.

A. Fair value hedges

The hedging activities implemented by the Banca Sistema Group are intended to protect the banking book from changes in the fair value of loans caused by movements in the interest rate curve (interest rate risk). The Group maintains a generic hedge (macro fair value hedge) on the segregated fixed-rate CQ loans and receivables portfolio within the QS2019 vehicle. The derivative instrument used is plain vanilla interest rate swap (IRS).

B. Cash flow hedging

At the date of these financial statements, no such hedges are in place.

C. Hedges of foreign investments

At the date of these financial statements, no such hedges are in place.

D. Hedging Instruments

The ineffectiveness of the hedge is recognised for the purpose of determining the effect on the income statement and assessing whether hedge accounting rules can continue to be applied.

E. Hedged items

The items hedged are fixed-rate loans.

With regard to the existing macro hedge, the hedged loan portfolio is an open one, meaning that it is dynamically made up of the fixed-rate instruments managed at an aggregate level through the hedging derivatives entered into over time. The effectiveness of macro hedges on fixed-rate loans is periodically verified on the basis of specific prospective and retrospective tests aimed at demonstrating that the portfolio subject to possible hedging contains an amount of assets whose sensitivity profile and changes in fair value due to interest rate risk mirror those of the derivatives used for the hedge.

Quantitative disclosure

A. Hedging derivatives

A.1 Hedging derivatives: end-of-period notional values

Underlying asset/Type of derivative	Total 31.12.2025				Total 31.12.2024			
	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	139,928							
a) Options								
b) Swaps								
c) Forwards								
d) Futures								
e) Others								
Equities and stock indices								
a) Options								
b) Swaps								
c) Forwards								
d) Futures								
e) Other								
Foreign exchange rates and gold								
a) Options								
b) Swaps								
c) Forwards								
d) Futures								
e) Other								
Commodities								
Other								
Total				139,928				

A.2 Hedging derivatives: gross positive and negative fair value - breakdown by product

Type of derivative	Total 31.12.2025				Total 31.12.2024				Change in value used to calculate hedge effectiveness	
	Over the counter			Organised markets	Over the counter			Organised markets	Total 31.12.2025	Total 31.12.2024
	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										
b) Interest rate swap										
c) Cross currency swap										
d) Equity swap										
e) Forwards										
f) Futures										
g) Other										
Total										
Negative fair value										
a) Options										
b) Interest rate swap			(2,078)					68		
c) Cross currency swap										
d) Equity swap										
e) Forwards										
f) Futures										
g) Other										
Total			(2,078)					68		

A.3 OTC hedging derivatives: notional values, gross positive and negative fair values by counterparty

Underlying asset	Central counterparties	Banks	Other financial companies	Other counterparties
Contracts not included under netting				
1) Debt securities and interest rates				
2) Equities and stock indices				
3) Foreign exchange rates and gold				
4) Commodities				
5) Other				
Contracts included under netting agreements				
1) Debt securities and interest rates				
notional amount		139,928		
positive fair value				
negative fair value		2,078		
2) Equities and stock indices				
3) Foreign exchange rates and gold				
4) Commodities				
5) Other				

A.4 Residual life of OTC hedging derivatives: notional values

Underlying/Residual maturity	Up to 1 year	Between 1 and 5 years	Over 5 year	Total
A.1 Financial derivatives on debt securities and interest rates		139,928		139,928
A.2 Financial derivatives on equities and stock indices				
A.3 Financial derivatives on foreign exchange rates and gold				
A.4 Financial derivatives on commodities				
A.5 Other financial derivatives				
Total 31.12.2025		139,928		139,928
Total 31.12.2024		130,547		130,547

B. Hedging credit derivatives

No amount was recognised for this item at the reporting date.

C. Non-derivative hedging instruments

No amount was recognised for this item at the reporting date.

D. Hedged instruments

D.1 Fair value hedges

	Microhedges : book value	Micro-hedges – net positions: book value of assets and liabilities (prior to netting)	Micro-hedges			Macrohedges: book value
			Cumulative fair value changes (hedged instrument)	Termination of hedging: residual cumulative fair value changes	Changes in value used to assess hedge ineffectiveness	
A. Assets						
1. Financial assets designated at fair value through other comprehensive income – hedging of:						
1.1 Debt securities and interest rates						X
1.2 Equities and stock indices						X
1.3 Foreign exchange rates and gold						X
1.4 Loans						X
1.5 Other						X
2. Financial assets measured at amortised cost – hedging of:						
1.1 Debt securities and interest rates						X
1.2 Equities and stock indices						X
1.3 Foreign exchange rates and gold						X
1.4 Loans						X
1.5 Other						X
Total 31.12.2025						201,379
Total 31.12.2024						211,313
B. Liabilities						
1. Financial liabilities measured at amortised cost – hedging of:						
1.1 Debt securities and interest rates						X
1.2 Foreign exchange rates and gold						X
1.3 Other						X
Total 31.12.2025						
Total 31.12.2024						

D.2 Cash flow hedge and hedge of foreign investments

No amount was recognised for this item at the reporting date.

E. Effects of hedging transactions on equity

No amount was recognised for this item at the reporting date.

1.4 Liquidity risk

Qualitative disclosure

A. General aspects, management processes and methods of measuring the liquidity risk

Liquidity risk is represented by the possibility that the Group is unable to maintain its payment commitments due to the inability to procure funds or to the inability to sell assets on the market to manage the financial imbalance. It is also represented by the inability to procure adequate new financial resources, in terms of amount and cost, with respect to operational need/advisability, that forces the Group to slow or stop the development of activity, or to incur excessive funding costs to deal with its commitments, with significant negative impacts on the profitability of its activity.

The financial sources are represented by capital, funding from customers, the funds procured on the domestic and international interbank market as well from the Eurosystem.

To monitor the effects of the intervention strategies and to limit the liquidity risk, the Group identified a specific section dedicated to monitoring the liquidity risk in the Risk Appetite Framework (RAF).

Furthermore, in order to promptly detect and manage any difficulties in procuring the funds necessary to conduct its activity, every year, Banca Sistema, consistent with the prudential supervisory provisions, updates its liquidity policy and Contingency Funding Plan, i.e. the set of specific intervention strategies in case of liquidity stress, establishing procedures to procure funds in the event of an emergency.

This set of strategies is of fundamental importance to attenuate liquidity risk.

The aforesaid policy defines, in terms of liquidity risk, the objectives, the processes and the intervention strategies in case of liquidity stress, the organisational structures responsible for implementing the interventions, the risk indicators, the relevant calculation method and warning thresholds, and procedures to procure the funding sources that can be used in case of emergency.

In 2025, the Bank continued to pursue a particularly prudent financial policy aimed at funding stability.

To date, the financial resources available are satisfactory for the current and forward-looking volumes of activity. The Bank is continuously active ensuring a coherent business development, always in line with the composition of its financial resources.

In particular, Banca Sistema, prudentially, has constantly maintained a high quantity of securities and readily liquid assets to cover all of the deposits and savings products

Furthermore, the Bank uses as a source of financing the ABS securities issued as part of securitisation transactions structured for the purpose of increasing and diversifying its sources of funding.

At 31 December 2025, there were three securitisation transactions in place that were structured for liquidity purposes and did not involve a transfer of risk: Quinto Sistema Sec.2017, Quinto Sistema Sec.2019 and BS IVA. The receivables assigned to the respective SPV are therefore fully recognised in the Bank's financial statements.

The Quinto Sistema Sec.2017 transaction has as its underlying, a portfolio of receivables deriving from salary- and pension-backed loan contracts and was completed in 2017 as an auto-securitisation, i.e. all the tranches issued by the special purpose vehicle were subscribed by the Bank to increase the collateral that could be used in financing transactions with the Eurosystem. The senior tranche and the mezzanine tranche are dual-rated to allow for the eligibility of the senior securities at the ECB and the use of both securities in bilateral repo transactions under the GMRA framework.

The characteristics of the securities issued by Quinto Sistema Sec. 2017 S.r.l. are summarised in the following table:

Quinto Sistema Sec. 2017	ISIN	Amount outstanding at 31.12.2025	Rating (DBRS/Moody's)	Interest Rate	Maturity
Class A (senior)	IT0005246811	40,756	AAH / Aa2	0.40%	2034
Class B1 (mezzanine)	IT0005246837	50,400	AH / A1	0.50%	2034
Class B2 (sub-mezzanine)	IT0005246845	4,628	n.a.	0.50%	2034
Class C (junior)	IT0005246852	2,520	n.a.	0.50%	2034
		98,305			

In 2019, the Bank completed a second securitisation transaction with underlying receivables deriving from salary- and pension-backed loan contracts. The transaction is classified as a private transaction and provides for the subscription of 95% of the Senior tranche by an institutional investor. 5% of the senior tranche and 100% of the mezzanine and junior tranches were subscribed by the Bank. The securities issued are not rated. Despite the placement of the senior tranche, the credit risk of the underlying portfolio is not transferred and the Bank keeps the receivables on its balance sheet.

The characteristics of the securities issued by Quinto Sistema Sec. 2019 S.r.l. are summarised in the following table:

Quinto Sistema Sec. 2019	ISIN	Amount outstanding at 31.12.2025	Rating (DBRS/Moody's)	Interest Rate	Maturity
Class A (senior)	IT0005382996	139,437	Not Rated	Euribor1M+0,95%	2038
Class B (mezzanine)	IT0005383002	20,300	Not Rated	0.50%	2038
Class C (junior)	IT0005383010	36,700	Not Rated	0.50%	2038
		196,437			

In 2020, the Bank structured a new securitisation transaction to finance the purchase of VAT receivables directly by the SPV. For this purpose, the special purpose vehicle BS IVA SPV S.r.l. was established, which issued two tranches of securities, a senior and a junior tranche. As it is a private transaction, the securities are not rated. The senior security was 95% underwritten by an institutional investor, while 5% of the senior security and 100% of the junior security were underwritten by the Bank.

Even in this transaction, the credit risk remains with the Bank, which keeps the receivables on its balance sheet through the consolidation of the vehicle.

In 2025, the BS IVA transaction was renewed to allow for the entry of a new investor and to make the structure more efficient.

At 31 December 2025, the characteristics of the securities of the BS IVA SPV transaction were as follows.

BS IVA SPV	ISIN	Amount outstanding at 31.12.2025	Rating	Interest Rate	Maturity
Class A Notes (senior)	IT0005218802	80,482	n.a.	Euribor1M+0,90 %	2038
Class B Notes (junior)	IT0005218810	10,453	n.a.	0.50%	2038
		90,935			

Quantitative disclosure

1. Breakdown of financial assets and liabilities by remaining contractual term

EURO

	on demand	from more than 1 day up to 7 days	from more than 7 days up to 15 days	from more than 15 days up to 1 month	from more than 1 month up to 3 months	from more than 3 months up to 6 months	from more than 6 months up to 1 year	from more than 1 year up to 5 years	More than 5 years	Open term
Assets	1,209,855	6,807	8,633	235,477	135,827	177,443	124,201	1,288,254	714,624	19,003
A.1 Government securities	2,771		1,687	203,226	63	8,811	13,331	799,500	204,500	
A.2 Other debt instruments				383	1,899	2,282	4,564	26,096	263,168	
A.3 OEIC units		4	7	13	49	36	1	2		
A.4 Financing	1,207,084	6,803	6,939	31,855	133,816	166,314	106,305	462,656	246,956	19,003
- banks	83,394			12						19,003
- customers	1,123,690	6,803	6,939	31,843	133,816	166,314	106,305	462,656	246,956	
Liabilities	668,116	771,964	88,470	170,606	351,656	249,728	621,893	753,547	112,949	
B.1 Deposits and current accounts	531,429	92,438	88,448	170,553	215,596	222,653	615,282	728,794	112,000	
- banks	125,665									
- customers	405,764	92,438	88,448	170,553	215,596	222,653	615,282	728,794	112,000	
B.2 Debt instruments										
B.3 Other liabilities	136,687	679,526	22	53	136,060	27,075	6,611	24,753	949	
Off-statement of financial position transactions	1,274,541	1,188,896		7,605	15,348	106,211	63,166	11,094	1,900	
C.1 Financial derivatives with exchange of principal				7,605	14,848	23,539	54,321			
- long positions				7,605	14,848	23,539	54,321			
- short positions										
C.2 Financial derivatives without exchange of principal										
- long positions										
- short positions										
C.3 Deposits and financing to be received	1,188,896	1,188,896								
- long positions	1,188,896									
- short positions		1,188,896								
C.4 Commitments to disburse funds	83,172				500	82,672				
- long positions					500	82,672				
- short positions	83,172									
C.5 Financial guarantees issued	2,473						8,845	11,094	1,900	
C.6 Financial guarantees received										
C.7 Credit derivatives with exchange of principal										
- long positions										
- short positions										
C.8 Credit derivatives without exchange of principal										

1. Breakdown of financial assets and liabilities by remaining contractual term

OTHER CURRENCIES

	on demand	from more than 1 day up to 7 days	from more than 7 days up to 15 days	from more than 15 days up to 1 month	from more than 1 month up to 3 months	from more than 3 months up to 6 months	from more than 6 months up to 1 year	from more than 1 year up to 5 years	More than 5 years	Open term
Assets	96,253									
A.1 Government securities										
A.2 Other debt instruments										
A.3 OEIC units										
A.4 Financing	96,253									
- banks	28									
- customers	96,225									
Liabilities										
B.1 Deposits and current accounts										
- banks										
- customers										
B.2 Debt instruments										
B.3 Other liabilities										
Off-statement of financial position transactions				7,605	14,848	23,539	54,321			
C.1 Financial derivatives with exchange of principal				7,605	14,848	23,539	54,321			
- long positions										
- short positions				7,605	14,848	23,539	54,321			
C.2 Financial derivatives without exchange of principal										
C.3 Deposits and financing to be received										
C.4 Commitments to disburse funds										
C.5 Financial guarantees issued										
C.6 Financial guarantees received										
C.7 Credit derivatives with exchange of principal										
C.8 Credit derivatives without exchange of principal										

The positions shown relate to the US dollar and the Japanese Yen.

1.5 Operational risks

Qualitative disclosure

Operational risk is the risk of loss arising from inadequate or non-functioning internal processes, human resources or systems, or from external events. This type of risk includes - among other things - the ensuing losses from fraud, human errors, business disruption, unavailability of systems, breach of contract, and natural catastrophes. Operational risk, therefore, refers to other types of events that, under present conditions, would not be individually relevant if not analysed jointly and quantified for the entire risk category.

A. General aspects, management processes and methods of measuring operational risk

In order to calculate the internal capital generated by the operational risk, the Group adopts the Basic Indicator Approach, which provides for the application of a regulatory coefficient (equal to 12%) to the three-year average of the relevant indicator defined in Article 316 of Regulation (EU) no. 575/2013 of 26 June 2013. The above-said indicator is given by the sum (with sign) of the following elements:

- interest and similar income;
- interest and similar expense;
- income on shares, quotas and other variable/fixed yield securities;
- income for commissions/fees;
- expense for commissions/fees;
- profit (loss) from financial transactions;
- other operating income.

Consistent with that provided for by the relevant legislation, the indicator is calculated gross of provisions and operating costs; also excluded from computation are:

- profits and losses on the sale of securities not included in the trading portfolio;
- income deriving from non-recurring or irregular items;
- income deriving from insurance.

As of 2014, the Bank measured the operational risk events via a qualitative performance indicator (IROR - Internal Risk Operational Ratio) defined within the operational risk management and control process (ORF - Operational Risk Framework). This calculation method allows a score to be defined between 1 and 5, inclusive (where 1 indicates a low risk level and 5 indicates a high risk level) for each event that generates an operational risk.

The Bank assesses and measures the level of the identified risk by also considering the controls and the mitigating actions implemented. This method requires a first assessment of the possible associated risks in terms of probability and impact ("Gross risk

level”) and a subsequent analysis of the existing controls (qualitative assessment on the effectiveness and efficiency of the controls) which could reduce the gross risk, based on which the specific risk levels (“Residual risk”) are determined. Finally, the residual risks are mapped on a predefined scoring grid, useful for the subsequent calculation of IROR via appropriate aggregation of the scores defined for the individual operational procedure.

Moreover, the Bank assesses the operational risk associated with the introduction of new products, activities, processes and relevant systems mitigating the onset of the operational risk via a preliminary evaluation of the risk profile.

The Bank places strong emphasis on possible ICT risks. ICT (Information and Communication Technology) and security risk is the risk of incurring losses due to breach of confidentiality, lack of integrity of systems and data, inadequacy or unavailability of systems and data, or inability to replace information technology (IT) within reasonable time and cost limits in the event of a change in the requirements of the external environment or business (agility), as well as security risks arising from inadequate or incorrect internal processes or external events, including cyber-attacks or inadequate levels of physical security. In the supplemented representation of the business risks, this type of risk is considered, in accordance with the specific aspects, among operational, reputational and strategic risks.

The Bank monitors the ICT and security risks based on the continuous information flows between the departments concerned defined in its IT security policies.

In order to conduct consistent and complete analyses with respect to the activities performed by the Bank’s other control departments, the results of the compliance risks audits conducted by the Compliance and Anti-Money Laundering Department were shared internally with the Internal Control, Risk Management and Sustainability Committee, as well as with the CEO. The Internal Audit Department also monitors the Bank’s operations and processes to ensure they are properly carried out and assesses the overall effectiveness and efficiency of the internal control system put in place to oversee activities that are exposed to risks.

Finally, as an additional protection against operational risk, the Bank:

- provides for insurance coverage on the operational risks deriving from actions of third parties or caused to third parties. In order to select the insurance coverage, the Bank initiated specific assessment activities, with the support of a primary market broker, to identify the best offers in terms of price/conditions proposed by several insurance undertakings;
- provided for appropriate contractual riders to cover damages caused by infrastructure and service suppliers;
- has planned an update of the Business Continuity Plan;
- provides for tools to counter cyber attacks via e-mail (phishing);

- provides for the simulation of phishing attacks to assess the ability of users to respond;
- has planned a periodic update of the IT security policy.

PART F - INFORMATION ON EQUITY

Section 1 - Equity

A. Qualitative disclosure

The objectives pursued in the Group's equity management are inspired by the prudential supervisory provisions, and are oriented towards maintaining adequate levels of capitalisation to take on risks typical to credit positions.

The income allocation policy aims to strengthen the Group's capital with special emphasis on common equity, to the prudent distribution of the operating results, and to guaranteeing a correct balance of the financial position.

B. Quantitative disclosure

B.1 Equity: breakdown

	Prudential consolidation	Insurance companies	Other companies	Consolidated adjustments	Total
1. Share capital	9,651		250	(250)	9,651
2. Share premium	39,100				39,100
3. Reserves	199,472		891	(1,538)	198,825
- income-related	200,683		891	(1,538)	200,036
a) legal	1,930				1,930
b) established under the Articles of Association					-
c) treasury shares					-
d) other	198,753		891	(1,538)	198,106
- other	(1,211)				(1,211)
4. Equity instruments	45,500				45,500
3.5 Interim dividends (-)					-
5. (Treasury shares)					-
6. Valuation reserves	13,057				13,057
- Equity instruments designated at fair value through other comprehensive income	(503)				(503)
- Hedging of equity instruments designated at fair value through other comprehensive income					-
- Financial assets (other than equity instruments) measured at fair value through other comprehensive income	4,704				4,704
- Property and equipment	9,033				9,033
- Intangible assets					-
- Hedges of foreign investments					-
- Cash flow hedges					-
- Hedging instruments (non-designated elements)					-
- Exchange rate gains (losses)					-
- Non-current assets held for sale and disposal groups					-
- Financial liabilities designated at fair value through profit or loss (changes in own credit rating)					-
- Net actuarial gains (losses) on defined benefit pension plans	(177)				(177)
- Shares of valuation reserves of equity-accounted investees					-
- Special revaluation laws					-
7. Profit (loss) for the year	28,834		(1,051)	1,258	29,042
Total	335,614		90	(530)	335,175

B.2 Valuation reserves for financial assets measured at fair value through other comprehensive income: breakdown

	31.12.2025		31.12.2024	
	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1. Debt securities	4,704			1,362
2. Equity instruments		503		642
3. Financing				
Total	4,704	503		2,004

B.3 Valuation reserves for financial assets measured at fair value through other comprehensive income: changes

	Debt instruments	Equity instruments	Financing
1. Opening balance	(1,362)	(642)	
2. Increases	9,058	208	
2.1 Fair value gains	6,226	208	
2.2 Impairment losses due to credit risk	10	X	
2.3 Reclassifications of negative reserves to profit or loss on sale		X	
2.4 Transfers to other equity items (equity instruments)			
2.5 Other increases	2,822		
3. Decreases	2,992	69	
3.1 Fair value losses			
3.2 Impairment gains due to credit risk			
3.3 Reclassifications of positive reserves to profit or loss: on sale			X
3.4 Transfers to other equity items (equity instruments)			
3.5 Other decreases	2,992	69	
4. Closing balance	4,704	(503)	

B.4 Valuation reserves related to defined benefit plans: changes

	31.12.2025
A. Opening balance	(367)
B. Increases	286
B.1 Actuarial gains	
B.2 Other increases	286
C. Decreases	95
C.1 Actuarial losses	
C.2 Other decreases	95
D. Closing balance	(177)
Total	(177)

Section 2 - Own funds and capital ratios

2.1 Own funds

A. Qualitative disclosure

The Group's own funds, risk-weighted assets (RWA) and solvency ratios were determined in accordance with the European Union prudential regulatory framework, commonly referred to as the CRD/CRR package, consisting of Directive 2013/36/EU (Capital Requirements Directive – CRD) and Regulation (EU) no. 575/2013 (Capital Requirements Regulation – CRR), as subsequently amended and supplemented, inter alia, by Regulation (EU) 2019/876 (CRR II) and Regulation (EU) 2024/1623 (CRR III). The calculation also takes into account the Regulatory Technical Standards (RTS) and Implementing Technical Standards (ITS) issued by the European Commission on a proposal from the European Banking Authority (EBA) as well as the supervisory provisions issued by the Bank of Italy. In particular, reference is made to Circular no. 285 of 17 December 2013 (“Supervisory Provisions for Banks”) and Circular no. 286 of 17 December 2013 (“Supervisory Instructions for Banking Groups”) and the related updates that incorporate, within the national regulatory framework, developments in European prudential regulation and the guidelines of the Supervisory Authorities.

Reconciliation of Group equity and Own Funds

	31.12.2025	31.12.2024
Equity	335,175	300,099
Dividends distributed and other foreseeable expenses	-	-
Equity assuming dividends are distributed to shareholders	335,175	300,099
Regulatory adjustments	(50,637)	(51,456)
- Deduction of intangible assets	(32,362)	(45,124)
- Prudent valuation adjustment (1)	(1,482)	(1,547)
- Prudential filter for insufficient coverage of NPEs	(8,919)	(5,134)
- Prudential filter pursuant to art. 468	(4,328)	1,701
- Other adjustments	(3,546)	(1,352)
Equity instruments not eligible for inclusion in CET1	(45,500)	(45,500)
Eligible equity attributable to non-controlling interests	14,461	13,318
Common Equity Tier 1 (CET1)	253,499	216,461
Equity instruments eligible for inclusion in AT1	45,500	45,500
Additional Tier 1 (AT1) capital	298,999	261,961
Tier 2 Capital	596	398
Total Own Funds	299,595	262,359

(1) Regulatory filter for additional valuation adjustments (AVA) to the prudential valuation under the provisions of Regulation 2016/101

A. Quantitative disclosure

	31.12.2025
A. Common Equity Tier 1 (CET1) before application of prudential filters	281,018
of which CET 1 instruments covered by transitional measures	-
B. CET1 prudential filters (+/-)	14,461
C. CET1 including items to be deducted and the effects of the transitional regime (A+/-B)	295,479
D. Items to be deducted from CET1	46,309
E. Transitional regime - Impact on CET (+/-)	4,328
F. Total Common Equity Tier 1 (CET1) (C-D+/-E)	253,498
G. Additional Tier 1 (AT1) including items to be deducted and the effects of the transitional regime	45,500
of which AT1 instruments covered by transitional measures	-
H. Items to be deducted from AT1	-
I. Transitional regime - Impact on AT1 (+/-)	-
L. Total Additional Tier 1 (AT1) (G-H+/-I)	45,500
M. Tier 2 (T2) including items to be deducted and the effects of the transitional regime	596
of which T2 instruments covered by transitional measures	-
N. Items to be deducted from T2	-
O. Transitional regime - Impact on T2 (+/-)	-
P. Total Tier 2 (T2) (M-N+/-O)	596
Q. Total Own Funds (F+L+P)	299,594

2.2 Capital adequacy

A. Qualitative disclosure

The total “fully loaded” own funds at 31 December 2025 amount to € 299.6 million and include 100% of the profit, as it is currently prohibited to distribute dividends.

	Unweighted amounts		Weighted amounts/requirements	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
A. EXPOSURES				
A.1 Credit and counterparty risk	6,067,500	7,405,448	1,434,497	1,420,138
1. Standardised approach	6,067,500	7,405,448	1,434,497	1,420,138
2. Internal ratings based approach				
2.1 Basic				
2.2 Advanced				
3. Securitisations				
B. CAPITAL REQUIREMENTS				
B.1 Credit and counterparty risk			114,760	113,611
B.2 Credit valuation adjustment risk			59	42
B.3 Settlement risk				
B.4 Market risk			785	659
1. Standard approach			785	659
2. Internal models				
3. Concentration risk				
B.5 Operational risk			18,898	16,227
1. Standard approach			18,898	16,227
2. Internal models				
3. Concentration risk				
B.6 Other calculation elements				
B.7 Total prudential requirements			134,502	130,540
C. EXPOSURES AND CAPITAL RATIOS			1,681,277	1,631,745
C.1 Risk-weighted assets			1,681,277	1,631,745
C.2 CET1 capital/risk-weighted assets (CET1 Capital Ratio)			15.1%	13.3%
C.3 Tier 1 capital/risk-weighted assets (Tier 1 Capital Ratio)			17.8%	16.1%
C.4 Total Own Funds/risk-weighted assets (Total Capital Ratio)			17.8%	16.1%

PART G - BUSINESS COMBINATIONS

Section 1 - Transactions performed in the year

No transactions to report.

Section 2 - Transactions performed after the end of the year

No transactions to report.

Section 3 - Retrospective adjustments

No transactions to report.

PART H - RELATED PARTY TRANSACTIONS

Related party transactions, including the relevant authorisation and disclosure procedures, are governed by the "Procedure governing related party transactions" approved by the Board of Directors and published on the internet site of the Parent, Banca Sistema S.p.A.

Transactions between Group companies and related parties were carried out in the interests of the Bank, including within the scope of ordinary operations; these transactions were carried out in accordance with market conditions and, in any event, on the basis of mutual financial advantage and in compliance with all procedures.

With respect to transactions with parties who exercise management and control functions in accordance with art. 136 of the Consolidated Law on Banking, they are included in the Executive Committee resolution, specifically authorised by the Board of Directors and with the approval of the Statutory Auditors, subject to compliance with the obligations provided under the Italian Civil Code with respect to matters relating to the conflict of interest of directors.

Pursuant to IAS 24, the related parties of Banca Sistema include:

- shareholders with significant influence;
- companies belonging to the banking Group;
- companies subject to significant influence;
- key management personnel;
- the close relatives of key management personnel and the companies controlled by (or connected with) such personnel or their close relatives.

1. Disclosure on the remuneration of key management personnel

The following data show the remuneration of key management personnel, as per IAS 24 and Bank of Italy Circular no. 262 of 22 December 2005 as subsequently updated, which requires the inclusion of the members of the Board of Statutory Auditors.

In thousands of Euro	Board of Directors	Board of Statutory Auditors	Other managers	31.12.2025
Remuneration to Board of Directors and Board of Statutory Auditors	2,735	234		3,022
Short-term benefits for employees	104		3,107	3,210
Post-employment benefits	130		321	451
Other long-term benefits				46
Termination benefits				
Share-based payments	71		31	205
Total	3,039	437	3,458	6,934

2. Disclosure on related party transactions

The following table shows the assets, liabilities, guarantees and commitments at the end of the financial year, differentiated by type of related party with an indication of the impact on each individual caption.

In thousands of Euro	Directors, Board of Statutory Auditors and key management personnel	Other related parties	% of caption
Loans and receivables with customers	309	20,096	0.8%
Other activities	-	53	0.0%
Due to customers	1,747	52,247	1.6%

The following table indicates the costs and income for 2023, differentiated by type of related party.

In thousands of Euro	Directors, Board of Statutory Auditors and key management personnel	Other related parties	% of caption
Interest income	1	0	0.0%
Interest expense	37	215	0.2%
Commission income		290	0.7%

Details are provided below for each of the following related parties that are shareholders exceeding the 5% stake threshold in individual Group companies.

In thousands of Euro	Amount (Thousands of Euro)	Percentage (%)
LIABILITIES	-	0.0%
Due to customers	-	0.0%
Shareholders - SGBS	2	0.0%
Shareholders - Fondazione CR Alessandria	49	0.0%
Shareholders - Fondazione Pisa	-	0.0%
Shareholders - Fondazione Sicilia	8	0.0%
Total Liabilities	58	0.0%

PART I - SHARE-BASED PAYMENT PLANS

Qualitative disclosure

As indicated in the 2025 Policies Document, Banca Sistema, having a four-year average of total assets of less than € 5 billion and not belonging to a group with assets worth more than € 30 billion, is considered to be a "smaller and less complex bank".

Given the provisions of the Bank of Italy Circular, which allow banks with assets of less than € 5 billion (as an average of the last four years) to neutralise the provisions relating to the disbursement of variable remuneration in financial instruments and to solely apply an "appropriate" deferral period, Banca Sistema intends to make use of this simplification and apply the abovementioned cash payment schemes for the payment of variable remuneration starting from 2022 (without prejudice to any regulatory updates and/or the achievement of the size thresholds indicated by Circular 285).

Therefore, the Bank shall apply the provisions relating to key personnel subject to percentages and to deferral periods that may be defined in proportion to their characteristics, thereby ensuring a proportional alignment criterion also in relation to the provisions of the Corporate Governance Code, for longer deferral in the case of members of the Board of Directors and key management personnel (they are thus extended to all Key Personnel).

Following the inspection of the Bank of Italy that started in July 2024, the Supervisory Authority has instructed that the Banca Sistema Group, until further review by the Bank of Italy, also based on the feedback that will be provided by the Bank, refrain from resolving or taking the following actions: i) the distribution of profits generated from the current 2024 financial year or other elements of equity; ii) the payment of the variable component of remuneration for the 2024 financial year and subsequent years. For the payment of coupons or dividends on Additional Tier 1 capital instruments, the limits on the Maximum Distributable Amount set by current capital conservation regulations must be observed.

The deferred instalments of the variable component of remuneration relating to financial years prior to 2024 were regularly paid and, in particular, following the positive resolutions of the next Shareholders' Meeting approving the financial statements, the restriction on the last shares subject to retention will expire, as provided for by the Bank's Remuneration Policies.

Disclosure of the fees paid to the independent auditors

Pursuant to the provisions of Art. 149 duodecies of the Consob Issuers' Regulations, the information regarding the fees paid to the independent auditors BDO Audit Services S.r.l. and to the companies included in the same network is reported below for the following services:

1. Audit services that include:
 - The audit of the annual accounts, for the purpose of expressing an opinion thereon.
 - The audit of the interim accounts.
2. Certification services that include tasks whereby the auditor evaluates a specific element, the determination of which is performed by another party who is responsible thereof, through appropriate criteria, in order to express a conclusion that provides the recipient party with a degree of confidence concerning said specific element.
3. Tax advisory services.
4. Other services.

The fees presented in the table, pertaining to the year, are those contracted, without index-linking (and excluding out-of-pocket expenses, any supervisory contribution and VAT).

They do not include, in accordance with the cited provision, the fees paid to any secondary auditors or to parties of the respective networks.

Type of services	Entity providing the service	Entity receiving the service	Remuneration
Audit	BDO Audit Services Srl	Banca Sistema	243
Other certifications	BDO Audit Services Srl	Banca Sistema	125
Audit	BDO Audit Services Srl	LASS	16
Audit	BDO Audit Services Srl	QS 2017	26
Audit	BDO Audit Services Srl	Kruso Kapital	75
Other certifications	Network BDO	Kruso Kapital	10
Audit	Network BDO	Kruso Kapital - Greece	8
Audit	Network BDO	CEP	28
Total			531

PART L - SEGMENT REPORTING

For the purposes of segment reporting as per IFRS 8, the income statement is broken down by segment as follows.

Breakdown by segment as at 31 December 2025

Income statement (€,000)	Factoring Division	Retail Division	Collateralised Lending Division	Corporate Centre	Group Total
Net interest income adjusted	112,696	(1,818)	14,244	96	125,219
Net fee and commission income (expense)	6,554	(622)	21,568	68	27,567
Dividends and similar income	174	53	-	-	227
Net trading income (expense)	22	7	-	-	29
Gain from sales or repurchases of financial assets/liabilities	12,858	4,931	-	-	17,789
Total income	132,304	2,551	35,820	164	170,839
Net impairment losses on loans and receivables	(9,309)	(848)	(141)	1	(10,297)
Net financial income (expense)	122,995	1,704	35,679	165	160,542

Statement of Financial Position (€,000)	Factoring Division	Retail Division	Collateralised Lending Division	Corporate Centre	Group Total
Cash and cash equivalents	67,268	20,523	-	-	87,791
Financial assets (HTS and HTCS)	910,241	277,706	-	-	1,187,947
Loans and receivables with banks	14,675	4,486	-	-	19,161
Loans and receivables with customers	1,837,980	598,663	155,058	-	2,591,701
loans and receivables with customers - loans	1,799,653	586,970	155,058	-	2,541,680
loans and receivables with customers - debt instruments	38,327	11,693	-	-	50,020
Due to banks	-	-	-	69,199	69,199
Due to customers	25,257	-	-	3,416,262	3,441,519

This segment reporting includes the following divisions:

- Factoring Division, which includes the business segment related to the origination of trade and tax receivables with and without recourse and the management and recovery of default interest. In addition, the division includes the business segment related to the origination of state-guaranteed loans to SMEs disbursed to factoring customers and the management and recovery of receivables on behalf of third parties;

- Retail Financing Division, which includes the business segment related to the purchase of salary- and pension-backed loans (CQS/CQP) portfolios, salary- and pension-backed loans disbursed through the direct channel and distribution of third-party products;
- Collateralised Lending Division, which includes the business segment related to collateral-backed loans and auction house activities;
- Corporate Division, which includes activities related to the management of the Group's financial resources and costs/income in support of the business activities. In particular, the cost of funding managed in the central treasury pool is allocated to the divisions via an internal transfer rate ("ITR"), while income from the management of the securities portfolio and income from liquidity management (the result of asset and liability management activities) is allocated entirely to the business divisions through a pre-defined set of drivers. The division also includes income from the management of SME loan run-offs.

The secondary disclosure by geographical segment has been omitted as immaterial, since the customers are mainly concentrated in the domestic market.

