

BANCA SISTEMA

INTERIM CONSOLIDATED FINANCIAL REPORT

30 SEPTEMBER 2025

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DIRECTORS' REPORT

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 Italia S.p.A.

MANAGER IN CHARGE OF FINANCIAL REPORTING

Mr. Alexander Muz

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 30 SEPTEMBER 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		4,318,401	-8.2%
		4,702,898	
Securities Portfolio		981,334	-18.8%
		1,208,253	
Loans - Factoring		1,459,869	-7.0%
		1,569,293	
Loans - Salary-backed loans		618,958	-11.8%
		701,494	
Funding - Banks and REPOs		734,273	-22.5%
		947,256	
Funding - Term Deposits		2,438,074	-5.0%
		2,565,354	
Funding - Current Accounts		290,675	0.9%
		288,186	

Income statement data (€,'000)

Net interest income adjusted		71,078	27.7%
		55,666	
Net fee and commission income (expense)		20,997	-0.2%
		21,042	
Total income		106,159	25.0%
		84,950	
Personnel expense		(24,844)	-0.1%
		(24,862)	
Other administrative expenses		(31,520)	23.6%
		(25,502)	
Profit for the period attributable to the owners of the Parent		20,999	70.6%
		12,309	

SIGNIFICANT EVENTS FROM 1 JANUARY TO 30 SEPTEMBER 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 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 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.

Following the announcement by Banca CF+ S.p.A. on 30 June 2025 of a voluntary initial public offering (IPO) for all ordinary shares of Banca Sistema, the Board of Directors of Banca Sistema, during an extraordinary meeting held on 1 July 2025, carried out an initial examination of the relevant communication, issued pursuant to Article 102, paragraph 1 of Legislative Decree No. 58/1998 and subsequent amendments (Consolidated Law on Finance) and Article 37 of the Issuers' Regulation.

Banca Sistema will carry out its assessments and will express its opinion on the offer within the time frame and in accordance with the applicable laws and regulations in force at the time. The IPO was neither requested nor previously agreed with Banca Sistema.

On 21 July 2025, Banca CF+ S.p.A. announced that it had filed with the National Regulatory Body for Italian Companies and the Stock Exchange ("Consob") the offer document, intended for publication, relating to the voluntary initial public offering for all shares pursuant to Articles 102 and 106, paragraph 4, of the consolidated law on finance (the "Offer") promoted by CF+ concerning the ordinary shares (the "Shares") of Banca Sistema S.p.A.

CF+ will pay a total consideration of € 1.80 for each Share tendered to the Offer, represented by the following components:

(a) € 1.382 in cash; as well as

(b) € 0.418 through the assignment of no. 21 shares of Kruso Kapital S.p.A., a company with shares admitted to trading on the Euronext Growth Milan multilateral trading system organised and managed by Borsa Italiana ("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.

On 4 September 2025, Banca Sistema informed the public that, as disclosed by Banca CF+, on 1 September 2025, the Presidency of the Council of Ministers had communicated that the voluntary initial public offering for all Banca Sistema ordinary shares promoted by Banca CF+ did not fall within the scope of the Golden Power Decree and that there were no objections to its completion. The measure constitutes a necessary condition for the completion of the IPO.

With reference to the voluntary Initial Public Offering (IPO) on Banca Sistema shares launched by Banca CF+ S.p.A., it should be noted that, subject to the occurrence of the change of control event, the Group will be required to recognise in the income statement a total non-recurring amount estimated at approximately € 9.3 million. This amount is attributable to retention agreements signed with some of the staff, currently recognised in the financial statements on an accrual basis, and to remuneration payable to the Board of Directors in the event of early termination of their appointment in accordance with resolutions passed previously by the shareholders' meetings.

It is also worth remembering that, on the occasion of Kruso Kapital's listing in January 2024, the Bank had entered into a shareholders' agreement with Fondazione Cassa di Risparmio di Alessandria, Fondazione Cassa di Risparmio di Cuneo and Fondazione Pisa regarding the equity investment in KK S.p.A., a 70% owned subsidiary. Among other things, the agreement provides for a purchase option in favour of the Foundations, exercisable in the event that a third party, other than the current significant shareholders, becomes the owner of a stake exceeding 33% of Banca Sistema's share capital with voting rights (Material Event). In such event, the Foundations could purchase a portion of the Bank's stake in KK S.p.A. at a price determined as 90% of the weighted average stock market price for the six months prior to the Material Event. At the date of preparation of this report, it is not possible to estimate either the probability or the economic effects of the possible exercise of the option.

With regard to the initial public offering, it should be noted that 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 offer price and preparing the reasoned opinion required by current legislation

FACTORING

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 an innovative securitisation 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:

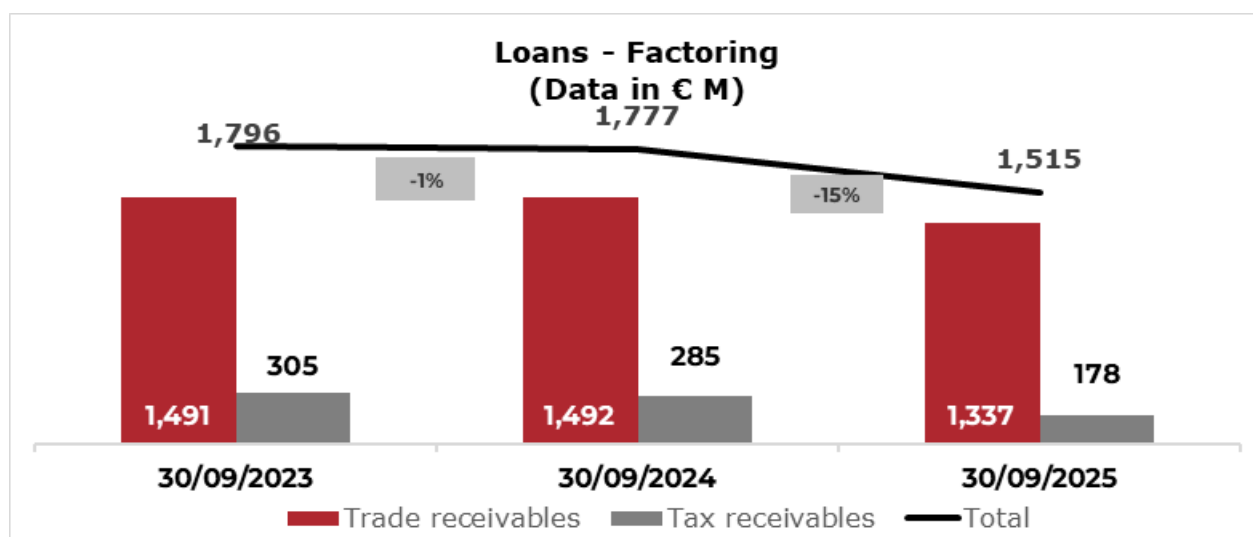
Product (millions of Euro)	Third quarter of 2025	Third quarter of 2024	€ Change	% Change
Factoring receivables	3,291	3,645	(354)	-9.7%
<i>Trade receivables</i>	2,938	3,383	(446)	-13.2%
<i>of which, without recourse</i>	2,046	2,609	(563)	-21.6%
<i>of which, with recourse</i>	892	775	117	15.1%
<i>Tax receivables</i>	353	261	92	35.3%
<i>of which, without recourse</i>	353	261	92	35.3%
<i>of which, with recourse</i>	-	-	-	n.a.
Superbonus tax credits	38	356	(318)	-89.4%
<i>of which, for trading purposes</i>	38	356	(318)	-89.4%
Total	3,329	4,000	(672)	-16.8%

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 € 154.6 million and € 91.4 million respectively.

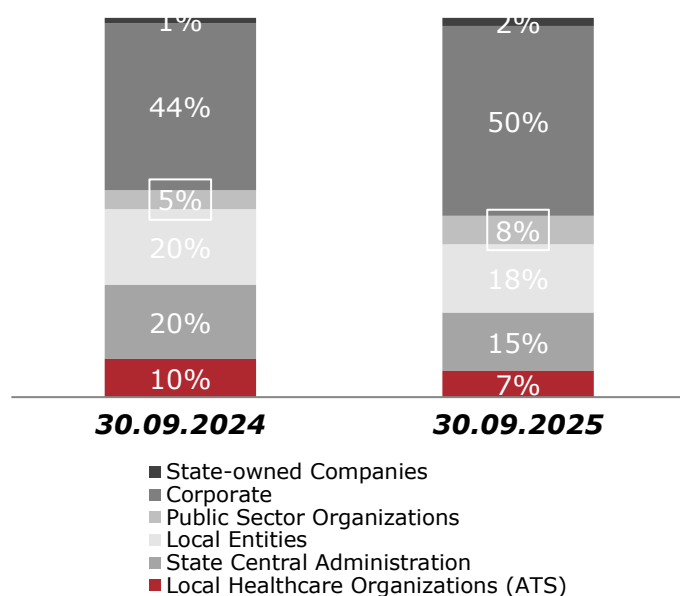
At the end of the third quarter of 2025, factoring turnover on the Spanish market was € 390 million (€ 153 million at the third quarter of 2024).

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 and receivables amounted to € 1,515 million at 30 September 2025 (management figure), compared to € 1,777 million at 30 September 2024.



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



Volumes related to the management of third-party portfolios amounted to € 452 million (an increase compared to the € 406 million recognised in the same period of last 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 as at September 2025 show a significant acceleration in volumes in the consumer credit market, particularly for Salary-and pension-backed loans, which recorded a cumulative growth of 10.5% compared to the first 9 months of 2024, and Personal Loans (+10.2%).

The mortgages sector, although growth has progressively slowed compared to that recorded in the first part of the year, reported overall growth of 32.2% on a consolidated basis, driven by the high number of mortgage transfers (+59.8%).