PART M - LEASE DISCLOSURE

SECTION 1 - LESSEE

Qualitative disclosures

The Bank has contracts that fall within the scope of IFRS 16 attributable to the following categories:

1. Property used for business and personal purposes;
2. Cars.

At the end of the year, there were 54 leases, 18 of which were property leases for a total right of use value of € 4.9 million, while 38 were for cars, for a total right of use value of € 0.6 million. Property leases, which refer to lease payments for buildings used for business purposes such as offices and for personal use, have terms exceeding 12 months and typically have renewal and termination options that may be exercised by the lessor and the lessee as provided for by law.

Contracts referring to other leases are long-term leases for cars which are generally used exclusively by the employees to whom they are assigned. These contracts have a maximum term of 5 years with monthly lease payments, no renewal option, and no option to purchase the asset.

Contracts with a term of less than 12 months or those for which the replacement value of the individual leased asset is low, i.e. less than € 20 thousand, are excluded from the application of the standard.

Quantitative disclosures

The following table provides a summary of the Statement of Financial Position items relating to leases expressed in Euro; for further information, please refer to Part B of the notes to the financial statements:

Type of contract	Right of use (*)	Lease liabilities
Property lease payments	3,342	3,310
Long-term car lease	1,008	1,035
Total	4,351	4,345

(*) This is the right of use value net of accumulated depreciation.

The following table provides a summary of the Income Statement items relating to leases; for further information, please refer to Part B of the notes to the financial statements:

Type of contract	Right of use (*)	Lease liabilities
Property lease payments	100	1,294
Long-term car lease	28	387
Total	128	1,681

SECTION 2 - LESSOR

Qualitative disclosures

At the reporting date, the Bank does not engage in leases as a lessor.

STATEMENTS ON THE CONSOLIDATED FINANCIAL STATEMENTS

Statements on the consolidated financial statements in accordance with article 81-ter of Consob Regulation no. 11971 of 14 May 1999 as amended and supplemented

1. The undersigned, Gianluca Garbi, CEO, and Alexander Muz, Manager in charge of financial reporting of Banca Sistema S.p.A., hereby state, having taken into account the provisions of Art. 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998:

- the suitability as regards the characteristics of the bank and
- the effective application of the administrative and accounting procedures for the drafting of the consolidated financial statements during 2025.

2. Reference model

The suitability of the administrative and accounting procedures for the drafting of the consolidated financial statements at 31 December 2025 was assessed based on an internal model defined by Banca Sistema S.p.A. that was designed in a manner consistent with the framework developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and the Control Objectives for IT and Related Technology (COBIT) framework, which represent the reference standards for the internal control system generally accepted on an international level.

3. Moreover, the undersigned hereby state that:

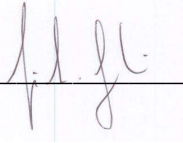
3.1 the consolidated financial statements:

- a) were drafted in accordance with the applicable international accounting standards endorsed by the European Union, pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
- b) match the accounting books and records;
- c) are suitable for providing a true and fair view of the financial position, results of operations and cash flows of the issuer and all the companies included in the scope of consolidation.

3.2 The Directors' Report includes a reliable analysis of business performance and results, as well as of the position of the issuer and the companies included in the scope of consolidation, together with a description of the main risks and uncertainties to which they are exposed.

Milan, 6 March 2026

Gianluca Garbi
Chief Executive Officer



Alexander Muz
Manager in charge
of financial reporting



INDEPENDENT AUDITORS' REPORT

Banca Sistema S.p.A.

Independent auditor's report pursuant to article 14 of Legislative Decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) 537/2014

Consolidated financial statements as at December 31, 2025

As disclosed by the Directors, the accompanying consolidated financial statements of Banca Sistema Group constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into English solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Independent auditor's Report

pursuant to article 14 of Legislative Decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) 537/2014

To the Shareholders of
Banca Sistema S.p.A.

Report on the audit of consolidated financial statements

Opinion

We have audited the consolidated financial statements of Banca Sistema Group (the "Group"), which comprise the statement of financial position as at December 31, 2025, the income statement, the statement of comprehensive income, the statement of changes in net equity and the statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material information on the accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at December 31, 2025, and of its financial performance and its cash flows for the year then ended in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union, as well as the regulation issued to implement art. 9 of Legislative Decree no. 38/05 and of art. 43 of 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 Banca Sistema S.p.A. (the "parent") in accordance with the ethical and independence requirements applicable in Italy to audits of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to the paragraph "**Significant Events After The Reporting Date**" of the chapter "Other information" of the Directors' Report of the consolidated financial statements that describes the voluntary public tender and exchange offer on all shares. In particular, the group informs that on January 16, 2026, CF+ SpA announced and published the offer document and the information relating to the voluntary public tender and exchange offer on all the ordinary shares of Banca Sistema S.p.A.. The offer period ended on February 27, 2026, with total acceptances reaching 70.732% of Banca Sistema S.p.A.'s share capital, corresponding to 69.047% of the related voting rights.

Furthermore, following the completion of the transaction and the resulting change of control - as previously announced on February 6, 2026 the Group points out that there are potential non-recurring expenses, estimated at approximately € 7.3 million (before tax), which may be recognised in the income statement in subsequent financial years. The Group outlines also that such charges were not recognised in the financial statements, as the Bank of Italy's prohibition is in force from December 20, 2024, which requires the Group not to include in its financial statements any cost or liability items relating to variable remuneration.

Our opinion is not modified in respect of this matter.

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.

Key audit matters

Audit procedures addressing the key audit matters

CLASSIFICATION AND MEASUREMENT OF RECEIVABLES WITH CUSTOMERS FOR LOANS RECOGNISED UNDER FINANCIAL ASSETS MEASURED AT AMORTISED COST

Notes to the consolidated financial statements: part A: Accounting policies (A.1 General part, Section 2 - General basis of preparation); Part A Accounting policies (A.2, "Information on the main items of the financial statements" - "Financial assets measured at amortised cost"); Part B - Information on the statement of financial position (Section 4 "Financial assets measured at amortised cost - Item 40"); Part E- Information concerning risk and related hedging policies (Section 1 - "Credit risk")

Receivables with customers, recorded among financial assets measured at amortised cost as of December 31, 2025, amounting to Euro 2.592 million include loans for Euro 2.364 million of which non-performing loans amounting to Euro 364 million.

In Part A - Accounting policies, relating to the main financial statements items, paragraph "Financial assets measured at amortised cost" of the Notes whereas the Group refers to the corresponding paragraph of the Notes of the consolidated financial statements where the criteria adopted for the classification and measurement of the aforementioned receivables are described, in compliance with the applicable accounting standards, as well as the arrangements for estimating expected losses and consequent value adjustments as a function of the allocation of credit exposures in the reference stages. In particular, for impaired credit exposures, the amount of value adjustments to be recognised in the Income Statement is defined on the basis of individual measurement or determined according to uniform categories and, then, individually allocated to each position, and takes account of forward-looking information and possible alternative recovery scenarios.

In Part A - Accounting Policies, General Part, Section 2 - General basis of preparation, of the Notes the Group illustrates that the measurement of receivables on customers is a complex estimation activity, characterised by a high degree of uncertainty and

Our main audit procedures carried out, among others, include the following activities:

- understanding of the internal regulations and processes put in place by the Group, in relation to the classification, monitoring of credit quality as well as the valuation of receivables with customers for loans measured at amortised cost;
- analysis of the adequacy of the IT environment related to IT applications that are relevant for the classification of customers receivables;
- procedures for reconciling data between management systems and information reported in the financial statements;
- comparative analysis procedures and trend analysis of receivables with customers for loans measured at amortised cost and of the coverage ratios by comparison with the data of the previous year;
- analysis and understanding, including with the support of our specialists, of the valuation model adopted by the Group for the purpose of determining net impairment losses;
- check, on a sample basis, of the classification of receivables with customers for performing loans measured at amortised cost based on the applicable regulatory framework, the internal regulations of the Bank as well as the applicable accounting standards;
- check, on a sample basis, of the classification and measurement of receivables with customers for non performing loans measured at amortised cost based on the applicable regulatory framework, the internal regulations of the Bank as well as the applicable accounting

subjectivity, in which the parent company's directors use valuation models that take into account many quantitative and qualitative elements such as, among others, the historical data relating to collections, expected cash flows and related recovery times, the existence of indicators of possible impairment losses, the assessment of any collateral and the impact of risks connected with the sectors in which the Parent company's and the group's entities' customers operate.

In view of the significance of the amount of receivables with customers for loans recognised under financial assets measured at amortised cost on the financial statements and the complexity and subjectivity of the expected loss estimation process adopted by the Group we considered that the classification and measurement of receivables with customers for loans recognised under financial assets measured at amortised cost represents a key matter within the audit of the consolidated financial statements of the Group as of December 31, 2025.

ACCOUNTING OF DEFAULT INTERESTS PURSUANT TO LEGISLATIVE DECREE NO. 231 OF OCTOBER 9, 2002 ON PERFORMING RECEIVABLES ACQUIRED WITHOUT RECOURSE

Notes to the consolidated financial statements: Part A: Accounting policies (A.1 General part, Section 2 - General basis of preparation); Part A Accounting policies (A.2, "Information on the main items of the financial statements" - "Financial assets measured at amortised cost"); Part B - Information on the statement of financial position (Section 4 "Financial assets measured at amortised cost - Item 40") Part C - Information on the income statement - Section 1 "Interest and similar income: breakdown - item 10 and 20"

The default interest and compensation fees recorded in the financial statements as of December 31, 2025, amount to approximately Euro 81 million. Default interest recorded on profit and loss in the financial year ended December 31, 2025 amounted to Euro 53.1 million.

In Part A - Accounting policies, relating to the main financial statements items, paragraph "Financial assets measured at amortised cost" of the Notes of the consolidated financial statements it is described that, for some factoring receivables relating to the Public Administration and Healthcare entities, the Parent company recognises the total receivable including the estimated default interest ("accrual").

In Part A - Accounting policies, General Part, Section 2 - General basis of preparation, of the Notes the Parent Company illustrates that the valuation of default

standards;

- check of the completeness and compliance of the disclosures provided in financial statements with the applicable accounting framework and accounting standards.

Our main audit procedures carried out, among others, include the following activities:

- understanding of the internal regulations and processes related to the estimate of default interest on performing receivables acquired without recourse;
- procedures for reconciling data between management systems and information reported in the financial statements;
- comparative analysis procedures and analysis of the results with the management involved;
- analysis and understanding of the models used to estimate default interest, also with the support of our experts, and examination of the reasonableness of the main assumptions contained in them;
- check of the completeness and compliance of the disclosures provided in financial statements with the applicable accounting framework and accounting standards.

interest pursuant to Legislative Decree no. 231 of October 9, 2002 on performing receivables acquired without recourse: estimating the recoverable amount of default interest is complex, with a high degree of uncertainty and subjectivity. Internally developed valuation models are used to determine these percentages, which take many qualitative and quantitative elements into consideration.

In view of the significance of the amount of default interest recognised in the financial statements and the high level of uncertainty and subjectivity of the estimation process adopted by the Group we have considered the accounting of default interest pursuant and compensation fees for recovery expenses to legislative decree no. 231 of October 9, 2002 on performing receivables acquired without recourse a significant key matter within the audit of the consolidated financial statements at December 31, 2025.

VALUATION OF GOODWILL

Notes to the consolidated financial statements: Part A - Accounting policies - Part of “Information on the main items of the consolidated financial statements”: “Intangible assets”; Part B - Information on the statement of financial position (Section 10 - “Intangible assets - item 100”)

In the consolidated financial statements as at December 31, 2025, among the intangibles, the Group recognised a goodwill of approximately Euro 30.7 million.

In Part A - Accounting policies, relating to the main financial statements items, paragraph “intangibles assets” of the note are described the measurement criteria. In particular, in compliance with IAS36 - “Impairment of assets”, goodwill is not amortised and an impairment test is conducted annually (or whenever there is evidence of impairment) by the Parent company. For this purpose, goodwill is allocated to cash-generating units (“Cash Generating Unit” or “CGUs”). The amount of any impairment is determined based on the difference between the carrying amount of the CGU and its recoverable amount, being the higher of the fair value of the cash-generating unit, net of any costs to sell, and its value in use.

The Parent company recognised in the consolidated financial statements at December 31, 2025 write-down of euro 13.3 million related to the CGU of Kruso Kapital Group. In particular, with reference to the impairment test of Kruso Kapital the recoverable amount has been determined as the higher between the value in use and the fair value net of costs to sell, considering the current scenario of a future sell

Our main audit procedures carried out, among others, include the following activities:

- understanding of the impairment test process implemented by the Parent Company also considering the conclusion of the voluntary tender and exchange offer on all ordinary shares of Banca Sistema S.p.A.;
- understanding of the valuation model adopted by the Group for the purposes of carrying out the impairment test, corresponding to the realisation value calculated as the average of the market values of the last 3 months of the shares of the subsidiary Kruso Kapital S.p.A. connected with the future sale of these shares to CF+ as provided for in the voluntary tender and exchange offer on all shares;
- analysis of the reasonableness of the main assumptions adopted for the purposes of formulating the economic-financial projections and the key variables used in the evaluation model;
- analysis of final data relating to recent years with respect to plans in order to understand the nature of the deviations, and the related reasons, and evaluate the reliability of the process of defining economic-financial projections;
- verification of the mathematical accuracy of the impairment model used;

due to the mechanism of the public tender and exchange offer on all shares.

In view of the significance of the amount of goodwill recognised in the financial statements and the estimation process adopted by the Group we have considered the valuation of goodwill a key audit matter in our audit of the consolidated financial statements of the Group at December 31 2025.

- examination of the sensitivity analyses and the results obtained by the Company;
- check of the completeness and compliance of the disclosure provided in the financial statements with respect to the provisions of the Reference Regulatory Framework and accounting standards.

Responsibilities of the directors and the board of statutory auditors of Banca Sistema S.p.A. 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 the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union, as well as the regulation issued to implement art. 9 of Legislative Decree no. 38/05 and of art. 43 of Legislative Decree no. 136/15 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the parent or ceasing operations exist, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, within the terms established by the Italian 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 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA Italia, we exercised professional judgment and maintain professional skepticism throughout the audit. We also have:

- identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained 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;
- obtained 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;
- evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- concluded on the appropriateness of the directors' 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;

- evaluated 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;
- obtained 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 on the consolidated financial statements.

We have communicated with those charged with governance, as properly identified in accordance with ISA Italia, 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 have also provided those charged with governance with a statement that we have complied with ethical and independence requirements applicable in Italy, and we have communicated all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the measures taken to eliminate those threats or the safeguards applied.

From the matters communicated with those charged with governance, we determined 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 described those matters in our auditor's report.

Other information communicated pursuant to article 10 of Regulation (EU) 537/2014

On April 18, 2019, the Shareholders' meeting of Banca Sistema S.p.A. appointed to perform the statutory audit of its separate and consolidated financial statements for the years ending from December 31, 2019 to December 31, 2027.

We declare that we did not provide prohibited non-audit services, referred to article 5, paragraph 1, of Regulation (EU) 537/2014, and that we remained independent of the bank in conducting the audit.

We confirm that the opinion on the consolidated financial statements of Banca Sistema Group included in this audit report is consistent with the content of the additional report prepared in accordance with article 11 of Regulation (EU) 537/2014, submitted to Those charged with governance.

Report on other legal and regulatory requirements

Opinion on the compliance with the provisions of Delegated Regulation (EU) 2019/815

The directors of Banca Sistema S.p.A. are responsible for the application of the provisions of Delegated Regulation (EU) 2019/815 of European Commission regarding the regulatory technical standards pertaining the electronic reporting format specifications (ESEF - European Single Electronic Format) (hereinafter the "Delegated Regulation") to the consolidated financial statements at December 31, 2025, to be included in the annual financial report.

We have performed the procedures required under Auditing Standard (SA Italia) no. 700B in order to express an opinion on the compliance of the consolidated financial statements as at December 31, 2025 with the provisions of the Delegated Regulation.

In our opinion, the consolidated financial statements as at December 31, 2025 have been prepared in XHTML format and have been marked-up, in all material respects, in compliance with the provisions of Delegated Regulation.

Opinion and statement pursuant to article 14, paragraph 2, letters e), e-bis) and e-ter), of Legislative Decree no. 39/10 and article 123-bis, paragraph 4, of Legislative Decree no. 58/98

The directors of Banca Sistema S.p.A. are responsible for the preparation of a directors' report on operations and a report on corporate governance and ownership structure at December 31, 2025, including their consistency with the related consolidated financial statements and their compliance with the applicable laws.

We have performed the procedures required under Auditing Standard (SA Italia) no. 720B in order to:

- express an opinion on the consistency of the report on operations and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis, paragraph 4, of Legislative Decree no. 58/98 with the consolidated financial statements;
- express an opinion on the compliance of the report on operations and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis, paragraph 4, of Legislative Decree no. 58/98 with the applicable law;
- issue a statement of any material misstatements in the report on operations and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis, paragraph 4, of Legislative Decree no. 58/98.

In our opinion, the report on operations and the specific information presented in the report on corporate governance and ownership structure required by article 123-bis, paragraph 4, of Legislative Decree no. 58/98 are consistent with the Group's consolidated financial statements at December 31, 2025.

Moreover, in our opinion, the report on operations and the specific information presented in the report on corporate governance and ownership structure required by article 123-bis paragraph 4 of Legislative Decree no. 58/98 have been prepared in compliance with the applicable law.

With reference to the statement pursuant to Article 14, paragraph 2, letter e-ter), of Legislative Decree no. 39/10 based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Milan, March 31, 2026

BDO Audit Services S.r.l..

Signed in the original by

Annarosa Disarlo

Partner

As disclosed by the Directors, the accompanying consolidated financial statements of Banca Sistema Group constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into English solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

BANCA **SISTEMA**

**SEPARATE FI-
NANCIAL STATE-**

AT 31 DECEMBER 2025

DIRECTORS' REPORT AT 31 DECEMBER 2025

INTRODUCTION TO THE DIRECTORS' REPORT OF BANCA SISTEMA S.P.A.

This Directors' Report provides commentary on the Parent's performance and the related figures and results.

For other information required by the applicable legal and regulatory provisions, please see the Directors' Report in the Banca Sistema Group's consolidated financial statements as regards the following:

- composition of management bodies
- composition of the internal committees
- significant events during the year
- the macroeconomic scenario
- factoring
- salary- and pension-backed loans
- funding activities
- composition and organisational structure of the Group
- capital and shares
- risk management and support control methods
- significant events after the reporting date
- business outlook and main risks and uncertainties.

With respect to the notes to the separate financial statements, the sections where reference is made to the consolidated financial statements are provided below:

Referring section of the separate financial statements	Section of the consolidated financial statements to which reference is made
A.2 – Information on the main items of the financial statements	A.2 – Information on the main items of the financial statements
Part B Section 9 – Intangible assets – Item 90 Narrative section	Part B Section 10 – Intangible assets – Item 100 Narrative section
Part E Section 1 - Credit risk Qualitative disclosure	Part E Section 2 - Prudential consolidation risks, 1.1 Credit risk Qualitative disclosure
Part E Section 2 - Market risk 2.1- Interest rate risk and price risk - regulatory trading book Qualitative disclosure	Part E 1.2 Market risk 1.2.1- Interest rate risk and price risk - regulatory trading book Qualitative disclosure
Part E Section 2 - Market risk 2.2 Interest rate risk and price risk - Banking book Qualitative disclosure	Part E 1.2 Market risk 1.2.2 Interest rate risk and price risk - Banking book Qualitative disclosure
Part E Section 2 - Market risk 2.3 Currency risk	Part E 1.2 Market risk 1.2.3 Currency risk

Qualitative disclosure	Qualitative disclosure
Part E Section 4 - Liquidity risk Qualitative disclosure	Part E 1.4 Liquidity risk Qualitative disclosure
Part E Section 5 - Operational risks Qualitative disclosure	Part E 1.4 Operational risks Qualitative disclosure

FINANCIAL HIGHLIGHTS AT 31 DECEMBER 2025

■ 31-Dec-25 ■ 31-Dec-24

Statement of financial position data (€,000)			
Total Assets		4,199,243	-7.8%
		4,553,400	
Securities Portfolio		1,249,382	2.2%
		1,221,996	
Loans - Factoring		1,321,879	-9.9%
		1,466,729	
Loans - Salary-backed loans		572,943	-18.3%
		701,494	
Funding - Banks and REPOs		827,903	-8.0%
		900,022	
Funding - Term Deposits		2,261,130	-11.9%
		2,565,354	
Funding - Current Accounts		359,636	9.2%
		329,346	

The securities portfolio includes Financial assets measured at fair value through profit or loss, Financial assets measured at fair value through other comprehensive income and, as regards the HTC portfolio, only Italian government bonds. ABS securities amounting to €181.7 million are thus excluded.

Income statement data (€,000)			
Net interest income		108,340	54.0%
		70,331	
Net fee and commission income (expense)		5,503	-51.2%
		11,268	
Total income		131,748	38.1%
		95,430	
Personnel expense		(24,100)	0.7%
		(23,930)	
Personnel expense adjusted		(24,100)	0.7%
		(23,930)	
Other administrative expenses		(38,628)	31.6%
		(29,360)	
Profit for the year attributable to the owners of the Parent		34,266	55.6%
		22,019	
Profit for the year attributable to the owners of the Parent adjusted		35,695	62.1%
		22,019	

Normalised data do not include the realisation effects of the public tender and exchange offer as subsequently described.

HUMAN RESOURCES

As at 31 December 2025, the Bank had a staff of 222, broken down by contract category as follows

FTES	31.12.2025	31.12.2024
Senior managers	26	24
Middle managers (QD3 and QD4)	52	53
Other personnel	144	137
Total	222	214

As at 31 December 2025, 34 people were selected and hired to strengthen the control functions, to grow the business and to cover turn over, mainly with permanent contracts, and maternity replacements or other long absences with fixed-term contracts. Voluntary turn over (voluntary resignations by employees with permanent contracts) decreased by 1% during the year compared to the figures for the two previous financial years, returning to its historical average levels.

In terms of skills development, after identifying professional and technical training needs related to the Group's legal and regulatory issues, at 31 December 2025, the Bank delivered training initiatives run by external and internal trainers, with particular reference to technical training, professional training, soft skills and language training, for a total of approximately 108 days overall. Particular attention was paid to activities relating to cybersecurity, anti-money laundering and change management.

The average age of Group employees is 44.8 for men and 42.3 for women. The breakdown by gender is balanced, with men accounting for 50.4% and women for 49.6% of the total.

In order to assess the Bank's compliance with the provisions of the new EU Pay Transparency Directive ("EU Directive 2023/970") applicable from the next financial year and to set any adjustments, the Human Capital Department, with the support of qualified external consultants, carried out a series of analyses of the company situation on the matter. The analyses will continue in 2026 in order to align the relevant processes with the requirements of the Directive.

The average age of Banca Sistema S.p.A. Bank employees is 45.2 for men and 42.8 for women. The breakdown by gender is essentially balanced with men accounting for 50.5% of the total.

INCOME STATEMENT RESULTS

Income statement (€,000)	2025	2024	Change	%
Net interest income	79,872	37,477	42,395	>100%
Net trading income from Superbonus (1)	28,468	32,854	(4,386)	-13.3%
Net interest income adjusted	108,340	70,331	38,009	54.0%
Net fee and commission income (expense)	5,503	11,268	(5,765)	-51.2%
Dividends and similar income	227	227	-	0.0%
Net trading income (expense)	29	1,370	(1,341)	-97.9%
Gain from sales or repurchases of financial assets/liabilities	17,722	9,983	7,739	77.5%
Net gain (loss) on other financial assets and liabilities measured at FV through profit or loss	(73)	2,251	(2,324)	<100%
Total income	131,748	95,430	36,318	38.1%
Net impairment losses on loans and receivables	(7,578)	(198)	(7,380)	>100%
Gains/losses from contract amendments without derecogn	1	(102)	103	<100%
Net financial income (expense)	124,171	95,130	29,041	30.5%
Personnel expense	(24,100)	(23,930)	(170)	0.7%
Other administrative expenses	(38,628)	(29,360)	(9,268)	31.6%
Net accruals to provisions for risks and charges	(7,031)	(3,425)	(3,606)	>100%
Net impairment losses on property and equipment/intangible	(1,782)	(1,616)	(166)	10.3%
Other operating income (expense)	1,949	(2,555)	4,504	<100%
Operating costs	(69,592)	(60,886)	(8,706)	14.3%
Gains/losses from investments	(1,429)	-	(1,429)	n.a.
Pre-tax profit	53,150	34,244	18,906	55.2%
Income taxes for the year	(18,884)	(12,225)	(6,659)	54.5%
Profit for the year adjusted	34,266	22,019	12,247	55.6%
Impacts from PT&EO success	1,429	-	1,429	n.a.
Profit for the year	35,695	22,019	13,676	62.1%

(1) The net trading income from Superbonus was reclassified from the item Trading income and restated in a separate item to supplement Net interest income.

The 2025 financial year ended with a normalised profit of € 35.7 million, representing the best result achieved by the Bank since its establishment.

The result includes elements and impacts that are consequent to the final outcome of the public tender and exchange offer and are illustrated in the section "SIGNIFICANT EVENTS AFTER THE REPORTING DATE".

The financial year result benefited significantly from the collection, in the fourth quarter, of a € 103 million position against a Municipality, as the final beneficiary of a judgment handed down by the European Court of Human Rights (ECHR), which in the meantime had exited the insolvency procedure.

The collection led to the recognition of gross default interest totalling € 40.9 million, of which € 6.9 million had already been recognised in the first quarter of 2025.

The completion of the collection provided further evidence of the concrete effectiveness of the state guarantee envisaged for this type of litigation and debtors which, in this case, enabled the debtor Municipality to reach a settlement of the position, relying on the ad hoc allocation provided for by the decree linked to the 2026 Budget Law as well as its subsequent incorporation into the same Law which established a specific expenditure budget line in an amount exceeding € 2 billion intended to cover the payment of similar rulings.

At the reference date, the Bank still has € 61 million of decrees currently outside the legal scope and therefore not supported by budget allocations, of which € 42 million relates to enforceable decrees for which no proceedings have yet been formally initiated before the ECHR but for which the appeal process has been initiated or is being initiated which will be budgeted over the coming financial years in accordance with the assumptions of the current accounting policy.

Net interest income (€,000)	2025	2024	Change	%
Interest and similar income				
Loans and receivables portfolios	180,571	166,991	13,580	8.1%
Factoring	119,336	104,738	14,598	13.9%
CQ	17,874	18,049	(175)	-1.0%
Government-backed loans to SMEs	13,630	19,693	(6,063)	-30.8%
Securities portfolio	29,731	24,511	5,220	21.3%
Security ABS - interest income	3,889	879	3,010	>100%
Other	5,929	13,807	(7,878)	-57.1%
Total interest income	190,389	181,677	8,712	4.8%
Interest and similar expense				
Due to banks	(253)	(14,563)	14,310	-98.3%
Due to customers	(106,386)	(123,983)	17,597	-14.2%
Securities issued	(3,878)	(5,653)	1,775	-31.4%
Total interest expense	(110,517)	(144,199)	33,682	-23.4%
Net interest income	79,872	37,478	42,394	>100%
Net trading income from Superbonus (1)	28,468	32,854	(4,386)	-13.3%
Net interest income adjusted	108,340	70,332	38,008	54.0%

Net interest income recorded a solid growth compared to the previous year, despite the progressive decline in market interest rates. This performance reflects the maintenance of high levels of interest income, supported by employment spreads that are still large compared to the cost of funding (which started a downward trend), given a slight contraction in the average volumes employed.

The total contribution of the Factoring Division, which includes both revenues from traditional factoring transactions and those deriving from SME loans guaranteed by the State, reached € 137.6 million. The following are added to this income: (i) the commission component associated with the factoring business; (ii) the revenues from the sale of some receivables due from private debtors; and (iii) the income realised on the purchase and subsequent realisation of Superbonus tax receivables held for trading purposes.

The component owed for late payments pursuant to Legislative Decree 231/02 (consisting of default interest and compensation) legally enforced at 31 December 2025 amounted to € 53.1 million (€ 31.4 million in 2024):

- of which € 4.3 million resulting from the current recovery estimates (€ 11.1 million in 2024);
- of which € 0.5 million resulting from the updated recovery estimates and expected collection times (€ 5.5 million in 2024);

- of which € 48.3 million (€ 13.4 million in 2024) coming from the difference between the amount collected during the period, equal to € 55.6 million (€ 21.4 million in 2024), and that recognised on an accruals basis in previous years;
- of which € 0.05 million resulting from the current estimates for the recovery of the € 40 component of the compensation claims pursuant to Article 6 of Legislative Decree No. 231/02 (€ 1.4 million in 2024).

Starting from the first quarter of 2025, following the update of the policy relating to the accounting of default interest for Public Administration debtors in situations of financial distress or probable default, default interest was recorded for an amount of € 6.3 million at 31 December relating to positions subject to judgments by the ECHR that found the Italian State liable for the debt in cases where the debtor is in default. In the draft 2026 budget law currently being debated in Parliament, the State has allocated funds for the payment of these debts. The reduction in the contribution due for late payments pursuant to Legislative Decree 231/02 (consisting of default interest and compensation) compared to the same period in 2024 was also due to an extraordinary transfer of decrees relating to past due debtors, which led to a loss of € 2.1 million, and by a decrease in the stock, influenced by contractual resolutions of receivables within the legal scope.

The amount of the stock of interest pursuant to Legislative Decree 231/02 accrued at 31 December 2025, relevant for the allocation model, was € 131 million (€ 149 million at the end of 2024), which becomes € 192 million when including default interest related to positions with troubled local authorities, a component for which default interest is not allocated in the financial statements, except in the case of ECHR judgments as stated above, whereas the loans and receivables recognised in the financial statements amount to € 81 million. Therefore, the amount of interest pursuant to Legislative Decree No. 231/02 accrued and not yet recognised in the income statement is € 111 million. In addition, there is further default interest related to entities such as consortia or quasi-public companies excluded from the scope of the allocation model.

The contribution of interest on the salary-/pension-backed loans is down slightly on the previous year at € 17.9 million as a result of higher disposals than in the previous year.

The positive contribution of the interest component from the government-backed loans to SMEs is confirmed, albeit down compared to a lower outstanding and a decrease in the yield indexed at a variable rate.

The contribution of the securities portfolio increased compared to 31 December 2024 thanks to an increase in the average stock of the existing portfolio and a higher average portfolio return.

The interest component from ABS securities is attributable to the yields on the senior securities in which the Bank is also the originator.

"Other interest income" decreased due to a lower use in overnight deposits with the ECB whose remuneration rate decreased.

The decrease in interest expense is due to the lower outstanding debt and decrease in market rates. 2024 included interest paid on TLTRO III, which was fully repaid in that financial year.

The Superbonus trading income of € 28.5 million is generated from the trading of these loans and the change of these loans at fair value, decreasing due to the dismantling of tax annuities.

Net fee and commission income (€,000)	2025	2024	Change	%
Fee and commission income				
Factoring activities	9,095	17,343	(8,248)	-47.6%
Fee and commission income - off-premises CQ	6,650	9,883	(3,233)	-32.7%
Collection activities	5,312	2,952	2,360	1
Other fee and commission income	1,005	771	234	30.4%
Total fee and commission income	22,062	30,949	(8,887)	-28.7%
Fee and commission expense				
Factoring portfolio placement	(1,751)	(1,418)	(333)	23.5%
Placement of other financial products	(6,102)	(6,489)	387	-6.0%
Fees - off-premises CQ	(6,166)	(9,423)	3,257	-34.6%
Other fee and commission expense	(2,540)	(2,351)	(189)	8.0%
Total fee and commission expense	(16,559)	(19,681)	3,122	-15.9%
Net fee and commission income	5,503	11,268	(5,765)	-51.2%

Net fee and commission income (expense), amounting to € 1.4 million, are in line with the previous year, due to decrease in commissions from the factoring business.

Fee and commission income from factoring should be considered together with interest income, since it makes no difference from a management point of view whether profit is recognised in the commissions and fees item or in interest in the without recourse factoring business.

Fees and commissions from collection activities include revenues from the traditional service of reconciling third-party invoice receipts with the Public Administration amounting to € 1.2 million (+6.6% YoY); revenues from the Master/Corporate Servicer business for third-party securitisations amounting to € 4.1 million.

Fee and commission income - off-premises CQ refers to both the commissions on the salary- and pension-backed loan (CQ) origination business and the placement of third-party products totalling € 6.7 million, which should be considered together with the item Fees - off-premises CQ, amounting to € 6.1 million, which are composed of the

commissions paid to financial advisers for the off-premises placement of the salary- and pension-backed loan product.

Fees and commissions for the placement of financial products paid to third parties are attributable to returns to third-party intermediaries for the placement and management of the SI Conto! Deposito product under the passporting regime, whereas the fee and commission expense of placing the factoring portfolios is linked to the origination costs of the factoring receivables.

Other fee and commission expense includes commissions for trading third-party securities and for interbank collections and payment services.

Trading results (€ .000)	31.12.2025	31.12.2024	Delta €	Delta %
Gains from trading of financial instruments	30	1,370	(1,340)	-97.8%
Gains from trading of Superbonus 110	28,467	32,854	(4,387)	-13.4%
Totale	28,497	34,224	(5,727)	-16.7%

The item includes the income from trading Italian government bonds.

Gain (loss) from sales or repurchases (€ ,000)	2025	2024	Change	%
Gains from HTCS portfolio debt instruments	11,019	3,610	7,409	>100%
Gains from HTC portfolio debt instruments	-	-	-	n.a.
Gains from financial liabilities	-	-	-	n.a.
Gains from receivables (Factoring portfolio)	4,363	4,771	(408)	-8.6%
Gains from receivables (CQ portfolio)	2,340	1,602	738	46.1%
Total	17,722	9,983	7,739	77.5%

The item Gain (loss) from sales or repurchases includes gains realised on sales of the securities portfolio (€ 11 million) and gains from the disposal of factoring and CQ loans and receivables portfolios.

Credit risk adjustments made as at 31 December 2025 amounted to € 7.6 million; it should be noted that 2024 included the release of € 8 million as the assumptions made in the past in relation to possible settlement agreements with the Extraordinary Liquidation Body of a failing municipality no longer apply, as well as consequent updating of the estimates of the probability of recovery of the same loan following the aforementioned judgment of the European Court of Human Rights. During the fourth quarter of 2025, there was a simultaneous release of 2 positions from value adjustment with a concurrent increase in provisions for risks of € 5.5 million following the acceptance of the decrees by the ECHR currently awaiting ruling. The loss rate stands at 0.39% (0.6% net of the impairment gains) compared to 0.30% recorded in December 2024, excluding the aforementioned impairment gain. Value adjustments on loans during the year were affected mainly by positive effects deriving from recoveries on positions definitively

closed with the release of provisions and from the release of provisions for the full collection of receivables from municipalities previously in financial distress. At the same time, the increase is mainly attributable to unfavourable court rulings.