In this context, the division recorded a further increase in the volumes of salary-and pension-backed loans disbursed in the third quarter (+10% compared to the previous quarter). The cumulative figure at September (€ 93 million) is still 30% lower than last year, a 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.

For other products distributed under agreement, results are up compared to last year, driven by the distribution agreements for the Personal Loan product, which grew by 25% compared to last year.

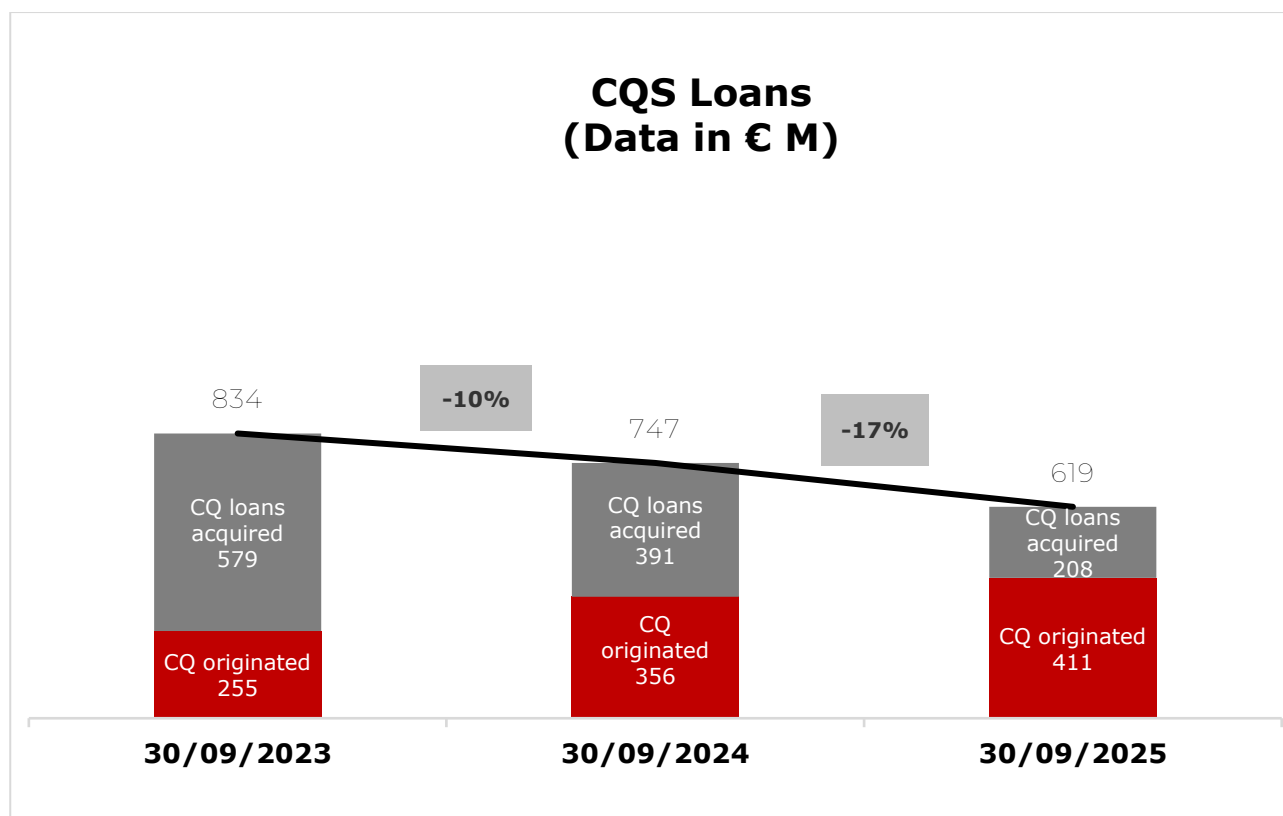
Outstanding capital decreased compared to the value reported last quarter, with € 621 million at 30 September 2025, in line with the attrition of the without recourse portfolio acquired in previous years, accelerated by the sale of a loans and receivables portfolio of approximately € 20 million in August. The portfolio component relating to receivables that was originated after 1 January 2023 (and therefore optimised in terms of margins) exceeds 50% of the total net of the aforementioned transfer.

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:

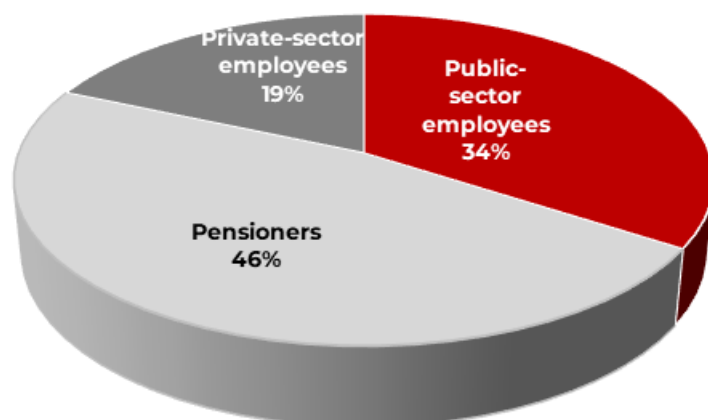
	Third quarter of 2025	Third quarter of 2024	€ Change	% Change
No. of applications (#)	5,178	7,671	(2,493)	-32.5%
<i>of which originated</i>	5,178	7,584	(2,406)	-31.7%
Volumes disbursed (millions of Euro)	102	153	(51)	-33.6%
<i>of which originated</i>	102	151	(49)	-32.6%

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 € 31 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 (19%), pensioners (47%) 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.

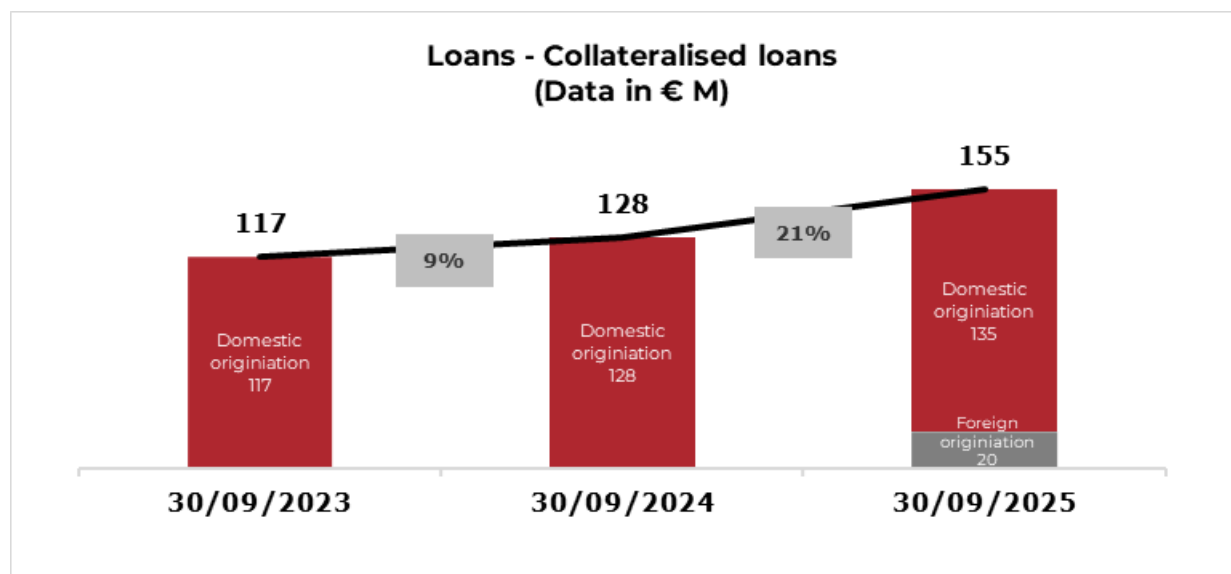
CQ Loans - Breakdown



COLLATERALISED LENDING AND KRUSO KAPITAL

At 30 September 2025, Kruso Kapital held approximately 96.2 thousand policies (collateralised loans), amounting to total loans of € 154.8 million. This figure reflects a 20.4% year-on-year increase (€ 128.3 million).

The following chart shows the performance of outstanding loans:¹



¹ 2025 Lending net of PPA consolidation entry (€ 0.3 million).

The assets in the balance sheet, which increased by 5.4%, 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 (€ 1.3 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 statement of consolidated financial position of the Kruso Kapital Group as at 30 September 2025 is provided below.

Assets (€,'000)	30.09.2025	31.12.2024	€ Change	% Change
Cash and cash equivalents	8,705	9,016	(311)	-3.4%
Financial assets measured at amortised cost	154,963	143,879	11,084	7.7%
a) loans and receivables with banks	138	34	104	>100%
b1) loans and receivables with customers - loans	154,825	143,845	10,980	7.6%
Property and equipment	4,385	4,612	(227)	-4.9%
Intangible assets	43,497	43,264	233	0.5%
of which: goodwill	40,070	41,155	(1,085)	-2.6%
Tax assets	667	404	263	65.1%
Other assets	3,278	3,309	(31)	-0.9%
Total assets	215,495	204,484	11,011	5.4%

Liabilities and equity (€,'000)	30.09.2025	31.12.2024	€ Change	% Change
Financial liabilities measured at amortised cost	142,968	141,830	1,138	0.8%
Financial liabilities designated at fair value	1,466	-	1,466	n.a.
Tax liabilities	5,452	3,998	1,454	36.4%
Other liabilities	8,397	7,354	1,043	14.2%
Post-employment benefits	859	872	(13)	-1.5%
Provisions for risks and charges	632	971	(339)	-34.9%
Share capital	24,610	24,610	-	0.0%
Reserves	24,883	20,383	4,500	22.1%
Valuation reserves	(18)	(34)	16	-47.1%
Profit (loss) for the period	6,246	4,500	1,746	38.8%
Total liabilities and equity	215,495	204,484	11,011	5.4%

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 (68% from Banca Sistema credit lines, progressively down). The item Financial liabilities designated at fair value through profit or loss refers exclusively to the issuance (April 2025) of a Credit Linked Note, the reference underlying of which is given by a part of the portfolio of pledged receivables in Italy guaranteed by gold.

At 30.9.2025, equity amounted to € 55.7 million.

The consolidated income statement of the Kruso Kapital Group at 30 September 2025 is provided below.

Income statement (€,'000)	Third quarter of 2025	Third quarter of 2024	€ Change	% Change
Total income	26,022	17,552	8,470	48.3%
Net impairment losses on loans and receivables	(105)	(95)	(10)	10.5%
Net financial income (expense)	25,917	17,457	8,460	48.5%
Personnel expense	(6,988)	(6,219)	(769)	12.4%
Other administrative expenses	(7,260)	(5,330)	(1,930)	36.2%
Net impairment losses on property and equipment/intangible assets	(2,044)	(1,228)	(816)	66.4%
Other operating income (expense)	1	189	(188)	-99.5%
Operating costs	(16,291)	(12,588)	(3,703)	29.4%
Gains (losses) on equity investments	190	-	190	n.a.
Pre-tax profit from continuing operations	9,816	4,869	4,947	>100%
Income taxes for the period	(3,570)	(2,020)	(1,550)	76.7%
Profit (loss) for the period of Kruso Kapital Group	6,246	2,849	3,397	>100%

Total income, amounting to € 26 million, increased due to:

- The yoy increase in net interest income (€ 8.5 million, +48.5% yoy), which is impacted by higher interest income (+41%), 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 (€ 0.8 million), both recognised as a decrease in interest income, and higher interest expense. The contribution of CEP, amounting to € 3.2 million, is also significant;
- the contribution of higher net fee and commission income (€ 15.7 million, +53% YoY) driven by higher uses, the consolidation of CEP and, to a significant extent, increased contributions from loan auctions equal to 50 (39 at 30 September 2024).

Credit adjustments, substantially unchanged YoY, in the first half 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 € 16.3 million were 29% higher due to:

- Higher personnel expenses mainly related to the consolidation of CEP. The number of resources is 145 as at 30/09/25 vs 97 as at 30/09/24;
- Higher other administrative expenses mainly due to the consolidation of CEP (€0.6 million), extraordinary consultancy expenses (€0.5 million, of which €0.1 million related to the structuring of Credit Linked Notes), IT expenses (€0.4 million) and other operating expenses;
- The change in value adjustments on tangible/intangible assets is mainly attributable to the premium portion (€ 0.4 million) of the portfolio purchased in January 2025 and to the CEP subsidiary (€ 0.2 million).

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 € 6.2 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 (€ -0.6 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 30 September 2025 was equal to a nominal € 962.5 million compared to € 1,178 million at 31 December 2024.

At 30 September 2025, the nominal amount of securities in the HTCS portfolio amounted to € 912.5 million (€ 1,117 million reported at 31 December 2024) with a duration of 18.9 months (15.2 months at 31 December 2024) and a positive mark-to-market of € 2.7 million.

At 30 September 2025, the HTC portfolio amounted to € 50 million, with a duration of 29.4 months (compared to € 61 million at 31 December 2024 with a duration of 31 months).

FUNDING

At 30 September 2025, wholesale funding was about 26% of total funding (against 32% at 31 December 2024).

The securitisation transactions backed by Salary- and Pension-Backed Loans (CQ) and VAT receivables, also carried out through partly paid structures, continue to represent an effective tool for Banca Sistema to refinance its salary/pension-backed loan (CQS/CQP) portfolio and VAT receivables, leveraging the flexibility and efficiency typical of this mechanism. The Bank also continues to adhere to the ABACO procedure introduced by the Bank of Italy which was expanded to include consumer credit.

With regard to customer deposits, the Bank continued with its strategy of diversifying its sources, at the same time favouring the most stable ones.

In particular, funding from private customer deposits stands at € 2.33 billion with a duration of approximately 17 months (compared to € 2.44 billion with a duration of 17 months at 31 December 2024).

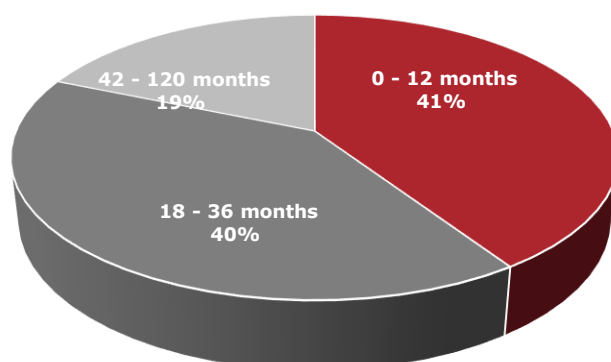
As at 30 September 2025, the stock of customer deposits amounted to € 2.65 billion, 89% of which from term deposits.

Retail funding accounts for 93% of the total of the customer deposits and is composed of the account SI Conto! Corrente and the product SI Conto! Deposito.

Total term deposits as at 30 September 2025 amounted to € 2,357 million, a decrease compared to 31 December 2024, when it amounted to € 2,565 million. The above-mentioned amount also includes total term deposits of € 1,944 million (obtained with the help of partner platforms) held with foreign entities (accounting for 84% of total deposit funding).

The breakdown of funding by term is shown below.

Breakdown of deposit accounts as at 30 September 2025



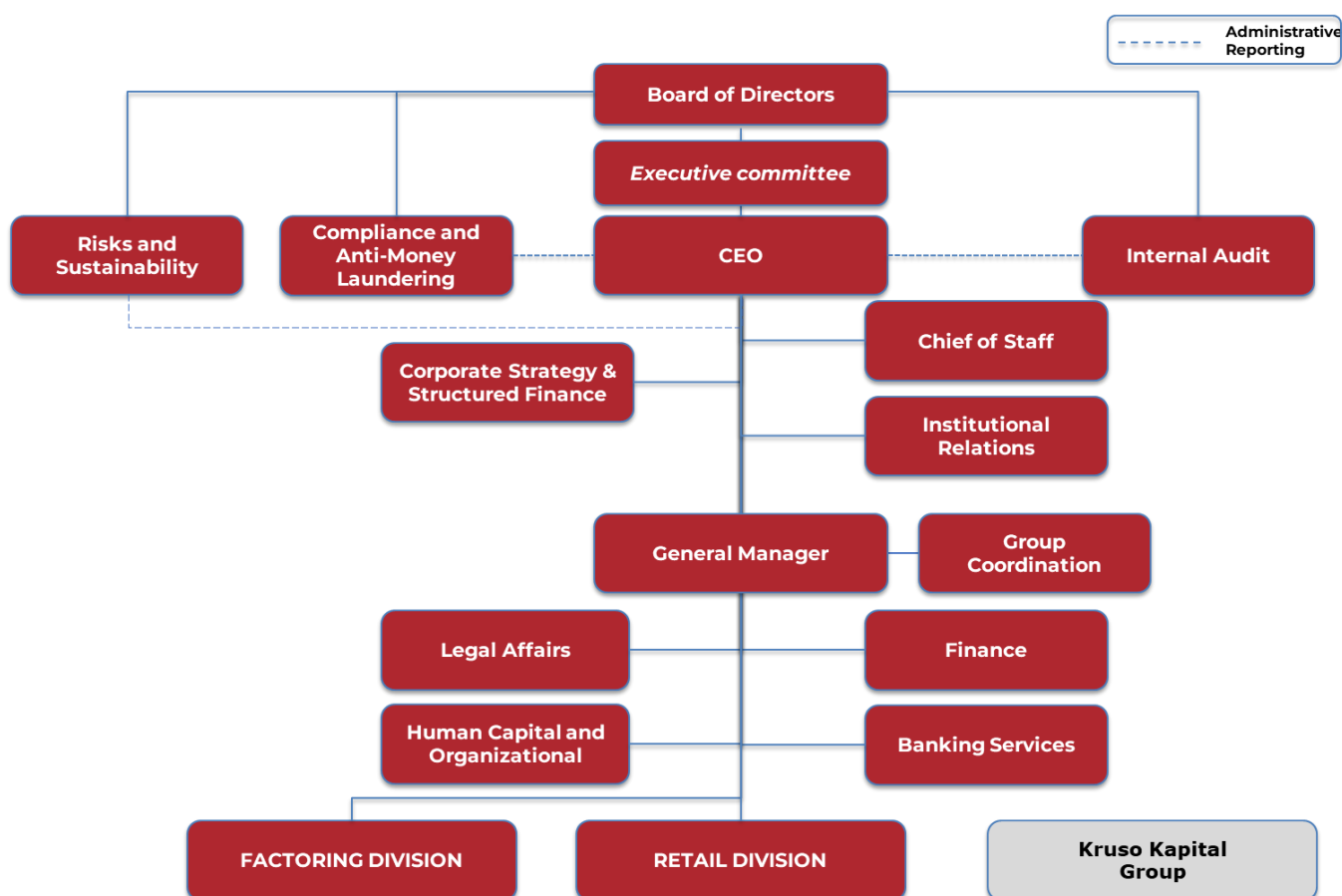
The average residual life is 17 months.

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.

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



HUMAN RESOURCES

As at 30 September 2025, the Group had a staff of 364, broken down by contract category as follows:

FTES	Banca Sistema	Kruso Kapital	ProntoPegno Greece	Pignus CEP	Art-Rite	Total
Senior managers	26	3	0	0	1	30
Middle managers (QD3 and QD4)	51	14	0	0	-	65
Middle managers (QD1 and QD2)	48	18	0	0	-	66
Other personnel	93	53	3	44	10	203
Total	218	88	3	44	11	364

At 30 September 2025, 35 people were selected and hired, partly to strengthen the control functions and partly to grow the business or to cover turn over, with permanent contracts.