Provisions for risks also increased following the entry of certain customers into negotiated crisis settlement procedures, albeit only in the initial stages.

Personnel expense (€,000)	2025	2024	Change	%
Wages and salaries	(18,320)	(18,532)	212	-1.1%
Social security contributions and other costs	(4,114)	(3,905)	(209)	5.4%
Directors' and statutory auditors' remuneration	(1,666)	(1,493)	(173)	11.6%
Total	(24,100)	(23,930)	(170)	0.7%

The fixed remuneration component of personnel expense recorded a decrease due to the non-allocation of the variable component attributable to the current financial year in view of the guidance provided by the Supervisory Authority; the average number of resources increased from 211 to 217.

Other administrative expenses (€,'000)	2025	2024	€ Change	% Change
IT expenses	9,588	8,571	1,017	11.9%
Consultancy and professional services	2,971	2,068	903	43.7%
Regulatory development and compliance consultancy	1,386	939	447	47.6%
Legal and professional consultancy	1,265	795	470	59.1%
Audit expenses	320	334	(14)	-4.2%
Credit-related expenses	17,817	10,898	6,919	63.5%
Insurance coverage expenses	5,313	2,026	3,287	162.2%
Credit recovery expenses	7,692	4,098	3,594	87.7%
Origination expenses	2,566	2,435	131	5.4%
Servicing and collection activities	1,915	1,867	48	2.6%
Legal dispute expenses	331	472	(141)	-29.9%
Other operating expenses	1,866	1,865	1	0.1%
Outsourcing and consultancy expenses	427	482	(55)	-11.4%
Additional operating expenses	556	585	(29)	-5.0%
Vehicle management expenses	354	327	27	8.3%
Association contributions	367	349	18	5.2%
Cash transport expenses	-	-	-	n.a.
Insurance	162	122	40	32.8%
Advertising and communication expenses	679	437	242	55.4%
Real estate-related expenses	1,566	1,336	230	17.2%
Other real estate-related expenses	1,244	1,015	229	22.6%
Maintenance expenses	121	139	(18)	-12.9%
Utility and cleaning expenses	91	73	18	24.7%
Concierge and surveillance expenses	110	109	1	0.9%
Personnel-related expenses	2,074	2,135	(61)	-2.9%
Vehicle rental and related expenses	633	707	(74)	-10.5%
Travel and representation reimbursements	598	648	(50)	-7.7%
Other personnel-related expenses	436	395	41	10.4%
Agent-related expenses	407	385	22	5.7%
Indirect taxes and duties	2,068	2,050	18	0.9%
Total operating costs	38,629	29,360	9,269	31.6%

Administrative expenses increased by 31.6%, mainly due to costs related to business development and compliance with new legislation.

The increase in insurance coverage expenses is linked to higher insurance premiums on factoring portfolios and for the SRT transaction on CQ portfolios.

Consulting expenses consisted largely of the non-recurring costs incurred to comply with the feedback received from the supervisory authority.

IT expenses include costs for services provided by the outsourcer responsible for managing legacy systems, as well as those related to IT infrastructure, increasing as a result of both increased investments and changes to legislation.

Indirect taxes and fees increased, mainly due to the increase in contributions paid in relation to enforceable injunctions activated against public administration debtors.

Net impairment losses on property and equipment/ intangible assets (€,000)	2025	2024	€ Change	% Change
Depreciation of buildings used for operations	-	-	-	n.a.
Depreciation of furniture and equipment	(96)	(75)	(21)	28.0%
Amortisation of value in use	(1,666)	(1,512)	(154)	10.2%
Amortisation of software	-	-	-	n.a.
Amortisation of other intangible assets	(20)	(29)	9	-31.0%
Total	(1,782)	(1,616)	(166)	10.3%

The impairment losses on property and equipment/intangible assets are the result of higher depreciation and amortisation for property used for business purposes, as well as the depreciation of the "right-of-use" asset following the application of IFRS 16.

Other operating income (expense) (€,000)	2025	2024	€ Change	% Change
Recovery of expenses and taxes	1,833	1,287	546	42.4%
FITD contribution	(390)	(5,145)	4,755	-92.4%
Amortisation of multiple-year improvement costs	(85)	(75)	(10)	13.3%
Other income (expense)	1,206	806	400	49.6%
Contingent assets and liabilities	(615)	573	(1,188)	<100%
Total	1,949	(2,554)	4,503	<100%

The increase in the item "Other operating income (expense)" compared to the previous year is due to the reduction in the contribution to the interbank fund.

THE MAIN STATEMENT OF FINANCIAL POSITION AGGREGATES

Assets (€,000)	31.12.2025	31.12.2024	€ Change	% Change
Cash and cash equivalents	83,465	88,669	(5,204)	-5.9%
Financial assets measured at fair value through profit or loss	13,033	13,737	(704)	-5.1%
Financial assets measured at fair value through other comprehensive income	1,186,326	1,147,197	39,129	3.4%
Financial assets measured at amortised cost	2,507,917	2,767,232	(259,315)	-9.4%
a) loans and receivables with banks	19,033	22,897	(3,864)	-16.9%
b1) loans and receivables with customers - loans	2,438,861	2,683,273	(244,412)	-9.1%
b2) loans and receivables with customers - debt instruments	50,023	61,062	(11,039)	-18.1%
Equity investments	43,821	45,250	(1,429)	-3.2%
Property and equipment	7,713	7,561	152	2.0%
Intangible assets	3,999	3,968	31	0.8%
<i>of which: goodwill</i>	3,920	3,920	-	0.0%
Tax assets	12,162	12,539	(377)	-3.0%
Non-current assets held for sale and disposal groups	-	-	-	n.a.
Other assets	340,807	467,247	(126,440)	-27.1%
Total assets	4,199,243	4,553,400	(354,157)	-7.8%

At 31 December 2025 total assets were down by 7.7% over the end of 2024 and equal to € 4.2 billion.

The Group's securities portfolio, as to the component of Financial assets measured at fair value through other comprehensive income ("HTCS") continues to mainly comprise Italian government bonds with an average duration of about 16.3 months (the average remaining duration at the end of 2024 was 15.2 months). The nominal amount of the government bonds held in the HTCS portfolio amounted to € 1,154 million at 31 December 2025 (€ 1,117 million at 31 December 2024). The associated valuation reserve was positive at the end of the period, amounting to € 6.5 million before the tax effect.

Loans and receivables with customers (€,000)	31.12.2025	31.12.2024	€ Change	% Change
Factoring receivables	1,321,879	1,466,729	(144,850)	-9.9%
Salary-/pension-backed loans (CQS/CQP)	572,943	701,494	(128,551)	-18.3%
Loans to SMEs	188,158	223,702	(35,544)	-15.9%
Securities ABS	181,655	96,191	85,464	88.8%
Current accounts	114,200	137,036	(22,836)	-16.7%
Compensation and Guarantee Fund	57,137	55,016	2,121	3.9%
Other loans and receivables	2,889	3,105	(216)	-7.0%
Total loans	2,438,861	2,683,273	(244,412)	-9.1%
Securities	50,023	61,062	(11,039)	-18.1%
Total loans and receivables with customers	2,488,884	2,744,335	(255,451)	-9.3%

The item loans and receivables with customers under Financial assets measured at amortised cost (hereinafter HTC, or "Held to Collect") is composed of loan receivables with customers and the "held-to-maturity securities" portfolio.

Outstanding loans for factoring receivables are down by 9.9% compared to the previous financial year. The volumes generated during the quarter amounted to € 4,574 million (€ 4,845 million at 31 December 2024). Total financing for the current year also includes investments in senior ABS securities backed by loans originated by the Bank, in order to provide a more accurate representation of the credit risk profile.

Salary- and pension-backed loans were lower than the end of the previous year, with volumes disbursed directly by the agent network amounting to € 138 million (€ 186 million at the end of 2024).

Loans to enterprises guaranteed by the State are decreasing as a result of lower disbursements, amounting to € 30.2 million in 2025.

The item ABS securities also includes the investment in four ABS securities for an amount of € 177.7 million (€ 92 million at the end of 2024) linked to two securitisation transactions for the purchase of tax receivables and two securitisation transactions for the purchase of sports credits, of which the Bank is a joint arranger and also holds the role of Master Servicer.

HTC Securities are composed of Italian government securities with an average duration of 26.2 months for an amount of € 50 million. The mark-to-market valuation of the securities at 30 September 2025 shows a pre-tax unrealised loss of € 2.1 million.

The following table shows the quality of receivables in the loans and receivables with customers item, excluding the securities positions.

Status	31.12.2025	31.12.2024	Delta €	Delta %
Bad exposures - gross	131,345	179,957	-48,612	-27.0%
Unlikely to pay - gross	62,831	50,712	12,119	23.9%
Past due - gross	210,675	101,129	109,546	>100%
Non-performing - gross	404,851	331,798	73,053	22.0%
Performing - gross	2,096,417	2,415,148	-318,731	-13.2%
Stage 2 - gross	61,609	51,168	10,441	20.4%
Stage 1 - gross	2,034,808	2,363,980	-329,172	-13.9%
Total loans and receivables with customers	2,501,268	2,746,946	(245,678)	-8.9%
Individual impairment losses	57,159	56,948	211	0.4%
Bad exposures	34,423	38,499	-4,076	-10.6%
Unlikely to pay	21,127	17,815	3,312	18.6%
Past due	1,609	634	975	>100%
Collective impairment losses	5,248	6,725	-1,477	-22.0%
Stage 2	349	291	58	19.9%
Stage 1	4,899	6,434	-1,535	-23.9%
Total impairment losses	62,407	63,673	(1,266)	-2.0%
Net exposure	2,438,861	2,683,273	-244,412	-9.1%

The ratio of gross non-performing loans to total gross loans rose to 16.2% compared to 12.1% at 31 December 2024, 14.3% and 10.2% respectively, the ratio calculated on the net values of the same periods (the NPE figure for the 2024 financial year has been restated for comparability purposes, including senior ABS securities in which the Bank is an investor and originator, in line with the calculation scope adopted from the 2025 financial year onwards) following a decrease in the absolute value of performing loans and an increase in non-performing loans with past due status, which remain high due to the application of the definition of default ("New DoD"). Compared to the end of 2024, the increase is due to the reclassification as past due of some overdue loan positions, in full compliance with the feedback from and constant contacts with the Bank of Italy, which during its inspection had criticised as entirely ineffective the risk mitigation measures adopted by Banca Sistema to suspend the calculation of past due amounts. It should also be noted that following the exit from the non-performing status of a significant exposure in the third quarter of 2025, an amount of € 68 million was reclassified from bad exposures to past due exposures.

Past due growth is predominantly related to the factoring portfolio without recourse to Public Administration, a sector that continues, beyond the new technical rules used to represent past due data for regulatory purposes, not to present particular problems in terms of credit quality and probability of recovery. ³

Si riporta di seguito l'elenco dei soggetti della Pubblica Amministrazione che, ai sensi delle norme in materia di nuova definizione di default, risultano classificati, al 30 settembre 2025, in stato di default: Comune Cuglieri; Santi Cosma E Damiano; Abriola; Acate; Accumoli; Acerno; Aci Catena; Aci Sant'Antonio; Acquafondata; Acquaro; Acquaviva Collecroce; Adrano; Africo; Agrigento; Aidone; Aieta; Ailano; Albanella; Albano Laziale; Alcara Li Fusi; Alessandria; Alessandria Del Carretto; Alessandria Della Rocca; Alessano; Alezio; Alia; Alife; Almenno San Salvatore; Altavilla Irpina; Altavilla Silentina; Alto Reno Terme; Amantea; Andria; Anguillara Sabazia; Aragona; Arce; Arcinazzo Romano; Ardore; Argusto; Arienzo; Arpaia; Arsoli; Arzano; Arzzergrande; Ascea; Assemini; Atina; Aurigo; Avella; Avellino; Avola; Bagheria; Balsorano; Barano D'Ischia; Barcellona Pozzo Di Gotto; Bareggio; Bari; Baronissi; Basaluzzo; Bassano Romano; Bellegra; Belmonte Calabro; Belmonte In Sabina; Belmonte Mezzagno; Belsito; Belvedere Di Spinello; Benestare; Bergamo; Bernalda; Bianchi; Bianco; Bisacchino; Bitetto; Bogliasco; Bolognetta; Bompensiere; Bompietro; Borgetto; Borghetto Santo

Comments on the main aggregates on the liability side of the statement of financial position are shown below.

Liabilities and equity (€,000)	31.12.2025	31.12.2024	Change	%
Financial liabilities measured at amortised cost	3,631,628	4,016,562	(384,934)	-9.6%
a) due to banks	17,715	80,023	(62,308)	-77.9%
b) due to customers	3,613,913	3,936,539	(322,626)	-8.2%
c) securities issued	-	-	-	n.a.
Financial liabilities held for trading	-	-	-	n.a.
Tax liabilities	41,647	25,302	16,345	64.6%
Liabilities associated with disposal groups	-	-	-	n.a.
Other liabilities	154,047	178,805	(24,758)	-13.8%
Post-employment benefits	4,394	4,343	51	1.2%
Provisions for risks and charges	41,945	40,498	1,447	3.6%
Valuation reserves	4,034	(2,348)	6,382	<100%
Reserves	232,131	213,170	18,961	8.9%
Equity instruments	45,500	45,500	-	0.0%
Equity attributable to non-controlling interests	-	-	-	n.a.
Share capital	9,651	9,651	-	0.0%
Treasury shares (-)	-	(102)	102	-100.0%
Profit for the year	34,266	22,019	12,247	55.6%
Total liabilities and equity	4,199,243	4,553,400	(354,157)	-7.8%

Wholesale funding, which represents about 30% of the total (30% at 31 December 2024), remained stable as a percentage compared to the end of 2024, with a proportional decrease in the two forms of funding.

Due to banks (€,000)	31.12.2025	31.12.2024	€ Change	% Change
Due to Central banks	-	-	-	n.a.
Due to banks	-	-	-	n.a.
Current accounts with other banks	73	17,591	(17,518)	-99.6%
Other amounts due to banks	17,642	62,432	(44,790)	-71.7%
Total	17,715	80,023	(62,308)	-77.9%

The item "Due to banks" decreased by 77.9%, compared to 31 December 2024, due to the lower use of reverse repurchase agreements to fund the Securities portfolio.

Due to customers (€,000)	31.12.2025	31.12.2024	€ Change	% Change
Term deposits	2,261,130	2,565,354	(304,224)	-11.9%
Financing (repurchase agreements)	810,187	819,999	(9,812)	-1.2%
Financing - others	26,000	47,744	(21,744)	-45.5%
Customer current accounts	359,636	329,346	30,290	9.2%
Due to assignors	24,159	31,725	(7,566)	-23.8%
Other payables	132,801	142,371	(9,570)	-6.7%
Total	3,613,913	3,936,539	(322,626)	-8.2%

The accounting item "Due to customers" decreased compared to the end of the previous year due to a decrease in loans through repurchase agreements, while funding from deposit and current accounts remained in line. The period-end amount of term deposits decreased from the end of 2024 (-11.9%), reflecting net negative funding (net of interest accrued) of € 315 million; gross funding from the beginning of the year were € 1.333 million.

"Due to assignors" includes payables related to the unfunded portion of acquired receivables.

The provision for risks and charges of € 40.2 million includes the provision for possible liabilities attributable to past acquisitions of € 1.1 million, the estimated amount of personnel-related charges mainly for the portion of the bonus for the first 9 months of 2024, the deferred portion of the bonus accrued in previous years, and the estimates related to the non-compete agreement and the 2022 retention plan, totalling € 5.8 million. The provision also includes an estimate of charges related to possible liabilities to assignors that have yet to be settled and other estimated charges for ongoing lawsuits and legal disputes amounting to € 24.2 million. Moreover, with reference to the CQ portfolio (Salary- and Pension-Backed Loans), there is also a provision to cover the estimated negative effect of possible early repayments on existing portfolios and portfolios sold, as well as repayments related to the Lexitor judgment totalling € 11.7 million.

"Other liabilities" mainly include payments received after the end of the year from the assigned debtors and which were still being allocated and items being processed during the days following year-end, as well as trade payables and tax liabilities.

CAPITAL ADEQUACY

Provisional information concerning the regulatory capital and capital adequacy of the Bank is shown below.

Fondi Propri (€.000) e Coefficienti Patrimoniali	31.12.2025 Transitional	31.12.2024 Transitional	31.12.2025 Fully loaded	31.12.2024 Fully loaded
Capitale primario di classe 1 (CET1)	259,276	233,111	263,604	231,410
ADDITIONAL TIER1	45,500	45,500	45,500	45,500
Capitale di classe 1 (T1)	304,776	278,611	309,104	276,910
TIER2	-	-	-	-
Totale Fondi Propri (TC)	304,776	278,611	309,104	276,910
Totale Attività ponderate per il rischio	1,509,191	1,574,395	1,509,191	1,574,395
di cui rischio di credito	1,314,023	1,407,262	1,314,023	1,407,262
di cui rischio di mercato	9,816	8,241	9,816	8,241
di cui rischio operativo	185,353	158,893	185,353	158,893
Ratio - CET1	17.2%	14.8%	17.5%	14.7%
Ratio - T1	20.2%	17.7%	20.5%	17.6%
Ratio - TCR	20.2%	17.7%	20.5%	17.6%

The total "fully loaded" own funds at 31 December 2025 amount to € 309 million and include 100% of the profit, as it is currently prohibited to distribute dividends. With regard to "transitional" own funds, the temporary treatment of the prudential filter provided for under Article 468 of the CRR has been applied in order to neutralise price fluctuations of securities held in the HTC category, as recorded in the valuation reserve within equity. The filter was reintroduced on 9 July 2024 and will remain in force until the 2025 financial year.

Please refer to the same section of the consolidated financial statements for further information.

OTHER INFORMATION

Report on corporate governance and ownership structure

Pursuant to art. 123-bis, paragraph 3 of Legislative Decree no. 58 dated 24 February 1998, a "Report on corporate governance and ownership structure" has been drawn up; the document - published jointly with the draft financial statements as at and for the year ended 31 December 2025 - is available in the "Governance" section of the Banca Sistema website (www.bancasistema.it).

Remuneration Report

Pursuant to art. 84-quater, paragraph 1 of the Issuers' Regulation implementing Legislative Decree no. 58 dated 24 February 1998, a "Remuneration Report" has been drawn up; the document - published jointly with the draft financial statements as at and for the year ended 31 December 2025 - is available in the "Governance" section of the Banca Sistema website (www.bancasistema.it).

Research and Development Activities

No research and development activities were carried out in 2025.

RELATED PARTY TRANSACTIONS

Related party transactions including the relevant authorisation and disclosure procedures, are governed by the "Procedure governing related party transactions" approved by the Board of Directors and published on the internet site of the Parent, Banca Sistema S.p.A.

Transactions between Group companies and related parties were carried out in the interests of the Bank, including within the scope of ordinary operations; these transactions were carried out in accordance with market conditions and, in any event, based on mutual financial advantage and in compliance with all procedures.

ATYPICAL OR UNUSUAL TRANSACTIONS

During the year, the Group did not carry out any atypical or unusual transactions, as defined in Consob Communication no. 6064293 of 28 July 2006.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

Reference should be made to the corresponding section of the Directors' Report in the Banca Sistema Group's consolidated financial statements, which is deemed to be fully reported here.

The impacts on the Bank's separate financial statements are summarised below, as described in the Directors' Report, to which reference is made.

Upon completion of the Offer, based on the acceptances received and assuming that the KK shares are allocated to all tendering shareholders as envisaged by the Offer as

a deferred component of the price, the Bank's interest in KK would decrease from 70.59% to 16.34%.

The disposal value from the sale of the KK shares implicit in the terms of the Offer, determined on the basis of the market value of KK shares ("the Offeror, in order to obtain the KK shares to be allocated to those tendering their shares to the Offer as Deferred Consideration, intends to purchase from Banca Sistema the number of shares to be allocated to those tendering to the Offer for a consideration equal to their market value (i.e. the average over the last 3 months)"), is lower than the carrying amount of the investment in KK. In view of this realisation event, an impairment loss was recognised on the investment in Kruso Kapital S.p.A. (KK) amounting to € 1.4 million.

It should also be noted that, following the completion of the transaction and the resulting change of control – as previously announced on 6 February 2026 – there are potential non-recurring expenses, estimated at approximately € 7.0 million. As the prohibition in force from 20 December 2024, which requires the Group not to affect the financial statements with cost/liability items related to elements arising from variable remuneration, remains in effect, such charges were not recognised in the financial statements. This latter amount is made up as follows:

- a. € 1.1 million as severance pay for the CEO, calculated pursuant to the Acceptance Commitments as a conventional amount connected with early termination, replacing the amount provided for by the Shareholders' Meeting of 30 April 2021, as subsequently confirmed by the Shareholders' Meeting of 24 April 2024, in the event of early termination of the Board of Directors;
- b. approximately € 2.2 million from liabilities accrued or estimable at the same date in relation to the retention plans for staff and the CEO;
- c. approximately € 1.5 million from the remuneration due to the members of the Board of Directors, excluding the CEO, in the event of early termination of their appointment, estimated on the basis of the shareholders' resolutions in force as at the Issuer's Press Release Date; and
- d. approximately € 2.2 million from total estimated charges on these amounts.

BUSINESS OUTLOOK AND MAIN RISKS AND UNCERTAINTIES

Reference should be made to the corresponding section of the Directors' Report in the Banca Sistema Group's consolidated financial statements, which is deemed to be fully reported here.

PROPOSED ALLOCATION OF PROFIT FOR THE YEAR

Dear Shareholders,

The financial statements as at and for the year ended 31 December 2025, which we submit for your approval, show:

a profit for the year of € 34,266,300, which we propose to allocate to retained earnings.

An allocation to the Legal Reserve was not made since the limits set out in Article 2430 of the Italian Civil Code were reached.

Milan, 6 March 2026

On behalf of the Board of Directors

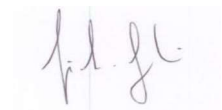
The Chairperson

Luitgard Spögler



The CEO

Gianluca Garbi



SEPARATE FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

(Amounts in Euros)

Assets	31.12.2025	31.12.2024
10. Cash and cash equivalents	83,465,215	88,668,844
20. Financial assets measured at fair value through profit or loss	13,033,264	13,736,523
a) financial assets held for trading	60,219	-
c) other financial assets mandatorily measured at fair value through profit or loss	12,973,045	13,736,523
30. Financial assets measured at fair value through other comprehensive income	1,186,326,251	1,147,196,806
40. Financial assets measured at amortised cost	2,507,916,987	2,767,232,601
a) loans and receivables with banks	19,033,419	22,897,266
b) loans and receivables with customers	2,488,883,568	2,744,335,335
70. Equity investments	43,820,502	45,250,000
80. Property and equipment	7,713,455	7,560,564
90. Intangible assets	3,998,979	3,968,440
of which:		
<i>goodwill</i>	3,919,700	3,919,700
100. Tax assets	12,161,768	12,538,728
a) current	-	1,731,898
b) deferred	12,161,768	10,806,831
120. Other assets	340,806,689	467,247,935
ivo Total Assets	4,199,243,110	4,553,400,442

Liabilities and equity		31.12.2025	31.12.2024
10.	Financial liabilities measured at amortised cost	3,631,627,901	4,016,561,452
	a) due to banks	17,715,008	80,022,578
	b) due to customers	3,613,912,893	3,936,538,874
60.	Tax liabilities	41,647,439	25,302,382
	a) current	17,281,002	-
	b) deferred	24,366,437	25,302,382
80.	Other liabilities	154,046,736	178,804,607
90.	Post-employment benefits	4,393,886	4,343,413
100.	Provisions for risks and charges:	41,945,523	40,498,782
	a) commitments and guarantees issued	6,437	28,480
	c) other provisions for risks and charges	41,939,086	40,470,302
110.	Valuation reserves	4,034,118	(2,347,504)
130.	Equity instruments	45,500,000	45,500,000
140.	Reserves	193,030,513	174,069,575
150.	Share premium	39,100,168	39,100,168
160.	Share capital	9,650,526	9,650,526
170.	Treasury shares (-)	-	(101,947)
180.	Profit for the year	34,266,300	22,018,987
	Total liabilities and equity	4,199,243,110	4,553,400,441

INCOME STATEMENT

(Amounts in Euros)

		2025	2024
10.	Interest and similar income	190,389,931	181,677,397
tivo	of which: interest income calculated with the effective interest method	184,266,709	167,777,221
20.	Interest and similar expense	(110,517,720)	(144,200,005)
30.	Net interest income	79,872,211	37,477,392
40.	Fee and commission income	22,062,155	30,949,094
50.	Fee and commission expense	(16,559,021)	(19,680,690)
60.	Net fee and commission income (expense)	5,503,134	11,268,404
70.	Dividends and similar income	226,667	226,667
80.	Net trading income (expense)	28,497,547	34,223,765
		-	-
100.	Gain (loss) from sales or repurchases of:	17,721,291	9,982,621
	a) financial assets measured at amortised cost	6,702,711	6,373,747
	b) financial assets measured at fair value through other comprehensive in	11,018,580	3,608,874
110.	Net gain (loss) on other financial assets and liabilities measured at fair value	(73,058)	2,250,532
	b) other financial assets mandatorily measured at fair value through profit	(73,058)	2,250,532
120.	Total income	131,747,792	95,429,381
130.	Net impairment losses/gains on:	(7,577,637)	(197,606)
	a) financial assets measured at amortised cost	(7,567,616)	23,059
	b) financial assets measured at fair value through other comprehensive in	(10,021)	(220,665)
140.	Gains/losses from contract amendments without derecognition	1,269	(102,127)
150.	Net financial income (expense)	124,171,424	95,129,648
160.	Administrative expenses	(62,727,852)	(53,289,953)
	a) personnel expense	(24,100,222)	(23,930,333)
	b) other administrative expenses	(38,627,630)	(29,359,620)
170.	Net accruals to provisions for risks and charges	(7,030,730)	(3,425,191)
	a) commitments and guarantees issued	22,043	30,677
	b) other net accruals	(7,052,773)	(3,455,868)
180.	Net impairment losses on property and equipment	(1,762,335)	(1,587,245)
190.	Net impairment losses on intangible assets	(20,091)	(29,400)
200.	Other operating income (expense)	1,949,794	(2,553,968)
210.	Operating costs	(69,591,214)	(60,885,757)
220.	Gains/losses from investments	(1,429,498)	-
260.	Pre-tax profit (loss) from continuing operations	53,150,712	34,243,891
270.	Income taxes	(18,884,412)	(12,224,904)
280.	Post-tax profit from continuing operations	34,266,300	22,018,987
300.	Profit for the year	34,266,300	22,018,987

STATEMENT OF COMPREHENSIVE INCOME

(Amounts in Euros)

		2025	2024
10.	Profit (loss) for the year	34,266,300	22,018,987
Items, net of tax, that will not be reclassified subsequently to profit or loss			
70.	Defined benefit plans	176,488	(230,297)
Items, net of tax, that will be reclassified subsequently to profit or loss			
140.	Financial assets (other than equity instruments) measured at fair value through other comprehensive income	6,205,134	10,215,477
170.	Total other comprehensive income (expense), net of income tax	6,381,622	9,985,180
180.	Comprehensive income (Items 10+170)	40,647,922	32,004,167

STATEMENT OF CHANGES IN EQUITY AS AT 31.12.2025

Amounts in Euros

	Balance at 31.12.2024	Change in opening balances	Balance at 1.1.2025	Allocation of prior year profit		Changes during the year						Equity at 31.12.2025	
				Reserves	Dividends and other allocations	Changes in reserves	Transactions on equity						Comprehensive income for 2025
							Issue of new shares	Repurchase of treasury shares	Extraordinary dividend distribution	Change in equity instruments	Derivatives on treasury shares		
Share capital:													
a) ordinary shares	9,650,526		9,650,526									9,650,526	
b) other shares													
Share premium	39,100,168		39,100,168									39,100,168	
Reserves	174,069,575		174,069,575	22,018,987		(3,058,049)						193,030,513	
a) income-related	174,755,553		174,755,553	22,018,987		(2,843,834)						193,930,705	
b) other	(685,977)		(685,977)			(214,215)						(900,192)	
Valuation reserves	(2,347,504)		(2,347,504)							6,381,622		4,034,118	
Equity instruments	45,500,000		45,500,000									45,500,000	
Treasury shares	(101,947)		(101,947)				101,947						
Profit (loss) for the year	22,018,987		22,018,987	(22,018,987)						34,266,300		34,266,300	
Equity	287,889,805		287,889,805			(3,058,049)	101,947			40,647,922		325,581,625	

STATEMENT OF CHANGES IN EQUITY AS AT 31.12.2024

Amounts in Euros

	Balance at 31.12.2024	Change in opening balances	Balance at 1.1.2024	Allocation of prior year profit		Changes during the year						Equity at 31.12.2024	
				Reserves	Dividends and other allocations	Changes in reserves	Transactions on equity						Comprehensive income for 2024
							Issue of new shares	Repurchase of treasury shares	Extraordinary dividend distribution	Change in equity instruments	Derivatives on treasury shares		
Share capital:													
a) ordinary shares	9,650,526		9,650,526									9,650,526	
b) other shares													
Share premium	39,100,168		39,100,168									39,100,168	
Reserves	168,371,404		168,371,404	8,905,336		(3,207,166)						174,069,575	
a) income-related	168,865,622		168,865,622	8,905,336		(3,015,407)						174,755,552	
b) other	(494,218)		(494,218)			(191,759)						(685,977)	
Valuation reserves	(12,332,684)		(12,332,684)							9,985,180		(2,347,504)	
Equity instruments	45,500,000		45,500,000									45,500,000	
Treasury shares	(355,353)		(355,353)					253,406				(101,947)	
Profit (loss) for the year	14,129,372		14,129,372	(8,905,336)	(5,224,036)					22,018,987		22,018,987	
Equity	264,063,433		264,063,433		(5,224,036)	(3,207,166)		253,406		32,004,167		287,889,805	

STATEMENT OF CASH FLOWS (INDIRECT METHOD)

Amounts in Euros

	Amount	
	2025	2024
A. OPERATING ACTIVITIES		
1. Operations	143,719,213	89,102,021
Profit (loss) for the year (+/-)	34,266,300	22,018,987
Gains/losses on financial assets held for trading and other financial assets/liabilities measured at fair value through profit or loss (-/+)		
Gains/losses on hedging activities (-/+)		
Net impairment losses/gains due to credit risk (+/-)	7,567,616	(23,059)
Net impairment losses/gains on property and equipment and intangible assets (+/-)	1,782,426	1,616,645
Net accruals to provisions for risks and charges and other costs/income (+/-)	7,030,730	3,425,191
Taxes, duties and tax assets not yet paid (+)	12,579,830	4,211,774
Other adjustments (+/-)	80,492,311	57,852,483
2. Cash flows generated by (used for) financial assets	347,772,341	(156,855,526)
Financial assets held for trading	(60,219)	
Financial assets designated at fair value through profit or loss		
Other assets mandatorily measured at fair value through profit or loss	763,478	(2,162,648)
Financial assets measured at fair value through other comprehensive income	(32,747,823)	(561,209,947)
Financial assets measured at amortised cost	260,784,083	614,710,826
Other assets	119,032,822	(208,193,757)
3. Cash flows generated by (used for) financial liabilities	(497,458,667)	(85,885,443)
Financial liabilities measured at amortised cost	(471,884,757)	(75,997,175)
Financial liabilities held for trading		
Financial liabilities designated at fair value through profit or loss		
Other liabilities	(25,573,910)	(9,888,268)
Net cash flows generated by (used for) operating activities	(5,967,113)	(153,638,948)
B. INVESTING ACTIVITIES		
1. Cash flows generated by	1,429,498	0
Sales of equity investments	1,429,498	
Dividends from equity investments		
Sales of property and equipment	0	
Sales of intangible assets		0
Sales of business units		
2. Cash flows used in	(767,961)	(97,169)
Purchases of equity investments		(0)
Purchases of property and equipment	(717,331)	(97,169)
Purchases of intangible assets	(50,630)	
Purchases of business units		
Net cash flows generated by (used in) investing activities	661,537	(97,169)
C. FINANCING ACTIVITIES		
Issues/repurchases of treasury shares	101,947	253,406
Issues/repurchases of equity instruments		
Dividend and other distributions		(5,224,036)
Net cash flows generated by (used in) financing activities	101,947	(4,970,630)
NET CASH FLOWS FOR THE PERIOD	(5,203,629)	(158,706,746)
Cash and cash equivalents at the beginning of the year		
Cash and cash equivalents at the beginning of the year	88,668,844	247,375,590
Total net cash flows for the year	(5,203,629)	(158,706,746)
Cash and cash equivalents: effect of change in exchange rates		
Cash and cash equivalents at the end of the period	83,465,215	88,668,844

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

PART A - ACCOUNTING POLICIES

A.1 – GENERAL PART

Section 1 - Statement of compliance with International Financial Reporting Standards

The Separate financial statements of Banca Sistema S.p.A. at 31 December 2025 were drawn up in accordance with International Financial Reporting Standards - called IFRS - issued by the International Accounting Standards Board (IASB) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and endorsed by the European Commission, as established by EU Regulation no. 1606 of 19 July 2002, adopted in Italy by art. 1 of Legislative Decree no. 38 of 28 February 2005 and considering by the Bank of Italy Circular no. 262 of 22 December 2005 as subsequently updated, regarding the forms and rules for drafting the financial statements of banks.

For details on accounting standards and amendments to existing standards that have come into effect and/or been endorsed by the European Commission, please refer to PART A – ACCOUNTING POLICIES, A.1 – GENERAL PART, Section 1 - Statement of compliance with International Financial Reporting Standards in the Notes to the Consolidated Financial Statements of the Banca Sistema Group.

If there is no standard or interpretation that applies specifically to a transaction, other event or circumstance, the Board of Directors uses its judgement to develop and apply an accounting standard in order to provide disclosure that:

- is relevant to the economic decision-making needs of users;
- is reliable, in that the financial statements:
- represent faithfully the financial position, financial performance and cash flows of the Bank;
- reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
- are neutral, i.e. free from bias;
- are prudent;
- are complete in all material respects.

When exercising the aforementioned judgement, the Board of Directors of the Bank has made reference to and considered the applicability of the following sources, described in descending order of importance:

- the provisions and application guidelines contained in the Standards and Interpretations governing similar or related cases;
- the definitions, recognition criteria and measuring concepts for accounting for the assets, liabilities, revenue, and costs contained in the "Framework".

When expressing an opinion, the Board of Directors may also consider the most recent provisions issued by other bodies that rule on accounting standards that use a similar "Framework" in concept for developing accounting standards, other accounting literature and consolidated practices in the sector.

In accordance with art. 5 of Legislative Decree no. 38 of 28 February 2005, if, in exceptional cases, the application of a provision imposed by the IFRS were incompatible with the true and fair representation of the financial position or results of operations, the provision would not apply. The justifications for any exceptions and their influence on the presentation of the financial position and results of operations would be explained in the Notes to the financial statements.

Any profits resulting from the exception would be recognised in a non-distributable reserve if they did not correspond to the recovered amount in the financial statements. However, no exceptions to the IFRS were applied.