In terms of skills development, after identifying professional and technical training needs related to the Group's legal and regulatory issues, on 30 September 2025, the Bank organised training sessions conducted by external trainers, with a focus on technical, professional and language training, for a total of approximately 1200 hours.

The average age of Group employees is 46.6 for men and 43.7 for women. The breakdown by gender is essentially balanced, with men accounting for 55.7% and women for 44.3% of the total.

In September 2025, the Human Capital and Organisation Department launched the "Previdenza" project, with the aim of increasing the pension awareness of all employees on pension matters, providing knowledge and tools to assess their current individual situation and to make informed choices, and the "Pay Transparency" project, in order to assess the Bank's compliance with the provisions of the new EU Pay Transparency Directive ("Directive 2023/970") applicable from 1 July 2026 and to make any necessary adjustments.

INCOME STATEMENT RESULTS

Income statement (€,'000)	Third quarter of 2025	Third quarter of 2024	€ Change	% Change
Net interest income	48,278	32,624	15,654	48.0%
Net trading income from Superbonus (1)	22,800	23,042	(242)	-1.1%
Net interest income adjusted	71,078	55,666	15,412	27.7%
Net fee and commission income (expense)	20,997	21,042	(45)	-0.2%
Dividends and similar income	227	227	-	0.0%
Net trading income (expense)	347	906	(559)	-61.7%
Net hedging result	31	(7)	38	<100%
Gain from sales or repurchases of financial assets/liabilities	13,509	7,116	6,393	89.8%
Net result from financial liabilities measured at fair value	(30)	-	(30)	n.a.
Total income	106,159	84,950	21,209	25.0%
Net impairment losses on loans and receivables	(8,128)	(4,842)	(3,286)	67.9%
Gains/losses from contract amendments without derecognition	1	(102)	103	<100%
Net financial income (expense)	98,032	80,006	18,026	22.5%
Personnel expense	(24,844)	(24,862)	18	-0.1%
Other administrative expenses	(31,520)	(25,502)	(6,018)	23.6%
Net accruals to provisions for risks and charges	(5,077)	(2,806)	(2,271)	80.9%
Net impairment losses on property and equipment/intangible assets	(3,210)	(2,351)	(859)	36.5%
Other operating income (expense)	1,709	(3,413)	5,122	<100%
Operating costs	(62,942)	(58,934)	(4,008)	6.8%
Gains (losses) on equity investments	172	(28)	200	<100%
Pre-tax profit from continuing operations	35,262	21,044	14,218	67.6%
Income taxes for the period	(12,426)	(7,897)	(4,529)	57.4%
Post-tax profit for the period	22,836	13,147	9,689	73.7%
Profit for the period	22,836	13,147	9,689	73.7%
Profit (loss) attributable to non-controlling interests	(1,837)	(838)	(999)	>100%
Profit for the period attributable to the owners of the parent	20,999	12,309	8,690	70.6%

(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 first nine months of 2025 ended with a profit of € 21.0 million, up € 8.7 million on the same period of the previous year.

Total income recorded a sustained growth of € 21.2 million, up 25% compared to 30 September 2024. In absolute terms, the Factoring Division remains the main contributor to the income, also thanks to the trading of tax receivables related to the Superbonus.

Net interest income (€,'000)	Third quarter of 2025	Third quarter of 2024	€ Change	% Change
Interest and similar income				
Loans and receivables portfolios	108,837	121,001	(12,164)	-10.1%
Factoring	71,080	81,720	(10,640)	-13.0%
CQ	13,654	13,233	421	3.2%
Collateralised lending	13,591	10,631	2,960	27.8%
Government-backed loans to SMEs	10,512	15,417	(4,905)	-31.8%
Securities portfolio	22,583	13,683	8,900	65.0%
ABS securities	2,430	-	2,430	n.a.
Other	2,717	8,871	(6,154)	-69.4%
Total interest income	136,567	143,555	(6,988)	-4.9%
Interest and similar expense				
Due to banks	(1,123)	(13,145)	12,022	-91.5%
Due to customers	(68,494)	(80,204)	11,710	-14.6%
Repos	(14,169)	(12,917)	(1,252)	9.7%
Securities issued	(4,503)	(4,665)	162	-3.5%
Total interest expense	(88,289)	(110,931)	22,642	-20.4%
Net interest income	48,278	32,624	15,654	48.0%
Net trading income from Superbonus	22,800	23,042	(242)	-1.1%
Net interest income adjusted	71,078	55,666	15,412	27.7%

Net interest income recorded a solid growth compared to the same period of 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 € 81.6 million, accounting for approximately 75% 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 30 September 2025 amounted to € 19.1 million (€ 25.9 million in the first nine months of 2024):

- of which € 12.2 million coming from the current recovery estimates (€ 6.7 million in the first nine months of 2024);

- of which € 0.5 million resulting from the updated recovery estimates and expected collection times (€ 5.5 million at 30 September 2024);
- of which € 6.4 million (€ 11.3 million in the first nine months of 2024) corresponding to the difference between the amount collected during the period, equal to € 12.4 million (€ 18 million in the first nine months of 2024) and that recognised on an accruals basis in previous periods);
- 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 (€ 2.4 million in the first nine months of 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 € 12.3 million at 30 September 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 30 September 2025, relevant for the allocation model, was € 183 million (€ 149 million at the end of 2024), which becomes € 240 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 € 90 million. Therefore, the amount of interest pursuant to Legislative Decree No. 231/02 accrued and not yet recognised in the income statement is € 150 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 from interest from the salary- and pension-backed portfolios amounted to € 13.7 million, up from the same period of the previous year due to lower prepayment on portfolios purchased in previous years, and to the higher yields on new loans originated at higher rates.

The sustained growth of the Collateralised Lending Division was confirmed: its contribution to Interest income amounted to € 13.6 million, compared to € 10.6 million in the same period of the previous year. The item includes a one-off effect of approximately € 772 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. In particular, even in the third quarter, the economic effect of the fair value differential associated with the policies extinguished at 30 September 2025, which had previously been provisionally allocated to goodwill, was fully recognised.

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

The contribution of the securities portfolio increased compared to 30 September 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 and a decrease in the rate of return.

The decrease in interest expense is also due to the decrease in market rates.

The Superbonus trading income of € 22.8 million is generated from the trading of these loans and the change of these loans at fair value.

Net fee and commission income (€,'000)	Third quarter of 2025	Third quarter of 2024	€ Change	% Change
Fee and commission income				
Factoring activities	8,163	15,872	(7,709)	-48.6%
Fee and commission income - off-premises CQ	4,826	8,219	(3,393)	-41.3%
Collateralised loans (fee and commission income)	15,593	10,080	5,513	54.7%
Collection activities	4,002	1,548	2,454	>100%
Other fee and commission income	915	703	212	30.2%
Total fee and commission income	33,499	36,422	(2,923)	-8.0%
Fee and commission expense				
Factoring portfolio placement	(1,248)	(1,007)	(241)	23.9%
Placement of other financial products	(4,644)	(4,807)	163	-3.4%
Fees - off-premises CQ	(4,463)	(7,719)	3,256	-42.2%
Other fee and commission expense	(2,147)	(1,847)	(300)	16.2%
Total fee and commission expense	(12,502)	(15,380)	2,878	-18.7%
Net fee and commission income	20,997	21,042	(45)	-0.2%

Net fee and commission income (expense), amounting to € 21.0 million, is in line with the same period of 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 € 5.5 million compared to the same period of 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 both revenues from the traditional service of reconciling third-party invoice receipts with the Public Administration amounting to € 0.9 million (8.2% YoY) and revenues from the Master/Corporate Servicer business for third-party securitisations amounting to € 3.1 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 € 0.3 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 € 4.8 million, which should be considered together with the item Fees - off-premises CQ, amounting to € 4.5 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)	Third quarter of 2025	Third quarter of 2024	€ Change	% Change
Trading results from financial instruments	348	906	(558)	-61.6%
Total	348	906	(558)	-61.6%

The item includes the income from trading Italian government bonds.

Gain (loss) from sales or repurchases (€,'000)	Third quarter of 2025	Third quarter of 2024	€ Change	% Change
Gains from HTCS portfolio debt instruments	8,653	2,494	6,159	>100%
Gains from HTC portfolio debt instruments	-	-	-	n.a.
Gains from receivables (Factoring portfolio)	3,916	3,573	343	9.6%
Gains from receivables (CQ portfolio)	940	1,049	(109)	-10.4%
Total	13,509	7,116	6,393	89.8%

The item Gain (loss) from sales or repurchases includes gains realised on sales of the securities portfolio (€ 9 million) and gains from the disposal of factoring and CQ loans and receivables portfolios.

Impairment losses on loans and receivables at 30 September 2025 amounted to € 8.1 million (€ 4.8 million at 30 September 2024). The loss rate stands at 0.42% compared to 0.20% recorded in September 2024. Value adjustments on loans during the first nine months 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.

During the period, there was an increase in provisions for risks, mainly related to the entry of certain customers into negotiated crisis settlement procedures, albeit only in the initial stages.

Personnel expense (€,'000)	Third quarter of 2025	Third quarter of 2024	€ Change	% Change
Wages and salaries	(19,499)	(19,809)	310	-1.6%
Social security contributions and other costs	(3,983)	(3,789)	(194)	5.1%
Directors' and statutory auditors' remuneration	(1,362)	(1,264)	(98)	7.8%
Total	(24,844)	(24,862)	18	-0.1%

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 accrued in relation to the current year was not allocated in the financial statements for the current year.