The financial statements were audited by BDO Italia S.p.A.

Section 2 - General basis of preparation

The financial statements are drawn up with clarity and give a true and fair view of the financial position, profit or loss, cash flows, and changes in equity and comprise the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the notes to the financial statements.

The financial statements are accompanied by the Directors' Report on the Bank's performance.

If the information required by the IFRS and provisions contained in Circular no. 262 of 22 December 2005 and/or the subsequent updates issued by the Bank of Italy are not sufficient to give a true and fair view that is relevant, reliable, comparable and understandable, the notes to the financial statements provide the additional information required. For the sake of completeness, please note that this financial report also considers the interpretation and supporting documents regarding the application of accounting standards, including those issued in connection with the Covid-19 pandemic, as well as those issued by European regulatory and supervisory bodies and standard setters.

The general principles that underlie the drafting of the financial statements are set out below:

- the measurements are made considering that the bank will continue as a going concern, where it is stated that the Directors have not identified any uncertainties that could cast doubt in this respect;
- costs and income are accounted for on an accruals basis;
- to ensure the comparability of the data and information in the financial statements and the notes to the financial statements, the methods of

presentation and classification are kept constant over time unless they are changed to present the data more appropriately;

- each material class of similar items is presented separately in the statement of financial position and income statement; items of a dissimilar nature or function are presented separately unless they are considered immaterial;
- items that have nil balances at year end or for the financial year or for the previous year are not indicated in the statement of financial position or the income statement;
- if an asset or liability comes under several items in the statement of financial position, the notes to the financial statements make reference to the other items under which it is recognised if it is necessary for a better understanding of the financial statements;
- the items are not offset against one another unless it is expressly requested or allowed by an IFRS or an interpretation or the provisions of the aforementioned Circular no. 262 of 22 December 2005 as amended by the Bank of Italy;
- the financial statements are drafted by favouring substance over form and in accordance with the principle of materiality and significance of the information;
- comparative data for the previous financial year are presented for each statement of financial position and income statement item; if the items are not comparable to those of the previous year, they are adapted and the non-comparability and adjustment/or impossibility thereof are indicated and commented on in the notes to the financial statements;
- the layout recommended by the Bank of Italy was used with reference to the information reported in the notes to the financial statements; the tables included in this layout were not presented if they were not applicable to the Group's business.

Within the scope of drawing up the financial statements in accordance with the IFRS, bank management must make assessments, estimates and assumptions that influence the amounts of the assets, liabilities, costs and income recognised during the period.

The use of estimates is essential to preparing the financial statements. In particular, the most significant use of estimates and assumptions in the financial statements can be attributed to:

- the valuation of loans and receivables with customers: the acquisition of performing receivables from companies that supply goods and services represents the Bank's main activity. Estimating the value of these receivables is a complex activity with a high degree of uncertainty and subjectivity. Their

value is estimated by using models that include numerous quantitative and qualitative elements. These include the historical data for collections, expected cash flows and the related expected recovery times, the existence of indicators of possible impairment, the valuation of any guarantees, and the impact of risks associated with the sectors in which the Bank's customers operate;

- the valuation of default interest pursuant to Legislative Decree no. 231 of 9 October 2002 on performing receivables acquired without recourse: estimating the expected recovery percentages of default interest is complex, with a high degree of uncertainty and subjectivity. Internally developed valuation models are used to determine these percentages, which take numerous qualitative and quantitative elements into consideration;
- the estimate related to the possible impairment losses on goodwill and equity investments recognised in the financial statements;
- the quantification and estimate made for recognising liabilities in the provisions for risks and charges, the amount or timing of which are uncertain;
- the recoverability of deferred tax assets.

It should be noted that an estimate may be adjusted following a change in the circumstances upon which it was formed, or if there is new information or more experience. Any changes in estimates are applied prospectively and therefore will have an impact on the income statement for the year in which the change takes place.

Pursuant to the provisions of art. 5 of Legislative Decree no. 38 of 28 February 2005, the financial statements use the Euro as the currency for accounting purposes. The financial statements are expressed in Euro. Unless otherwise stated, the notes to the financial statements are expressed in thousands of Euro. Any discrepancies between the figures shown in the Directors' Report and in the Separate Financial Statements and between the tables in the Notes to the Separate Financial Statements are due exclusively to rounding.

European Directive 2004/109/EC (the "Transparency Directive") and Delegated Regulation (EU) 2019/815 introduced the obligation for issuers of securities listed on regulated markets in the European Union to prepare their annual financial report using the XHTML language, based on the ESMA-approved European Single Electronic Format (ESEF). The "marking up" is envisaged only for consolidated financial statements.

Section 3 - Subsequent events

For a description of significant events occurring after the end of the financial year, please refer to the relevant section of the Directors' Report.

With regard to IAS 10, it should be noted that no additional events occurred between the end of the financial year and the date of preparation of the financial statements that would require an adjustment to the figures presented therein.

Section 4 – Other aspects

There are no other significant aspects to note.

A.2 – INFORMATION ON THE MAIN ITEMS OF THE FINANCIAL STATEMENTS

Financial assets measured at fair value through profit or loss

Please refer to Section A.2 – PART RELATING TO THE MAIN FINANCIAL STATEMENT ITEMS of the Notes to the Consolidated Financial Statements of the Banca Sistema Group, which is deemed to be fully reported here.

Financial assets measured at fair value through other comprehensive income (FVOCI)

Please refer to Section A.2 – PART RELATING TO THE MAIN FINANCIAL STATEMENT ITEMS of the Notes to the Consolidated Financial Statements of the Banca Sistema Group, which is deemed to be fully reported here.

Financial assets measured at amortised cost

Please refer to Section A.2 – PART RELATING TO THE MAIN FINANCIAL STATEMENT ITEMS of the Notes to the Consolidated Financial Statements of the Banca Sistema Group, which is deemed to be fully reported here.

Hedging transactions

At the reporting date, the Bank had not made any "Hedging transactions".

Equity investments

Classification criteria

This category includes equity investments in subsidiaries, associates, and joint ventures by Banca Sistema.

Recognition criteria

Equity investments are recognised in the financial statements at purchase cost plus any related charges.

Measurement criteria

If there is evidence that an equity investment may be impaired, the recoverable value of said equity investment is estimated by considering the present value of future cash flows that the investment could generate, including the final disposal value of the investment and/ or other measurement elements. The amount of any impairment, calculated based on the difference between the carrying amount of the investment and its recoverable value is recognised in the income statement under "Gains (losses) on equity investments". If the reasons for impairment are removed following an event occurring after recognition of the impairment, impairment gains are recognised in the income statement under the same item as above to the extent of the previous impairment loss.

Derecognition criteria

Equity investments are derecognised from the financial statements when the contractual rights to cash flows deriving from the investment are lost or when the investment is transferred, with the substantial transfer of all related risks and rewards. Gains and losses on the sale of equity investments are charged to the income statement under the item "220 Gains (losses) on equity investments"; gains and losses on the sale of investments other than those measured at equity are charged to the income statement under the item "250 Gains (losses) on sales of investments".

Property and equipment

Classification criteria

This item includes assets for permanent use, held to generate income, to be leased, or for administrative purposes, such as land, operating property, investment property, technical installations, furniture and fittings and equipment of any nature and works of art.

They also include leasehold improvements to third party assets if they can be separated from the assets in question. If the above costs do not display functional or usefulness-related autonomy, but future economic benefits are expected from them, they are recognised under "other assets" and are depreciated over the shorter period between that of expected usefulness of the improvements in question and the residual duration of the lease. Depreciation is recognised under "Other operating income (expense)".

Property and equipment also include payments on account for the purchase and renovation of assets not yet part of the production process and therefore not yet subject to depreciation.

"Operating" property and equipment are represented by assets held for the provision of services or for administrative purposes, while property and equipment held for "investment purposes" are those held to collect lease instalments and/or held for capital appreciation.

The item also includes rights of use associated with leased assets and fees for use.

Recognition criteria

Property and equipment are initially recognised at cost, including all costs directly attributable to installation of the asset.

Extraordinary maintenance costs and costs for improvements leading to actual improvement of the asset, or an increase in the future benefits generated by the asset, are attributed to the reference assets, and are depreciated based on their residual useful life.

Under IFRS 16, leases are accounted for in accordance with the right-of-use model, whereby, at the commencement date, the lessee incurs an obligation to make payments to the lessor for the right to use the underlying asset for the term of the lease. When

the asset is made available for use by the lessee, the lessee recognises both the liability and the right-of-use asset.

Measurement criteria

Following initial recognition, “operating” property and equipment are recognised at cost, less accumulated depreciation, and any impairment losses, in line with the “cost model” illustrated in paragraph 30 of IAS 16. More specifically, property and equipment are systematically depreciated each year based on their estimated useful life, using the straight-line basis method apart from:

- land, regardless of whether this was purchased separately or was incorporated into the value of the building, which, insofar as it has an indefinite useful life, is not depreciated;
- works of art, which are not depreciated as their useful life cannot be estimated and their value typically appreciates over time;
- investment property which is recognised at fair value in accordance with IAS 40.

For assets acquired during the financial year, depreciation is calculated on a daily basis from the date of entry into use of the asset. For assets transferred and/or disposed of during the financial year, depreciation is calculated on a daily basis until the date of transfer and/or disposal.

At the end of each year, if there is any evidence that property or equipment that is not held for investment purposes may have suffered an impairment loss, a comparison is made between its carrying amount and its recoverable value, equal to the higher between the fair value, net of any costs to sell, and the related value in use of the asset, intended as the present value of future cash flows expected from the asset. Any impairment losses are recognised in the income statement under “net impairment losses on property and equipment”.

If the reasons that led to recognition of the impairment loss cease to apply, an impairment gain is recognised that may not exceed the value that the asset would have had, net of depreciation calculated in the absence of previous impairment losses.

For investment property, which comes within the scope of application of IAS 40, the measurement is made at the market value determined using independent surveys and the changes in fair value are recognised in the income statement under the item “fair value gains (losses) on property, equipment and intangible assets”.

The right-of-use asset, recognised in accordance with IFRS 16, is measured using the cost model under IAS 16 Property, plant and equipment. In this case, the asset is subsequently depreciated and tested for impairment if impairment indicators are present.

Derecognition criteria

Property and equipment is derecognised from the statement of financial position upon disposal thereof or when the asset is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Intangible assets

Please refer to Section A.2 – PART RELATING TO THE MAIN FINANCIAL STATEMENT ITEMS of the Notes to the Consolidated Financial Statements of the Banca Sistema Group, which is deemed to be fully reported here.

Non-current assets held for sale and disposal groups

Please refer to Section A.2 – PART RELATING TO THE MAIN FINANCIAL STATEMENT ITEMS of the Notes to the Consolidated Financial Statements of the Banca Sistema Group, which is deemed to be fully reported here.

Financial liabilities measured at amortised cost

Please refer to Section A.2 – PART RELATING TO THE MAIN FINANCIAL STATEMENT ITEMS of the Notes to the Consolidated Financial Statements of the Banca Sistema Group, which is deemed to be fully reported here.

Financial liabilities held for trading

Please refer to Section A.2 – PART RELATING TO THE MAIN FINANCIAL STATEMENT ITEMS of the Notes to the Consolidated Financial Statements of the Banca Sistema Group, which is deemed to be fully reported here.

Financial liabilities designated at fair value through profit or loss

Please refer to Section A.2 – PART RELATING TO THE MAIN FINANCIAL STATEMENT ITEMS of the Notes to the Consolidated Financial Statements of the Banca Sistema Group, which is deemed to be fully reported here.

Current and deferred taxes

Please refer to Section A.2 – PART RELATING TO THE MAIN FINANCIAL STATEMENT ITEMS of the Notes to the Consolidated Financial Statements of the Banca Sistema Group, which is deemed to be fully reported here.

Provisions for risks and charges

Please refer to Section A.2 – PART RELATING TO THE MAIN FINANCIAL STATEMENT ITEMS of the Notes to the Consolidated Financial Statements of the Banca Sistema Group, which is deemed to be fully reported here.

Other information**Post-employment benefits**

Please refer to Section A.2 – PART RELATING TO THE MAIN FINANCIAL STATEMENT ITEMS of the Notes to the Consolidated Financial Statements of the Banca Sistema Group, which is deemed to be fully reported here.

Repurchase agreements

Please refer to Section A.2 – PART RELATING TO THE MAIN FINANCIAL STATEMENT ITEMS of the Notes to the Consolidated Financial Statements of the Banca Sistema Group, which is deemed to be fully reported here.

Other assets and liabilities

Please refer to Section A.2 – PART RELATING TO THE MAIN FINANCIAL STATEMENT ITEMS of the Notes to the Consolidated Financial Statements of the Banca Sistema Group, which is deemed to be fully reported here.

Treasury shares

Please refer to Section A.2 – PART RELATING TO THE MAIN FINANCIAL STATEMENT ITEMS of the Notes to the Consolidated Financial Statements of the Banca Sistema Group, which is deemed to be fully reported here.

Recognition of revenues and costs

Please refer to Section A.2 – PART RELATING TO THE MAIN FINANCIAL STATEMENT ITEMS of the Notes to the Consolidated Financial Statements of the Banca Sistema Group, which is deemed to be fully reported here.

Dividends

Please refer to Section A.2 – PART RELATING TO THE MAIN FINANCIAL STATEMENT ITEMS of the Notes to the Consolidated Financial Statements of the Banca Sistema Group, which is deemed to be fully reported here.

Criteria for determining the fair value of financial instruments

Please refer to Section A.2 – PART RELATING TO THE MAIN FINANCIAL STATEMENT ITEMS of the Notes to the Consolidated Financial Statements of the Banca Sistema Group, which is deemed to be fully reported here.

Business combinations

Please refer to Section A.2 – PART RELATING TO THE MAIN FINANCIAL STATEMENT ITEMS of the Notes to the Consolidated Financial Statements of the Banca Sistema Group, which is deemed to be fully reported here.

A.3 - DISCLOSURE ON TRANSFERS BETWEEN PORTFOLIOS OF FINANCIAL ASSETS

A.3.1 Reclassified financial assets: change in business model, carrying amount and interest income

No financial instruments were transferred between portfolios.

A.3.2 Reclassified financial assets: change in business model, fair value and effects on comprehensive income

No financial assets were reclassified.

A.3.3 Reclassified financial assets: change in business model and effective interest rate

No financial assets held for trading were transferred.

A.4 - FAIR VALUE DISCLOSURE

Qualitative disclosure

A.4.1 Fair value levels 2 and 3: valuation techniques and inputs used

Please refer to the accounting policies.

A.4.2 Processes and sensitivity of measurements

The carrying amount of financial assets and liabilities due within one year has been assumed to be a reasonable approximation of fair value, while for those due beyond one year, the fair value is calculated taking into account both interest rate risk and credit risk.

A.4.3 Fair value hierarchy

The following fair value hierarchy was used in order to prepare the financial statements:

Level 1- Effective market quotes

The valuation is the market price of said financial instrument subject to valuation, obtained on the basis of quotes expressed by an active market.

Level 2 - Comparable Approach

Level 3 - Mark-to-Model Approach

A.4.4 Other Information

The item is not applicable for the Bank.

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.

Financial assets/liabilities measured at fair value	31.12.2025			31.12.2024		
	L1	L 2	L 3	L1	L 2	L 3
1. Financial assets measured at fair value through profit or loss		60	12,973			13,737
a) financial assets held for trading		60				
b) financial assets designated at fair value through profit or loss						
c) other financial assets mandatorily measured at fair value through profit or loss			12,973			13,737
2. Financial assets measured at fair value through other comprehensive income	1,181,326		5,000	1,142,197		5,000
3. Hedging derivatives						
4. Property and equipment						
5. Intangible assets						
Total	1,181,326	60	17,973	1,142,197		18,737
1. Financial liabilities held for trading						
2. Financial liabilities designated at fair value through profit or loss						
3. Hedging derivatives						
Total						

Key:

L1 = Level 1

L2 = Level 2

L3 = Level 3

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 level

Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis	31.12.2025				31.12.2024			
	CA	L1	L2	L3	CA	L1	L2	L3
1. Financial assets measured at amortised cost	2,507,917	47,898	181,718	2,307,785	2,767,233	57,539	95,756	2,642,521
2. Investment property								
3. Non-current assets held for sale and disposal groups								
Total	2,507,917	47,898	181,718	2,307,785	2,767,233	57,539	95,756	2,642,521
1. Financial liabilities measured at amortised cost	3,631,628			3,632,201	4,016,561			4,017,606
2. Liabilities associated with disposal groups								
Total	3,631,628			3,632,201	4,016,561			4,017,606

Key:

CA = carrying amount

L1 = Level 1

L2 = Level 2

L3 = Level 3

A.5 DISCLOSURE CONCERNING "DAY ONE PROFIT/LOSS"

Nothing to report.

PART B - INFORMATION ON THE STATEMENT OF FINANCIAL POSITION

ASSETS

Section 1 - Cash and cash equivalents – Item 10

1.1 Cash and cash equivalents: breakdown

	31.12.2025	31.12.2024
a) Cash	63	48
b) current accounts and demand deposits with Central Banks	52,162	50,000
c) Current and deposit accounts with banks	31,240	38,621
Total	83,465	88,669

Section 2 - Financial assets measured at fair value through profit or loss - Item 20

2.1 Financial assets held for trading: breakdown by product

	31.12.2025			31.12.2024		
	L1	L2	L3	L1	L2	L3
A. Non-derivative financial assets						
1. Debt instruments						
1.1 Structured instruments						
1.2 Other debt instruments						
2. Equity instruments						
3. Units of investment funds						
4. Financing						
4.1 Repurchase agreements						
4.2 Others						
Total A						
B. Financial derivatives						
1. Derivati finanziari		60				
1.1 for trading		60				
1.2 related to the fair value option						
1.3 others						
2. Credit derivatives						
2.1 for trading						
2.2 related to the fair value option						
2.3 others						
Total B		60				
Total (A+B)		60				

2.2 Financial assets held for trading: breakdown by debtor/issuer/counterparty

	31.12.2025	31.12.2024
A. Non-derivative financial assets		
1. Debt instruments		
a) Central Banks		
b) General governments		
c) Banks		
d) Other financial corporations		
of which: insurance companies		
e) Non-financial corporations		
2. Equity instruments		
a) Banks		
b) Other financial corporations:		
of which: insurance companies		
c) Other non-financial corporations		
d) other		
3. Units of investment funds		
4. Financing		
a) Central Banks		
b) General governments		
c) Banks		
d) Other financial corporations		
of which: insurance companies		
e) Non-financial corporations		
f) Households		
Total A	-	-
B. Derivative instruments		
a) Central counterparties		
b) others	60	
Total B	60	
Total (A+B)	60	

2.5 Other financial assets mandatorily measured at fair value through profit or loss: breakdown by product

	31/12/2025			31/12/2024		
	L1	L2	L3	L1	L2	L3
1. Debt instruments			12,973			13,737
1.1 Structured instruments						
1.2 Other debt instruments			12,973			13,737
2. Equity instruments						
3. OEIC units						
4. Financing						
4.1 Reverse repurchase agreements						
4.2 Other						
Total			12,973			13,737

2.6 Other financial assets mandatorily measured at fair value through profit or loss: breakdown by debtor/issuer

	31.12.2025	31.12.2024
1. Equity instruments		
of which: banks		
of which: other financial corporations		
of which: non-financial corporations		
2. Debt instruments	12,973	13,737
a) Central Banks		
b) General governments		
c) Banks		
d) Other financial corporations	12,973	13,737
of which: insurance companies		
e) Non-financial corporations		
3. OEIC units		
4. Financing		
a) Central Banks		
b) General governments		
c) Banks		
d) Other financial corporations		
of which: insurance companies		
e) Non-financial corporations		
f) Households		
Total	12,973	13,737

Section 3 - Financial assets measured at fair value through other comprehensive income - Item 30

3.1 Financial assets measured at fair value through other comprehensive income: breakdown by product

	31.12.2025			31.12.2024		
	L1	L2	L3	L1	L2	L3
1. Debt instruments	1,180,929			1,142,008		
1.1 Structured instruments						
1.2 Other debt instruments	1,180,929			1,142,008		
2. Equity instruments	397		5,000	189		5,000
3. Financing						
Total	1,181,326		5,000	1,142,197		5,000

Key:

L1 = Level 1

L2 = Level 2

L3 = Level 3

3.2 Financial assets measured at fair value through other comprehensive income: breakdown by

debtor/issuer

	31.12.2025	31.12.2024
1. Debt instruments	1,180,929	1,142,008
a) Central Banks		
b) General governments	1,180,929	1,142,008
c) Banks		
d) Other financial corporations		
of which: insurance companies		
e) Non-financial corporations		
2. Equity instruments	5,397	5,189
a) Banks	5,000	5,000
b) Other issuers:	397	189
- other financial corporations		189
of which: insurance companies		
- non-financial corporations	397	
- other		
4. Financing		
a) Central Banks		
b) General governments		
c) Banks		
d) Other financial corporations		
of which: insurance companies		
e) Non-financial corporations		
f) Households		
Total	1,186,326	1,147,197

3.3 Financial assets measured at fair value through other comprehensive income: gross amount and total impairment losses

	Gross amount				Total impairment losses				Overall partial write-offs (*)
	First stage	of which instruments with low credit risk	Second stage	Third stage	Purchase d or originated credit-impaired	First stage	Second stage	Third stage	
Debt securities	1,181,305	1,181,305				376			
Financing									
Total 31.12.2025	1,181,305	1,181,305				376			
Total 31.12.2024	1,142,374	1,140,371				366			

Section 4 - Financial assets measured at amortised cost - Item 40

4.1 Financial assets measured at amortised cost: breakdown by product of the loans and receivables with banks

	31.12.2025						31.12.2024					
	Carrying amount			Fair value			Carrying amount			Fair value		
	First and second stage	Third stage	of which: purchased or originated credit-impaired	L1	L2	L3	First and second stage	Third stage	of which: purchased or originated credit-impaired	L1	L2	L3
A. Loans and receivables with Central Banks	19,019					19,019	22,886					22,887
1. Term deposits				X	X	X				X	X	X
2. Minimum reserve	19,002			X	X	X	22,866			X	X	X
3. Reverse repurchase agreements				X	X	X				X	X	X
4. Other	17			X	X	X	20			X	X	X
B. Loans and receivables with banks	14					14	9	2				11
1. Financing	14					14	9	2				11
1.1 Current accounts and demand deposits				X	X	X				X	X	X
1.2. Term deposits				X	X	X				X	X	X
1.3. Other financing:	14			X	X	X	9	2		X	X	X
- Reverse repurchase agreements				X	X	X				X	X	X
- Finance leases				X	X	X				X	X	X
- Other	14			X	X	X	9	2		X	X	X
2. Debt instruments												
2.1 Structured instruments												
2.2 Other debt instruments												
Total	19,033					19,033	22,895	2				22,898

Key:

L1 = Level 1

L2 = Level 2

L3 = Level 3

4.2 Financial assets measured at amortised cost: breakdown by product of the loans and receivables with customers

	31.12.2025						31.12.2024					
	Carrying amount			Fair value			Carrying amount			Fair value		
	First and second stage	Third stage	Purchased or originated credit-impaired	L1	L2	L3	First and second stage	Third stage	Purchased or originated credit-impaired	L1	L2	L3
Financing	1,909,513	345,309	2,384			2,288,752	2,310,583	273,065	3,433			2,619,623
1.1. Current accounts	114,289	3		X	X	X	137,113	18		X	X	X
1.2. Reverse repurchase agreements				X	X	X				X	X	X
1.3. Loans	171,379	17,913		X	X	X	211,585	13,888		X	X	X
1.4. Credit cards, personal loans and salary- and pension-	550,044	8,759		X	X	X	673,666	11,693		X	X	X
1.5. Finance leases				X	X	X				X	X	X
1.6. Factoring	860,309	229,981	2,384	X	X	X	1,008,084	218,515	3,433	X	X	X
1.7. Other financing	213,492	88,653		X	X	X	280,135	28,951		X	X	X
Debt instruments	231,678			47,898	181,718		157,253			57,539	95,756	
1.1. Structured instruments												
1.2. Other debt instruments	231,678			47,898	181,718		157,253			57,539	95,756	
Total	2,141,191	345,309	2,384	47,898	181,718	2,288,752	2,467,836	273,065	3,433	57,539	95,756	2,619,623

Key:

L1 = Level 1

L2 = Level 2

L3 = Level 3

4.3 Financial assets measured at amortised cost: breakdown by debtor/issuer of the loans and receivables with customers

	31.12.2025			31.12.2024		
	First and second stage	Third stage	Purchased or originated credit-impaired	First and second stage	Third stage	Purchased or originated credit-impaired
1. Debt securities	231,678			157,253		
a) General governments	50,020			61,057		
b) Other financial corporations	181,658			4,137		
of which: insurance companies						
c) Non-financial corporations				92,059		
2. Financing to:	1,909,513	345,309	2,384	2,310,582	273,067	3,433
a) General governments	334,305	271,622	2,384	640,530	218,716	3,433
b) Other financial corporations	137,953	4,000		164,326	1,710	
of which: insurance companies	63	2,729		32	1,572	
c) Non-financial corporations	869,097	58,750		769,449	38,238	
d) Households	568,158	10,937		736,277	14,403	
Total	2,141,191	345,309	2,384	2,467,835	273,067	3,433

Key:

L1 = Level 1

L2 = Level 2

L3 = Level 3

4.4 Financial assets measured at amortised cost: gross amount and total impairment losses

	Gross amount					Total impairment losses				Overall partial write-offs (*)
	First stage		Second stage	Third stage	Purchased or originated credit-impaired	First stage	Second stage	Third stage	Purchased or originated credit-impaired	
		of which instruments with low credit risk								
Debt securities	231,753	50,036				75				
Financing	1,872,126	332,471	61,609	402,447	2,387	4,840	349	57,138	3	
Total 31.12.2025	2,103,879	382,507	61,609	402,447	2,387	4,915	349	57,138	3	-
Total 31.12.2024	2,447,985	725,601	49,522	330,012	3,436	6,483	291	56,945	3	

4.4a Loans measured at amortised cost subject to Covid-19 support measures: gross amount and total impairment losses

	Gross amount					Total impairment losses				Overall partial write-offs (*)
	First stage		Second stage	Third stage	Purchased or originated credit-impaired	First stage	Second stage	Third stage	Purchased or originated credit-impaired	
		of which instruments with low credit risk								
1. Forborne loans in compliance with the EBA Guidelines										
2. Loans subject to existing moratoria no longer in compliance with the EBA Guidelines and not considered forborne										
3. Loans subject to other forbearance measures										
4. New loans		35,473			8,287	109		578		
Total 31.12.2025		35,473			8,287	109		578		
Total 31.12.2024		59,320			11,604	168		517		

Section 7 - Equity investments - item 70

7.1 Equity investments: information on investment relationships

	Registered office	Interest %	% of votes available
A. Fully-controlled companies			
Largo Augusto Servizi e Sviluppo S.r.l.	Milan	100.00%	100.00%
Kruso Kapital S.p.A.	Milan	70.59%	70.59%
B. Joint ventures			
EBNSISTEMA Finance S.L.	Madrid	50.00%	50.00%

7.2 Significant equity investments: carrying amount

	Book value 2025	Book value 2024
A. Fully-controlled companies		
Kruso Kapital S.p.A.	27,821	29,250
Largo Augusto Servizi e Sviluppo S.r.l.	15,000	15,000
S.F. Trust Holdings Ltd	-	-
B. Joint ventures	1,000	1,000
EBNSistema Finance SI	-	-

7.3 Significant equity investments: accounting information

	Cash and cash equivalent	Financial assets	Non-financial assets	Financial liabilities	Non-financial liabilities	Total income	Net interest income	Net impairment gains and losses on property and equipment/intangible assets	Pre-tax profit (loss) from continuing operations	Post-tax profit (loss) from continuing operations	Post-tax profit (loss) from discontinued operations	Profit (loss) for the year	Other comprehensive income (expense), net of income tax	Comprehensive income (expense)
A. Fully-controlled companies														
1. Largo Augusto Servizi e Sviluppo	-	- 52,636	24,201	3,993	2,851	(1)	(1,142)	495	336	-	336	-	336	
2. Kruso Kapital S.p.A.	7,209	133,176	50,558	119,717	11,890	36,031	11,675	(2,149)	12,329	7,478	-	7,478	-	7,498

7.4 Non-significant equity investments: accounting information

	Cash and cash equivalents	Financial assets	Non-financial assets	Financial liabilities	Non-financial liabilities	Total income	Net interest income	Net impairment gains and losses on property and equipment/intangible assets	Pre-tax profit (loss) from continuing operations	Post-tax profit (loss) from continuing operations discontinued operations	Profit (loss) for the year (expense), net of income tax	Comprehensive income (expense)
B. Joint ventures												
1. EBN SISTEMA FINANCE SL	2,862	11	-	-	944	-	487	-	1	1	-	1

7.5 Equity investments: changes

	31.12.2025	31.12.2024
A. Opening balance	45,250	45,250
B. Increases		
B.1 Purchases		
B.2 Impairment gains		
B.3 Revaluations		
B.4 Other increases		
C. Decreases	(1,429)	
C.1 Sales		
C.2 Impairment losses		
C.3 Write-offs	(1,429)	
C.4 Other decreases		
D. Closing balance	46,679	45,250
E. Total revaluations		
F. Total impairment losses		

The impairment relates to the adjustment of the carrying amount of the investment in Kruso Kapital to its realisable value, calculated as the average of market values over the last three months, linked to the future sale of these shares to CF+, in order to implement what is envisaged by the public tender and exchange offer.

Section 8 – Property and equipment – Item 80

8.1 Operating property and equipment: breakdown of the assets measured at cost

	31.12.2025	31.12.2024
1 Owned	456	352
a) land	-	-
b) buildings	-	-
c) furniture	218	239
d) electronic equipment	238	113
e) other	-	-
2 Right-of-use assets acquired under finance lease	7,258	7,210
a) land	-	-
b) buildings	6,402	6,498
c) furniture	-	-
d) electronic equipment	-	-
e) other	856	712
Total	7,714	7,562
of which: obtained from the enforcement of guarantees received	-	-

Property and equipment are recognised in the financial statements in accordance with the general acquisition cost criteria, including the related charges and any other expenses incurred to place the assets in conditions useful for the Bank, in addition to indirect costs for the portion reasonably attributable to assets that refer to the costs incurred, as at the end of the year.

Depreciation rates:

- Office furniture: 12%
- Furnishings: 15%
- Electronic machinery and miscellaneous equipment: 20%
- Assets less than Euro 516: 100%

8.6 Operating property and equipment: changes

	Land	Buildings	Furniture	Electronic equipment	Other	Total
A. Gross opening balances		14,152	1,419	2,399	2,964	20,934
A.1 Total net impairment losses		7,655	1,181	2,286	2,251	13,373
A.2 Net opening balances		6,497	239	113	713	7,561
B. Increases:		1,352	14	203	500	2,069
B.1 Purchases			14	203	500	717
B.2 Capitalised improvement costs						
B.3 Impairment gains						
B.4 Fair value gains recognised in						
a) equity						
b) profit or loss						
B.5 Exchange rate gains						
B.6 Transfers from investment property			X	X	X	
B.7 Other increases		1,352				1,352
C. Decreases:		1,447	35	77	357	1,916
C.1 Sales			16			16
C.2 Depreciation		1,315	19	77	351	1,762
C.3 Impairment losses recognised in						
a) equity						
b) profit or loss						
C.4 Fair value losses recognised in						
a) equity						
b) profit or loss						
C.5 Exchange rate losses						
C.6 Transfers to:						
a) investment property			X	X	X	
b) non-current assets held for sale and disposal groups						
C.7 Other decreases		132			6	138
D. Net closing balance		6,402	218	238	856	7,714
D.1 Total net impairment losses		9,102	1,216	2,363	2,608	15,289
D.2 Gross closing balance		15,504	1,434	2,601	3,464	23,003
E. Measurement at cost		6,402	218	238	856	7,714

Section 9 – Intangible assets – Item 90

9.1 Intangible assets: breakdown by type of asset

	31.12.2025		31.12.2024	
	Finite useful life	Indefinite useful life	Finite useful life	Indefinite useful life
A.1 Goodwill		3,920	x	3,920
A.2 Other intangible assets	79		48	
of which software	79		48	
A.2.1 Assets measured at cost:	79		48	
a) Internally developed assets				
b) Other	79		48	
A.2.2 Assets measured at fair value:				
a) Internally developed assets				
b) Other				
Total	79	3,920	48	3,920

The other intangible assets are recognised at purchase cost including related costs, and are systematically amortised over a period of 5 years. The item mainly refers to software.

With respect to information related to goodwill, reference should be made to Part B - Information on the statement of financial position, Section 10 – Intangible assets – Item 100 of the notes to the consolidated financial statements of the Banca Sistema Group, which is deemed to be fully reported here.