The fixed remuneration component of personnel costs alone 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 303 to 350, 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.

Other administrative expenses (€,'000)	Third quarter of 2025	Third quarter of 2024	€ Change	% Change
IT expenses	8,534	7,412	1,122	15.1%
Consultancy and professional services	3,136	2,118	1,018	48.1%
Regulatory development and compliance consultancy	1,272	1,036	236	22.8%
Legal and professional consultancy	1,532	729	803	110.2%
Audit expenses	332	353	(21)	-5.9%
Credit-related expenses	9,915	7,164	2,751	38.4%
Insurance coverage expenses	4,118	1,566	2,552	163.0%
Credit recovery expenses	2,406	1,956	450	23.0%
Origination expenses	1,752	1,971	(219)	-11.1%
Servicing and collection activities	1,394	1,375	19	1.4%
Legal dispute expenses	245	296	(51)	-17.2%
Other operating expenses	2,762	2,238	524	23.4%
Outsourcing and consultancy expenses	991	605	386	63.8%
Additional operating expenses	686	690	(4)	-0.6%
Vehicle management expenses	403	378	25	6.6%
Association contributions	355	308	47	15.3%
Cash transport expenses	187	123	64	52.0%
Insurance	140	134	6	4.5%
Advertising and communication expenses	1,482	1,299	183	14.1%
Real estate-related expenses	1,801	1,500	301	20.1%
Other real estate-related expenses	480	438	42	9.6%
Maintenance expenses	542	413	129	31.2%
Utility and cleaning expenses	476	365	111	30.4%
Concierge and surveillance expenses	303	284	19	6.7%
Personnel-related expenses	1,777	1,884	(107)	-5.7%
Vehicle rental and related expenses	582	642	(60)	-9.3%
Travel and representation reimbursements	586	641	(55)	-8.6%
Other personnel-related expenses	331	299	32	10.7%
Agent-related expenses	278	302	(24)	-7.9%
Indirect taxes and duties	2,113	1,887	226	12.0%
Total operating costs	31,520	25,502	6,018	23.6%

Administrative expenses increased by 23.6%, 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)	Third quarter of 2025	Third quarter of 2024	€ Change	% Change
Depreciation of buildings used for operations	(642)	(621)	(21)	3.4%
Depreciation of furniture and equipment	(343)	(287)	(56)	19.5%
Amortisation of value in use	(1,241)	(959)	(282)	29.4%
Amortisation of software	(488)	(456)	(32)	7.0%
Amortisation of other intangible assets	(496)	(28)	(468)	>100%
Total	(3,210)	(2,351)	(859)	36.5%

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)	Third quarter of 2025	Third quarter of 2024	€ Change	% Change
Auction buyer's premiums	454	445	9	2.0%
Recovery of expenses and taxes	2,113	1,102	1,011	91.7%
Deposit Scheme contribution	-	(5,145)	5,145	-100.0%
Amortisation of multiple-year improvement costs	(505)	(497)	(8)	1.6%
Other income (expense)	218	116	102	87.9%
Contingent assets and liabilities	(571)	566	(1,137)	<100%
Total	1,709	(3,413)	5,122	<100%

The increase in the item "Other operating income (expense)" compared to the previous year is due to the increase in recoveries of expenses from previous years and the absence of contributions to the Interbank Fund and deposit protection.

THE MAIN STATEMENT OF FINANCIAL POSITION AGGREGATES

Assets (€,000)	30.09.2025	31.12.2024	€ Change	% Change
Cash and cash equivalents	261,285	93,437	167,848	>100%
Financial assets measured at fair value through other comprehensive income	930,417	1,147,197	(216,780)	-18.9%
Financial assets measured at amortised cost	2,652,302	2,873,051	(220,749)	-7.7%
a) loans and receivables with banks	141	23,024	(22,883)	-99.4%
b1) loans and receivables with customers - loans	2,602,172	2,788,971	(186,799)	-6.7%
b2) loans and receivables with customers - debt instruments	49,989	61,056	(11,067)	-18.1%
Hedging derivatives	-	-	-	n.a.
Changes in fair value of portfolio hedged items (+/-)	2,703	3,557	(854)	-24.0%
Equity investments	967	984	(17)	-1.7%
Property and equipment	54,012	53,433	579	1.1%
Intangible assets	47,502	47,233	269	0.6%
<i>of which: goodwill</i>	43,990	45,075	(1,085)	-2.4%
Tax assets	11,894	13,415	(1,521)	-11.3%
Non-current assets held for sale and disposal groups	-	-	-	n.a.
Other assets	356,391	470,591	(114,200)	-24.3%
Total assets	4,318,401	4,702,898	(384,497)	-8.2%

At 30 September 2025 total assets were down by 8.2% 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 18.9 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 € 912.5 million at 30 September 2025 (€ 1,117 million at 31 December 2024). The associated valuation reserve was positive at the end of the period, amounting to € 2.8 million before the tax effect.

Loans and receivables with customers (€,'000)	30.09.2025	31.12.2024	€ Change	% Change
Factoring receivables	1,459,869	1,569,293	(109,424)	-7.0%
Salary-/pension-backed loans (CQS/CQP)	618,958	701,494	(82,536)	-11.8%
Collateralised loans	154,825	143,845	10,980	7.6%
Loans to SMEs	193,516	223,702	(30,186)	-13.5%
ABS senior notes	107,217	92,060	15,157	16.5%
Current accounts	744	593	151	25.5%
Compensation and Guarantee Fund	64,147	55,016	9,131	16.6%
Other loans and receivables	2,896	2,968	(72)	-2.4%
Total loans	2,602,172	2,788,971	(186,799)	-6.7%
Securities	49,989	61,056	(11,067)	-18.1%
Total loans and receivables with customers	2,652,161	2,850,027	(197,866)	-6.9%

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 56% (also 56% at the end of 2024). The volumes generated during the period amounted to € 3,329 million (€ 4,000 million at 30 September 2024). Total financing for the current quarter 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 € 102 million (€ 151 million at the end of the third quarter of 2024).

Loans to enterprises guaranteed by the State are decreasing as a result of lower disbursements, amounting to € 22.2 million in 2025.

The collateralised lending business, which is conducted through the Kruso Kapital Group, grew during the period, with loans granted at 30 September 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 three ABS securities for an amount of € 108.1 million (€ 92 million at the end of 2024) linked to two securitisation transactions for the purchase of tax receivables and a securitisation transaction 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 32.3 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 € 2.4 million.

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

Status	30.09.2025	31.12.2024	€ Change	% Change
Bad exposures - gross	122,295	179,957	(57,662)	-32.0%
Unlikely to pay - gross	68,019	51,716	16,303	31.5%
Past due - gross	319,454	101,129	218,325	>100%
Non-performing - gross	509,767	332,802	176,965	53.2%
Performing - gross	2,157,803	2,429,261	(271,458)	-11.2%
Stage 2 - gross	68,629	58,129	10,500	18.1%
Stage 1 - gross	2,089,174	2,371,132	(281,958)	-11.9%
Total loans and receivables with customers	2,667,571	2,762,063	(94,492)	-3.4%
Individual impairment losses	60,031	57,486	2,545	4.4%
Bad exposures	29,367	38,499	(9,132)	-23.7%
Unlikely to pay	28,880	18,353	10,527	57.4%
Past due	1,785	634	1,151	>100%
Collective impairment losses	5,368	7,666	(2,298)	-30.0%
Stage 2	386	313	73	23.3%
Stage 1	4,982	7,353	(2,371)	-32.2%
Total impairment losses	65,399	65,152	247	0.4%
Net exposure	2,602,172	2,696,911	(94,739)	-3.5%

The ratio of gross non-performing loans to total gross loans rose to 19.1% compared to 12% at 31 December 2024 (17.3% and 10.2% respectively, the ratio calculated on the net values of the same periods) 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 approximately € 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 30 September 2025, as being in a state of default: Municipalities of: Cuglieri; Santi Cosma E Damiano; Abriola; Acate; Accumoli; Acerno; Aci Catena; Aci Sant'Antonio; Acquafredda; Acquaro; Acquaviva Collecroce; Adrano; Africo; Agrigento; Aidone; Aietta; 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; 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; Bitetto; Bogliasco; Bologneta; Bompensiere; Bompietro; Borgetto; Borghetto Santo Spirito; Borgia; Boscotrecase; Bovalino; Boville Ernica; Bracciano; Braccigliano; Brindisi; Brognaturo; Brolo; Buccheri; Buonabitacolo; Burgio; Buttiglieria D'Asti; Cagli; Cagnano Amitermo; Caiazzo; Caivano; Calamonaci; Calascibetta; Calatafimi Segesta; Caltavuturo; Calvanico; Calvi Risorta; Camigliano; Cammarata; Campo Nell'Elba; Campobello Di Licata; Campobello Di Mazara; Campodarsegio; Campofranco; Camporotondo Etneo; Camposano; Candida; Canicattini Bagni; Capena; Capizzi; Capo D'Orlando; Cardeto; Cardito; Cariatì; Carlopoli; 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; Castellfranco Di Sotto; Castellfranco In Miscano; Castellammare Del Golfo; Castellana Grotte; Castellana; Castellina Marittima; Castello Del Matese; Castelnuovo Di Conza; Castelpagano; Casteltermini; Castelvecchio Subequo; Castelvenero; Castelvetro; Castiglione Del Genovesi; Castilenti; Castrolibello; Catanzaro; Caulonia; Cellole; Centola; Centuripe; Ceppaloni; Ceranova; Cerchiara Di Calabria; Cerkola; Cerenzia; Cerreto D'Es; Cerreto Laziale;

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 11.8%, 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 88.6%.