9.2 Intangible assets: changes

	Goodwill	Other intangible assets: internally developed		Other intangible assets: other		Total
		FIN	INDEF	FIN	INDEF	
A. Opening balance	3,920			3,243		7,163
A.1 Total net impairment losses				3,194		3,194
A.2 Net opening balances	3,920	-	-	48	-	3,968
B. Increases				51		51
B.1 Purchases				51		51
B.2 Increases in internally developed assets	X					
B.3 Impairment gains	X					
B.4 Fair value gains recognised in:						
- equity	X					
- profit or loss	X					
B.5 Exchange rate gains						
B.6 Other increases						
C. Decreases				20		20
C.1 Sales						
C.2 Impairment losses				20		20
- Amortisation	X			20		20
- Impairment losses:						
- equity	X					
- profit or loss						
C.3 Fair value losses recognised in:						
- equity	X					
- profit or loss	X					
C.4 Transfers to disposal groups						
C.5 Exchange rate losses						
C.6 Other decreases						
D. Net closing balance	3,920			79		3,999
D.1 Total net impairment losses				3,214		3,214
E. Gross closing balance	3,920			3,293		7,213
F. Measurement at cost	3,920			79		3,999

KeyFin: finite useful life

Indef: indefinite useful life

Section 10 – Tax assets and tax liabilities – Item 100 of assets and Item 60 of liabilities

Below is the breakdown of the current tax assets and current tax liabilities

	31.12.2025	31.12.2024
Current tax assets	6,572	8,100
IRES prepayments	4,001	6,197
IRAP prepayments	2,304	1,817
Other	267	86
Current tax liabilities	(23,853)	(6,368)
Provision for IRES	(19,605)	(3,122)
Provision for IRAP	(3,830)	(2,728)
Provision for substitute tax	(418)	(518)
Total	(17,281)	1,732

10.1 Deferred tax assets: breakdown

	31.12.2025	31.12.2024
Deferred tax assets through profit or loss:	11,710	9,433
Impairment losses on loans	624	624
Non-recurring transactions	282	282
Other	10,804	8,526
Deferred tax assets through equity:	453	1,374
Non-recurring transactions	160	160
HTCS securities	249	1,171
Other	44	43
Total	12,163	10,807

10.2 Deferred tax liabilities: breakdown

	31.12.2025	31.12.2024
Deferred tax liabilities through profit or loss:	22,228	25,302
Uncollected default interest income	21,118	24,065
Other	1,110	1,237
Deferred tax liabilities through equity:	2,139	-
HTCS securities	2,139	-
Total	24,366	25,302

10.3 Changes in deferred tax assets (through profit or loss)

	31.12.2025	31.12.2024
1. Opening balance	9,432	8,923
2. Increases	5,786	2,708
2.1 Deferred tax assets recognised in the year	5,673	2,708
a) related to previous years		
b) due to changes in accounting policies		
c) impairment gains		
d) other	5,673	2,708
e) business combination transactions		
2.2 New taxes or tax rate increases		
2.3 Other increases	113	-
3. Decreases	3,508	2,199
3.1 Deferred tax assets derecognised in the year	3,508	2,199
a) reversals		
b) impairment due to non-recoverability		
c) changes in accounting policies		
d) other	3,508	2,199
3.2 Tax rate reductions		
3.3 Other decreases	-	-
a) conversion into tax assets pursuant to Law 214/2011		
b) other		
4. Closing balance	11,710	9,432

10.3 bis Change in deferred tax assets pursuant to Law 214/2011

	31.12.2025	31.12.2024
1. Opening balance	1,067	1,658
2. Increases		
3. Decreases	-	591
3.1 Reversals		
3.2 Conversions into tax assets	-	-
a) arising on loss for the year		
b) arising on tax losses		
3.3 Other decreases		591
4. Closing balance	1,067	1,067

10.4 Changes in deferred tax liabilities (through profit or loss)

	31.12.2025	31.12.2024
1. Opening balance	25,303	22,544
2. Increases	-	2,759
2.1 Deferred tax liabilities recognised in the year	-	2,759
a) related to previous years		
b) due to changes in accounting policies		
c) other		2,759
2.2 New taxes or tax rate increases		
2.3 Other increases		
3. Decreases	3,075	-
3.1 Deferred tax liabilities derecognised in the year	3,075	-
a) reversals		
b) due to changes in accounting policies		
c) other	3,075	
3.2 Tax rate reductions		
3.3 Other decreases		
4. Closing balance	22,228	25,303

10.5 Change in deferred tax assets (through equity)

	31.12.2025	31.12.2024
1. Opening balance	1,374	8,089
2. Increases	249	1,171
2.1 Deferred tax assets recognised in the year	249	1,171
a) related to previous years		
b) due to changes in accounting policies		
c) other	249	1,171
2.2 New taxes or tax rate increases		
2.3 Other increases		
3. Decreases	1,171	7,886
3.1 Deferred tax assets derecognised in the year	1,171	7,886
a) reversals		
b) impairment due to non-recoverability		
c) due to changes in accounting policies		
d) other	1,171	7,886
3.2 Tax rate reductions		
3.3 Other decreases		
4. Closing balance	452	1,374

10.6 Change in deferred tax liabilities (through equity)

	31.12.2025	31.12.2024
1. Opening balance	-	-
2. Increases	2.139	-
2.1 Deferred tax liabilities recognised in the year	2.139	
a) related to previous years		
b) due to changes in accounting policies		
c) other	2.139	
2.2 New taxes or tax rate increases		
2.3 Other increases		
3. Decreases		
3.1 Deferred tax liabilities derecognised in the year		
a) reversals		
b) due to changes in accounting policies		
c) other		
3.2 Tax rate reductions		
3.3 Other decreases		
4. Closing balance	2.139	-

Section 12 - Other assets - Item 120

12.1 Other assets: breakdown

	31.12.2025	31.12.2024
Superbonus tax assets	313,924	435,094
Tax advances	10,718	10,991
Items to be reconciled	4,778	9,625
Prepayments not related to a specific item	7,960	7,833
Trade receivables	1,667	1,184
Advance to third parties	966	1,190
Other	464	911
Leasehold improvements	181	265
Security deposits	149	155
Total	340,807	467,248

LIABILITIES

Section 1 - Financial liabilities measured at amortised cost - Item 10

1.1 Financial liabilities measured at amortised cost: breakdown by product of due to banks

	31.12.2025				31.12.2024			
	Carrying amount	Fair value			Carrying amount	Fair value		
		L1	L2	L3		L1	L2	L3
1. Due to Central banks		X	X	X		X	X	X
2. Due to banks	17,715	X	X	X	80,023	X	X	X
2.1 Current accounts and demand deposits	73	X	X	X	74	X	X	X
2.2 Term deposits		X	X	X	17,517	X	X	X
2.3 Financing	17,642	X	X	X	62,432	X	X	X
2.3.1 Repurchase agreements	17,642	X	X	X	62,432	X	X	X
2.3.2 Other		X	X	X		X	X	X
2.4 Commitments to repurchase own equity instruments		X	X	X		X	X	X
2.5 Lease liabilities		X	X	X		X	X	X
2.6 Other payables		X	X	X		X	X	X
Total	17,715			17,715	80,023			80,023

Key:

L1 = Level 1

L2 = Level 2

L3 = Level 3

1.2 Financial liabilities measured at amortised cost: breakdown by product of due to customers

	31.12.2025				31.12.2024			
	Carrying amount	Fair value			Carrying amount	Fair value		
		L1	L2	L3		L1	L2	L3
1. Current accounts and demand deposits	359,636	X	X	X	329,363	X	X	X
2. Term deposits	2,261,130	X	X	X	2,565,354	X	X	X
3. Financing	860,347	X	X	X	899,182	X	X	X
3.1 Repurchase agreements	810,187	X	X	X	819,999	X	X	X
3.2 Other	50,160	X	X	X	79,183	X	X	X
4. Commitments to repurchase own equity instruments		X	X	X		X	X	X
5. Lease liabilities		X	X	X		X	X	X
6. Other payables	132,800	X	X	X	142,640	X	X	X
Total	3,613,913			3,613,913	3,936,539			3,936,539

Section 6 – Tax liabilities – Item 60

The breakdown as well as the change in the deferred tax liabilities were illustrated in Part B Section 10 of assets in these notes to the financial statements.

Section 8 - Other Liabilities - Item 80

8.1 Other liabilities: breakdown

	31.12.2025	31.12.2024
Payments received in the reconciliation phase	67,748	98,870
Accrued expenses	17,362	14,418
Work in progress	39,354	38,465
Trade payables	5,355	6,265
Tax liabilities with the Tax Authority and other tax authorities	15,345	12,503
Finance lease liabilities	7,383	7,243
Due to employees	351	112
Pension repayments	854	789
Other	25	66
Due to group companies	270	74
Total	154,047	178,805

Section 9 - Post-employment benefits - Item 90

9.1 Post-employment benefits: changes

	31.12.2025	31.12.2024
A. Opening balance	4,343	3,809
B. Increases	652	745
B.1 Accruals	652	672
B.2 Other increases		73
C. Decreases	601	211
C.1 Payments	365	208
C.2 Other decreases	236	3
D. Closing balance	4,394	4,343

9.2 Other Information

The actuarial amount of post-employment benefits was calculated by an external actuary, who issued an appraisal.

The other decreases refer to the actuarial gain accounted for during the year. The payments made refer to post-employment benefits paid during the year.

The technical valuations were conducted on the basis of the assumptions described in the following table:

Annual discount rate	3.96%	
Annual inflation rate	2.00%	
Annual post-employment benefits increase rate		3.00%
Annual real salary increase rate	3.17%	

The discount rate used for determining the present value of the obligation was calculated, pursuant to IAS 19.83, from the Iboxx Corporate AA index with 10+ duration during the valuation month. To this end, a choice was made to select the yield with a duration comparable to the duration of the set of workers subject to valuation.

SECTION 10 – Provisions for risks and charges - Item 100

10.1 Provisions for risks and charges: breakdown

	31.12.2025	31.12.2024
1. Provisions for credit risk related to commitments and financial guarantees issued	6	28
2. Provisions for other commitments and other guarantees issued	-	-
3. Internal pension funds	-	-
4. Other provisions for risks and charges	41,939	40,470
4.1 legal and tax disputes	26,839	19,296
4.2 personnel expense	5,115	5,459
4.3 other	9,985	15,715
Total	41,945	40,498

10.2 Provisions for risks and charges: changes

	Provisions for other commitments and other guarantees issued	Pension funds	Other provisions for risks and charges	Total
A. Opening balance	28	-	40,470	40,498
B. Increases	-	-	20,403	20,403
B.1 Accruals			20,116	20,116
B.2 Discounting				-
B.3 Changes due to discount rate changes				-
B.4 Other increases			287	287
C. Decreases	22	-	18,934	18,956
C.1 Utilisations	22	-	18,934	18,956
C.2 Changes due to discount rate changes	-	-	-	-
C.3 Other decreases	-	-	-	-
D. Closing balance	6	-	41,939	41,945

10.3 Provisions for credit risk related to commitments and financial guarantees issued

	Provisions for credit risk related to commitments and financial guarantees issued			Total
	First stage	Second stage	Third stage	
Commitments to disburse funds				-
Financial guarantees issued	6			6
Total	6	-	-	6

10.5 Internal defined benefit pension funds

Nothing to report.

10.6 Provisions for risks and charges - other provisions

	31.12.2025	31.12.2024
Legal and tax disputes	26,839	19,296
Personnel expense	5,115	5,459
Other	9,985	15,715
Total	41,939	40,470

SECTION 12 – Bank equity – Items 110, 130, 140, 150, 160, 170 and 180

12.1 "Share capital" and "Treasury shares": breakdown

The share capital of Banca Sistema is composed of 80,421,052 ordinary shares, for a total paid-in share capital of € 9,650,526.24. All outstanding shares have regular dividend entitlement from 1 January.

A breakdown of the composition of equity is shown below:

	Amount	Amount
	31.12.2025	31.12.2024
1. Share capital	9,651	9,651
2. Share premium	39,100	39,100
3. Reserves	193,031	174,070
4. Equity instruments	45,500	45,500
5. (Treasury shares)		(102)
6. Valuation reserves	4,034	(2,348)
8. Profit	34,266	22,019
Total	325,582	287,890

12.2 Share capital - Parent's number of shares: changes

	Ordinary	Other
A. Opening balance	80,421,052	
- fully paid-in	80,421,052	
- not fully paid-in		
A.1 Treasury shares (-)	(51,269)	
A.2 Outstanding shares: opening balance	80,369,783	
B. Increases	51,269	
B.1 New issues		
- against consideration:		
- business combination transactions		
- conversion of bonds		
- exercise of warrants		
- other		
- bond issues:		
- to employees		
- to directors		
- other		
B.2 Sale of treasury shares		
B.3 Other increases	51,269	
C. Decreases	-	
C.1 Cancellation		
C.2 Repurchase of treasury shares		
C.3 Disposal of equity investments		
C.4 Other decreases		
D. Outstanding shares: closing balance	80,421,052	
D.1 Treasury shares (+)		
D.2 Closing balance	80,421,052	
- fully paid-in	80,421,052	
- not fully paid-in		

12.4 Income-related reserves: other information

In compliance with art. 2427(7 bis) of the Italian Civil Code, below is the detail of the equity items revealing the origin and possibility of use and distributability.

	Value at 31.12.2025	Possible use	Available portion
A) Share capital	9,651		
B) Equity-related reserves:			
Share premium reserve	39,100	A,B,C	39,100
Reserve to provide for losses			
C) Income-related reserves:			
Legal reserve	1,930	B	1,930
Valuation reserve	4,034		
Negative goodwill	1,774	A,B,C	1,774
Retained earnings	190,227	A,B,C	190,227
Reserve for treasury shares			
Reserve for future capital increase			
D) Other reserves	(900)	A,B,C	(900)
E) Equity instruments	45,500		
F) Treasury shares			
Total	291,316	-	232,131
Profit for the year	34,266		
Total equity	325,582		
Undistributable portion			1,930
Distributable portion			230,201

Key:

- A: for share capital increase
- B: to cover losses
- C: for distribution to shareholders

12.5 Equity instruments: breakdown and changes

	Issuer	Type of issue	Coupon	Maturity date	Nominal amount	IFRS amount
Tier 1 Capital	Banca Sistema S.p.A.	Tier 1 subordinated loans with mixed rate: ISIN IT0004881444	6-month Euribor +5% variable rate	Perpetual	8,000	8,018
Tier 1 Capital	Banca Sistema S.p.A.	Subordinated ordinary loans (Tier 1): ISIN IT0005450876	Fixed rate at 9% until 25 June 2031	Perpetual	37,500	37,560
Total					45,500	45,578

The breakdown of bonds issued, which given their predominant characteristics are classified under equity instruments in item 140 of equity, is as follows:

- AT1 subordinated loan of € 8 million, with no maturity (perpetual basis) and a variable coupon starting from 19 June 2023, issued on 18 December 2012 and 18 December 2013 (reopening date);
- AT1 subordinated loan of € 37.5 million, with no maturity (perpetual basis) and a fixed coupon until 25 June 2031 at 9% issued on 25 June 2021.

Other information

1. Commitments and financial guarantees issued (other than those designated at fair value)

	Nominal amount of commitments and financial guarantees issued				31.12.2025	31.12.2024
	First stage	Second stage	Third stage	Purchased or originated credit-impaired		
Commitments to disburse funds	621,262		9,005		630,268	801,135
a) Central Banks						
b) General governments						189,262
c) Banks						
d) Other financial corporations	285,822				285,822	377,021
e) Non-financial corporations	334,624		9,005		343,630	226,163
f) Households	816				816	8,689
Financial guarantees issued	6,535		18,034		24,569	28,369
a) Central Banks						
b) General governments						60
c) Banks	2,446				2,446	2,446
d) Other financial corporations	226				226	171
e) Non-financial corporations	3,833		18,034		21,867	25,662
f) Households	30				30	30

3. Assets pledged as collateral for liabilities and commitments

	Amount	
	31.12.2025	31.12.2024
1. Financial assets measured at fair value through profit or loss		
2. Financial assets measured at fair value through other comprehensive income	769,432	774,861
3. Financial assets measured at amortised cost	406,287	261,114
4. Property and equipment		
of which: Property and equipment included among inventories		

4. Management and trading on behalf of third parties

Type of services	Amount
1. Execution of orders on behalf of customers	
a) purchases	
1. settled	
2. unsettled	
b) sales	
1. settled	
2. unsettled	
2. Individual asset management	
3. Securities custody and administration	2,010,804
a) third-party securities held as part of depositary bank services (excluding asset management)	
1. securities issued by the reporting entity	
2. other securities	
b) third-party securities on deposit (excluding asset management): other	106,414
1. securities issued by the reporting entity	2,868
2. other securities	103,546
c) third-party securities deposited with third parties	106,414
d) securities owned by the bank deposited with third parties	1,904,390
4. Other transactions	33,804

PART C - INFORMATION ON THE INCOME STATEMENT

Section 1 – Items 10 and 20

1.1 Interest and similar income: breakdown

Items/Technical forms	Debt instruments	Financing	Other transactions	2025	2024
1. Financial assets measured at fair value through profit or loss:	248			248	190
1.1 Financial assets held for trading	157			157	118
1.2 Financial assets designated at fair value through profit or loss					
1.3 Other financial assets mandatorily measured at fair value through profit or loss	91			91	72
2. Financial assets measured at fair value through other comprehensive income	29,093		X	29,093	22,254
3. Financial assets measured at amortised cost:	3,804	155,911		159,715	155,948
3.1 Loans and receivables with banks		1,983	X	1,983	7,913
3.2 Loans and receivables with customers	3,804	153,928	X	157,732	148,035
4. Hedging derivatives	X	X			620
5. Other assets	X	X	1,334	1,334	2,665
6. Financial liabilities	X	X	X		
Total	33,145	155,911	1,334	190,390	181,677

of which: interest income on impaired assets

of which: interest income on finance leases

The total contribution of the Factoring Division, which includes both revenues from traditional factoring transactions and those deriving from SME loans guaranteed by the State, reached € 137.6 million. The following are added to this income: (i) the commission component associated with the factoring business; (ii) the revenues from the sale of some receivables due from private debtors; and (iii) the income realised on the purchase and subsequent realisation of Superbonus tax receivables held for trading purposes.

The component owed for late payments pursuant to Legislative Decree 231/02 (consisting of default interest and compensation) legally enforced at 31 December 2025 amounted to € 53.1 million (€ 31.4 million in 2024):

- of which € 4.3 million resulting from the current recovery estimates (€ 11.1 million in 2024);
- of which € 0.5 million resulting from the updated recovery estimates and expected collection times (€ 5.5 million in 2024);
- of which € 48.3 million (€ 13.4 million in 2024) coming from the difference between the amount collected during the period, equal to € 55.6 million (€

21.4 million in 2024), and that recognised on an accruals basis in previous years;

- of which € 0.05 million resulting from the current estimates for the recovery of the € 40 component of the compensation claims pursuant to Article 6 of Legislative Decree No. 231/02 (€ 1.4 million in 2024).

Starting from the first quarter of 2025, following the update of the policy relating to the accounting of default interest for Public Administration debtors in situations of financial distress or probable default, default interest was recorded for an amount of € 6.3 million at 31 December relating to positions subject to judgments by the ECHR that found the Italian State liable for the debt in cases where the debtor is in default. In the draft 2026 budget law currently being debated in Parliament, the State has allocated funds for the payment of these debts. The reduction in the contribution due for late payments pursuant to Legislative Decree 231/02 (consisting of default interest and compensation) compared to the same period in 2024 was also due to an extraordinary transfer of decrees relating to past due debtors, which led to a loss of € 2.1 million, and by a decrease in the stock, influenced by contractual resolutions of receivables within the legal scope.

The amount of the stock of interest pursuant to Legislative Decree 231/02 accrued at 31 December 2025, relevant for the allocation model, was € 131 million (€ 149 million at the end of 2024), which becomes € 192 million when including default interest related to positions with troubled local authorities, a component for which default interest is not allocated in the financial statements, except in the case of ECHR judgments as stated above, whereas the loans and receivables recognised in the financial statements amount to € 81 million. Therefore, the amount of interest pursuant to Legislative Decree No. 231/02 accrued and not yet recognised in the income statement is € 111 million. In addition, there is further default interest related to entities such as consortia or quasi-public companies excluded from the scope of the allocation model.

The contribution of interest on the salary-/pension-backed loans is down slightly on the previous year at € 17.9 million as a result of higher disposals than in the previous year.

1.3 Interest and similar expense: breakdown

Items/Technical forms	Liabilities	Securities	Other transactions	2025	2024
1. Financial liabilities measured at amortised cost	105,508	3,878		109,386	144,200
1.1 Due to Central banks		X			13,597
1.2 Due to banks	370	X		370	1,040
1.3 Due to customers	105,138	X		105,138	123,910
1.4 Securities issued	X	3,878		3,878	5,653
2. Financial liabilities held for trading					
3. Financial liabilities designated at fair value through profit or loss					
4. Other liabilities and provisions	X	X			
5. Hedging derivatives	X	X	1,132	1,132	
6. Financial assets	X	X	X		
Total	105,508	3,878		110,518	144,200
of which: interest expense related to lease liabilities	64	X	X	64	24

Section 2 - Net fee and commission income - Items 40 and 50

2.1 Fee and commission income: breakdown

	2025	2024
a) Financial instruments	123	136
1. Placement of securities	64	61
1.1 Underwritten and/or on a firm commitment basis	64	61
2. Order collection and transmission, and execution of orders on behalf of customers	48	62
2.1 Order collection and transmission for one or more financial instruments	48	62
3. Other fees associated with activities related to financial instruments	11	13
of which: individual asset management	11	13
b) Corporate Finance		
c) Investment advisory activities		
d) Clearing and settlement		
e) Custody and administration		
2. Other fees related to custody and administration activities		
f) Central administrative services for collective asset management		
g) Fiduciary activities		
h) Payment services	66	71
1. Current accounts	1	2
2. Credit cards		
3. Debit and other payment cards	35	30
4. Bank transfers and other payment orders		
5. Other fees related to payment services	30	39
i) Distribution of third party services	1,245	1,122
2. Insurance products	1	2
3. Altri prodotti	1,244	1,120
k) Servicing of securitisations	583	618
l) Commitments to disburse funds		
m) Financial guarantees issued	369	293
n) Financing transactions	9,072	17,249
of which: factoring transactions	9,004	17,231
o) Foreign currency transactions		
p) Commodities		
q) Other fee and commission income	10,604	11,460
Total	22,062	30,949

2.2 Fee and commission income: distribution channels of products and services

Channels/Amounts	2025	2024
a) at its branches:	76	76
1. asset management	11	13
2. placement of securities	64	61
3. third-party services and products	1	2
b) off-premises:		
1. asset management		
2. placement of securities		
3. third-party services and products		
c) other distribution channels:	1,244	1,120
1. asset management		
2. placement of securities		
3. third-party services and products	1,244	1,120

2.3 Fee and commission expense: breakdown

Services/Amounts	2025	2024
a) Financial instruments	101	106
of which: trading in financial instruments	101	106
of which: placement of financial instruments		
of which: individual asset management		
- Proprietary		
- Delegated to third parties		
b) Clearing and settlement	69	60
c) Custody and administration		
d) Collection and payment services	287	197
of which: credit cards, debit cards and other payment cards		
e) Servicing of securitisations		
f) Commitments to receive funds		
g) Financial guarantees received	2,059	1,878
of which: credit derivatives		
h) Off-premises distribution of securities, products and services	14,019	17,415
i) Foreign currency transactions		
j) Other fee and commission expense	24	25
Total	16,559	19,681

Section 3 – DIVIDENDS AND SIMILAR INCOME – ITEM 70

3.1 Dividends and similar income: breakdown

Items/Income	2025		2024	
	Dividends	Similar income	Dividends	Similar income
A. Financial assets held for trading				
B. Other financial assets mandatorily measured at fair value through profit or loss				
C. Financial assets measured at fair value through other comprehensive income	227		227	
D. Equity investments				
Total	227		227	

Section 4 – NET TRADING INCOME (EXPENSE) - ITEM 80

4.1 Net trading income (expense): breakdown

	Gains (A)	Trading income (B)	Losses (C)	Trading losses (D)	Net trading income (expense) [(A+B) - (C+D)]
1. Financial assets held for trading	29,635	277		(1,325)	28,587
1.1 Debt instruments		277		(158)	119
1.2 Equity instruments					
1.3 OEIC units					
1.4 Financing					
1.5 Other	29,635			(1,167)	28,468
2. Financial liabilities held for trading					
2.1 Debt instruments					
2.2 Payables					
2.3 Other					
3. Other financial assets and liabilities: exchange rate gains (losses)	X	X	X	X	(89)
4. Derivatives					
4.1 Financial derivatives:					
- On debt instruments and interest rates					
- On equity instruments and equity indexes					
- On currencies and gold	X	X	X	X	
- Other					
4.2 Credit derivatives					
of which: natural hedges connected to the fair value option	X	X	X	X	
Total	29,635	277		(1,325)	28,498

Section 6 - Gain from sales or repurchases - Item 100

6.1 Gain from sales or repurchases: breakdown

	2025			2024		
	Gain	Loss	Net gain	Gain	Loss	Net gain
A. Financial assets						
1. Financial assets measured at amortised cost:	6,703		6,703	6,374		6,374
1.1 Loans and receivables with banks						
1.2 Loans and receivables with customers	6,703		6,703	6,374		6,374
2. Financial assets measured at fair value through other comprehensive income	15,360	(4,342)	11,018	11,389	(7,780)	3,609
2.1 Debt instruments	15,360	(4,342)	11,018	11,389	(7,780)	3,609
2.2 Financing						
Total assets (A)	22,063	(4,342)	17,721	17,763	(7,780)	9,983
B. Financial liabilities measured at amortised cost						
1. Due to banks						
2. Due to customers						
3. Securities issued						
Total liabilities						

Section 7 – Net gain (loss) on other financial assets and liabilities measured at fair value through profit or loss – Item 110

7.1 Change in the net value of other financial assets and liabilities measured at fair value through profit or loss: breakdown of financial assets and liabilities designated at fair value through profit or loss

	Gains (A)	Trading income (B)	Losses (C)	Trading losses (D)	Net trading income (expense) [(A+B) - (C+D)]
1. Financial assets					
1.1 Debt instruments					
1.2 Financing					
2. Financial liabilities	(73)				(73)
2.1 Securities issued	(73)				(73)
2.2 Due to banks					
2.3 Due to customers					
3. Foreign currency financial assets and liabilities: exchange rate gains (losses)	X	X	X	X	
Total	(73)				(73)

Section 8 - Net impairment losses/gains due to credit risk - Item 130

8.1 Net impairment losses due to credit risk related to financial assets measured at amortised cost: breakdown

	Impairment losses (1)						Impairment gains (2)				2025	2024
	First stage	Second stage	Third stage		Purchased or originated		First stage	Second stage	Third stage	Purchased or originated credit-impaired		
			Write-off	Other	Write-off	Other						
A. Loans and receivables with banks							7				(7)	(19)
- financing							7				(7)	(19)
- debt instruments											-	
B. Loans and receivables with customers:	(58)			(18,846)			11,329				(7,575)	(4)
- financing	(29)			(18,846)			11,325				(7,550)	(33)
- debt instruments	(29)						4				(25)	29
C. Total	(58)			(18,846)			11,336				(7,582)	(23)

8.1a Net impairment losses due to credit risk related to loans measured at amortised cost subject to Covid-19 support measures: breakdown

	Net impairment losses								2025	2024
	First stage	Second stage	Third stage		Purchased or originated credit-impaired		2025	2024		
			write-offs	Other	write-offs	Other				
1. Forborne loans in compliance with the EBA Guidelines										(46)
2. Loans subject to existing moratoria no longer in compliance with the EBA Guidelines and not considered forborne										
3. Loans subject to other forbearance measures										
4. New loans		(60)			61			1		15
Total		(60)			61			1		15

8.2 Net impairment losses due to credit risk related to financial assets measured at fair value through other comprehensive income: breakdown

	Impairment losses (1)						Impairment gains (2)				2025	2024
	First stage	Second stage	Third stage		Purchased or originated credit-impaired		First stage	Second stage	Third stage	originated credit-impaired		
			Write-offs	Other	Write-offs	Other						
A. Debt instruments	(10)										(10)	221
B. Financing												
- To customers											-	
- To banks											-	
Total	(10)										(10)	221

Section 9 – Gains/losses from contract amendments without derecognition – Item 140

9.1 Gains (losses) from contract amendments: breakdown

	2025	2024
9.1 Gains/losses from contract amendments without derecognition: breakdown	1	(102)

Section 10 – Administrative expenses – Item 160

10.1 Personnel expense: breakdown

	2025	2024
1) Employees	22,213	21,895
a) wages and salaries	14,488	12,905
b) social security charges	3,892	3,697
c) post-employment benefits		
d) pension costs		
e) accrual for post-employment benefits	1,101	1,027
f) accrual for pension and similar provisions:	-	-
- defined contribution plans		
- defined benefit plans		
g) payments to external supplementary pension funds:	222	207
- defined contribution plans	222	207
- defined benefit plans		
h) costs of share-based payment plans		
i) other employee benefits	2,510	4,059
2) Other personnel	155	447
3) Directors and statutory auditors	1,666	1,493
4) Retired personnel		
5) Recovery of costs for employees of the Bank seconded to other entities	(32)	(139)
6) Reimbursement of costs for employees of other entities seconded to the Bank	98	234
Total	24,100	23,930

10.2 Average number of employees by category

Employees

a) Senior managers	25
b) Middle managers (Q4 – Q3)	53
c) Remaining employees	140

10.5 Other administrative expenses: breakdown

Other administrative expenses	2025	2024
IT expenses	9,588	8,571
Consultancy and professional services	2,971	2,068
Regulatory development and compliance consultancy	1,386	939
Legal and professional consultancy	1,265	795
Audit expenses	320	334
Credit-related expenses	17,817	10,898
Insurance coverage expenses	5,313	2,026
Credit recovery expenses	7,692	4,098
Origination expenses	2,566	2,435
Servicing and collection activities	1,915	1,867
Legal dispute expenses	331	472
Other operating expenses	1,866	1,865
Outsourcing and consultancy expenses	427	482
Additional operating expenses	556	585
Vehicle management expenses	354	327
Association contributions	367	349
Cash transport expenses	-	-
Insurance	162	122
Advertising and communication expenses	679	437
Real estate-related expenses	1,566	1,336
Other real estate-related expenses	1,244	1,015
Maintenance expenses	121	139
Utility and cleaning expenses	91	73
Concierge and surveillance expenses	110	109
Personnel-related expenses	2,074	2,135
Vehicle rental and related expenses	633	707
Travel and representation reimbursements	598	648
Other personnel-related expenses	436	395
Agent-related expenses	407	385
Indirect taxes and duties	2,068	2,050
Total operating costs	38,629	29,360

Section 11 – Net accruals to provisions for risks and charges – Item 170

11.2 Net accruals for other commitments and other guarantees issued: breakdown

	2025	2024
Net accruals for commitments and guarantees	22	31
Net accruals for other commitments and other guarantees		
Total	22	31

11.3 Net accruals to other provisions for risks and charges: breakdown

	2025	2024
Provisions for risks and charges - other provisions and risks	(7,053)	(3,456)
Release of provisions for risks and charges		
Total	(7,053)	(3,456)

Section 12 – Net impairment losses on property and equipment – Item 180

12.1 Net impairment losses on property and equipment: breakdown

	Depreciation (a)	Impairment losses (b)	Impairment gains (c)	Carrying amount (a + b - c)
A. Property and equipment				-
1. Operating assets	(1,762)			(1,762)
- owned	(96)			(96)
- right-of-use assets acquired under a lease	(1,666)			(1,666)
2. Investment property				-
- owned				-
- right-of-use assets acquired under a lease				-
3. Inventories				-
Total	(1,762)			(1,762)

Section 13 – Net impairment losses on intangible assets – Item 190

13.1 Net impairment losses on intangible assets: breakdown

	Depreciation (a)	Impairment losses (b)	Impairment gains (c)	Net gain Carrying amount (a + b - c)
A. Intangible assets				
of which: software				
A.1 Owned	(20)			(20)
- Developed internally				
- Other	(20)			(20)
A.2 Right-of-use assets acquired under a lease				
Total	(20)			(20)

Section 14 – Other operating income (expense) – Item 200

14.1 Other operating expense: breakdown

	2025	2024
Amortisation of leasehold improvements	(85)	(75)
Other operating expense	(2,412)	(5,837)
Total	(2,497)	(5,912)

14.2 Other operating income: breakdown

	2025	2024
Recoveries of expenses on current accounts and deposits for sundry taxes	830	925
Recoveries of sundry expenses	1,004	393
Other income	2,613	2,040
Total	4,447	3,358

SECTION 15 – GAINS (LOSSES) ON EQUITY INVESTMENTS - ITEM 220

15.1 Gains (losses) on equity investments: breakdown

	2025	2024
A. Income		
1. Revaluations		
2. Gains on sale		
3. Impairment gains		
4. Other income		
B. Expense	(1,429)	
1. Write-offs	(1,429)	
2. Impairment losses		
3. Losses on sale		
4. Other expense		
Net gain	(1,429)	

Section 19 – Income taxes – Item 270

19.1 Income taxes: breakdown

	2025	2024
1. Current taxes (-)	(24,562)	(7,033)
2. Changes in current taxes of previous years (+/-)	372	
3. Decrease in current taxes for the year (+)		
3bis. Decrease in current taxes for the year due to tax assets pursuant to Law no. 214/2011 (+)		
4. Changes in deferred tax assets (+/-)	2,231	(2,433)
5. Changes in deferred tax liabilities (+/-)	3,075	(2,759)
6. Tax expense for the year (-) (-1+/-2+3+/-4+/-5)	(18,884)	(12,225)

19.2 Reconciliation between theoretical and effective tax expense

IRES (CORPORATE INCOME TAX)	Taxable income	IRES (Corporate income tax)	%
Theoretical IRES expense	53,151	(14,616)	27.50%
Permanent increases	4,140	(1,138)	2.14%
Temporary increases	30,918	(8,502)	16.00%
Permanent decreases	(379)	104	-0.23%
Temporary decreases	(13,189)	3,627	-7.86%
Effective IRES expense	74,641	(20,526)	38.62%
IRAP (REGIONAL BUSINESS TAX)	Taxable income	IRAP	%
Theoretical IRAP expense	53,151	(2,960)	5.57%
Permanent increases	83,339	(4,642)	8.73%
Temporary increases	6,146	(342)	0.64%
Permanent decreases	(71,320)	3,973	-7.47%
Temporary decreases	(5,535)	308	-0.58%
Effective IRAP expense	65,780	(3,664)	6.89%
Total effective IRES and IRAP expense - current taxes	140,421	(24,190)	45.51%
- deferred tax liabilities	(11,180)	3,076	-5.79%
- deferred tax assets	(3,724)	2,231	-4.20%
Total effective tax expense	-	(18,884)	35.53%

Section 21 - Other Information

Nothing to report.

Section 22 – Earnings per share

Earnings per share (EPS)	2025	2024
Profit for the year (thousands of Euro)	34,266	22,019
Average number of outstanding shares	80,403,494	80,333,104
Basic earnings per share (basic EPS) (in Euro)	0.426	0.274
Diluted earnings per share (diluted EPS) (in Euro)	0.426	0.274

EPS is calculated by dividing the profit attributable to holders of ordinary shares of Banca Sistema (numerator) by the weighted average number of ordinary shares (denominator) outstanding during the year.

PART D – OTHER COMPREHENSIVE INCOME

BREAKDOWN OF COMPREHENSIVE INCOME

	31.12.2025	31.12.2024
10. Profit (loss) for the year	34,266	22,019
Items, net of tax, that will not be reclassified subsequently to profit or loss	-	-
20. Equity instruments designated at fair value through other comprehensive income:	-	-
30. Financial liabilities designated at fair value through profit or loss (changes in own credit rating):	-	-
40. Hedging of equity instruments designated at fair value through other comprehensive income:	-	-
50. Property and equipment		
60. Intangible assets		
70. Defined benefit plans	176	(230)
80. Non-current assets held for sale		
90. Share of valuation reserves of equity-accounted investments		
100. Income taxes on items that will not be reclassified subsequently to profit or loss		
Items, net of tax, that will be reclassified subsequently to profit or loss	-	-
110. Hedges of foreign investments:	-	-
120. Exchange rate gains (losses):	-	-
130. Cash flow hedges:	-	-
140. Hedging instruments (non-designated elements):	-	-
150. Financial assets (other than equity instruments) measured at fair value through other comprehensive income:	6,205	10,215
a) fair value gains (losses)	4,305	4,883
b) reclassification to profit or loss	1,900	5,332
- impairment losses due to credit risk	11	220
- gains/losses on sales	1,889	5,112
c) other changes	-	-
160. Non-current assets held for sale and disposal groups:	-	-
170. Share of valuation reserves of equity-accounted investments:	-	-
180. Income taxes on items that will be reclassified subsequently to profit or loss		
190. Total other comprehensive income (expense)	6,381	9,985
200. Comprehensive income (expense) (10+190)	40,647	32,004

PART E - INFORMATION CONCERNING RISKS AND RELATED HEDGING POLICIES

Section 1 - Credit risk

Qualitative disclosure

1. General aspects

Reference should be made to the paragraph in Part E of the notes to the consolidated financial statements of the Banca Sistema Group, which is deemed to be fully reported here.

2. Credit Risk Management Policies

2.1 Organisational aspects

Reference should be made to the paragraph in Part E of the notes to the consolidated financial statements of the Banca Sistema Group, which is deemed to be fully reported here.

2.2 Management, measurement and control systems

Reference should be made to the paragraph in Part E of the notes to the consolidated financial statements of the Banca Sistema Group, which is deemed to be fully reported here.

2.3 Methods for measuring expected losses

Reference should be made to the paragraph in Part E of the notes to the consolidated financial statements of the Banca Sistema Group, which is deemed to be fully reported here.

2.4 Credit Risk mitigation techniques

Reference should be made to the paragraph in Part E of the notes to the consolidated financial statements of the Banca Sistema Group, which is deemed to be fully reported here.

3. Non-performing exposures

Reference should be made to the paragraph in Part E of the notes to the consolidated financial statements of the Banca Sistema Group, which is deemed to be fully reported here.

3.1 Management strategies and policies

Reference should be made to the paragraph in Part E of the notes to the consolidated financial statements of the Banca Sistema Group, which is deemed to be fully reported here.

3.2 Write-offs

Reference should be made to the paragraph in Part E of the notes to the consolidated financial statements of the Banca Sistema Group, which is deemed to be fully reported here.

3.3 Purchased or originated credit-impaired financial assets

Reference should be made to the paragraph in Part E of the notes to the consolidated financial statements of the Banca Sistema Group, which is deemed to be fully reported here.

4. Financial assets subject to commercial renegotiation and forbore exposures

Reference should be made to the paragraph in Part E of the notes to the consolidated financial statements of the Banca Sistema Group, which is deemed to be fully reported here.

Quantitative disclosure

A. Credit quality

A.1 Impaired and unimpaired loans: carrying amounts, impairment losses, performance and business breakdown

A.1.1 Breakdown of financial assets by portfolio and by credit quality (carrying amounts)

	Bad exposures	Unlikely to pay	Non-performing past due exposures	Performing past due exposures	Other performing exposures	31.12.2025
1. Financial assets measured at amortised cost	96,923	41,703	209,066	88,523	2,071,702	2,507,917
2. Financial assets measured at fair value through other comprehensive income					1,180,929	1,180,929
3. Financial assets designated at fair value through profit or loss						
4. Other financial assets mandatorily measured at fair value through profit or loss					12,973	12,973
5. Financial assets held for sale						
Total 31.12.2025	96,923	41,703	209,066	88,523	3,265,604	3,701,819
Total 31.12.2024	141,459	32,897	100,498	305,055	3,343,068	3,922,977

A.1.2 Breakdown of financial assets by portfolio and by credit quality (gross amount and carrying amount)

	Gross amount	Total impairment losses	Non-performing Net exposure overall partial write-offs	Gross amount	Total impairment losses	Performing Net exposure	Total (carrying amount)
1. Financial assets measured at amortised cost	404,851	57,158	347,693	2,165,488	5,263	2,160,224	2,507,917
2. Financial assets measured at fair value through other comprehensive income				1,181,306	376	1,180,929	1,180,929
3. Financial assets designated at fair value through profit or loss							
4. Other financial assets mandatorily measured at fair value through profit or loss						12,973	12,973
5. Financial assets held for sale							
Total 31.12.2025	404,851	57,158	347,693	3,346,794	5,639	3,354,126	3,701,819
Total 31.12.2024	331,801	56,947	274,854	3,641,526	7,140	3,648,123	3,922,977

A.1.5 Financial assets, commitments to disburse funds and financial guarantees issued: transfers between different credit risk stages (gross amount and nominal amount)

	Gross amount / Nominal amount					
	Transfers between the first and second stage		Transfers between the second and third stage		Transfers between the first and third stage	
	From the first to the second stage	From the second to the first stage	From the second to the third stage	From the third to the second stage	From the first to the third stage	From the third to the first stage
1. Financial assets measured at amortised cost	20,765	3,337	1,396	360	157,609	3,167
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						
Totale 31.12.2025	20,765	3,337	1,396	360	157,609	3,167
Totale 31.12.2024	21,675	26,286	1,938	209	95,313	10,651

A.1.5a Loans subject to Covid-19 support measures: transfers between different credit risk stages (gross amount and nominal amount)

	Gross amount / Nominal amount					
	Transfers between the first and second stage		Transfers between the second and third stage		Transfers between the first and third stage	
	From the first to the second stage	From the second to the first stage	From the second to the third stage	From the third to the second stage	From the first to the third stage	From the third to the first stage
A. Loans measured at amortised cost			511		21,458	
A.1 forborne in compliance with the EBA Guidelines						
A.2 subject to existing moratoria no longer in compliance with the EBA Guidelines and not considered forborne						
A.3 subject to other forbearance measures						
A.4 new loans			511		21,458	
B. Loans measured at fair value through other comprehensive income						
B.1 forborne in compliance with the EBA Guidelines						
B.2 subject to existing moratoria no longer in compliance with the EBA Guidelines and not considered forborne						
B.3 subject to other forbearance measures						
B.4 new loans						
Totale 31.12.2025			511		21,458	
Totale 31.12.2024					608	

A.1.6 On- and off-statement of financial position loans and receivables with banks: gross amounts and carrying amounts

		Gross amount				31.12.2025				Net exposure	Overall partial write-offs *
		First stage	Second stage	Third stage	Purchased or originated credit-impaired	First stage	Second stage	Third stage	Purchased or originated credit-impaired		
A. ON-STATEMENT OF FINANCIAL POSITION LOANS AND RECEIVABLES											
A.1 ON DEMAND	83,403	83,403			1	1			83,402		
a) Non-performing		X				X					
b) Performing	83,403	83,403		X	1	1	X		83,402		
A.2 OTHER	19,033	19,033							19,033		
a) Bad exposures		X				X					
- of which: forborne exposures		X				X					
b) Unlikely to pay		X				X					
- of which: forborne exposures		X				X					
c) Non-performing past due exposures		X				X					
- of which: forborne exposures		X				X					
d) Performing past due exposures	3	3		X			X		3		
- of which: forborne exposures				X			X				
e) Other performing exposures	19,030	19,030		X			X		19,030		
- of which: forborne exposures				X			X				
TOTAL A	102,436	102,436		-	1	1			102,435		
B. OFF-STATEMENT OF FINANCIAL POSITION LOANS AND RECEIVABLES											
a) Non-performing		X				X					
b) Performing	2,507	2,446		X	1	1	X		2,505		
TOTAL B	2,507	2,446			1	1			2,505		
TOTAL (A+B)	104,943	104,882			2	2			104,940		

A.1.7 On- and off-statement of financial position loans and receivables with customers: gross amounts and carrying amounts

		Gross amount				31.12.2025			Net exposure	Overall partial write-offs [*]		
		First stage	Second stage	Third stage Purchased or originated credit- impaired		First stage	Second stage	Third stage Purchased or originated credit- impaired				
A. ON-STATEMENT OF FINANCIAL POSITION LOANS AND RECEIVABLES												
a) Bad exposures	131,346	X		130,148	1,197	34,423	X		34,420	2	96,923	
- of which: forborne exposures	834	X		834		1	X		1		833	
b) Unlikely to pay	62,831	X		62,831		21,128	X		21,128		41,703	
- of which: forborne exposures	1	X		1			X				1	
c) Non-performing past due exposures	210,657	X		209,485	1,189	1,591	X		1,590	1	209,066	
- of which: forborne exposures	30	X		30			X				30	
d) Performing past due exposures	89,544		86,924	2,619	X	1,023	1,021	3	X		88,521	
- of which: forborne exposures	2,340			2,340	X			2	X		2,338	
e) Other performing exposures	3,251,188		3,192,199	58,989	X	4,617	4,271	346	X		3,246,571	
- of which: forborne exposures	891		548	343	X		1	2	X		888	
TOTAL A	3,745,566		3,279,123	61,608	402,464	2,386	62,782	5,292	349	57,138	3	3,682,784
B. OFF-STATEMENT OF FINANCIAL POSITION LOANS AND RECEIVABLES												
a) Non-performing	27,039	X		27,039			X				27,039	
b) Performing	625,352		625,352		X		4	4	X		625,348	
TOTAL B	652,391		625,352		27,039		4	4				652,387
TOTAL (A+B)	4,397,957		3,904,475	61,608	429,503	2,386	62,786	5,296	349	57,138	3	4,335,171

A.1.7a Loans subject to Covid-19 support measures: gross amount and carrying amount

	Gross amount				31.12.2025				Net exposure	Overall partial write-offs *
	First stage	Second stage	Third stage	Purchased or originated credit-impaired	First stage	Second stage	Third stage	Purchased or originated credit-impaired		
A. BAD LOANS										
a) Forborne in compliance with the EBA Guidelines										
b) Subject to moratoria no longer in compliance with the EBA Guidelines and not considered forborne										
c) Subject to other forbearance measures										
d) New loans										
B. UNLIKELY-TO-PAY LOANS	8,287		8,287		578		578		7,709	
a) Forborne in compliance with the EBA Guidelines										
b) Subject to moratoria no longer in compliance with the EBA Guidelines and not considered forborne										
c) Subject to other forbearance measures										
d) New loans	8,287		8,287		578		578		7,709	
C) IMPAIRED PAST DUE LOANS										
a) Forborne in compliance with the EBA Guidelines										
b) Subject to moratoria no longer in compliance with the EBA Guidelines and not considered forborne										
c) Subject to other forbearance measures										
d) New loans										
D) PERFORMING LOANS										
a) Forborne in compliance with the EBA Guidelines										
b) Subject to moratoria no longer in compliance with the EBA Guidelines and not considered forborne										
c) Subject to other forbearance measures										
d) New loans										
E) OTHER PERFORMING LOANS	35,473	35,473			109	109			35,364	
a) Forborne in compliance with the EBA Guidelines										
b) Subject to moratoria no longer in compliance with the EBA Guidelines and not considered forborne										
c) Subject to other forbearance measures										
d) New loans	35,473	35,473			109	109			7,709	
TOTAL (A+B+C+D+E)	43,760	35,473	8,287		687	109	578		43,073	

A.1.8 On-statement of financial position loans and receivables with banks: gross non-performing exposures

	Bad exposures	Unlikely to pay	Non-performing past due exposures
A. Opening gross balance			2
- of which: positions transferred but not derecognised			
B. Increases			-
B.1 transfers from performing loans			
B.2 transfers from purchased or originated credit-impaired financial ;			
B.3 transfers from other categories of non-performing exposures			
B.4 contract amendments without derecognition			
B.5 other increases			
C. Decreases			2
C.1 transfers to performing loans			
C.2 write-offs			
C.3 collections			2
C.4 gains on sales			
C.5 losses on sales			
C.6 transfers to other categories of non-performing exposures			
C.7 contract amendments without derecognition			
C.8 other decreases			
D. Closing gross balance			-
- of which: positions transferred but not derecognised			

A.1.9 On-statement of financial position loans and receivables with customers: gross non-performing exposures

	Bad exposures	Unlikely to pay	Non-performing past due
A. Opening gross balance	179,957	50,712	101,130
- of which: positions transferred but not derecognised	1	1,448	1,821
B. Increases	38,572	36,994	217,920
B.1 transfers from performing loans	5,478	11,775	152,629
B.2 transfers from purchased or originated credit-impaired financial assets			
B.3 transfers from other categories of non-performing exposures	19,412	2,100	3,412
B.4 contract amendments without derecognition			
B.5 other increases	13,682	23,119	61,879
C. Decreases	87,184	24,875	108,376
C.1 transfers to performing loans	164	292	2,515
C.2 write-offs	2,116		
C.3 collections	80,599	19,996	89,828
C.4 gains on sales			
C.5 losses on sales			
C.6 transfers to other categories of non-performing exposures	4,305	4,587	16,033
C.7 contract amendments without derecognition			
C.8 other decreases			
D. Closing gross balance	131,345	62,831	210,674
- of which: positions transferred but not derecognised		1,673	1,282

*A.1.9bis On-statement of financial position loans and receivables with customers:
breakdown of gross forborne exposures by credit quality*

	Non-performing exposures with forbearance measures	Other forborne exposures
A. Opening gross balance	1,217	519
- of which: positions transferred but not derecognised		
B. Increases	1,957	7,922
B.1 transfers from performing exposures without forbearance measu		3,616
B.2 transfers from forborne performing exposures	30	X
B.3 transfers from non-performing exposures with forbearance meas	X	
B.4 transfers from non-performing exposures without forbearance m	1,909	164
B.5 other increases	18	4,142
C. Decreases	2,309	5,181
C.1 transfers to performing exposures without forbearance measure:	X	437
C.2 transfers to forborne performing exposures		X
C.3 transfers to non-performing exposures with forbearance measur	X	
C.4 write-offs		
C.5 collections	2,309	4,744
C.6 gains on sales		
C.7 losses on sales		
C.8 other decreases		
D. Closing gross balance	865	3,260
- of which: positions transferred but not derecognised		

A.1.10 On-statement of financial position non-performing loans and receivables with banks: changes in impaired positions

Not present.

A.1.11 On-statement of financial position non-performing loans and receivables with customers: changes in impaired positions

	Bad exposures		Unlikely to pay		Non-performing past due exposures	
	Total	of which: forborne exposures	Total	of which: forborne exposures	Total	of which: forborne exposures
A. Opening total impairment losses	38,497	1	17,814		634	
- of which: positions transferred but not derecognised			711		9	
B. Increases	9,009		11,901		1,386	
B.1 impairment losses on purchased or originated credit-impaired financial assets		X		X		X
B.2 other impairment losses	6,813		11,863		1,087	
B.3 losses on sales						
B.4 transfers from other categories of non-performing exposures	2,039		4			
B.5 contract amendments without derecognition						
B.6 other increases	157		34		299	
C. Decreases	13,085		8,587		441	
C.1 impairment gains	3,005		5,522		31	
C.2 impairment gains due to collections	10,078		1,105		160	
C.3 gains on sales						
C.4 write-offs						
C.5 transfers to other categories of non-performing exposures	2		1,814		238	
C.6 contract amendments without derecognition						
C.7 other decreases			146		12	
D. Closing total impairment losses	34,421	1	21,128		1,579	
- of which: positions transferred but not derecognised			797		6	

A.2 Classification of financial assets, commitments to disburse funds and financial guarantees issued based on external and internal rating

A.2.1 Breakdown of financial assets, commitments to disburse funds and financial guarantees issued by external rating class (gross amounts)

The risk categories for the external rating indicated in this table refer to the creditworthiness classes of the debtors/guarantors pursuant to prudential requirements.

The Bank uses the standardised approach in accordance with the risk mapping of the rating agencies:

- “DBRS Ratings Limited”, for exposures to: central authorities and central banks; supervised brokers; public sector institutions; territorial entities;
- “Fitch Ratings” and Standard & Poor’s, for exposures to companies and other parties.

Exposures	External rating class						Without rating	Total
	class 1	class 2	class 3	class 4	class 5	class 6		
A. Financial assets measured at amortised cost	50,042	1,457	8	38,753	24,413		2,455,648	2,570,321
- First stage	50,040	623	8	38,729	24,413		1,990,067	2,103,880
- Second stage							61,608	61,608
- Third stage	2	834		24			401,586	402,446
- Purchased or originated credit-impaired							2,387	2,387
B. Financial assets measured at fair value through other comprehensive income	1,181,305							1,181,305
- First stage	1,181,305							1,181,305
- Second stage								
- Third stage								
- Purchased or originated credit-impaired								
C. Financial assets held for sale								
- First stage								
- Second stage								
- Third stage								
- Purchased or originated credit-impaired								
Total (A+B+C)	1,231,346	1,458	8	38,753	24,413		2,455,648	3,751,626
D. Commitments to disburse funds and financial guarantees issued					5,703		649,134	654,837
- First stage					5,703		622,095	627,798
- Second stage								
- Third stage							27,039	27,039
- Purchased or originated credit-impaired								
Total D					5,703		649,134	654,837
Total (A + B + C + D)	1,231,346	1,458	8	38,753	30,116		3,104,782	4,406,463

A.3 Breakdown of guaranteed credit exposures by type of guarantee

A.3.1 Guaranteed on- and off-statement of financial position loans and receivables with banks

No positions to report.

A.3.2 Guaranteed on- and off-statement of financial position loans and receivables with customers

	Gross amount	Net exposure	Collateral (1)			Personal guarantees (2)							Total (1) + (2)		
			Mortgaged estate Properties under finance lease Securities	Other collateral	Credit derivatives					Endorsement credits					
					CLN	Other derivatives				General governments	Banks	Other financial corporations		Other	
						Central Counterpar	Banks Other financial	Other							
1. Guaranteed on-statement of financial position loans:	822,885	812,473	1,856	63	557,771						###	4,893	38,905	20,200	811,013
1.1 fully guaranteed	741,301	734,254	1,856	63	557,771						###		38,905	20,175	734,254
- of which non-performing	21,732	16,068			8,759						7,216			92	16,067
1.2 partially guaranteed	81,584	78,219									###	4,893		25	76,759
- of which non-performing	15,579	12,576									9,893	2,543		25	12,461
2. Guaranteed off-statement of financial position loans:	114,762	114,762		46	19,155						300		40,195	24,748	84,444
2.1 fully guaranteed	41,897	41,897		46	19,155								4,100	18,595	41,896
- of which non-performing	18,034	18,034			18,034										18,034
2.2 partially guaranteed	72,865	72,865									300		36,095	6,153	42,548
- of which non-performing															

B. Breakdown and concentration of credit exposures

B. Breakdown by business segment of on- and off-statement of financial position loans and receivables with customers

	General governments		Financial corporations		Financial corporations (of which: insurance companies)		Non-financial corporations		Households	
	Net exposure	Total impairment	Net exposure	Total impairment	Net exposure	Total impairment	Net exposure	Total impairment	Net exposure	Total impairment
A. On-statement of financial position loans and receivables										
A.1 Bad exposures	91,626	5,648					4,548	27,290	749	1,485
- of which: forborne exposures	833	1								
A.2 Unlikely to pay	1,455	538					35,682	16,584	4,566	4,006
- of which: forborne exposures							1			
A.3 Non-performing past due exposures	180,925	310	4,000	182	2,729	73	18,520	912	5,622	204
- of which: forborne exposures										
A.4 Performing exposures	1,565,254	1,574	332,584	171	63		869,097	3,067	568,157	810
- of which: forborne exposures	2,719	2					507	3		
Total (A)	1,839,260	8,070	336,584	353	2,792	73	927,847	47,853	579,094	6,505
B. Off-statement of financial position loans and receivables										
B.1 Non-performing exposures							27,039			
B.2 Performing exposures			286,049				338,453	4	846	
Total (B)			286,049				365,492	4	846	
Total (A+B) 31.12.2025	1,839,260	8,070	622,633	353	2,792	73	1,293,339	47,857	579,940	6,505
Total (A+B) 31.12.2024	2,253,060	11,486	561,101	152	1,604		1,151,544	46,993	759,402	5,481

B.2 Breakdown by geographical segment of on- and off-statement of financial position loans and receivables with customers

	Italy		Other European countries		America		Asia		Rest of the world	
	Net amount	Total impairment	Net amount	Total impairment	Net amount	Total impairment	Net amount	Total impairment	Net amount	Total impairment
A. On-statement of financial position loans and receivables										
A.1 Bad exposures	96,923	34,423								
A.2 Unlikely to pay	41,703	21,128								
A.3 Non-performing past due e	207,688	1,606	1,378	3						
A.4 Performing exposures	2,985,237	5,197	249,591	415	4,104	9	96,161	174		
Total (A)	3,331,551	62,354	250,969	418	4,104	9	96,161	174		
B. Off-statement of financial position loans and receivables										
B.1 Non-performing exposures	27,039									
B.2 Performing exposures	607,703	4	17,644							
Total (B)	634,742	4	17,644							
Total (A+B) 31.12.2025	3,966,293	62,358	268,613	418	4,104	9	96,161	174		
Total (A+B) 31.12.2024	4,435,915	63,287	288,477	824	381	2	57			

B.3 Breakdown by geographical segment of on- and off-statement of financial position loans and receivables with banks

	Italy		Other European countries		America		Asia		Rest of the world	
	Net exposure	Total impairment losses	Net exposure	Total impairment losses	Net exposure	Total impairment losses	Net exposure	Total impairment losses	Net exposure	Total impairment losses
A. On-statement of financial position loans and receivables										
A.1 Bad exposures										
A.2 Unlikely to pay										
A.3 Non-performing past due exposures										
A.4 Performing exposures	102,235	1	200							
Total (A)	102,235	1	200							
B. Off-statement of financial position loans and receivables										
B.1 Non-performing exposures										
B.2 Performing exposures	2,445	1	60							
Total (B)	2,445	1	60							
Total (A+B) 31.12.2025	104,680	2	260							
Total (A+B) 31.12.2024	114,956	10	1,009							

At the end of the year, the Bank's large exposures are as follows:

- a) Carrying amount € 5,290,147 thousand
- b) Weighted amount € 616,004 thousand
- c) No. of positions 20.

C. Securitisation transactions

This section does not recognise securitisation transactions where the originators are banks belonging to the same prudentially consolidated group and where the total liabilities issued by the special purpose vehicles (e.g. ABS securities, loans in the warehousing phase, etc.) are subscribed at the time of issue by one or more entities belonging to the same prudentially consolidated group.

Self-securitisation transactions included in the Group's prudential consolidation are dealt with in Part E of the Notes to the consolidated financial statements.

Qualitative disclosure

The Group has established the "Traditional Securitisation Policy," which sets out the principles and guidelines governing the Bank's securitisation activities with the aim of:

- defining the roles and responsibilities of internal functions within the securitisation process, in compliance with the applicable internal and external regulations;
- establishing the principles and guidelines for the Bank's activities as an investor in securitisation transactions, ensuring compliance with the relevant regulations.

The policy applies to securitisation transactions structured to access alternative sources of funding, in which the Bank acts as Originator, Sponsor, or Servicer, as well as to the Bank's activities as an investor in securitisation transactions.

Quantitative disclosure

C.2 Exposures deriving from the main "third-party" securitisation transactions broken down by type of asset securitised and by type of exposure

Set out below are the Bank's exposures to the vehicle BS IVA SPV S.R.L., whose purpose is to acquire VAT receivables held by third-party assignors. Pursuant to IFRS 9, the vehicle and, consequently, the underlying receivables are consolidated in the Group's financial statements.

	Esposizioni per cassa			Garanzie rilasciate			Linee di credito		
	Senior	Mezzanine	Junior	Senior	Mezzanine	Junior	Senior	Mezzanine	Junior
	Valore di bilancio	Valore di bilancio	Valore di bilancio	Valore di bilancio	Valore di bilancio	Valore di bilancio	Valore di bilancio	Valore di bilancio	Valore di bilancio
	Rettifiche di valore	Rettifiche di valore	Rettifiche di valore	Rettifiche di valore	Rettifiche di valore	Rettifiche di valore	Rettifiche di valore	Rettifiche di valore	Rettifiche di valore
BS IVA SPV S.r.l.	4.137		13.737				23.725		

E. Transfers

A. Financial assets transferred and not derecognised

Qualitative disclosure

The financial assets transferred and not derecognised refer to Italian government securities used for repurchase agreements. Said financial assets are classified in the financial statements among the available-for-sale financial assets, while the repurchase agreement loan is predominantly presented in due to customers. As a last resort the financial assets transferred and not derecognised comprise trade receivables used for loan transactions in the ECB (Abaco).

E.1. Prudential consolidation – Financial assets transferred and recognised in full, and associated financial liabilities: carrying amount

	Financial assets transferred and recognised in full				Associated financial liabilities		
	Carrying amount	of which: subject to securitisation transactions	of which: subject to a sales contract with repurchase agreement	of which: non-performing	Carrying amount	of which: subject to securitisation transactions	of which: subject to a sales contract with repurchase agreement
A. Financial assets held for trading				X			
1. Debt securities				X			
2. Equity instruments				X			
3. Financing				X			
4. Derivatives				X			
B. Other financial assets mandatorily measured at fair value through profit or loss							
1. Debt securities							
2. Equity instruments				X			
3. Financing							
C. Financial assets designated at fair value through profit or loss							
1. Debt securities							
2. Financing							
D. Financial assets measured at fair value through other comprehensive income	767,381		767,381		764,256		764,256
1. Debt securities	767,381		767,381		764,256		764,256
2. Equity instruments				X			
3. Financing							
E. Financial assets measured at amortised cost	267,537	200,065	67,472	2,152	196,370	132,797	63,573
1. Debt securities	67,472		67,472		63,573		63,573
2. Financing	200,065	200,065		2,152	132,797	132,797	
Total 31.12.2025	1,034,918	200,065	834,853	2,152	960,626	132,797	827,829
Total 31.12.2024	287,095	287,095		2,135	179,479	179,479	

F. Models for the measurement of credit risk

The Bank does not have internal models for the measurement of credit risk.

Section 2 - Market risk

Reference should be made to the paragraph in Part E of the notes to the consolidated financial statements of the Banca Sistema Group, which is deemed to be fully reported here.

2.1- Interest rate risk and price risk - regulatory trading book

Qualitative disclosure

Reference should be made to the paragraph in Part E of the notes to the consolidated financial statements of the Banca Sistema Group, which is deemed to be fully reported here.

2.2 Interest rate risk and price risk - Banking Book

Qualitative disclosure

A. General aspects, management procedures and methods of measuring the interest rate risk and the price risk

Reference should be made to the paragraph in Part E of the notes to the consolidated financial statements of the Banca Sistema Group, which is deemed to be fully reported here.

Quantitative disclosure

1. Banking book: Breakdown by residual term (by repricing date) of financial assets and liabilities (Euro)

	on demand	up to 3 months	from more than 3 months up to 6 months	from more than 6 months up to 1 year	from more than 1 year up to 5 years	31.12.2025	more than 10 years	open term
1. Assets	1.178.498	805.944	632.560	53.075	670.961	347.009	986	
1.1 Debt instruments	3	370.905	610.945		362.457	81.271		
- with early repayment option		94.475				1.181		
- other	3	276.430	610.945		362.457	80.090		
1.2 Financing to banks	83.393	19.014						
1.3 Financing to customers	1.095.102	416.025	21.615	53.075	308.504	265.738	986	
- current accounts	61.964	52.328						
- other financing	1.033.138	363.697	21.615	53.075	308.504	265.738	986	
- with early repayment option	67.558	191.030	21.529	52.858	305.331	168.920	986	
- other	965.580	172.667	86	217	3.173	96.818		
2. Liabilities	579.535	1.362.567	236.671	586.359	753.547	112.930	19	
2.1 Due to customers	579.244	1.362.567	219.247	586.359	753.547	112.930	19	
- current accounts	442.774	546.907	210.058	580.139	728.794	111.981	19	
- other payables	136.470	815.660	9.189	6.220	24.753	949		
- with early repayment option								
- other	136.470	815.660	9.189	6.220	24.753	949		
2.2 Due to banks	291		17.424					
- current accounts								
- other payables	291		17.424					
2.3 Debt instruments								
2.4 Other liabilities								
3. Financial derivatives		139.948.947	23.925	2.093	155.234	1.508	5	
3.1 With underlying security								
- Options								
- Other derivatives								
3.2 Without underlying security		21.446	23.925	2.093	17.453	1.508	5	
- Options		21.446	386	2.093	17.453	1.508	5	
+ long positions			386	2.093	17.453	1.508	5	
+ short positions		21.446						
- Other derivatives			23.539					
4. Other off-statement of financial position transactions	1.272.068	1.272.068						
+ long positions	1.188.896	83.172						
+ short positions	83.172	1.188.896						

1. Banking book: Breakdown by residual term (by repricing date) of financial assets and liabilities (other currencies)

	on demand	up to 3 months	from more than 3 months up to 6 months	from more than 6 months up to 1 year	from more than 1 year up to 5 years	31.12. 2025	more than 10 years	open term
1. Assets	96,189							
1.1 Debt instruments								
- with early repayment option								
- other								
1.2 Financing to banks	28							
1.3 Financing to customers	96,161							
- current accounts								
- other financing	96,161							
- with early repayment option								
- other	96,161							
2. Liabilities								
2.1 Due to customers								
- current accounts								
- other payables								
2.2 Due to banks								
2.3 Debt instruments								
2.4 Other liabilities								
3. Financial derivatives	22,453 23,539							
3.1 With underlying security								
- Options								
- Other derivatives								
3.2 Without underlying security	22,453 23,539							
- Options								
- Other derivatives	22,453 23,539							
+ long positions								
+ short positions	22,453 23,539							
4. Other off-statement of financial position transactions								
+ long positions								
+ short positions								

2.3 Currency risk

Qualitative disclosure

A. General aspects, management processes and methods of measuring the currency risk

All items are in Euro, except for the security in the HTCS portfolio. The currency risk is limited due to the size of the investment.

Quantitative disclosure

1. Breakdown of assets, liabilities and derivatives by currency of denomination

	Currencies					
	US Dollars	UK Pounds	Yen	Canadian Dollars	Swiss Francs	Other currencies
A. Financial assets	24		96,161			3
A.1 Debt instruments						
A.2 Equity instruments						
A.3 Financing to banks	24					3
A.4 Financing to customers			96,161			
A.5 Other financial assets						
B. Other assets						
C. Financial liabilities						
C.1 Due to banks						
C.2 Due to customers						
C.3 Debt instruments						
C.4 Other financial liabilities						
D. Other liabilities						
E. Financial derivatives			100,313			
- Options						
- Other derivatives						
Total assets	24		96,161			3
Total liabilities			100,313			
Difference (+/-)	24		(4,152)			3

Section 3 - Derivatives and hedging policies

3.1 Derivatives held for trading

A. Financial derivatives

No amount was recognised for this item at the reporting date.

B. Credit derivatives

No amount was recognised for this item at the reporting date.

3.2 Hedge Accounting

The Bank did not perform any such transactions during the year.

3.3 Other disclosure of derivatives (held for trading and hedging)

No such items existed at the reporting date.

Section 4 - Liquidity risk

Qualitative disclosure

A. General aspects, management processes and methods of measuring the liquidity risk

Reference should be made to the paragraph in Part E of the notes to the consolidated financial statements of the Banca Sistema Group, which is deemed to be fully reported here.

Quantitative disclosure

1. Breakdown of financial assets and liabilities by remaining contractual term (EURO)

	on demand	from more than 1 day up to 7 days	from more than 7 days up to 15 days	from more than 15 days up to 1 month	from more than 1 month up to 3 months	31.12.2025	from more than 6 months up to 1 year	from more than 1 year up to 5 years	More than 5 years	Open term
Assets	1,159,634	2,468	1,867	222,407	86,737	141,284	123,124	#####	714,624	19,003
A.1 Government securities	2,771		1,687	203,226	63	8,811	13,331	799,500	204,500	
A.2 Other debt instruments				383	1,899	2,282	4,564	26,096	263,168	
A.3 OEIC units										
A.4 Financing	1,156,863	2,468	180	18,798	84,775	130,191	105,229	461,133	246,956	19,003
- banks	83,394			12						19,003
- customers	1,073,469	2,468	180	18,786	84,775	130,191	105,229	461,133	246,956	
Liabilities	533,428	771,964	88,470	170,606	351,656	249,728	621,893	753,547	112,949	
B.1 Deposits and current accounts	396,741	92,438	88,448	170,553	215,596	222,653	615,282	728,794	112,000	
- banks	73									
- customers	396,668	92,438	88,448	170,553	215,596	222,653	615,282	728,794	112,000	
B.2 Debt instruments										
B.3 Other liabilities	136,687	679,526	22	53	136,060	27,075	6,611	24,753	949	
Off-statement of financial position transactions	1,274,541	1,188,896		7,605	15,348	106,211	63,166	11,094	1,900	
C.1 Financial derivatives with exchange of principal				7,605	14,848	23,539	54,321			
C.2 Financial derivatives without exchange of principal										
C.3 Deposits and financing to be received	1,188,896	1,188,896								
- long positions	1,188,896									
- short positions		1,188,896								
C.4 Commitments to disburse funds	83,172				500	82,672				
- long positions					500	82,672				
- short positions	83,172									
C.5 Financial guarantees issued	2,473						8,845	11,094	1,900	
C.6 Financial guarantees received										
C.7 Credit derivatives with exchange of principal										
C.8 Credit derivatives without exchange of principal										

1. Breakdown of financial assets and liabilities by remaining contractual term (OTHER CURRENCIES)

	on demand	from more than 1 day up to 7 days	from more than 7 days up to 15 days	from more than 15 days up to 1 month	from more than 1 month up to 3 months	31.12.2025	from more than 6 months up to 1 year	from more than 1 year up to 5 years	More than 5 years	Open term
Assets	96,253									
A.1 Government securities										
A.2 Other debt instruments										
A.3 OEIC units										
A.4 Financing	96,253									
- banks	28									
- customers	96,225									
Liabilities										
B.1 Deposits and current accounts										
- banks										
- customers										
B.2 Debt instruments										
B.3 Other liabilities										
Off-statement of financial position transactions					7,605	14,848	23,539	54,321		
C.1 Financial derivatives with exchange of principal					7,605	14,848	23,539	54,321		
C.2 Financial derivatives without exchange of principal										
C.3 Deposits and financing to be received										
C.4 Commitments to disburse funds										
C.5 Financial guarantees issued										
C.6 Financial guarantees received										
C.7 Credit derivatives with exchange of principal										
C.8 Credit derivatives without exchange of principal										

Section 5 - Operational risks

Qualitative disclosure

Reference should be made to the paragraph in Part E of the notes to the consolidated financial statements of the Banca Sistema Group, which is deemed to be fully reported here.

A. General aspects, management processes and methods of measuring operational risk

Reference should be made to the paragraph in Part E of the notes to the consolidated financial statements of the Banca Sistema Group, which is deemed to be fully reported here.

PART F - INFORMATION ON BANK EQUITY

Section 1 - Bank equity

A. Qualitative disclosure

The objectives pursued in the management of bank equity are inspired by the prudential supervisory provisions and are oriented towards maintaining adequate levels of capitalisation to take on risks typical to credit positions.

The income allocation policy aims to strengthen the Bank's capital with special emphasis on common equity, to the prudent distribution of the operating results, and to guaranteeing a correct balance of the financial position.