Certosa Di Pavia; Cervaro; Cervinara; Cervino; Cesa; Chiaramonte Gulfi; Chiaravalle Centrale; Cicciano; Cirò Marina; Cisternino; Città Di Castello; Cittareale; Civitavecchia; Civitella Paganica; Civitella Roveto; Civitella San Paolo; Cogorno
Ente; Colferro; Cologno Monzese; Colonna; Colosimi; Colzate; Comiso; Comitini; Contigliano; Contursi Terme; Conversano; Copertino; Corfinio; Corigliano-Rossano; Corleone; Corsano; Cosoleto; Cotronei; Cremona; Crespina Lorenzana; Crispiano; Cropalati; Crosia; Crotone; Crucoli; Cupra Marittima; Curinga; Cusano Mutri; Cutro; Davoli; Delianuova; Diamante; Domicella; Dronero; Durazzano; Duronia; Erbusco; Fabriano; Fabrizio; Faicchio; Falciano Del Massico; Falcone; Fasano; Favara; Ferrandina; Fiamignano; Ficarazzi; Figline Vegliaturo; Filadelfia; Filandari; Fiuggi; Fiumara; Fiumefreddo Bruzio; Floresta; Florida; Flumeri; Foggia; Foiano Di Val Fortore; Fontechiari; Formia; Fornelli; Francavilla Di Sicilia; Francavilla Marittima; Francavilla Sul Sinni; Francofonte; Frattamaggiore; Frosinone; Furci Siculo; Furnari; Gaggi; Gagliato; Galatone; Galatro; 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 Montecelio; 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; Liberi; Librizzi; Limbadi; Locri; Longobardi; Longobucco; Longone Sabino; Lucca Sicula; Luco Dei Marsi; Lupara; Lustra; Luzzi; Macerata Campania; Maddaloni; Maenza; Maida; Maierà; Maierato; Maissana; Malito; Malvito; Mandatoriccio; Manocalzati; Maracalagonis; Maratea; Marcianise; Mariglianella; Marigliano; Marina Di Gioiosa Ionica; Marineo; Martirano Lombardo; Martone; Mascali; Massa D'Albe; Massa Martana; Massafra; Mazara Del Vallo; Mazzarino; Mazzarone; Melicuccio; Melissa; Melito Irpino; Menaggio; Miglierina; Mignano Monte Lungo; Milazzo; Mileto; Mirabella Imbaccari; Mirto; Molochio; Monasterace; Mondragone; Monforte San Giorgio; Mongiuffi Mella; Mongrassano; Montagnareale; Montalbano Elicona; Montalbano Jonico; Montalto Uffugo; Montauro; Monte Compatri; Montebello Ionico; Montecalvo Irpino; Montecorvino Pugliano; Montefalcione; Monteforte Irpino; Monteleone Di Puglia; Montemaggiore Belisio; Montemagno; Montemesola; Montemiletto; Montemilione; Montepaone; Monterosso Almo; Monterosso Calabro; Monterotondo; Montesarchio; Montescudaio; Montesilvano; Montorio Romano; Morano Calabro; Napoli; Nardodipace; Naso; Nereto; Nettuno; Nicolosi; Nocera Inferiore; Nocera Terinese; Noci; Norma; Noto; Novi Velia; Novoli; Olivadi; Oliveri; Omignano; Oppido Mamertina; Orria; Orsara Di Puglia; Orsomarso; Orte; Ortonovo; Ossiglia; Ossona; Ottati; Paceco; Pago Veiano; Palagonia; Palazzolo Acreide; Palermi; Palermo; Palma Di Montechiaro; Palmi; Palomonte; Pantigliate; Paola; Parete; Parona; Partinico; Paternò; Patti; Pazzano; Pellezzano; Penna In Teverina; Penna Sant'Andrea; Pennadomo; Perito; Pertosa; Pescara; Pesco Sannita; Petilia Policastro; Petina; Petriolo; Piaggine; Piana Degli Albanesi; Pianopoli; Piazza Armerina; Pietraperzia; Pieve Ligure; Piglio; Pignataro Maggiore; Pignola; Piralino; Pisogne; Pizzo; Pizzoni; Poggio Nativo; Poggiomarino; Polla; Polcoro; 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; Quartu 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; Roccafluvione; Roccaforte; Roccamonfina; 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 La 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 Caridi; 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 Dello Jonio; Sant'Angelo A Scala; Sant'Angelo Di Brolo; Sant'Arsenio; Santo Stefano In Aspromonte; Sant'Onofrio; Sanza; Saracena; Sarnano; Sarno; Sassano; Satriano; Savignano Irpino; Scafati; Scala; Scalea; Scaletta Zanclea; Scandale; Sciolez; Scisciano; Scordia; Sellia Marina; Senise; Serradifalco; Serrata; Sesto Campano; Settimo San Pietro; Setteingiano; Sgurgola; Siculiana; Siderno; Sinopoli; Siracusa; Solarino; Solofra; Somma Vesuviana; Sonnino; Sora; Sorì; Soverato; Soveria Simeri; Spadafora; Sparanise; Sperone; Spezzano Della Sila; Spinazzola; Statte; Stella Cilento; Stignano; Stornarella; Strongoli; Subiaco; Taranto; Taurianova; Taurisano; Teano; Telesse Terme; Terlizzi; Terranova Da Sibari; Terranova Sappo Minulio; Terrasini; Terzigno; Tessennano; Tocco Caudio; Tora E Picilli; Torano Castello; Torchiarolo; Torino; Torre Annunziata; Torre Santa Lucia; Torrenova; Torrevecchia Pia; Torriglia; Torrita Tiberina; Troia; Trebisacce; Triggiano; Tripi; Trivigliano; Troina; Ugento; Umbriatico; Vairano Patenora; Valderice; Vallelonga; Vallepiedra; Vasto; Velletri; Venafro; Vernole; Veroli; Vibo Valentia; Vibo Valentia; Vicolavo; Vietri Sul Mare; Viggiano; Vignola; Villa Castelli; Villa Literno; Villafranca Sicula; Villafranca Tirrena; Villagrande Strisaili; Villarica; Villata; Viterbo; Vittoria; Vivaro Romano; Vizzini; Zafferana Etnea; Zagari; Zambone; Zerbolo; Zungri; Motta San Giovanni; Città di Trentola Ducenta; Città di Villa San Giovanni; Metropolitan City of Catania; Metropolitan City of Naples; Provincial Administration of Rieti; Provincial Administration of Catanzaro; Autonomous Province of Trento; Province of Barletta Andria Trani; Province of Brindisi; Province of Cosenza; Province of Crotone; Province of Imperia; Province of Messina; Province of Salerno; Province of Teramo; Calabria Region; Region of Sicily; Rome Capital City; Mountain Community of Montepiano Reatino Quinta Zona; Mountain Community of Trasimeno Medio Tevere; 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; Sicilian Regional Council; Automobile Club Palermo; Autorità Di Sistema Portuale Del Mar Tirreno Centrale; Autorità Di Sistema Portuale Del Mare Adriatico Settentrionale; Autorità Portuale Di Messina; Azienda Pubblica Di Servizi Alla Persona Catria E Nerone; Azienda Pubblica Di Servizi Alla Persona Maria 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.; Banca D'Italia; Camera Di Commercio, Industria E Agricoltura Di Bari; Casa Di Ospitalità S. Teresa Del Bambino Gesù; Casa Di Riposo Di G. De Benedictis; Cfi Consorzio Farmaceutico Intercomunale; Cirps - Consortium; Consiglio Nazionale Delle Ricerche; Consorzio Di Bonifica Int. Bacini Dello Jonio Cosentino; Consorzio Di Bonifica Integrata Dei Bacini Settentrionali Del Cosentino; Consorzio Irriguo Alburni; E.R.S.U. -Ente Regionale Per Il Diritto Allo Studio Universitario; H.A.F.S.E.; Inaf - Istituto Nazionale Di Astrofisica; Ipab Residence Salvatore Bellia San Luigi Gonzaga Costanzo Cutore; Ircs Istituto Nazionale Tumori-Fondazione Pascale; Ist.Aut. Case Popolari Di Salerno; Istituto Nazionale Per L'Assicurazione Contro Gli Infortuni Sul Lavoro - Inail; Istituto Regionale Per Lo Sviluppo Delle Attività Produttive; Istituto Rodigino Di Assistenza Sociale; Istituto Superiore - G. Caboto; Istituto Testasecca; Laziodisu-Ente Per Il Diritto Agli Studi Universitari Nel Lazio; Libero Consorzio Comunale Di Caltanissetta; Opera Pia Cardinale Ernesto Ruffini; Soc. Risorse Idriche Calabresi Spa; U.S. Army Hospital; Università Degli Studi Della Campania L. Vanvitelli; Università Degli Studi Di Bari Aldo Moro; Università Degli Studi Di Catania; Università Degli Studi Di Milano - Bicocca; Università Del Salento; Aric - Agenzia Regionale Di Informatica E Committenza; Asl Avezzano - Sulmona - L'Aquila; Asl Bari; Asl Benevento 1; Asl Brindisi; Asl Caserta; Asl Di Piacenza; Asl Lanciano Vasto Chieti; Asl Lecce; Asl Napoli 2 Nord; Asl Napoli 3 Sud; Asl Prov Foggia; Asl Rieti; Asl Roma 4; Asp Di Agrigento; Asp. N. 1 Prov. Teramo; 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 A. Cardarelli; Azienda Ospedaliera Bianchi Melacrinio Morelli Di Reggio Calabria; Azienda Ospedaliera Di Cosenza; Azienda Ospedaliera San Carlo Di Potenza; Azienda Ospedaliera Universitaria G. Martino Di Messina; Azienda Ospedaliera Universitaria Renato Dulbecco; Hospitals: Ospedali Riuniti Papardo-Piemonte; 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 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 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 Socio Sanitaria Territoriale Asst Mantova; Azienda Unità Sanitaria Locale Di Modena; Azienda Usl Di Reggio Emilia; Azienda Usl Latina; A.O.U. Maggiore Della Carità; Aou Sassari - Azienda Ospedaliera Universitaria Di Sassari; Ares Puglia - Agenzia Regionale Sanitaria Pugliese; Ares-Azienda Regionale Della Salute Regione Sardegna.

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 € 47.6 million with a revaluation reserve, net of tax, of € 6.5 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 € 44.0 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 € 28.4 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 Popolare 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. At the end of the first nine months of 2025, EBNSISTEMA had originated loans of € 91 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 € 291 million. Credits were purchased during the year for a nominal amount of € 38 million. This item also includes work in progress at the end of the period, advance tax payments and "Superbonus 110" tax credits of € 17.7 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)	30.09.2025	31.12.2024	€ Change	% Change
Financial liabilities measured at amortised cost	3,727,941	4,109,583	(381,642)	-9.3%
a) due to banks	68,812	127,257	(58,445)	-45.9%
b) due to customers	3,467,196	3,761,395	(294,199)	-7.8%
c) securities issued	191,933	220,931	(28,998)	-13.1%
Financial liabilities designated at fair value	1,466	-	1,466	n.a.
Hedging derivatives	2,672	3,561	(889)	-25.0%
Tax liabilities	35,556	31,809	3,747	11.8%
Liabilities associated with disposal groups	-	-	-	n.a.
Other liabilities	166,322	196,583	(30,261)	-15.4%
Post-employment benefits	5,444	5,215	229	4.4%
Provisions for risks and charges	39,398	41,470	(2,072)	-5.0%
Valuation reserves	7,681	4,112	3,569	86.8%
Reserves	239,353	215,740	23,613	10.9%
Equity instruments	45,500	45,500	-	0.0%
Equity attributable to non-controlling interests	16,418	14,577	1,841	12.6%
Share capital	9,651	9,651	-	0.0%
Treasury shares (-)	-	(102)	102	-100.0%
Profit for the period	20,999	25,199	(4,200)	-16.7%
Total liabilities and equity	4,318,401	4,702,898	(384,497)	-8.2%

Wholesale funding, which makes up about 26% of the total (30% at 31 December 2024), decreased in absolute terms compared to the end of 2024, due to the lower use of repurchase agreements to fund the securities portfolio.

Due to banks (€,000)	30.09.2025	31.12.2024	€ Change	% Change
Due to Central banks	-	-	-	n.a.
Due to banks	68,812	127,257	(58,445)	-45.9%
Current accounts with other banks	1,157	17,900	(16,743)	-93.5%
Deposits with banks (repurchase agreements)	27,655	62,432	(34,777)	-55.7%
Financing from other banks	40,000	46,925	(6,925)	-14.8%
Total	68,812	127,257	(58,445)	-45.9%

The item "Due to banks" decreased by 45.9%, compared to 31 December 2024, due to decreased funding from other banks.

Due to customers (€,000)	30.09.2025	31.12.2024	€ Change	% Change
Term deposits	2,438,074	2,565,354	(127,280)	-5.0%
Financing (repurchase agreements)	665,461	819,999	(154,538)	-18.8%
Financing - other	37,190	47,744	(10,554)	-22.1%
Customer current accounts	290,675	288,186	2,489	0.9%
Due to assignors	26,673	34,470	(7,797)	-22.6%
Other payables	9,123	5,642	3,481	61.7%
Total	3,467,196	3,761,395	(294,199)	-7.8%

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 (-5.0%), reflecting net negative funding (net of interest accrued) of € 135 million; gross funding from the beginning of the year were € 1.143 million.

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

Bonds issued (€,000)	30.09.2025	31.12.2024	€ Change	% Change
Bond - AT1	45,500	45,500	-	0.0%
Bond - Tier II	-	-	-	n.a.
Bonds - other	191,933	220,931	(28,998)	-13.1%

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 provision for risks and charges of € 39.4 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 € 4.9 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 € 21.9 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 € 10.2 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	16,212	306,132
Assumption of value of investments	-	(46,990)
Consolidated profit (loss)/equity	5,661	80,460
Gain (loss) on equity investments	963	-
Adjustment to profit (loss) from discontinued operations	-	-
Equity attributable to the owners of the parent	22,836	339,602
Equity attributable to non-controlling interests	(1,837)	(16,418)
Profit (loss)/equity of the Group	20,999	323,184

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	30.09.2025 Transitional	31.12.2024 Transitional	30.09.2025 Fully loaded	31.12.2024 Fully loaded
Common Equity Tier 1 (CET1)	230,037	216,460	231,878	214,759
ADDITIONAL TIER 1	45,500	45,500	45,500	45,500
Tier 1 capital (T1)	275,537	261,960	277,378	260,259
TIER2	731	396	731	396
Total Own Funds (TC)	276,268	262,356	278,109	260,655
Total risk-weighted assets	1,662,480	1,631,744	1,662,480	1,631,744
of which, credit risk	1,452,842	1,420,666	1,452,842	1,420,666
of which, market risk	6,399	8,241	6,399	8,241
of which, operational risk	203,239	202,837	203,239	202,837
Ratio - CET1	13.8%	13.3%	13.9%	13.2%
Ratio - T1	16.6%	16.1%	16.7%	15.9%
Ratio - TCR	16.6%	16.1%	16.7%	16.0%

The total "fully loaded" own funds at 30 September 2025 amount to € 276 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. Receivables past due at 30 September 2025 also include collateralised loans that have been considered "past-due" as indicated above for more than 90 days.

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 30 September 2025 are the following:

- CET1 ratio of 10.21%;
- TIER1 ratio of 11.71%;
- Total Capital Ratio of 13.71%.

These ratios include the Combined Buffer Requirement (CBR), i.e. 2.5% for the capital conservation buffer (CCB), 0.03% for the countercyclical capital buffer (CCyB) and 0.78% for the systemic risk buffer (SyRB), for a total buffer as at 30 September 2025 of 3.31%.

With regard to the SyRB, the calculation base as of 31 December 2024 is 0.5% of the RWA referring to credit and counterparty risk towards residents in Italy. This percentage was increased to 1.00% from 30 June 2025.

At 30 September 2025, the LCR stood at 1.435%, compared to 1.172% at 31 December 2024.

The reconciliation of equity and CET1 is provided below:

	30.09.2025	31.12.2024
Share capital	9,651	9,651
Equity instruments	45,500	45,500
Income-related and share premium reserve	239,353	215,740
Treasury shares (-)	-	(102)
Valuation reserves	7,681	4,112
Profit	20,999	25,199
Equity attributable to the owners of the parent	323,184	300,100
Dividends distributed and other foreseeable expenses	-	-
Equity assuming dividends are distributed to shareholders	323,184	300,100
Regulatory adjustments	(62,093)	(51,458)
Eligible equity attributable to non-controlling interests	14,446	13,318
Equity instruments not eligible for inclusion in CET1	(45,500)	(45,500)
Common Equity Tier 1 (CET1)	230,037	216,460

OTHER INFORMATION

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

On 14 October 2025, Banca Sistema informed the public that, as announced by Banca CF+ on 13 October, the European Commission had notified Banca CF+ of its antitrust authorisation for the voluntary IPO for all ordinary shares in Banca Sistema launched by Banca CF+. The authorisation constitutes a necessary condition for the completion of the IPO.

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 trend observed in terms of cost of funding is consolidating in the last part of the year, as are the actions taken in the second quarter to reduce capital absorption have already managed to offset 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 Bank's current capital reserves, together with the completion of securitisation transactions already initiated and to be initiated with SRT effects, will enable the Bank to increase its factoring operations with a limited absorption of capital.

Milan, 7 November 2025

On behalf of the Board of Directors

The Chairperson

Luitgard Spögler

The CEO

Gianluca Garbi

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

(Amounts in thousands of Euro)

Assets		30.09.2025	31.12.2024
10.	Cash and cash equivalents	261,285	93,437
20.	Financial assets measured at fair value through profit&loss	928	-
30.	Financial assets measured at fair value through other comprehensive income	930,417	1,147,197
40.	Financial assets measured at amortised cost	2,652,302	2,873,051
	a) loans and receivables with banks	141	23,024
	b) loans and receivables with customers	2,652,161	2,850,027
50.	Hedging derivatives	-	-
60.	Changes in fair value of portfolio hedged items (+/-)	2,703	3,557
70.	Equity investments	967	984
90.	Property and equipment	54,012	53,433
100.	Intangible assets	47,502	47,233
	of which:		
	goodwill	43,990	45,075
110.	Tax assets	11,894	13,415
	a) current	12	1,758
	b) deferred	11,882	11,657
130.	Other assets	356,391	470,591
	Total Assets	4,318,401	4,702,898

Liabilities and equity		30.09.2025	31.12.2024
10.	Financial liabilities measured at amortised cost	3,727,941	4,109,583
so banche	a) due to banks	68,812	127,257
	b) due to customers	3,467,196	3,761,395
ircolazione	c) securities issued	191,933	220,931
30	Financial liabilities designated at fair value	1,466	-
40.	Hedging derivatives	2,672	3,561
60.	Tax liabilities	35,556	31,809
	a) current	4,500	1,659
	b) deferred	31,056	30,150
80.	Other liabilities	166,322	196,583
90.	Post-employment benefits	5,444	5,215
100.	Provisions for risks and charges:	39,398	41,470
	a) commitments and guarantees issued	8	28
per rischi	c) other provisions for risks and charges	39,390	41,442
120.	Valuation reserves	7,681	4,112
140.	Equity instruments	45,500	45,500
150.	Reserves	200,253	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 (+/-)	16,418	14,577
200.	Profit for the period/year	20,999	25,199
Total liabilities and equity		4,318,401	4,702,898

INCOME STATEMENT

(Amounts in thousands of Euro)