B. Quantitative disclosure

B.1 Bank equity: breakdown

	31.12.2025	31.12.2024
1. Share capital	9,651	9,651
2. Share premium	39,100	39,100
3. Reserves	193,030	174,069
- income-related	193,930	174,755
a) legal	1,930	1,930
b) established under the Articles of Association		-
c) treasury shares		-
d) other	192,000	172,825
- other	(900)	(686)
4. Equity instruments	45,500	45,500
3.5 Interim dividends (-)		
5. (Treasury shares)		(102)
6. Valuation reserves	4,034	(2,347)
- Equity instruments designated at fair value through other comprehensive income	(503)	(642)
- Hedging of equity instruments designated at fair value through other comprehensive income		
- Financial assets (other than equity instruments) measured at fair value through other comprehensive income	4,704	(1,362)
- Property and equipment		
- Intangible assets		
- Hedges of foreign investments		
- Cash flow hedges		
- Hedging instruments (non-designated elements)		
- Exchange rate gains (losses)		
- Non-current assets held for sale and disposal groups		
- Financial liabilities designated at fair value through profit or loss (changes in own credit rating)		
- Net actuarial gains (losses) on defined benefit pension plans	(167)	(343)
- Shares of valuation reserves of equity-accounted investees		
- Special revaluation laws		
7. Profit (loss) for the year	34,266	22,019
Total	325,581	287,890

B.2 Valuation reserves for financial assets measured at fair value through other comprehensive income: breakdown

	31.12.2025		31.12.2025	
	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1. Debt securities	4,704			1,362
2. Equity instruments		503		642
3. Financing				
Total	4,704	503		2,004

B.3 Valuation reserves for financial assets measured at fair value through other comprehensive income: changes

	Debt instruments	Equity instruments	Financing
1. Opening balance	(1,362)	(642)	
2. Increases	9,058	208	
2.1 Fair value gains	6,226	208	
2.2 Impairment losses due to credit risk	10	X	
2.3 Reclassifications of negative reserves to profit or loss on sale		X	
2.4 Transfers to other equity items (equity instruments)			
2.5 Other increases	2,822		
3. Decreases	2,992	69	
3.1 Fair value losses			
3.2 Impairment gains due to credit risk			
3.3 Reclassifications of positive reserves to profit or loss: on sale		X	
3.4 Transfers to other equity items (equity instruments)			
3.5 Other decreases	2,992	69	
4. Closing balance	4,704	(503)	

B.4 Valuation reserves related to defined benefit plans: changes

31.12.2025

A. Opening balance	(343)
B. Increases	264
B.1 Actuarial gains	
B.2 Other increases	264
C. Decreases	88
C.1 Actuarial losses	
C.2 Other decreases	88
D. Closing balance	(168)
Total	(168)

Section 2 - Own funds and capital ratios

2.1 Own funds

A. Qualitative disclosure

The Group's own funds, risk-weighted assets (RWA) and solvency ratios were determined in accordance with the European Union prudential regulatory framework, commonly referred to as the CRD/CRR package, consisting of Directive 2013/36/EU (Capital Requirements Directive – CRD) and Regulation (EU) no. 575/2013 (Capital Requirements Regulation – CRR), as subsequently amended and supplemented, inter alia, by Regulation (EU) 2019/876 (CRR II) and Regulation (EU) 2024/1623 (CRR III).

The calculation also takes into account the Regulatory Technical Standards (RTS) and Implementing Technical Standards (ITS) issued by the European Commission on a proposal from the European Banking Authority (EBA) as well as the supervisory provisions issued by the Bank of Italy. In particular, reference is made to Circular no. 285 of 17 December 2013 ("Supervisory Provisions for Banks") and Circular no. 286 of 17 December 2013 ("Supervisory Instructions for Banking Groups") and the related updates that incorporate, within the national regulatory framework, developments in European prudential regulation and the guidelines of the Supervisory Authorities.

Reconciliation of Group equity and Own Funds

	31.12.2025	31.12.2025
Equity	325,582	287,890
Dividends distributed and other foreseeable expenses	-	-
Equity assuming dividends are distributed to shareholders	325,582	287,890
Regulatory adjustments	(20,805)	(9,279)
- Commitment to repurchase treasury shares	-	(214)
- Deduction of intangible assets	(3,999)	(3,968)
- Prudent valuation adjustment (1)	(1,495)	(1,561)
- Prudential filter for insufficient coverage of NPEs	(8,919)	(5,134)
- Prudential filter pursuant to art. 468	(4,328)	1,701
- Other adjustments	(2,064)	(103)
Equity instruments not eligible for inclusion in CET1	(45,500)	(45,500)
Common Equity Tier 1 (CET1)	259,276	233,111
Equity instruments eligible for inclusion in AT1	45,500	45,500
Additional Tier 1 (AT1) capital	304,776	278,611
Tier 2 Capital	0	0
Total Own Funds	304,776	278,611

(1) Regulatory filter for additional valuation adjustments (AVA) to the prudential valuation under the provisions of Regulation 2016/101

A. Quantitative disclosure

	31.12.2025	31.12.2024
A. Common Equity Tier 1 (CET1) before application of prudential filters	280,082	242,390
of which CET 1 instruments covered by transitional measures	-	-
B. CET1 prudential filters (+/-)	-	-
C. CET1 including items to be deducted and the effects of the transitional regime (A+/-B)	280,082	242,390
D. Items to be deducted from CET1	20,805	9,279
E. Transitional regime - Impact on CET (+/-)	-	-
F. Total Common Equity Tier 1 (CET1) (C-D+/-E)	259,276	233,111
G. Additional Tier 1 (AT1) including items to be deducted and the effects of the transitional regime	45,500	45,500
of which AT1 instruments covered by transitional measures	-	-
H. Items to be deducted from AT1	-	-
I. Transitional regime - Impact on AT1 (+/-)	-	-
L. Total Additional Tier 1 (AT1) (G-H+/-I)	45,500	45,500
M. Tier 2 (T2) including items to be deducted and the effects of the transitional regime	-	-
of which T2 instruments covered by transitional measures	-	-
N. Items to be deducted from T2	-	-
O. Transitional regime - Impact on T2 (+/-)	-	-
P. Total Tier 2 (T2) (M-N+/-O)	-	-
Q. Total Own Funds (F+L+P)	304,776	278,611

2.2 Capital adequacy

A. Qualitative disclosure

The total own funds at 31 December 2025 amount to € 304.8 million and include 100% of the profit, as it is currently prohibited to distribute dividends.

	Unweighted amounts		Weighted amounts/requirements	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
A. EXPOSURES				
A.1 Credit and counterparty risk	5,912,172	7,257,057	1,313,280	1,406,733
1. Standardised approach	5,912,172	7,257,057	1,313,280	1,406,733
2. Internal ratings based approach				
2.1 Basic				
2.2 Advanced				
3. Securitisations				
B. CAPITAL REQUIREMENTS				
B.1 Credit and counterparty risk			105,062	112,539
B.2 Credit valuation adjustment risk			59	42
B.3 Settlement risk				
B.4 Market risk			785	659
1. Standard approach			785	659
2. Internal models				
3. Concentration risk				
B.5 Operational risk			14,828	12,711
1. Standard approach			14,828	12,711
2. Internal models				
3. Concentration risk				
B.6 Other calculation elements				
B.7 Total prudential requirements			120,735	125,952
C. EXPOSURES AND CAPITAL RATIOS			1,509,191	1,574,395
C.1 Risk-weighted assets			1,509,191	1,574,395
C.2 CET1 capital/risk-weighted assets (CET1 Capital Ratio)			17.2%	14.8%
C.3 Tier 1 capital/risk-weighted assets (Tier 1 Capital Ratio)			20.2%	17.7%
C.4 Total Own Funds/risk-weighted assets (Total Capital Ratio)			20.2%	17.7%

PART G - BUSINESS COMBINATIONS

Section 1 - Transactions performed in the year

No transactions to report.

Section 2 - Transactions performed after the end of the year

No transactions to report.

Section 3 - Retrospective adjustments

No transactions to report.

PART H -RELATED PARTY TRANSACTIONS

Related party transactions, including the relevant authorisation and disclosure procedures, are governed by the "Procedure governing related party transactions" approved by the Board of Directors and published on the internet site of the Parent, Banca Sistema S.p.A.

Transactions between Group companies and related parties were carried out in the interests of the Bank, including within the scope of ordinary operations; these transactions were carried out in accordance with market conditions and, in any event, on the basis of mutual financial advantage and in compliance with all procedures.

With respect to transactions with parties who exercise management and control functions in accordance with art. 136 of the Consolidated Law on Banking, they are included in the Executive Committee resolution, specifically authorised by the Board of Directors and with the approval of the Statutory Auditors, subject to compliance with the obligations provided under the Italian Civil Code with respect to matters relating to the conflict of interest of directors.

Pursuant to IAS 24, the related parties of Banca Sistema include:

- shareholders with significant influence;
- companies belonging to the banking Group;
- companies subject to significant influence;
- key management personnel;
- the close relatives of key management personnel and the companies controlled by (or connected with) such personnel or their close relatives.

1. Disclosure on the remuneration of key management personnel

The following data show the remuneration of key management personnel, as per IAS 24 and Bank of Italy Circular no. 262 of 22 December 2005 as subsequently updated, which requires the inclusion of the members of the Board of Statutory Auditors.

In thousands of Euro	Board of Directors	Board of Statutory Auditors	Other managers	31.12.2025
Remuneration to Board of Directors and Board of Statutory Auditors	2,434	179	-	2,666
Short-term benefits for employees	-	-	2,458	2,458
Post-employment benefits	89	-	253	342
Share-based payments	71	-	31	101
Total	2,594	231	2,742	5,568

2. Disclosure on related party transactions

The following table shows the assets, liabilities, guarantees and commitments at the end of the financial year, differentiated by type of related party with an indication of the impact on each individual caption.

In thousands of Euro	Subsidiaries	Directors, Board of Statutory Auditors and key management personnel	Other related parties	% of caption
Loans and receivables with customers	95,147	309	20,096	4.6%
Due to customers	108	-	53	0.0%
Other assets	4,099	1,747	52,247	1.6%
Other liabilities	354	-	-	0.2%

The following table indicates the costs and income for 2023, differentiated by type of related party.

In thousands of Euro	Subsidiaries	Directors, Board of Statutory Auditors and key management personnel	Other related parties	% of caption
Interest income	3,075	1	0	1.6%
Interest expense	51	37	215	-0.3%
Commission income	85	-	290	1.7%
Other administrative expenses	1,192	-	-	-3.1%
Other operating income (expenses)	1,171	-	-	60.0%

Details are provided below for each of the following related parties that are shareholders exceeding the 5% stake threshold in individual Group companies.

In thousands of Euro	Amount (Thousands of Euro)	Percentage (%)
ASSETS		
Loans and receivables with customers		
Kruso Kapital S.p.A.	49.848	2,0%
Largo Augusto Servizi E Sviluppo Srl	24.201	1,0%
Pignus-Credito Economico Popular S.A.	19.889	0,8%
ProntoPegno Grecia	1.208	0,0%
Art-Rite	20	0,0%
Total Assets	95.254	2,3%
LIABILITIES		
Due to customers		
Kruso Kapital S.p.A.	3.770	0,1%
Art-Rite	329	0,0%
Soci – Fondazione CR Alessandria	49	0,0%
Soci – Fondazione Sicilia	8	0,0%
Soci - SGBS	2	0,0%
Other liabilities		
Largo Augusto Servizi E Sviluppo Srl	187	0,1%
Pignus-Credito Economico Popular S.A.	84	0,1%
Kruso Kapital S.p.A.	82	0,1%
Total Liabilities	4.512	0,1%

PART I - SHARE-BASED PAYMENT PLANS

Qualitative disclosure

As indicated in the 2025 Policies Document, Banca Sistema, having a four-year average of total assets of less than € 5 billion and not belonging to a group with assets worth more than € 30 billion, is considered to be a "smaller and less complex bank".

Given the provisions of the Bank of Italy Circular, which allow banks with assets of less than € 5 billion (as an average of the last four years) to neutralise the provisions relating to the disbursement of variable remuneration in financial instruments and to solely apply an "appropriate" deferral period, Banca Sistema intends to make use of this simplification and apply the abovementioned cash payment schemes for the payment of variable remuneration starting from 2022 (without prejudice to any regulatory updates and/or the achievement of the size thresholds indicated by Circular 285).

Therefore, the Bank shall apply the provisions relating to key personnel subject to percentages and to deferral periods that may be defined in proportion to their characteristics, thereby ensuring a proportional alignment criterion also in relation to the provisions of the Corporate Governance Code, for longer deferral in the case of members of the Board of Directors and key management personnel (they are thus extended to all Key Personnel).

Following the inspection of the Bank of Italy that started in July 2024, the Supervisory Authority has instructed that the Banca Sistema Group, until further review by the Bank of Italy, also based on the feedback that will be provided by the Bank, refrain from resolving or taking the following actions: i) the distribution of profits generated from the current 2024 financial year or other elements of equity; ii) the payment of the variable component of remuneration for the 2024 financial year and subsequent years. For the payment of coupons or dividends on Additional Tier 1 capital instruments, the limits on the Maximum Distributable Amount set by current capital conservation regulations must be observed.

The deferred instalments of the variable component of remuneration relating to financial years prior to 2024 were regularly paid and, in particular, following the positive resolutions of the next Shareholders' Meeting approving the financial statements, the restriction on the last shares subject to retention will expire, as provided for by the Bank's Remuneration Policies.

Disclosure of the fees paid to the independent auditors

Reference should be made to the corresponding section of the Directors' Report in the Banca Sistema Group's consolidated financial statements, which is deemed to be fully reported here.

PART L - SEGMENT REPORTING

For the purposes of segment reporting as per IFRS 8, the income statement is broken down by segment as follows.

Breakdown by segment as at 31 December 2025

Income statement (€,000)	Factoring Division	Retail Division	Corporate Centre	Group Total
Net interest income adjusted	110,223	(1,818)	(65)	108,340
Net fee and commission income (expense)	5,768	(622)	357	5,503
Dividends and similar income	174	53	-	227
Net trading income (expense)	23	7	-	30
Gain from sales or repurchases of financial assets/liabilities	12,806	4,916	-	17,721
Net gain (loss) on other financial assets and liabilities measured at fair value through profit or loss	(73)	-	-	(73)
Total income	128,972	2,551	224	131,748
Net impairment losses on loans and receivables	(6,730)	(848)	1	(7,576)
Net financial income (expense)	122,242	1,704	226	124,171

Statement of Financial Position (€,000)	Factoring Division	Retail Division	Corporate Centre	Group Total
Cash and cash equivalents	57,487	25,978	-	83,465
Financial assets (HTS and HTCS)	826,065	373,295	-	1,199,360
Loans and receivables with banks	13,105	5,928	-	19,033
Loans and receivables with customers	1,846,146	642,738	-	2,488,884
loans and receivables with customers - loans	1,811,694	627,169	-	2,438,863
loans and receivables with customers - debt instruments	34,452	15,569	-	50,020
Due to banks	-	-	17,715	17,715
Due to customers	24,159	-	3,589,754	3,613,913

This segment reporting includes the following divisions:

- Factoring Division, which includes the business segment related to the origination of trade and tax receivables with and without recourse and the management and recovery of default interest. In addition, the division includes the business segment related to the origination of state-guaranteed loans to SMEs disbursed to factoring customers and the management and recovery of receivables on behalf of third parties;
- Retail Financing Division, which includes the business segment related to the purchase of salary- and pension-backed loans (CQS/CQP) portfolios, salary- and pension-backed loans disbursed through the direct channel and distribution of third-party products;
- Collateralised Lending Division, which includes the business segment related to collateral-backed loans and auction house activities;
- Corporate Division, which includes activities related to the management of the Group's financial resources and costs/income in support of the business activities. In particular, the cost of funding managed in the central treasury pool is allocated to the divisions via an internal transfer rate ("ITR"), while income from the management of the securities portfolio and income from liquidity management (the result of asset and liability management activities) is allocated entirely to the business divisions through a pre-defined set of drivers. The division also includes income from the management of SME loan run-offs.

The secondary disclosure by geographical segment has been omitted as immaterial, since the customers are mainly concentrated in the domestic market.

PART M - LEASE DISCLOSURE

SECTION 1 - LESSEE

Qualitative disclosures

The Bank has contracts that fall within the scope of IFRS 16 attributable to the following categories:

1. Property used for business and personal purposes;
2. Cars.

At the end of the year, there were 42 leases, 6 of which were property leases for a total right of use value of € 2.1 million, while 36 were for cars, for a total right of use value of € 0.6 million. Property leases, which refer to lease payments for buildings used for business purposes such as offices and for personal use, have terms exceeding 12 months and typically have renewal and termination options that may be exercised by the lessor and the lessee as provided for by law.

Contracts referring to other leases are long-term leases for cars which are generally used exclusively by the employees to whom they are assigned. These contracts have a maximum term of 5 years with monthly lease payments, no renewal option, and no option to purchase the asset.

Contracts with a term of less than 12 months or those for which the replacement value of the individual leased asset is low, i.e. less than € 20 thousand, are excluded from the application of the standard.

Quantitative disclosures

The following table provides a summary of the Statement of Financial Position items relating to leases expressed in Euro; for further information, please refer to Part B of the notes to the financial statements:

Type of contract	Interest expense	Net impairment losses on property and equipment
Property lease payments	6,402	6,502
Long-term car lease	856	880
Total	7,257	7,383

(*) This is the right of use value net of accumulated depreciation.

The following table provides a summary of the Income Statement items relating to leases; for further information, please refer to Part B of the notes to the financial statements:

Type of contract	Right of use (*)	Lease liabilities
Property lease payments	205	1,315
Long-term car lease	24	351
Total	230	1,666

SECTION 2 - LESSOR**Qualitative disclosures**

At the reporting date, the Bank does not engage in leases as a lessor.

STATEMENTS ON THE SEPARATE FINANCIAL STATEMENTS

Statements on the separate financial statements in accordance with article 81-ter of Consob Regulation no. 11971 of 14 May 1999 as amended and supplemented

1. The undersigned, Gianluca Garbi, CEO, and Alexander Muz, Manager in charge of financial reporting of Banca Sistema S.p.A., hereby state, having taken into account the provisions of Art. 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998:

- the suitability as regards the characteristics of the bank and
- the effective application of the administrative and accounting procedures for the drafting of the separate financial statements during 2025.

2. Reference model

The suitability of the administrative and accounting procedures for the drafting of the separate financial statements at 31 December 2025 was assessed based on an internal model defined by Banca Sistema S.p.A. that was designed in a manner consistent with the framework developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and the Control Objectives for IT and Related Technology (COBIT) framework, which represent the reference standards for the internal control system generally accepted on an international level.

3. Moreover, the undersigned hereby state that:

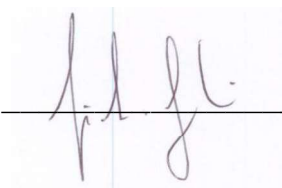
3.1 the separate financial statements:

- a) were drafted in accordance with the applicable international accounting standards endorsed by the European Union, pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
- b) match the accounting books and records;
- c) are suitable for providing a true and fair view of the financial position, results of operations and cash flows of the issuer.

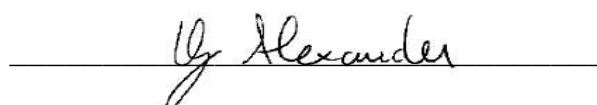
3.2 The Directors' report includes a reliable analysis of business performance and results, as well as of the position of the issuer, together with a description of the main risks and uncertainties to which it is exposed.

Milan, 6 March 2026

Gianluca Garbi
Chief Executive Officer



Alexander Muz
Manager in charge
of financial reporting



BOARD OF STATUTORY AUDITORS' REPORT

BANCA SISTEMA S.P.A.

**BOARD OF STATUTORY AUDITORS' REPORT TO THE SHAREHOLDERS'
MEETING CALLED TO APPROVE THE FINANCIAL STATEMENTS AT 31
DECEMBER 2025**

**IN ACCORDANCE WITH ARTICLE 153 OF LEGISLATIVE DECREE 58/1998
and ARTICLE 2429 OF THE ITALIAN CIVIL CODE**

Dear Shareholders of Banca Sistema S.p.A. ("Bank"),

The Board of Statutory Auditors, also acting as the Internal Control and Audit Committee pursuant to Legislative Decree 39/2010, is required to report to the Shareholders' Meeting of Banca Sistema S.p.A., convened to approve the Financial Statements for the year ended 31 December 2025, on the supervisory activities carried out during the year and on any other activities required by law.

Pursuant to Article 153 of Legislative Decree 58/1998 (Consolidated Law on Finance), Legislative Decree 385/1993 (Consolidated Law on Banking) and the special laws on the subject, as well as Article 19 of Legislative Decree 39/2010 and Article 2429 of the Italian Civil Code, we give you this report on our supervisory activities during the calendar year and on the most significant events occurring after the end of the year, and also make proposals concerning the financial statements and their approval.

The Board of Statutory Auditors has taken into account the regulations issued by the authorities responsible for the supervision and control of banks and listed companies, in accordance with the Rules of Conduct for the Board of Statutory Auditors of Listed Companies issued by the National Board of Business Experts and Accountants. The Board has also taken into account the requirements set out in Consob note No. 1025564/2001. The auditing task is currently carried out by the Independent Auditors BDO Audit Services S.r.l. ("BDO"), part of the 'BDO International Network', listed in the Register of Auditors under no. 130229. In this regard, it should be noted that, by means of a deed dated 30 December 2025, authenticated by the Notary Public Ms. Giovannella Condò of Milan, the

independent auditors BDO Italia S.p.A., which had been assigned with the statutory audit by the Ordinary Shareholders' Meeting held on 18 April 2019, transferred its business unit including, inter alia, the statutory auditing of Banca Sistema, to BDO Audit Services S.r.l., part of the 'BDO International Network', effective from 1 January 2026.

It should be recalled that, on 30 April 2025, the Shareholders' Meeting of Banca Sistema S.p.A. appointed the Board of Statutory Auditors in its current composition until the approval of the financial statements as at 31 December 2025, composed of Mr. Guido Paolucci (Chairperson), Ms. Anna Maria Allievi and Ms. Lucia Abati (Standing Auditors). The Statutory Auditor Ms. Lucia Abati was already a member of the previous Board.

During the 2025 financial year, the Board of Statutory Auditors met 26 times, 20 of which were in its new composition.

1. ACTIVITIES OF THE BOARD OF STATUTORY AUDITORS

During the year ended 31 December 2025, the Board of Statutory Auditors performed its institutional functions in accordance with the provisions of the Civil Code, Legislative Decree No. 385/1993 (Consolidated Law on Banking), Legislative Decree No. 58/1998 (Consolidated Law on Finance) and Law No. 231/2007, as well as the provisions of the Articles of Association, the guidelines of the Corporate Governance Code and the principles of conduct recommended by the National Council of Chartered Accountants and Accounting Experts. In addition, the Board of Statutory Auditors operated in compliance with sector regulations and the provisions issued by the Supervisory Authorities, such as the Bank of Italy and Consob.

Since Banca Sistema has adopted a traditional governance model, the Board of Statutory Auditors also acts as the Internal Control and Audit Committee. It therefore has additional financial reporting and statutory auditing responsibilities, in line with the provisions of Article 19 of Legislative Decree No. 39 of 27 January 2010, as amended by Legislative Decree No. 135 of 17 July 2016.

Whenever the Board of Statutory Auditors has deemed it appropriate to make recommendations or suggestions, it has communicated them both during the meetings with the company departments concerned, and to the relevant Board Committees, recording its observations in writing.

In compliance with the provisions contained in the 'Rules of conduct for the Board of Statutory Auditors of Listed Companies' updated by the CNDCEC in December 2024, and in particular Rule Q.1.7 on the Board of Statutory Auditors' self-assessment, the Board of Statutory Auditors has conducted a self-assessment. The assessment has confirmed the appropriateness of the Board of Statutory Auditors' composition and size, and its compliance with the requirements of professionalism, independence and integrity; the Board of Statutory Auditors' functioning was also assessed positively.

In order to regulate the composition, functioning and powers of the Board of Statutory Auditors in accordance with the principles laid down in the applicable laws and regulations and the Corporate Governance Code adopted by the Company, the Board of Statutory Auditors has adopted the 'Rules of the Board of Statutory Auditors', last updated on 14 October 2025.

During the 2025 financial year, the Board of Statutory Auditors assessed the suitability of its members and the adequacy of the composition of the body, having regard to the requirements of professionalism, competence, integrity, fairness, independence and absence of any cause of incompatibility required by the regulations, as well as the availability of time and resources commensurate with the complexity of the task and its proper functioning, taking into account the size, complexity and activities of the Intermediary. The members of the Board of Statutory Auditors complied with the limit on concurrent positions pursuant to Article 144-terdecies of the Issuers' Regulation and Ministerial Decree No. 169/2020.

With this Report, the Board of Statutory Auditors gives an account of the activities carried out during the financial year, separately for each area of supervision identified by the regulations governing the Board of Statutory Auditors' activity.

2. SIGNIFICANT TRANSACTIONS AND EVENTS

In carrying out its supervisory and auditing activities, the Board of Statutory Auditors has periodically obtained from the Directors, also by participating in meetings of the Board of Directors, the Internal Control, Risk Management and Sustainability Committee, information on the activities carried out and on the most significant economic, financial and equity transactions approved and carried out by the Bank and its subsidiaries, also in accordance with Article 150, paragraph 1, of the Consolidated Law on Finance. While

reference is made to the Directors' Report for a detailed description of the significant events during the year and thereafter, we should like to highlight the following.

Among the significant events that occurred in 2025, we note that:

- On 16 January 2025, the European Court of Human Rights published the judgment settling the proceedings brought by the Bank in 2023 and seeking to have the Court establish a violation of the Convention for the Protection of Human Rights and Fundamental Freedoms by a local authority in financial distress (Municipality of Catania) regarding the payment obligations recognised in final judicial measures dating back over time. The Court explicitly declared that "*the respondent State must, within three months, ensure through appropriate measures the execution of the domestic judicial measures still pending*" and that the judgment is final and non-appealable. Nine other similar judgments were received during the year;
- On 13 February 2025, the liquidation of Specialty Finance Trust Holdings Ltd was completed, and the company was deregistered from the UK Companies Register;
- On 21 March 2025, the Board of Directors also approved the new Corporate Governance Project, as part of the initiatives adopted by the Bank, at the request of the Supervisory Authority, in relation to the results of the inspection and approved by the Shareholders' Meeting on 30 April 2025, which appointed 4 new members of the Board of Directors and two new auditors and appointed the new Chairperson of the Board of Statutory Auditors;
- On 21 March 2025, the Board of Directors approved the new classification of some credit exposures as defaulted, in accordance with the findings made in the inspection report issued on 20 December 2024. Effective from 31 March 2025, the Bank introduced the new classification for prudential purposes of the exposures concerned;
- The Board of Directors, following a specific request from the Bank of Italy, approved an updated capital plan for the three-year period 2025-2027;
- On 30 June 2025, Banca CF+ S.p.A. announced its intention to launch a full voluntary public tender offer for the ordinary shares of Banca Sistema;
- On 12 September 2025, the Bank was notified of the proposal regarding the outcome of the disciplinary proceedings initiated by the Bank of Italy following the inspection conducted in 2024. On 28 October 2025, the final fine was notified to the Bank,

which then paid it.

Regarding significant events occurring after the reporting date, we wish to note that:

- On 16 January 2026, the SREP procedure was concluded;
- On 16 January 2026 CF+ S.p.A. announced and published the offer document and the information prospectus relating to the voluntary public tender and exchange offer on all the ordinary shares of Banca Sistema S.p.A.;
- On 23 January 2026, the Board of Directors, having read and taken into account the opinion of the Independent Directors drawn up in accordance with the provisions of Article 39-bis of the Issuers' Regulations, issued on 22 January 2026, expressed its opinion on the adequacy of the consideration offered;
- On 27 February 2026, the tender period ended with total acceptances reaching 70.732% of the share capital of Banca Sistema, corresponding to 69.047% of the related voting rights. Based on the results, the Offeror proceeded with the reopening of the terms, pursuant to and for the purposes of Article 40-bis, paragraph 1, letter a), of the Issuers' Regulation. Following the reopening of the acceptance period, the public tender and exchange offer closed with a total of 80.751% of the share capital, corresponding to 78.827% of the associated voting rights.
- On 3 March 2026, the Board of Directors of the subsidiary Kruso Kapital resolved to initiate preliminary activities for the translisting project on Euronext Milan, with the goal of completion by June 2026.

3. MONITORING LEGAL COMPLIANCE AND COMPLIANCE WITH THE ARTICLES OF ASSOCIATION

The Board of Statutory Auditors has carried out its supervisory activities in compliance with the law and the Articles of Association, acquiring the information necessary to perform its duties. This involved the participation of the entire Board of Statutory Auditors or at least one of its members in all the meetings of the Board of Directors, the Internal Control, Risk Management and Sustainability Committee, the Remuneration Committee, the Appointments Committee and the Executive Committee. On the basis of the checks carried out, the Board of Statutory Auditors can reasonably state that the resolutions adopted were in compliance with current legislation and the Articles of Association, were not imprudent, reckless or in potential conflict of interest, were not contrary to the resolutions of the Shareholders' Meeting and were not such as to compromise the integrity of the company's assets.

During 2025, the members of the Board of Statutory Auditors attended courses/induction sessions on topics relevant to supervisory activities. Such courses were delivered as part of the training plan drawn up in accordance with Circular 285/2013 (First Part, Title IV, Chapter 1, Section IV, paragraph 2.1, point e.), taking into account the individual and collective training needs of the Board of Statutory Auditors and the Bank's governing body. The head of the Internal Audit Department participates as a permanent guest in the meetings of the Board of Statutory Auditors, ensuring constant interaction between the Supervisory Body and the third-level corporate control function.

In the course of performing its own duties, the Board of Statutory Auditors met periodically with the heads of the principal internal departments of the Company. It examined the documents submitted to it and performed its own analyses and assessments, as summarised in its own minutes. These did not reveal anything that could cast doubt on compliance with the law, the Articles of Association, and principles of proper management. It analysed the most significant operating, financial and equity transactions, verifying their compliance with the law and the memorandum of association, finding that they were not manifestly imprudent or reckless and/or in potential conflict of interest and/or in conflict with the resolutions passed by the Shareholders' Meeting and/or prejudicial to the operating, asset and liability, and financial performance of the Bank. The Board of Statutory Auditors has approved all examined transactions as being consistent with the corporate

interest.

In 2025, the Board of Statutory Auditors:

- provided its opinions on 'non-audit fees' for services other than auditing, as required by current legislation and the internal procedure adopted by the Company, verifying in particular the effects of such fees on independence, without identifying any issues to be flagged;
- examined the Banca Sistema Group's 2025-2027 capital plan;
- analysed and monitored corporate operations in accordance with the Risk Appetite Framework;
- verified compliance with anti-money laundering requirements and procedures.

During 2025, the Board of Statutory Auditors issued its observations on:

- the descriptive document drafted by the Board of Directors requested by the corporate situation letter;
- the report prepared by Internal Audit on the implementation of the remedial plan with respect to the 2024 inspection on the subject of DoD;
- the report, prepared by the Internal Audit Department, on the controls carried out on the major outsourced functions, any deficiencies found and the consequent corrective measures taken;
- the report from the Internal Audit Department on the assessment of the process of managing loans covered by public guarantees.

During 2025, no reports of violations were received through the whistleblowing channels established by the Bank in accordance with the relevant legislation, or in the other ways referred to in Legislative Decree No. 24 of 10 March 2023, which transposed Directive (EU) 2019/1937 on Whistleblowing into Italian law.

No opinions pursuant to law were issued during the year.

Finally, pursuant to Article 2408 of the Italian Civil Code, we declare that in 2025, no complaint from Shareholders or any other complaints were received, no wrongdoing or other significantly negative acts or omissions were reported by the Independent Auditors or others, that required reporting to the Bank of Italy.

During the financial year, the Board of Statutory Auditors monitored, in particular:

- compliance with the law and the Articles of Association;
- compliance with the principles of proper management;

- the adequacy and functioning of the organisational structure;
- the adequacy and functioning of the internal control and risk management system and of the administrative/accounting system, in particular the reliability of the latter in providing a fair presentation of operations;
- the implementation of corporate governance rules;
- related party transactions;
- the fulfilment of the obligations under the 'Market abuse' and 'Internal Dealing' legislation;
- the establishment of the whistleblowing channel;
- the adequacy of the instructions issued to the Subsidiaries pursuant to Article 114, paragraph 2 of Legislative Decree No. 58/1998 (Consolidated Law on Finance).

3.1 Relations with the Supervisory Authorities

Bank of Italy

On 21 February 2025, the Bank of Italy, in a letter addressed to the Company, explained the need to "repeat the collection of funding plans for 2025, in order to have reliable information to promptly identify potential vulnerabilities", in the light of the uncertainties and changes in the reference framework, including the ongoing geopolitical tensions at international level and the weak macroeconomic prospects, which reinforce the importance for banks to ensure adequate monitoring of liquidity risk. Specifically, the Bank of Italy has asked the less significant banks (Less Significant Institutions, LSI) and, therefore, also the Bank, to provide "the updated funding plans for the two-year period 2025-2026, together with the final comparison data for 2024 and any contingency plans". The Bank of Italy also requested that this information be submitted to the Board of Directors and the Board of Statutory Auditors for evaluation, following a prior assessment by the Risk Management function. Following this communication, Banca Sistema prepared an updated version of the planning forecasts approved by the Board of Directors on 21 March 2025 and with respect to which the Board of Statutory Auditors has expressed its opinion.

On 15 July 2025, a letter was received from the Bank of Italy with the subject 'Public Tender Offer by Banca CF+ for Banca Sistema. Agreement signed on 29.06.25 by the CEO Gianluca Garbi, SGBS Srl and Garbifin Srl with Banca CF+.', addressed to the Chairpersons of the

Board of Directors and the Board of Statutory Auditors.

This letter contains observations and requests from the Bank of Italy regarding the content of the commitment agreement signed on 29 June 2025 between the parties to the agreement and Banca CF+ as part of CF+'s voluntary public tender offer for all the outstanding shares of Banca Sistema, which was announced on 30 June 2025. The Bank gave a formal response to the Bank of Italy's requests and the Board of Statutory Auditors provided its assessments in this regard.

On 12 September 2025, the Bank of Italy sent a document entitled 'Banca Sistema S.p.A. Administrative sanctioning procedure. Final proposal of the investigative phase', in which it communicates that "Taking into account the company's financial capacity – resulting from the latest available net annual turnover (year 2024) – and the extent of the violation, which was such as to determine the adoption of specific measures by the Supervisory Authority, considering, on the one hand, the corrective measures under taken and, on the other, the irregularities – of the same nature – already previously detected and sanctioned following the 2021 inspection, it is proposed that an administrative fine of €310,000 be imposed against Banca Sistema S.p.A.". The Bank submitted its observations within 30 days.

On 17 October, the Bank of Italy notified Banca Sistema of the imposition of the aforementioned fine. On 21 November, Banca Sistema arranged for payment of the amount due as a fine.

On 15 October 2025, the Bank of Italy initiated the SREP, which concluded on 13 January 2026 with the request for the following overall capital requirements on a consolidated basis:

- * CETI ratio: 10.10% (9.40% until 31 December 2025);
- * Tier1 ratio: 11.60% (10.90% until 31 December 2025);
- * Total capital ratio: 13.60% (12.90% until 31 December 2025).