		Third quarter of 2025	Third quarter of 2024
10.	Interest and similar income	136,567	143,555
	of which: interest income calculated with the effective interest method	129,306	132,862
20.	Interest and similar expense	(88,289)	(110,931)
30.	Net interest income	48,278	32,624
40.	Fee and commission income	33,499	36,422
50.	Fee and commission expense	(12,502)	(15,380)
60.	Net fee and commission income (expense)	20,997	21,042
70.	Dividends and similar income	227	227
80.	Net trading income (expense)	23,147	23,948
90.	Net gains (losses) on hedge accounting	31	(7)
100.	Gain (loss) from sales or repurchases of:	13,509	7,116
	a) financial assets measured at amortised cost	4,856	4,622
	b) financial assets measured at fair value through other comprehensive income	8,628	2,494
	c) financial liabilities	25	-
110.	Net result of financial assets and liabilities designated at fair value through P&L	(30)	-
110a	a) Financial assets and liabilities designated at fair value	(30)	-
120.	Total income	106,159	84,950
130.	Net impairment losses/gains on:	(8,128)	(4,842)
	a) financial assets measured at amortised cost	(8,197)	(4,654)
	b) financial assets measured at fair value through other comprehensive income	69	(188)
140.	Gains/losses from contract amendments without derecognition	1	(102)
150.	Net financial income (expense)	98,032	80,006
190.	Administrative expenses	(56,364)	(50,364)
	a) personnel expense	(24,844)	(24,862)
	b) other administrative expenses	(31,520)	(25,502)
200.	Net accruals to provisions for risks and charges	(5,077)	(2,806)
	a) commitments and guarantees issued	21	(3)
	b) other net accruals	(5,098)	(2,803)
210.	Net impairment losses on property and equipment	(2,225)	(1,867)
220.	Net impairment losses on intangible assets	(985)	(484)
230.	Other operating income (expense)	1,709	(3,413)
240.	Operating costs	(62,942)	(58,934)
250.	Gains (losses) on equity investments	172	(28)
280.	Gains (losses) on sales of investments	-	-
290.	Pre-tax profit (loss) from continuing operations	35,262	21,044
300.	Income taxes	(12,426)	(7,897)
310.	Post-tax profit from continuing operations	22,836	13,147
320.	Post-tax profit (loss) from discontinued operations	-	-
330.	Profit for the period	22,836	13,147
340.	Profit (Loss) for the period attributable to non-controlling interests	(1,837)	(838)
350.	Profit for the period attributable to the owners of the parent	20,999	12,309

STATEMENT OF COMPREHENSIVE INCOME

(Amounts in thousands of Euro)

		Third quarter of 2025	Third quarter of 2024
10.	Profit (loss) for the period	20,999	12,309
	Items, net of tax, that will not be reclassified subsequently to profit or loss	-	-
60.	Tangible assets	-	-
70.	Defined benefit plans	(64)	(143)
	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	3,633	9,241
170.	Total other comprehensive income (expense), net of income tax	3,569	9,098
180.	Comprehensive income (Items 10+170)	24,568	21,407
190.	Comprehensive income attributable to non-controlling interests	-	-
200.	Comprehensive income attributable to the owners of the parent	24,568	21,407

STATEMENT OF CHANGES IN EQUITY AT 30/09/2025

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 30.09.2025	Equity attributable to non-controlling interests at 30.09.2025
					Changes in reserves	Transactions on equity					Comprehensive income for Third quarter of 2025		
			Reserves	Dividends and other allocations		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		(1,586)								200,253
a) income-related	176,542	176,542	25,199		736							-	202,477
b) other	98	98			(2,322)								(2,224)
Valuation reserves	4,112	4,112									3,569		7,681
Equity instruments	45,500	45,500											45,500
Treasury shares	(102)	(102)					102						
Profit (loss) for the year	25,199	25,199	(25,199)								20,999		20,999
Equity attributable to the owners of the parent	300,100	300,100			(1,586)	102					24,568		323,184
Equity attributable to non-controlling interests	14,577	14,577									1,841		16,418

STATEMENT OF CHANGES IN EQUITY AT 30/09/2024

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 30.09.2024	Equity attributable to non-controlling interests at 30.09.2024
					Changes in reserves	Transactions on equity					Comprehensive income for Third quarter of 2024		
			Reserves	Dividends and other allocations		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		(2,341)								177,608
a) income-related	167,361	167,361	11,282		(2,385)							-	176,258
b) other	1,306	1,306			44								1,350
Valuation reserves	(12,353)	(12,353)									9,098		(3,255)
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)							12,309		12,309
Equity attributable to the owners of the parent	266,716	266,716	(5,224)	(2,341)	253						21,407		280,811
Equity attributable to non-controlling interests	10,633	10,633									3,962		14,595

STATEMENT OF CASH FLOWS (INDIRECT METHOD)

Amounts in thousands of Euro

	Amount Third quarter of 2025	Third quarter of 2024
A. OPERATING ACTIVITIES		
1. Operations	(2,405,542)	86,484
Profit (loss) for the year (+/-)	20,999	12,309
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 (+/-)	8,128	4,654
Net impairment losses/gains on property and equipment and intangible assets (+/-)	3,210	2,351
Net accruals to provisions for risks and charges and other costs/income (+/-)	5,077	2,806
Taxes, duties and tax assets not yet paid (+/-)	(2,509,658)	6,977
Other adjustments (+/-)	66,702	57,387
2. Cash flows generated by (used for) financial assets	3,074,829	(330,221)
Financial assets held for trading		
Financial assets designated at fair value through profit or loss		
Other assets mandatorily measured at fair value through profit or loss	(928)	
Financial assets measured at fair value through other comprehensive income	220,349	(684,140)
Financial assets measured at amortised cost	221,193	522,928
Other assets	2,634,215	(169,009)
3. Cash flows generated by (used for) financial liabilities	(498,880)	109,653
Financial liabilities measured at amortised cost	(435,570)	98,271
Financial liabilities held for trading	(28,998)	
Financial liabilities designated at fair value through profit or loss	1,466	
Other liabilities	(35,778)	11,382
Net cash flows generated by (used for) operating activities	170,407	(134,084)
B. INVESTING ACTIVITIES		
1. Cash flows generated by	-	-
Sales of equity investments		
Dividends from equity investments		
Sales of property and equipment		
Sales of intangible assets		
Sales of entities and/or business units		
2. Cash flows used in	(2,661)	(950)
Purchases of equity investments		
Purchases of property and equipment	(2,365)	(234)
Purchases of intangible assets	(296)	(716)
Purchases of entities and/or business units		
Net cash flows generated by (used in) investing activities	(2,661)	(950)
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	167,848	(140,005)
Cash and cash equivalents at the beginning of the year	93,437	250,496
Total net cash flows for the year	167,848	(140,005)
Cash and cash equivalents: effect of change in exchange rates		
Cash and cash equivalents at the end of the period	261,285	110,491

ACCOUNTING POLICIES

ACCOUNTING POLICIES

STATEMENT OF COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

This interim consolidated financial report at 30 September 2025 was drawn up in accordance with art. 154-ter of Legislative Decree no. 58 of 24 February 1998 and Legislative Decree no. 38 of 28 February 2005, pursuant to the IFRS issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission, as established by Regulation (EC) no. 1606 of 19 July 2002, from which there were no derogations.

The interim consolidated financial report at 30 September 2025 comprises the statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and the notes to the interim consolidated financial report, and is accompanied by a Directors' Report on the performance, the financial results achieved and the financial position of the Banca Sistema Group.

Pursuant to the provisions of art. 5 of Legislative Decree no. 38/2005, the financial statements use the Euro as the currency for accounting purposes. If not expressly specified, amounts are expressed in thousands of euro.

This interim financial report has been drawn up in accordance with the specific financial reporting standards endorsed by the European Commission, as well as pursuant to the general assumptions laid down by the Framework for the preparation and presentation of financial statements issued by the IASB.

This interim consolidated financial report includes Banca Sistema S.p.A. and its direct or indirect subsidiaries and associates. Compared to 31 December 2024, the scope of consolidation has changed due to the liquidation of the investee Specialty Finance Trust Holdings Ltd on 13 February 2025.

This interim consolidated financial report at 30 September 2025 is accompanied by a statement by the manager in charge of financial reporting, pursuant to art. 154-bis of the Consolidated Law on Finance. The consolidated financial statements have been subject to review by BDO Italia S.p.A.

Events after the reporting date

After the reporting date of this interim financial report, there were no events worthy of mention in the Accounting Policies which would have had an impact on the financial position, operating results and cash flows of the Bank and Group.

For a description of significant events occurring after the end of the financial year, please refer to the information below.

Information on the main items of the consolidated financial statements

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 of € 12.3 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.

The accounting policies adopted for the drafting of the condensed interim consolidated financial statements, with reference to the classification, recognition, valuation and de-recognition criteria for the various assets and liabilities, like the guidelines for recognising costs and revenue, have remained unchanged compared with those adopted in the separate and consolidated financial statements at 31 December 2024, to which reference is made, except for the following:

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 trading liabilities are recognised at their fair value, with the result of the measurement recognised 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.

Other aspects

The interim consolidated financial report was approved on 7 November 2025 by the Board of Directors, which authorised its disclosure to the public in accordance with IAS 10.

STATEMENT OF THE MANAGER IN CHARGE OF FINANCIAL REPORTING

The undersigned, Alexander Muz, in his capacity as Manager in charge of financial reporting of Banca Sistema S.p.A., hereby states, having taken into account the provisions of art. 154-bis, paragraph 2, of Legislative Decree no. 58 of 24 February 1998, that the accounting information in this interim consolidated financial report at 30 September 2025 is consistent with the company documents, books and accounting records.

Milan, 7 November 2025

Alexander Muz

Manager in charge of financial reporting