On 9 December 2025, a communication was received from the Bank of Italy, with the subject 'Credit risk of less significant banks', which notes that, in response to the various reminders from the Supervisory Authority regarding the need for strengthening, in relation to credit risk, only a partial response was observed from the LSI system towards the direction desired by the Supervisory Authority. In this regard, the Bank of Italy "*draws the attention of the Italian LSIs to the opportunity to exploit the margins available today – thanks to the economic results bolstered by the widening of the spread between lending*

and borrowing rates observed in recent years and the existing capital surpluses – for a definitive consolidation of the progress made in containing credit risk. Proceeding in this manner would, in fact, help to create the conditions for a higher and more stable future income capacity over time." "Therefore, the Bank of Italy expects the LSIs to strive to achieve an appreciable increase in the coverage levels of non-performing loans, especially those of longer duration, starting from the closing of the 2025 financial statements."

Following the Communication, on 14 January 2026 the Bank received a second communication by email, with the subject "*NPE coverage expectations for LSIs – 03158 BANCA SISTEMA*", in which the Bank was asked, having been identified through the supervisory assessments following the first application cycle of the European Central Bank guidelines on the coverage of non-performing exposures (NPEs) held by less significant banks (LSIs), to send the 'Transitional' and 'Fully-Loaded' models by 15 April 2026 for the "*calculation of the shortfall in coverage expectations for the non-performing exposures in question*".

On 20 February 2026, the Board of Directors approved the document containing the observations and determinations made.

CONSOB

On 10 September 2025, Consob, with reference to (i) the follow-up inspection carried out by the Bank of Italy between 9 July and 11 October 2024 and (ii) the half-yearly financial report as at 30 June 2025, published by Banca Sistema on 8 August 2025, requested to receive a note providing the following information and documentation:

1. a reconciliation between the results of the reclassifications to default of the exposures affected by the abovementioned Bank of Italy inspection activity, recorded as at 31 March 2025, and the simulations of the impacts as at 30 June 2024 prepared by the Risk Manager at the request of the inspection team of the same Authority, with specific evidence of the differences found, as well as the submission of a copy of the assessment carried out by the Independent Auditors, as requested by the Prudential Supervisory Authority in the aforementioned corporate situation letter;
2. copy of the updated capital plan for the three-year period 2025-2027;
3. indication of the impact, in terms of RWA and capital ratios at 30 June 2025, of any recalculation of the overdue amount relating to the collateralised lending exposures of

the subsidiary Kruso Kapital, together with any preliminary assessments of the effects attributable to the entry into force of the CRR3 adjustment.

On 19 September 2025, the Board of Directors approved the note to be sent to Consob.

3.2 Supervision of compliance with the principles of sound management, and of relations with subsidiaries or other related parties

The Board of Statutory Auditors, as part of its supervision of compliance with the principles of sound management, in accordance with the provisions of Article 150 of the Consolidated Law on Finance, has periodically acquired information from the Directors, the CEO, the control departments, management and the Independent Auditor on the activities carried out, and the most significant economic, financial and equity transactions carried out by the Company and its subsidiaries.

The Board of Statutory Auditors engaged in constant dialogue with the Manager in charge of financial reporting and with the internal control departments. In addition, it held hearings with the Bank's management and periodic meetings with the Independent Auditors, ensuring a structured exchange of relevant data and information for the fulfilment of its duties, in compliance with Article 150, paragraph 3 of the Consolidated Law on Finance.

Based on the information received, the Board of Statutory Auditors considers it reasonable to conclude that the transactions approved by the Board of Directors and implemented by the Chief Executive Officer comply with current legislation, the Articles of Association and the provisions of the Supervisory Authorities. Furthermore, there is no evidence to suggest that said transactions are manifestly imprudent, reckless, in conflict of interest, contrary to the resolutions of the shareholders' meeting or such as to compromise the integrity of the company's assets.

In addition, the administrative and accounting system was considered reliable in providing a fair presentation of operations.

After analysing the Report on Operations, the information provided by the Board of Directors, the Chief Executive Officer and the Supervisory Body pursuant to Legislative Decree No. 231/2001, and the evidence collected as part of its supervisory activity, the Board of Statutory Auditors has not detected any atypical and/or unusual transactions with third parties, Group companies or related parties and associated entities.

With regard to related party transactions, the Board of Statutory Auditors regularly receives periodic information flows regarding the transactions concluded with such parties and the monitoring of exposures attributable to associated entities, requesting, where appropriate, further information. Detailed information on these transactions is given in the 'Other information' paragraph of the Report on Operations in the consolidated financial statements and the draft individual financial statements, as well as in the 'Transactions with related parties' paragraph of the Notes to the consolidated financial statements and the draft separate financial statements.

To the best of the Board of Statutory Auditors' knowledge, these transactions were carried out in the Bank's interest and present no appropriateness issues, since they fall within the ordinary business of Banca Sistema. The Board of Statutory Auditors also attests that it has received adequate information regarding transactions with related parties and/or associated entities, in compliance with Consob's provisions and with the applicable legislation on related parties, as regulated by Bank of Italy Circular 285.

The Board of Statutory Auditors also supervised the adequacy of the instructions issued by the Bank to its subsidiaries, verifying the effectiveness of the information flows between the Parent and its subsidiaries. In addition, in line with the provisions of Article 151-ter, paragraph 4, of the Consolidated Law on Finance, has exchanged information flows with the Boards of Statutory Auditors of the subsidiaries.

During 2025, the Board of Statutory Auditors examined the checks carried out by the Internal Audit Department on the outsourcing of Essential or Important Operational Functions, and made its remarks in the related analyses.

3.3 Supervision of the financial statements

The Board has examined the draft separate financial statements of Banca Sistema S.p.A. at 31 December 2025 (the "Financial Statements"), comprised of the Statement of Financial Position, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows and the Notes to the Financial Statements, and accompanied by the Directors' Report and complementary financial statements, showing profit for the year of € 34,266,300.00.

The Notes to the Separate Financial Statements and Consolidated Financial Statements

specify that the financial statements for the year ended 31 December 2025 were prepared on a going concern assumption. In addition, the Board of Statutory Auditors acknowledged that the information provided by the Directors in their report on the going concern basis, financial risks, impairment testing of assets and uncertainties in the use of estimates are consistent with the Bank of Italy/Consob/Isvap Document No. 2 of 6 February 2009.

After approving the draft financial statements on 6 March 2026, the Board of Directors sent us the reporting package by the statutory deadline.

The Board of Statutory Auditors has verified that rules and procedures governing the process of drawing up and disclosing financial information are in place. In this regard, the Corporate Governance Report defines the reference guidelines for establishing and managing the administrative and accounting procedures system for Banca Sistema and the consolidated companies, and regulates the related phases and responsibilities. With the assistance of the Manager in charge of financial reporting, the Board of Statutory Auditors has examined the procedures for the preparation of the Company's financial statements, consolidated financial statements and other interim accounting documents.

The Board of Statutory Auditors also examined the process whereby the Manager in charge of financial reporting and the delegated director issue the certificates required by Article 154-bis of the Consolidated Law on Finance.

The Board of Statutory Auditors has been informed that the administrative/accounting procedures for the preparation of the financial statements and any other financial disclosures are carried out under the responsibility of the Manager in charge of financial reporting, who certifies the appropriateness and effective application of such procedures at the time of the adoption of the separate and consolidated year-end financial statements and the interim financial report.

The Board of Statutory Auditors acknowledges that during its periodic meetings with the Manager in charge of financial reporting, it received no reports of significant flaws in the operational and control processes that might affect its assessment of the appropriateness and effective application of the administrative-accounting procedures, for the purpose of providing a true and fair view of the performance and financial position of operations, in accordance with international accounting standards.

The Financial Statements have been drafted in accordance with the International Financial Reporting Standards (IAS/IFRS), as endorsed by the European Commission and transposed

in Italy by Legislative Decree 38 of 28 February 2005, while also considering the instructions issued by the Bank of Italy with Circular 262 of 22 December 2005, as amended.

With regard to the content of the Financial Statements, the Board of Statutory Auditors wishes to draw attention to what is reported in the paragraph 'Significant events after the reporting date' of the Directors' Report to the Financial Statements, where it is noted that, following the completion of the public tender and exchange offer promoted by Banca CF+ S.p.A. for all the ordinary shares of Banca Sistema and the consequent change of control, there are potential non-recurring charges, estimated at approximately € 7.0 million. In the same paragraph, the Board of Directors states that, since the ban imposed by the Bank of Italy on 20 December 2024, which prohibits the Group from including cost/debt items related to elements arising from variable remuneration in the financial statements, is still in force, such charges were not recognised in the financial statements.

Pursuant to Legislative Decree 39/2010, the person or entity responsible for the statutory audit of the accounts must give an opinion on the financial statements as to whether they comply with the laws and regulations governing their preparation and whether they give a true and fair view of the capital and financial position, the cash flows and the profit and loss for the year. In this regard, the Independent Auditors exchanged material information with the Board of Statutory Auditors pursuant to the regulations in force, and today, issued their own audit report on the financial statements at 31 December 2025. The report does not contain any findings, exceptions or modifications.

The Board of Statutory Auditors points out, however, that the audit report contains the following emphasis of matter, formulated in the Report by BDO Audit Services as follows:

"We wish to draw attention to the paragraph 'Significant events after the reporting date' in the chapter 'Other information' of the Report on Operations of the separate financial statements, in which the Bank refers to the corresponding paragraph of the Report on Operations of the consolidated financial statements, describing the voluntary public tender and exchange offer on all the shares. *In particular, the Bank reports that, on 16 January 2026, CF+ S.p.A. announced and published the offer document and the information prospectus relating to the voluntary public tender and exchange offer on all the ordinary shares of Banca Sistema S.p.A. On 27 February 2026, the tender period ended with total acceptances reaching 70.732% of the share capital of Banca Sistema S.p.A., corresponding*

to 69.047% of the related voting rights.

Moreover, following the completion of the transaction and the resulting change of control – as previously announced on 6 February 2026 – the Bank reports the existence of potential non-recurring expenses, estimated at approximately € 7 million (before tax), which may be recognised in the income statement in subsequent financial years. The Bank also reports that these costs have not been recognised in the financial statements, since the ban imposed by the Bank of Italy on 20 December 2024, which prohibits the Group from including cost/debt items related to elements arising from variable remuneration in the financial statements, is still in force.

Our opinion is not expressed with any findings in relation to this aspect".

Therefore, the Board of Statutory Auditors assumes that the financial data correspond to the data resulting from the internal accounts, which are regularly kept in compliance with the principles set out in current regulations.

That said, the Board of Statutory Auditors has monitored activities to ensure that the general process of preparing and drafting the financial statements complies with current laws and regulations.

3.4 Relations with the Independent Auditors

Material information was exchanged during the year with representatives of the Independent Auditors so that they could perform their duties during the periodic meetings held pursuant to the regulations in force. These did not reveal any critical and/or significant problems.

In compliance with Article 6, paragraph 2), letter a) of European Regulation 537/2014 and paragraph 17 of international auditing standard (ISA Italia) No. 260, the Independent Auditors have certified that, during the period between 1 January 2025

and today, they found no situations compromising the independence of the Independent Auditors or causes for incompatibility.

The Board of Statutory Auditors supervised the independence of the Independent Auditors and, in particular, received periodic evidence of the tasks other than the Auditing Services to be assigned (or assigned under specific regulatory provisions) to them. The Board has also verified that said additional assignments entrusted to the Independent Auditors are

not among those prohibited to the appointed independent auditors pursuant to the aforementioned European Regulation.

As shown in the consolidated financial statements of the Banca Sistema Group, during the year 2025, BDO, including through its network, performed the activities for the Group summarised below and quantified in thousands of euros:

	Banca Sistema	Other Group companies
Audit services	243	153
Other services	125	10
Total	368	163

Likewise, the Independent Auditors have informed the Board of Statutory Auditors that the legal audit carried out as at 31 December 2025 has not revealed significant shortcomings in the internal control system related to the financial reporting process that need to be brought to the attention of the Board of Statutory Auditors. Please also refer to the content of the previous paragraph of this Report.

3.5 Supervision of corporate governance implementation

The Board of Statutory Auditors assessed the procedures whereby the Corporate Governance Code promoted by Borsa Italiana and adopted by the Bank was implemented, in the terms described in the "Report on Corporate Governance and Ownership Structures" approved by the Board of Directors on 6 March 2026.

At the Bank, an Executive Committee has been established, effective from 1 July 2025, whose members were appointed on 27 June 2025. At its meeting on 16 March 2026, the Board of Directors ordered the dissolution of this Committee.

The Internal Control, Risk Management and Sustainability Committee, Appointments Committee, Remuneration Committee and Ethics Committee have also been established. The Board of Directors supervises general operating performance, dedicating special attention to situations exhibiting conflicts of interest, giving special consideration to the information received from the Chief Executive Officer and the Internal Control, Risk Management and Sustainability Committee, by periodically comparing the results achieved

with those planned. The Board of Directors examines and approves transactions having a significant economic, asset and liability, and financial impact, especially in regard to related party transactions.

The Chief Executive Officer makes periodic reports to the Board of Directors on his activities in the course of exercising his delegated authority.

The Chief Executive Officer provides adequate information about the related party transactions whose examination is not reserved to the Board of Directors.

The Board of Directors also has five independent directors. As of 22 November 2024, the Chairperson of the Board of Directors no longer meets the independence requirement under Article 13, letter f) of MEF Decree no. 169/2020 and Article 2, Recommendation no. 7 of the Corporate Governance Code, as she has held this position for more than nine of the last twelve years.

The number of Board of Directors, Internal Control, Risk Management and Sustainability Committee and all Board committee meetings, and the attendance by the members of the Board of Statutory Auditors are shown in the document "Report on Corporate Governance". In line with the relevant regulatory requirements, the Board of Directors of Banca Sistema carried out the annual self-assessment for the 2025 financial year on the functioning of the Board and its Committees.

The Board of Statutory Auditors also carried out its own annual self-assessment for the 2025 financial year regarding its functioning, size and composition. During the financial year, the Board of Statutory Auditors reviewed its members' compliance with eligibility requirements and criteria, including that of independence, to ensure no supervening events had affected such compliance.

The Board, also through participation in all the meetings of the Remuneration Committee, has supervised the application of the 2025 remuneration policies (for details of which see the Remuneration Report made available to the Shareholders), as well as those most recently examined by the Remuneration Committee on 27 March 2026, approved by the Board of Directors on 30 March and submitted to the shareholders for approval.

At the aforementioned meeting of the Remuneration Committee, the Board of Statutory Auditors acknowledged the positive opinion given by the Compliance Department on the Remuneration Report's compliance with the applicable legislation.

The Board of Statutory Auditors has no objection to the Remuneration Policy submitted to

the Shareholders' Meeting.

In this regard, the Board of Statutory Auditors recalls that, as a result of the findings of the inspection report described above, and pending the review by the Bank of Italy, the payment of the variable part of the remuneration for the year 2024 and beyond has been suspended.

3.6 Supervision of the adequacy of the internal control system, risk management systems and organisational structure

The Board of Statutory Auditors supervised the adequacy of Banca Sistema's organisational structures by holding meetings with the Bank's various operating structures in order to verify the adequacy of the corporate organisational chart, the system of delegated powers and appointments, the internal control, risk management and management of information flows system.

The Group's internal control system is based on control bodies and functions, involving in particular, each for their respective responsibilities, the Board of Directors, the Internal Control, Risk Management and Sustainability Committee, the Board of Statutory Auditors, as well as the other company functions with specific duties in this regard. The Bank's regulatory framework and the constant updating of internal regulations are also of particular importance in the internal control system.

Banca Sistema's internal control system, briefly described, comprises three levels:

- first level (or line) controls: performed directly by the operating and back office structures, which are the first line of defence in the risk management process;
- second-level controls: these are performed by the risk management department (which identifies the risks to which Banca Sistema is exposed and periodically measures and monitors such risks through specific indicators), by the compliance department (which verifies the effectiveness of the organisational measures designed and implemented to manage compliance risk), and by the anti-money laundering department;
- third-level controls: these are performed by the internal audit department, through activities aimed at identifying violations of procedures and regulations, as well as periodic assessments of the completeness, adequacy, functionality and reliability of

the internal control system and the information system.

In carrying out its activities, the Board of Statutory Auditors maintained a continuous dialogue with the various control departments and supervised the adequacy of the internal control and risk management systems through:

- meetings with the heads of the Bank's Divisions;
- regular meetings with the various control functions (i.e., Internal Audit, Compliance, Anti-Money Laundering, Risks and Sustainability and the Manager in charge of financial reporting) in order to evaluate the work planning methods, based on the identification and assessment of the main risks present in the processes and in the organisational units;
- examination of the Periodic Reports from the control functions and of monitoring reports;
- acquisition of information from Department heads;
- participation in the proceedings of the Internal Control, Risk Management and Sustainability Committee and, where appropriate, joint discussion of specific topics with the Committee.

During 2025, the Board of Statutory Auditors oversaw the adequacy and compliance of the entire ICAAP ILAAP (ICLAPP) process with the legislative requirements. In the context of the activities of the Compliance and Anti-Money Laundering Department, the Board of Statutory Auditors has continuously monitored the activities carried out and the results of the ex-post controls in relation to compliance with anti-money laundering and terrorist financing legislation. No significant issues have been found in this area.

The Board of Statutory Auditors notes that the Bank of Italy, in its corporate situation letter dated 20 December 2014 highlighted the need to strengthen the internal controls system. In response to the findings raised, the Bank has repositioned the Risk and Sustainability Department to report directly to the Board of Directors. The information and reporting flows from the Control Functions to the corporate bodies have also been revised, as has the coordination system between the control functions, which now includes periodic alignment meetings with the Board of Statutory Auditors.

The Bank's organisational chart clearly shows the lines of responsibility down to the most operational functions. The organisational chart also shows the functions of the various structures, which are reflected in the remits and responsibilities assigned to each level.

The Board of Statutory Auditors exchanged information with the Board of Statutory Auditors of the subsidiary Kruso Kapital, as required by Article 151, paragraph 2, of the Consolidated Law on Finance and the Bank of Italy's Supervisory Instructions.

The Board of Statutory Auditors, which has also been assigned the function of Supervisory Body, responsible for supervising the effectiveness, functioning, compliance and updating of the Organisation, Management and Control Model, for the purposes of the same Legislative Decree 231/2001, has, in its Annual Report, highlighted the activities carried out during the year, without reporting significant critical issues, facts or situations worthy of note.

It should be noted that adjustments and updates have been made to the 'Organisation, Management and Control Model pursuant to Legislative Decree no. 231/2001', in order to incorporate the regulatory changes introduced.

The Board of Statutory Auditors, also in light of what is stated in the previous points of this report, considers that the Bank's organisational structure is, on the whole, substantially adequate to its size and operational characteristics, and that the Board of Directors guarantees its effective supervision. However, the need for constant monitoring is highlighted in order to identify any corrective actions aimed at addressing both the requirements arising from the business development plans and the associated risks, as well as the increasing demands for supervision and monitoring by the Supervisory Authorities.

Summary and conclusions

Dear Shareholders of Banca Sistema S.p.A.,

On the basis of the foregoing report and given what has been brought to the attention of the Board of Statutory Auditors, and what has been confirmed by its periodic controls, it is believed that no reasons exist not to approve the draft financial statements of Banca Sistema at 31 December 2025, as drafted and proposed to you by the Board of Directors,

and the proposed allocation of the profit for the year.

Similarly, the Board of Statutory Auditors has taken note of and brings to your attention the contents of the report of the Independent Auditors BDO Audit Services S.r.l., issued pursuant to Articles 14 of Legislative Decree 39/2010 and Article 10 of Regulation (EU) no. 537 of 16 April 2014, which shows that the financial statements have been clearly written and give a true and fair view of the operating result, assets and liabilities, financial position and cash flows of the Bank, and the 'additional report' prepared in accordance with Article 11 of Regulation (EU) no. 537/2014, in which BDO has confirmed its own independence. Consequently, and notwithstanding all the references to the individual paragraphs of the Financial Statements previously made in this Report, the Board of Statutory Auditors reports that the proposal of the Board of Directors of Banca Sistema S.p.A. regarding the allocation of the profit for the year is as follows:

"■ a total of € 34,266,300.00 to retained earnings.

An allocation to the Legal Reserve was not made since the limits set out in Article 2430 of the Italian Civil Code were reached."

In light of the above, the Board of Statutory Auditors invites the Shareholders' Meeting to approve the financial statements at 31 December 2025 as prepared by the Board of Directors, and the proposed allocation of the profit for the year.

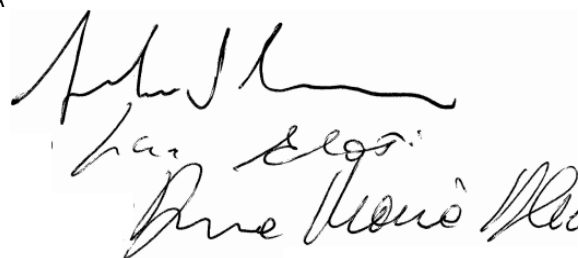
Milan, 31 March 2026

THE BOARD OF STATUTORY AUDITORS OF BANCA SISTEMA
S.P.A.

Mr. Guido Paolucci – Chairperson

Ms. Lucia Abati – Standing Auditor

Ms. Anna Maria Allievi – Standing Auditor

The image shows three handwritten signatures in black ink. The top signature is the most prominent and appears to be 'Guido Paolucci'. Below it, there are two more signatures, one of which is partially obscured by the text 'per delega'. The signatures are written in a cursive, flowing style.

INDEPENDENT AUDITORS' REPORT

Banca Sistema S.p.A.

Independent auditor's report pursuant to article 14 of Legislative Decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) 537/2014

Separate financial statements as at December 31, 2025

As disclosed by the Directors, the accompanying separate financial statements of Banca Sistema S.p.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into English solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Independent auditor's Report

pursuant to article 14 of Legislative Decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) 537/2014

To the shareholders of
Banca Sistema S.p.A.

Report on the audit of the separate financial statements

Opinion

We have audited the separate financial statements of Banca Sistema S.p.A. (the "bank"), which comprise the statement of financial position as at December 31, 2025, the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material information on the accounting policies.

In our opinion the separate financial statements give a true and fair view of the financial position of Banca Sistema S.p.A. as at December 31, 2025 and of its financial performance and its cash flows for the year then ended in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union, as well as the regulation issued to implement article 9 of Legislative Decree no. 38/05 and article 43 of 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 separate financial statements*" section of our report. We are independent of the bank in accordance with the ethical and independence requirements applicable in Italy to audits of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to the paragraph "Significant Events After The Reporting Date" of the chapter "Other information" of the Directors' Report of the financial statements in which the Bank refers to the corresponding paragraph of the management Report of the consolidated financial statements, which describes the voluntary public tender and exchange offer on all shares. In particular, the Bank informs that on January 16, 2026, CF+ SpA announced and published the offer document and the information relating to the voluntary public tender and exchange offer on all the ordinary shares of Banca Sistema S.p.A.. The offer period ended on February 27, 2026, with total acceptances reaching 70.732% of Banca Sistema S.p.A.'s share capital, corresponding to 69.047% of the related voting rights.

Furthermore, following the completion of the transaction and the resulting change of control - as previously announced on February 6, 2026 - there are potential non-recurring expenses, estimated at approximately € 7 million (before tax), which may be recognised in the income statement in subsequent financial years. The Bank outlines also that such charges were not recognised in the financial statements, as the Bank of Italy's prohibition is in force from December 20, 2024, which requires the Group not to include in its financial statements any cost or liability items relating to variable remuneration.

Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters

Audit procedures addressing the key audit matters

CLASSIFICATION AND MEASUREMENT OF RECEIVABLES WITH CUSTOMERS FOR LOANS RECOGNISED UNDER FINANCIAL ASSETS MEASURED AT AMORTISED COST

Notes to the financial statements: part A: Accounting policies (A.1 General part, Section 2 - General basis of preparation); Part A Accounting policies (A.2, "Information on the main items of the financial statements" - "Financial assets measured at amortised cost"); Part B - Information on the statement of financial position (Section 4 "Financial assets measured at amortised cost - Item 40"); Part E - Information concerning risk and related hedging policies (Section 1 - "Credit risk")

Receivables with customers, recorded among financial assets measured at amortised cost as of December 31, 2025, amounting to Euro 2,489 million include loans for Euro 2,257 million, of which non-performing loans amounting to Euro 348 million.

In Part A - Accounting policies, relating to the main financial statements items, paragraph "Financial assets measured at amortised cost" of the Notes whereas the Bank refers to the corresponding paragraph of the Notes of the consolidated financial statements where the criteria adopted for the classification and measurement of the aforementioned receivables are described, in compliance with the applicable accounting standards, as well as the arrangements for estimating expected losses and consequent value adjustments as a function of the allocation of credit exposures in the reference stages. In particular, for impaired credit exposures, the amount of value adjustments to be recognised in the Income Statement is defined on the basis of individual measurement or determined according to uniform categories and, then, individually allocated to each position, and takes account of forward-looking information and possible alternative recovery scenarios.

In Part A - Accounting Policies, General Part, Section 2 - General basis of preparation, of the Notes the Bank illustrates that the measurement of receivables on customers is a complex estimation activity,

Our main audit procedures carried out, among others, include the following activities:

- understanding of the internal regulations and processes put in place by the Bank, in relation to the classification, monitoring of credit quality as well as the valuation of receivables *with customers for loans measured at amortised cost*;
- analysis of the adequacy of the IT environment related to IT applications that are relevant for the classification of customers receivables;
- procedures for reconciling data between management systems and information reported in the financial statements;
- comparative analysis procedures and trend analysis of receivables *with customers for loans measured at amortised cost* and of the coverage ratios by comparison with the data of the previous year;
- analysis and understanding, including with the support of our specialists, of the valuation model adopted by the Bank for the purpose of determining net impairment losses;
- check, on a sample basis, of the classification of receivables with customers for performing loans measured at amortised cost based on the applicable regulatory framework, the internal regulations of the Bank as well as the applicable accounting standards;
- check, on a sample basis, of the classification and measurement of receivables with customers for non performing loans measured at amortised cost based on the applicable regulatory framework, the internal regulations of the Bank as well as the applicable accounting standards;

characterised by a high degree of uncertainty and subjectivity, in which the Bank's directors use valuation models that take into account many quantitative and qualitative elements such as, among others, the historical data relating to collections, expected cash flows and related recovery times, the existence of indicators of possible impairment losses, the assessment of any collateral and the impact of risks connected with the sectors in which the Bank's customers operate.

In view of the significance of the amount of receivables with customers for loans recognised under financial assets measured at amortised cost on the financial statements and the complexity and subjectivity of the expected credit loss estimation process adopted by the Bank we considered that the classification and measurement of receivables with customers for loans recognised under financial assets measured at amortised cost represents a key matter within the audit of the financial statements of the Bank as of December 31, 2025.

ACCOUNTING OF DEFAULT INTERESTS PURSUANT TO LEGISLATIVE DECREE NO. 231 OF OCTOBER 9, 2002 ON PERFORMING RECEIVABLES ACQUIRED WITHOUT RECOURSE

Notes to financial statements: Part A: Accounting policies (A.1 General part, Section 2 - General basis of preparation); Part A Accounting policies (A.2, "Information on the main items of the financial statements" - "Financial assets measured at amortised cost"); Part B - Information on the statement of financial position (Section 4 "Financial assets measured at amortised cost - Item 40") Part C - Information on the income statement - Section 1 "Interest and similar income: breakdown - item 10 and 20"

The default interest and compensation fees recorded in the financial statements as of December 31, 2025, amount to approximately Euro 81 million. Default interest recorded on profit and loss in the financial year ended December 31, 2025 amounted to Euro 53.1 million.

In Part A - Accounting policies, relating to the main financial statements items, paragraph "Financial assets measured at amortised cost" of the Notes whereas the Bank refers to the corresponding paragraph of the Notes of the consolidated financial statements it is described that, for some factoring receivables relating to the Public Administration and Healthcare entities, the Bank recognises the total receivable including the estimated default interest ("accrual").

- check of the completeness and compliance of the disclosures provided in financial statements with the applicable accounting framework and accounting standards.

Our main audit procedures carried out, among others, include the following activities:

- understanding of the internal regulations and processes related to the estimate of default interest on performing receivables acquired without recourse;
- procedures for reconciling data between management systems and information reported in the financial statements;
- comparative analysis procedures and analysis of the results with the management involved;
- analysis and understanding of the models used to estimate default interest, also with the support of our experts, and examination of the reasonableness of the main assumptions contained in them;
- check of the completeness and compliance of the disclosures provided in financial statements with the applicable accounting framework and accounting standards.

In Part A - Accounting policies, General Part, Section 2 - General basis of preparation, of the Notes the Bank illustrates that the valuation of default interest pursuant to Legislative Decree no. 231 of October 9, 2002 on performing receivables acquired without recourse: estimating the recoverable amount of default interest is complex, with a high degree of uncertainty and subjectivity. Internally developed valuation models are used to determine these percentages, which take many qualitative and quantitative elements into consideration.

In view of the significance of the amount of default interest recognised in the financial statements and the high level of uncertainty and subjectivity of the estimation process adopted by the Bank we have considered the accounting of default interest pursuant and compensation fees for recovery expenses to legislative decree no. 231 of October 9, 2002 on performing receivables acquired without recourse a significant key matter within the audit of the financial statements at December 31, 2025.

VALUATION OF EQUITY INVESTMENT HELD IN THE CONTROLLED COMPANY KRUSO KAPITAL S.P.A.

Notes to the financial statements: Part A - Accounting policies (A.2, "Information on the main items of the separate financial statements": "Equity investment"); Part B - Information on the statement of financial position, Assets (Section 7 - "Equity investments - item 70")

Item 70 of the balance sheet assets of the financial statements as of December 31, 2025, includes an investment in the subsidiary Kruso Kapital S.p.A. equal to Euro 27,8 million.

Part A - Accounting policies, section related to main items of the financial statements, para "Equity investments" describes the measurement criteria. In particular, if there is evidence that an equity investment may be impaired, the recoverable value of said equity investment is estimated by considering the present value of future cash flows that the investment could generate, including the final disposal value of the investment.

The Bank noted in the financial statements for the financial year as of December 31, 2025, a write-down equal to Euro 1.4 million relating to the adjustment of the carrying amount of the investment in Kruso Kapital S.p.A. to the disposal value calculated as the average of the market values of the last 3 months, linked to the future sale of these shares to CF+, in order to follow up on the provisions of the voluntary public tender and exchange offer on all shares.

Our main audit procedures carried out, among others, include the following activities:

- understanding of the impairment test process implemented by the Bank also considering the conclusion of the voluntary tender and exchange offer on all ordinary shares of Banca Sistema S.p.A.;
- understanding of the valuation model adopted by the Bank for the purposes of carrying out the impairment test, corresponding to the realisation value calculated as the average of the market values of the last 3 months of the shares of the subsidiary Kruso Kapital S.p.A. connected with the future sale of these shares to CF+ as provided for in the voluntary tender and exchange offer on all shares;
- check of the completeness and compliance of the disclosures provided in financial statements with the applicable accounting framework and accounting standards.

In view of the significance of the amount of the investment recorded in the financial statements and the estimation process adopted by the Bank we considered that the measurement of the investment in the controlled company Kruso Kapital SpA represents a key audit matter in our audit of the Bank's financial statements as at December 31, 2025

Responsibilities of the directors and the board of statutory auditors for the separate financial statements

The directors are responsible for the preparation of separate financial statements that give a true and fair view in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union, as well as the regulation issued to implement article 9 of Legislative Decree no. 38/05 and article 43 of Legislative Decree no. 136/15 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the bank's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the separate financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the bank or ceasing operations exist, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, within the terms established by the Italian law, the bank's financial reporting process.

Auditor's responsibilities for the audit of the separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate 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 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 separate financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also have:

- identified and assessed the risks of material misstatement of the separate financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained 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.
- obtained 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 bank's internal control.
- evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- concluded on the appropriateness of the directors' 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 bank'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 separate 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 bank to cease to continue as a going concern.
- evaluated the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We have communicated with those charged with governance, as properly identified in accordance with ISA Italia, 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 have also provided those charged with governance with a statement that we have complied with ethical and independence requirements applicable in Italy, and we have communicated all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the measures taken to eliminate those threats or the safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We described those matters in the auditor's report.

Other information communicated pursuant to article 10 of Regulation (EU) 537/2014

On April 18, 2019, the Shareholders' meeting of Banca Sistema S.p.A. appointed to perform the statutory audit of its separate and consolidated financial statements for the years ending from December 31, 2019 to December 31, 2027.

We declare that we did not provide prohibited non audit services, referred to article 5, paragraph 1, of Regulation (EU) 537/2014, and that we remained independent of the bank in conducting the audit.

We confirm that the opinion on the separate financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on other legal and regulatory requirements

Opinion on the compliance with the provisions of Delegated Regulation (EU) 2019/815

The directors of Banca Sistema S.p.A. are responsible for the application of the provisions of Delegated Regulation (EU) 2019/815 of European Commission regarding the regulatory technical standards pertaining the electronic reporting format specifications (ESEF - European Single Electronic Format) (hereinafter the "Delegated Regulation") to the separate financial statements at December 31, 2025, to be included in the annual financial report.

We have performed the procedures required under Auditing Standard (SA Italia) no. 700B in order to express an opinion on the compliance of the separate financial statements at December 31, 2024 with the provisions of the Delegated Regulation.

In our opinion, the separate financial statements at December 31, 2025 have been prepared in XHTML format in compliance with the provisions of Delegated Regulation (EU) 2019/815.

Opinion and statement pursuant to article 14, paragraph 2, letters e), e-bis) and e-ter), of Legislative Decree no. 39/10 and article 123-bis, paragraph 4, of Legislative Decree no. 58/98

The directors of Banca Sistema S.p.A. are responsible for the preparation of a directors' report on operations and a report on corporate governance and ownership structure at December 31, 2025, including their consistency with the related separate financial statements and their compliance with the applicable law.

We have performed the procedures required under Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis, paragraph 4, of Legislative Decree no. 58/98 with the separate financial statements;
- express an opinion on the compliance of the report on operations and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis, paragraph 4, of Legislative Decree no. 58/98 with the applicable law;
- issue a statement of any material misstatements in the report on operations and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis, paragraph 4, of Legislative Decree no. 58/98.

In our opinion, the report on operations and the specific information presented in the report on corporate governance and ownership structure required by article 123-bis, paragraph 4, of Legislative Decree no. 58/98 are consistent with the bank's separate financial statements at December 31, 2025.

Moreover, in our opinion, the report on operations and the specific information presented in the report on corporate governance and ownership structure required by article 123-bis, paragraph 4 of Legislative Decree no. 58/98 have been prepared in compliance with the applicable law.

With reference to the statement pursuant to Article 14, paragraph 2, letter e-ter), of Legislative Decree no. 39/10 based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Milan, March 31, 2026

BDO. Audit Services S.r.l.
Signed in the original by

Annarosa Disarlo

Partner

As disclosed by the Directors, the accompanying separate financial statements of Banca Sistema S.p.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into English solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.